

HOUSING SELECT COMMITTEE			
Report Title	Brockley PFI – Annual Review Report 2017/18		
Key Decision	No	Item No.	8
Ward	Brockley		
Contributors	Head of Strategic Housing		
Class		Date:	5 July 2018

1. Summary

- 1.1. The Brockley Private Finance Initiative (PFI) Project commenced in September 2007 and involved the refurbishment of 1,839 dwellings situated in the Brockley neighbourhood, of which 1,275 are currently tenanted, 556 are leasehold and 8 freehold dwellings.
- 1.2. The PFI project involves the refurbishment, management and maintenance of properties over 20 years.
- 1.3. The purpose of this report is to give a brief overview of the background of the Brockley PFI and the key achievements and progress that has been made during 2017/18.

2. Recommendation

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

3. Background

- 3.1. The Brockley PFI commenced on the 3rd September 2007. The contract for refurbishing and maintaining of the properties includes the provision for housing repair and maintenance, caretaking, cleaning, tenancy and estate management service for a period of 20 years.
- 3.2. The PFI Contract has an overarching agreement governing the refurbishment, operation and maintenance of the properties in Brockley. Sitting below the project agreement is an 'output specification,' which defines the requirements (or outputs) in connection with the repairs, works and housing management services provided throughout the contract.
- 3.3. Regenter B3 (RB3) is the special purpose vehicle delivering the Brockley PFI project. RB3 hold management agreements with two companies, Pinnacle and Rydons.
 - Housing management and estate services are delivered by Pinnacle.

- Repairs and Maintenance and continuing life cycle works are delivered by Rydon Maintenance.
- The initial refurbishment of the properties was carried out by Higgins.

4. Performance Indicators

4.1. Altogether there are 26 contractual Key Performance Indicators (KPIs), of which 19 are provided monthly and seven on an annual basis. The list of the KPIs and the current performance against those KPIs up until March 2018 is provided in Appendix 1.

5. Customer Satisfaction

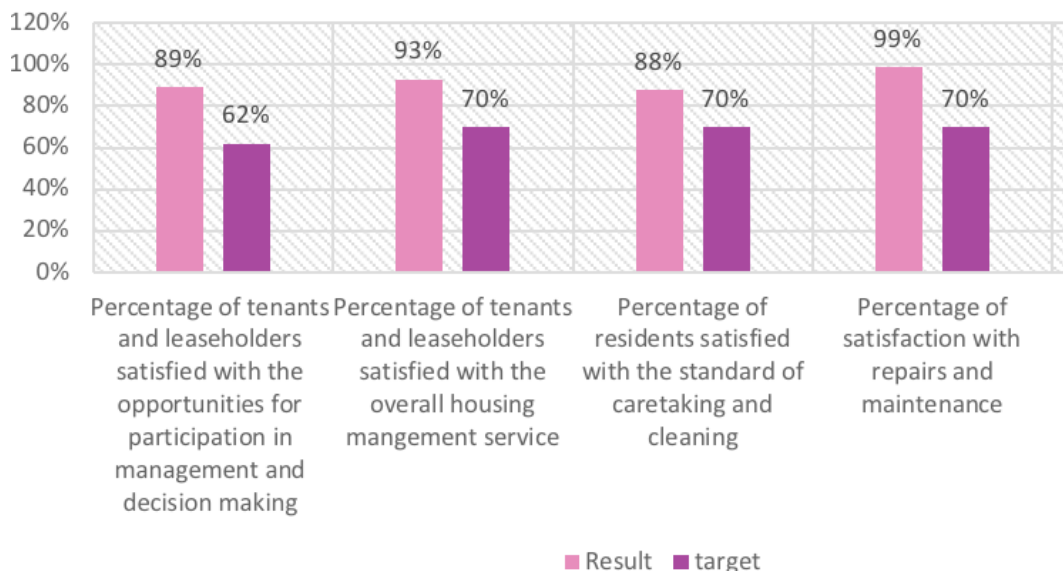
5.1. Customer satisfaction remains RB3's most important KPI. In 2017/2018 the Housing Management team achieved a satisfaction level of 93% with the overall service, exceeding the 70% target. This was based on a survey of 534 residents. Nearly 90% of tenants stated they were satisfied with opportunities to participate in the service, again significantly above target. The annual customer satisfaction surveys are carried out through a combination of face-to-face, telephone and postal surveys. All returns are available for audit purposes.

5.2. Satisfaction with the repairs and maintenance service remains high at 99%. The surveys were arbitrarily selected to the minimum of 500 specified for each contractual year based on follow up to individual repairs. These figures remain consistently high and customers continue to be satisfied with the overall repairs service.

5.3. Customers are asked to share feedback relating to the overall service and this is communicated when shared with supervisors, managers and partners to address their comments or make recommendations to the team for improvement

5.4. In 2018/19 a new methodology for repairs satisfaction will be considered to validate these high satisfaction levels reported through Rydons.

Customer Satisfaction 2017 - 2018



- 5.5. 2017/18 figures remain high, however there has been a slight drop in satisfaction since 2016/17. There has been a 4% fall in overall satisfaction with the service and a 6% drop with opportunities to participate in the service. Although performance is still significantly above target, these decreases have provided opportunity to further review the detail that sits behind the data. We have examined the slight decrease to analyse why this was the case.
- 5.6. Last year saw an increase in fire safety work. This resulted in more pro-active action to remove items in communal areas. Some residents said that they objected to the concept of zero tolerance approach in communal areas. Pinnacle continue to work with residents to explain the reasons why the communal areas need to be kept clear.
- 5.7. Pinnacle recognise that more residents are less satisfied with opportunities for participation and decision making. Although we have created new discussion forums such as focus groups, and more residents attend Brockley Resident Panel meetings, more needs to be done. Please see item 16 in this report for further information on how we plan to increase participation.

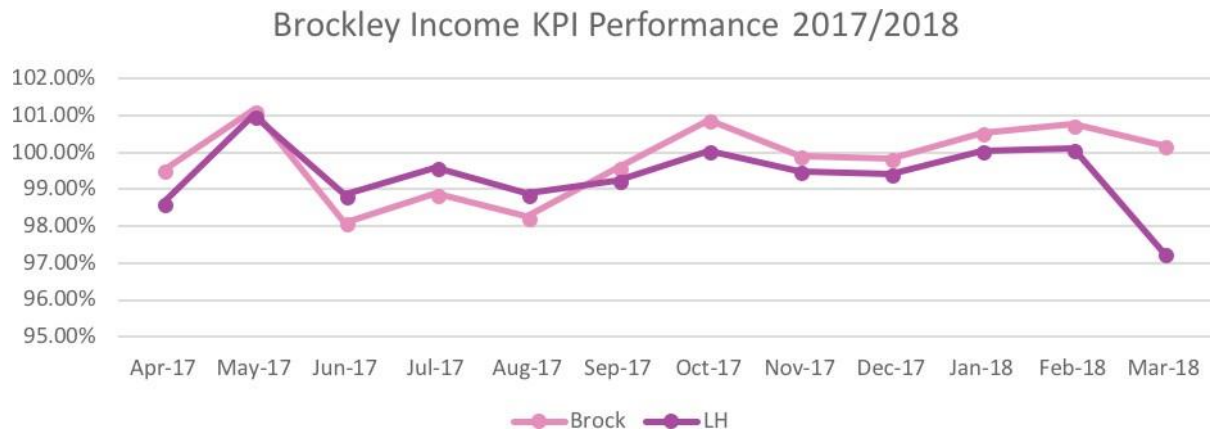
6. Customer Service

- 6.1. RB3 have seen a reduction in the number of complaints received. In 2017/18 RB3 received a total of 23 stage 1 complaints compared to 45 in 2016/17.

7. Tenancy Management

- 7.1. RB3 received 18 reports of anti-social behaviour (ASB) compared to 26 in the previous year. The majority of ASB cases we received related to noise nuisance, followed by neighbour disputes. All cases were recorded and managed in line with the local authority policy and procedures.
- 7.2. Mediation is promoted as a tool to resolve ASB issues. We use Crime Concern UK to provide mediation services between residents. We look for sustainable solutions when managing cases and have often found links with safeguarding, neglect and mental health.
- 7.3. Regular meetings are held with the local Safer Neighbourhood Team (SNT). The SNT attend our resident panel meetings and we have introduced a drop-in service for residents at our offices where they come in and speak to SNT officers in confidence. Our close working partnership with the SNT supports a joined-up approach to solving ASB cases. We attend local ward based resident SNT meetings and Local Assembly meetings.
- 7.4. There is high demand for public housing, and it is unacceptable that some tenants abuse their tenancy and profit from it by unlawfully sub-letting their property to someone else. We carry out robust auditing of tenanted properties to ensure that the correct people are living in them. RB3 are required to audit 20% of the tenanted properties in Brockley every year and we successfully completed our target in 2017/18. We worked closely with our colleagues from the council fraud team and recovered 4 properties.
- 7.5. The Brockley Income service KPI target is to exceed Lewisham homes income collection rate each month. The financial year 2017/2018 saw a marked improvement on previous yearly performance on this contract. This is

demonstrated in the monthly performance of the income service where Brockley met the Income KPI target for 9 out of the 12 months.



- 7.6. The summer months saw a fall in Brockley collection rate indicating a possible trend which will be monitored to note if summer holidays have a direct negative effect on collection rates.
- 7.7. Income performance has significantly improved against a backdrop of welfare reform. The challenges posed by welfare reform, particularly the roll out of universal credit and the reductions imposed on in work benefits affecting many working families in receipt of tax credits and partial housing benefit, are significant.
- 7.8. The continued and increased rollout of Universal Credit is highly likely to have an effect on collection rates due to the high percentage of tenants in receipt of some form of welfare benefit.
- 7.9. RB3 recognise that the roll out of Universal Credit is a very difficult transition for some of our most vulnerable residents. Where residents are identified as being on Universal Credit, the income team assist those residents negatively affected by any delays in payment, through referral to a debt advice project. RB3 also do not take legal action immediately in these cases. The aim is to prevent arrears and sustain tenancies.
- 7.10. RB3 continue to promote education regarding the change to Universal Credit. This will be a key focus this coming year; RB3 plan to deliver money budgeting classes to assist residents moving onto Universal Credit, and will conduct trend analysis of UC arrears to intervene early to ensure the affected tenant receives the necessary assistance and support to limit and prevent arrears cases.
- 7.11. Liaison with LBL teams like Housing Benefit, Social Services and mental health services require improvement. Improved joint working will help to achieve consistency in services and avoid evictions as we seek to sustain tenancies. We have strengthened our relationship with Lewisham Credit Union in a bid to look closely at financial exclusion and the effects on Brockley residents.

8. Leasehold Management

- 8.1. RB3 performed well throughout 2017/18. The target is to collect 90% of the service

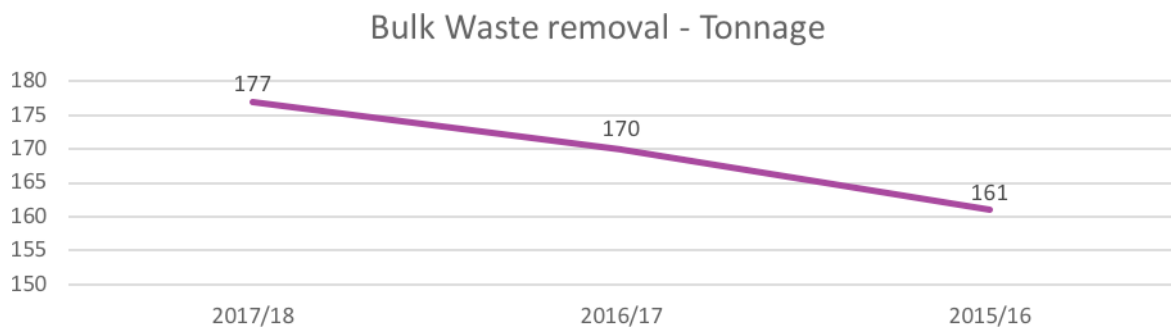
charge served for that financial year. RB3 collected 96% of service charges, exceeded the target by 6%.

- 8.2. Where leaseholders have historic balances, RB3 continually work to get an agreement to clear their outstanding balances. If we are unable to reach an agreement the cases are discussed with Lewisham Council and where necessary, referred to our legal team.
- 8.3. Any potential breach of lease brought to our attention was dealt with as a priority and action taken within time scales.
- 8.4. In historic major work cases where leaseholders have yet to pay works charges legal action is being taken to recover these debts through the County Court. All necessary action is taken to retrieve outstanding arrears including placing charges against properties if necessary.

9. Estate Management

- 9.1. RB3 survey results show that 88% of Brockley residents were satisfied with the caretaking and cleaning services. This is 18% above target.
- 9.2. Inspections of estates are carried out on a weekly, monthly and quarterly rota. Checks include the quality of cleaning, gardening and repairs in communal areas. In 2017/18 residents were invited to join estate inspections; 5 residents volunteered. RB3 plan to champion this involvement through recruiting new estate champions and inviting Councillors to quarterly estate inspections.
- 9.3. Grounds are maintained to a good standard. The crew continue to supply garden clearances to street properties with elderly and vulnerable tenants. Brockley is bordered by National rail embankments that still show signs of Japanese Knotweed infestation. Liaising with the National Rail Service assists in curtailing and monitoring the weed.
- 9.4. The Bulk waste team dispose of mattresses, white goods and hazardous white goods separately. Door to door surveys were carried out with the Local Authority Waste team. On these survey visits, information and guidance was provided to residents on correct ways to re-cycle and dispose of bulk waste on estates.

The team remove hazardous white goods on a quarterly basis via a registered external contractor.



10. Void Management

- 10.1. There was a total of 34 voids properties during 2017/18 with an average re-let time of 26.6 days. All properties are re-serviced and brought up to the contractual 'Decent Homes plus' standard by Rydon.

11. Asset Management

- 11.1. Properties within the Brockley PFI area were brought up to the Decent Homes standard when Higgins completed the refurbishment of properties. We are now in the management and maintenance phase of the contract.
- 11.2. Rydon has appointed an independent surveying consultant to survey all properties internally as well as externally. This will allow future lifecycle planning with more accuracy.
- 11.3. All external surveying is completed, and a programme of works is in the planning phase. Once complete this programme will be published and subject to resident consultation during 18/19.

12. Repairs and Maintenance

- 12.1. The repairs team remains a vital part of the day to day running of the Contract with a strong management involvement from Director level all the way through to the customer facing operatives on the front line of service delivery. The front-line service is delivered by a diverse team of operatives with years of experience and dedication to the PFI contract.
- 12.2. The responsive repairs and maintenance contract provides a wide range of works, to ensure the property assets are effectively managed and residents' homes are maintained.
- 12.3. Repairs are reported and recorded through our dedicated Contact Centre by the residents during office hours. 99% of repair appointments that were made were kept, which is significantly above our 95% KPI target. We have 8 Separate categories, listed below.
 - Category 1 - emergency out of hours
 - Category 2 -emergency normal
 - Category 3 - one day repair
 - Category 4 - three day repair
 - Category 5 - Twenty one day
 - Category 6 -126 days
 - Category 7- 7 day repair
 - Category 8- 10 day repair
- 12.4. Rydon also deliver free of charge works to vulnerable, frail, disabled and elderly residents including replacing light bulbs, replacing locks where residents have locked themselves out of their property and a PAT testing service during the winter period.

13. Lifecycle and planned works

- 13.1. Following a period of refurbishment by our partners Higgins Construction (years 1-4) there has been a lull in programmed replacement works with only reactive lifecycle works being undertaken.
- 13.2. As such Rydon commissioned the services of a respected surveying practice to undertake an assessment of properties both internally and externally to identify areas where investment works are required.

- 13.3. **Internal Work:** the programme of internal surveys has now been completed. Of the 1,295 number of tenanted dwellings on the PFI site we have gained access to survey 1140. Despite numerous documented attempts, which included the assistance of our Housing Management partner, defined in the no access protocol, we have not been able to access 155 (c.9%) dwellings to review the condition of internal components.
- 13.4. Although these properties are deemed to be 'Available' (up to standard) under the contract, Rydon will persist with our attempts to gain access where the opportunity presents itself. Where lifecycle works are required, they will be delivered through the programme or undertaken reactively.
- 13.5. For the homes that have been assessed, Rydon identified a programme of kitchen and bathroom replacement works, which were completed by December 2017. This first phase of works included 77 kitchens, 56 bathrooms and 19 separate WC's.
- 13.6. The second phase of the works commenced in May 2018 which include the replacement of 20 kitchen and bathrooms, 24 kitchens only and 15 bathrooms only. The survey results have also allowed Rydon to profile future internal replacement works, and we will continue to attempt to access those homes where we have not been able to do so already to ensure facilities are kept to a modern standard.
- 13.7. **External Work:** we have completed a programme of external surveys to 1830 properties in 534 physical buildings (blocks and houses).
- 13.8. This information has allowed us to prioritise areas where investment works are required, and Rydon have reviewed these surveys to rationalise, allocate and programme the works identified by the consultants over the next few years.
- 13.9. Rydon have programmed works to 165 buildings and completed works on 81 to date, both at low and high level. The works generally consist of paving, re-pointing, brickwork, concrete/stone restoration, rendering, window repairs/ replacement gutter and downpipes.
- 13.10. During contract year 11 which finished on the 31st May 2018 Rydon have undertaken the following items of lifecycle works on a reactive basis:
- 37 boiler renewals,
 - 60 bathroom renewals,
 - 70 kitchen renewals,
 - 4 major roof works,
 - 51 major external repair/renewals, and
 - 7 major window renewal works.
- 13.11. Moving forward Rydon anticipate a marked increase in lifecycle works, both planned and reactive, as the stock begins to show that it is some 10 years out of a refurbishment programme. We will be consistently reviewing elements throughout the remainder of the contract to ensure we are delivering correctly targeted investment work.
- 13.12. Safety inspections are carried out periodically, as set out in the following table:

Inspection Streams	Scope	Inspection Frequency
GAS SAFETY INSPECTION CP12	Statutory	Annually
PERIODIC TESTING (NICEIC)	H & S	5 Yearly
DRY RISERS	Statutory	Monthly
DRY RISERS	Statutory	Annually
EARTHING SYSTEM	H & S	3 Yearly
EMERGENCY LIGHTING NICEIC	Statutory	Monthly
EMERGENCY LIGHTING NICEIC	Statutory	Annually
FIRE ALARM TESTING	Statutory	Weekly
FIRE ALARM TESTING	Statutory	Quarterly
FIRE EXTINGUISHER	Statutory	Monthly
FIRE EXTINGUISHER	Statutory	Annually
LANDLORDS SUPPLY	H & S	5 Yearly
LATERAL MAINS	H & S	5 Yearly
LIFT INSPECTION INSURANCE	Statutory	6 Monthly
LIFT INSPECTION MAINTENANCE	H & S	Monthly
LIGHTING PROTECTION	H & S	Annually
PORTABLE APPLIANCE TESTING (PAT)	H & S	Annually
SWITCHGEAR AND LV DISTRIBUTION BOARDS	H & S	3 Yearly
WATER TANK HOUSING RISK ASSESSMENTS	Statutory	By-Annual
WATER TANK INSPECTIONS	Statutory	6 Monthly

14. CP12 – Gas safety Inspections

- 14.1. The Gas team certify 1270 properties in Brockley and each property requires a CP12 certificate every 12 months. The number of outstanding will differ each month dependant on our success gaining access. Outstanding certificates will be cold called at every opportunity and within a legal process to force entry, unless there are mitigating factors.
- 14.2. The CP12 process runs on a 10 month cycle and begins 2 months before the gas safety certificate is due to expire. This gives the team time to follow the process and make further attempts to complete the CP12 where necessary. In some cases, we will cold call a property a further 4-5 times where it has not been possible to gain entry. At the end of the fiscal year only 3 households had outstanding CP12 certificates outstanding and all three cases were currently with legal services, seeking access.
- 14.3. Our systems are undergoing an upgrade so the CP12 booking process will be automated, this will be in place and working by the end of this summer 2018 and will further increase our efficiency and compliance.

15. Fire Safety

- 15.1. The latest round of fire risk assessments were undertaken in June 2017, which identified a number of actions to be undertaken across the Brockley stock, including replacement front doors, electrical works and security works. Rydens will review the FRA's yearly to ensure compliance.

- 15.2. Rydons and Pinnacle continue to work with residents to ensure that fire exits and communal areas are consistently kept clear. Many of our residents understand the reasons why communal areas need to be clear and advocate this message to other residents. However, we continue to educate residents alongside spot checks and estate inspections to identify combustible items.
- 15.3. Works identified through the FRAs have all been procured and have either been completed or are currently underway.

16. Resident Involvement

- 16.1. The RB3 Residents Panel represents all residents in the PFI area and is the forum where discussion and consultation take place. We provide and promote a range of opportunities for Tenants and Leaseholders to comment on services. Dates for these meetings are highlighted in our Newsletter and on the website.

At each meeting experts in their field are invited to attend to make presentations and consult on wider issues.

In 2017/18 we introduced new Focus Groups, whereby residents can focus on key issues that are important to them. We asked key service providers from the Council to attend Dog fouling and re-cycling focus group meetings to ensure that decisions are made in a co-productive way with residents. This has resulted in LBL deciding to pilot a new re-cycling initiative on some Brockley estates. The pilot will start in the summer of 2018.

- 16.2. In 2018-2019 we plan to develop a parking management resident consultation program and produce a feasibility study which would look at CPZ areas on main roads and the impact it has on estates.
- 16.3. We also introduced an Action List spreadsheet at Panel meetings, so that residents can hold us to account in relation to following up on the actions we agreed at each meeting. We plan to work with the residents' panel to co-produce several new initiatives including a digital inclusion projects for residents, with access to free IT classes.
- 16.4. Brockley currently has 1 resident association and a resident member attends the Brockley Resident Panel. We have identified a group of residents who require support in establishing a new resident association and will work with them to ensure that they have the capacity and support required to deliver their service.
- 16.5. All leaseholders are kept informed of actions discussed at the Leasehold Forum meetings which are held 3 times every year. For those who can't attend, we continue to send out the minutes of the meetings to every leaseholder.
- 16.6. Several initiatives took place during 2017/18, including local events, a staff volunteering initiative and delivery of cooking classes for Brockley residents
- 16.7. RB3 are always looking at ways to improve the quality of our residents' lives. As we move into 2018/19, we will continue to attend Local Assembly meetings and work with our partners and stakeholders to engage in local community activities.

Following a presentation by Lewisham speaking up at the Local Assembly, we invited them to deliver front line training to our staff relating to Hate Crime

affecting people with learning disabilities. The training was a huge success and was delivered by residents who had mental health and learning disabilities.

- 16.8. We have identified residents who would like to develop a resident association and believe there may be more residents who would like assistance and support. A key priority for 2018/19 is to increase resident participation and the number of resident associations. We will be proposing a strategy to the area forum later in the year with a number of options for residents to consider.

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.

- 19.2. The RB3 estate office at Endwell Road is Disability Discrimination Act compliant and includes access for wheelchairs, WC, parking and has a hearing loop system in place.

20. Crime & Disorder Implications

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

21. Environmental Implications

- 21.1. Any further works carried out by RB3 as part of the life cycle programme 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. Background documents and originator

- 22.1. There are no background documents to this report.
- 22.2. For additional information or questions please contact Rachel Dunn, Housing Policy & Partnership Manager, on 020 8314 6534.

Appendix 1

Our overall performance is measured through a series of key Performance Indicators (KPI's). The table below shows Regenter B3 performance for 2018/19, with the target met across all indicators.

KPI	Performance standard	Performance 2017/18	Target
MKPI 1	Percentage of applications registered or amended within ten working days	100%	95%
MKPI 2	Percentage of home visits undertaken within five working days of tenant requests	100%	95%
MKPI 3	Percentage of tenants attended to within 15 minutes of arrival at office	100%	100%
MKPI 4	Percentage of open office hours in the month	100%	100%
MKPI 5	Percentage of repair related telephone calls answered within 15 seconds	94.28%	92.5%
MKPI 6	Percentage of correspondence items responded to within 10 working days	100%	97%
MKPI 7	Number of occasions of failure to deal with a sustained breach of long lease	100%	1 or less
MKPI 8	Percentage of reactive actions identified through estate inspections completed within agreed timescale	100%	98%
MKPI 9	Percentage of External common parts achieving EPA Cleaning Standard A	100%	90%
MKPI 10	Percentage of Internal common parts achieving EPA Cleaning Standard A	100%	90%
MKPI 11	Percentage of grassed external areas maintained between 25mm and 60mm high	100%	85%
MKPI 12	Percentage of abandoned vehicles removed, accordance with Authority policy	100%	90%
MPKI 13	Percentage of graffiti removed within 4 working days of report	100%	95%
MPKI 14	Percentage of rents and service charges collected from tenants	100.19%	0.49% above LH
MKPI 15	Percentage of former tenant rents and arrears cases where the Authority's procedures for recovery have been followed	100%	95%
MKPI 16	Percentage of responses to requests for information from the Authorities Housing Benefit officer responded to after 7 working days	100%	99%
MKPI 17	Percentage of responsive repairs appointment made and kept	99.68%	97%
MKPI 18	Percentage Responsive repairs carried out within priority times	99.06%	95%

KPI	Performance standard	Performance 2017/18	Target
MKPI 19	Average time for letting a minor void dwelling	26 days	28 days
AKPI 1	Percentage of tenants and leaseholders satisfied with the opportunities for participation in management and decision making	89%	62%
AKPI 2	Number for tenancy audits undertaken	279	62%
AKPI 3	Percentage of tenants and leaseholders satisfied with the overall housing management service	93%	70%
AKPI 4	Percentage of Crime and Anti-social behaviour cases where action is recorded	100%	99%
AKPI 5	Percentage of residents satisfied with the standard of caretaking and cleaning	88%	70%
AKPI 6	Percentage of satisfaction with repairs and maintenance	99%	70%
AKPI 7	Percentage of safety certification for dwellings and common areas that are not overdue	99%	99%