

# Lewisham Homes Board Meeting

Tuesday 20th September 2011

6.30pm – 7.30pm

Holbeach House, Catford, SE6 4TW

**Members of the Lewisham Homes Board and Lewisham Homes officers are requested to attend this meeting**

## **Lewisham Homes Board**

### **Members**

Julia Cotton (Chair)

David Gannicott (Vice-Chair)

Aidan Vaughan

Chief May Agbakoba

Danielle Heath

John Paschoud

Lawrence Britton

Marion Nisbet

Nick Joslyn

Paul Bell

Sarah Smith

Terry James

Tim Fallon

## **Lewisham Homes Officers**

Andrew Potter – Chief Executive

Mark Agnew – Director of Property Services

Adam Barrett – Director of Resources

Kevin Jones – Director of Housing

Hilary Barber – Head of Service Development

Mike Sims – Head of Governance

Nicola Clarke – Governance Manager

## **London Borough of Lewisham**

Janet Senior – Exec Director for Resources

Malcolm Smith - Interim Exec Director for Customer Services

Between 5.30pm-6.30pm Board members can meet the Chief Executive and Head of Governance to discuss reports in advance of the meeting. If you would like to attend, please contact Nicola Clarke.

### **For more information please contact:**

Nicola Clarke

Governance Manager

Lewisham Homes

Holbeach House, 9 Holbeach Road, Catford, London, SE6 4TW

E:[nicola.clarke@lewishamhomes.org.uk](mailto:nicola.clarke@lewishamhomes.org.uk)



# LEWISHAM HOMES BOARD MEETING AGENDA

Tuesday 20<sup>th</sup> September 2011, starting at 6.30pm  
Holbeach House, 9 Holbeach Road, SE6 4TW

## Part A - Open items

	Item	Page	Report type	
1	Welcome and introductions	verbal	Information	<b>Chair</b>
2	Questions from members of the public	verbal	Decision	<b>Chair</b>
3	Apologies for absence	verbal	Information	<b>Chair</b>
4	Declaration of interests	verbal	Information	<b>Chair</b>
5	Minutes of last meeting 26 <sup>th</sup> July 2011 and matters arising	4	Decision	<b>Chair</b>
6	Chairs Actions	verbal	Decision	<b>Chair</b>
7	Chief Executive Update	13	Information	<b>Andrew Potter</b>
8	Board Forward Plan	15	Decision	<b>Mike Sims</b>
9	Capital Monitoring	18	Monitoring	<b>Mark Agnew</b>
10	Business Plan 2010/11 and KPI Performance	25	Monitoring	<b>Hilary Barber</b>
11	Financial Monitoring	47	Monitoring	<b>Adam Barrett</b>
<b>Part A - Information Items</b>				
1	Board Members Enquiries	65	Information	<b>Mike Sims</b>
2	Kier Major Works Letter	67	Information	<b>Mark Agnew</b>

**Part B – Exempt Items**

<b>1</b>	Exempt Minutes of Meeting 26 <sup>th</sup> July 2011 and matters arising	69	Decision	<b>Chair</b>
<b>2</b>	Voids Service Review Action Plan	72	Information	<b>Mark Agnew</b>
<b>3</b>	Data Stick Update	77	Information	<b>Adam Barrett</b>
<b>4</b>	Audit Committee Self Assessment and Action Plan	85	Information	<b>Terry James</b>
<b>5</b>	Minutes of Audit Committee 5 <sup>th</sup> July 2011	106	Information	<b>Terry James</b>
<b>6</b>	Minutes of Scrutiny Committee 19 <sup>th</sup> July 2011	112	Information	<b>Nick Joslyn</b>
<b>7</b>	Minutes of Remuneration Committee 19 <sup>th</sup> July 2011	116	Information	<b>David Gannicott</b>

# LEWISHAM HOMES

Minutes of the Lewisham Homes Board meeting  
held on Tuesday 26<sup>th</sup> July 2011, Holbeach House, Catford

## **Present**

### **Board**

Julia Cotton (Chair)  
David Gannicott (V. Chair)  
Chief May Agbakoba  
Danielle Heath  
Lawrence Britton  
Marion Nisbet  
  
Paul Bell  
Terry James  
Tim Fallon

## **Apologies**

### **Board**

Aidan Vaughan  
John Paschoud  
Sarah Smith

### **No Apologies**

### **Lewisham**

Hilary Barber (Head of Service  
Development)

### **Homes Officers**

### **LBL**

Malcolm Smith (Interim Executive  
Director for Customer Services)

## **Lewisham**

Andrew Potter (Chief Executive)

## **Homes**

## **Officers**

Adam Barrett (Director of Resources and Company Secretary)  
Kevin Jones (Director of Housing Services)  
Mark Agnew (Director of Property Services)  
Mike Sims (Head of Governance)  
Nicola Clarke (Governance Manager)

## **LBL**

Genevieve Macklin (Head of Strategic Housing)

## **In**

## **Attendance**

*Lewisham Homes is a trading name of Lewisham Homes Limited  
Registered Office Holbeach Housing Office, 9 Holbeach Road, Catford, London SE6 4TW  
E: lewishamhomes@lewisham.gov.uk W: www.lewishamhomes.org.uk  
Registered in London No: 05887410*

	<b>PART A – BOARD MEETING</b>	<b>Action</b>
<b>1</b>	<b>Welcome and Introductions</b> The Chair opened the meeting at 6.40pm and welcomed everyone to the meeting.	
<b>2</b>	<b>Apologies for Absence</b>	
<b>2.1</b>	The Chair gave apologies for Aidan Vaughan, John Paschoud, Sarah Smith (Board Directors) and Hilary Barber (Staff).	
<b>3</b>	<b>Declarations of Interest</b>	
<b>3.1</b>	David Gannicott declared a general interest in respect of him now working for The Pinnacle Group which includes Regenter the PFI vehicle. He will not take place in any Board discussion or decision relating to the Pinnacle Group.	
<b>4</b>	<b>Minutes of meeting 24<sup>th</sup> May 2011 and Matters Arising</b>	
<b>4.1</b>	<b>Accuracy</b>	
<b>4.1.1</b>	None	
<b>4.2</b>	<b>Matters Arising</b>	
<b>4.2.1</b>	None	
	<b><u>Decision</u></b> The minutes were recorded as an accurate record of the meeting.	
<b>5</b>	<b>Chairs Actions and Questions from Members of the Public</b>	
<b>5.1</b>	There were no questions received from the public.	
<b>5.2</b>	The Chair made the following announcements to Board: <ul style="list-style-type: none"> <li>London and Southern ALMO's Board Networking Event to be hosted by Enfield Homes. This event will take place on Saturday 17th September 2011(10.00am to 2.00pm). Any Board Members interested in attending were requested to contact the Governance Team.</li> </ul>	
<b>6</b>	<b>Localism Bill</b>	
<b>6.1</b>	The Head of Strategic Housing introduced a presentation for information updating Board on the proposed changes to the Housing and Welfare Reform.	
	<b><u>Decision</u></b> Board noted the contents of the presentation.	

<p><b>7</b></p> <p><b>7.1</b></p> <p><b>7.2</b></p> <p><b>7.3</b></p>	<p><b>Chief Executive Update</b></p> <p>The Chief Executive introduced an update report for information.</p> <p>Board noted that the Lewisham Homes Mayor and Cabinet Report was presented at the 6<sup>th</sup> July meeting to approve the business plan, and constitutional amendments. However, item relating to the ability to trade and setting the strategic direction for the future were not included. The Head of Strategic Housing advised Board that the decision to remove ability to trade was the result of legal issues surrounding tendering of new contracts, and at the time of the report the legal advise was incomplete. The Head of Strategic Housing assured Board that she would confirm to the Chief Executive when the report was due to be presented at Mayor and Cabinet in the future.</p> <p>Board noted that discussions regarding the possible management of Excalibur TMO by Lewisham Homes (LH) was still on going. Board expressed concerns regarding direct interim management of the TMO and asked LBL to consider whether the Housing Association responsible for the re development of the TMO could be charged with its management.</p> <p><b><u>Decision</u></b> The report was noted.</p>	<p><b>The Head of Strategic Housing</b></p> <p><b>The Head of Strategic Housing</b></p>
<p><b>8</b></p> <p><b>8.1</b></p>	<p><b>Forward Plan</b></p> <p>Board noted the following changes to be made to the forward plan:</p> <ul style="list-style-type: none"> <li>• Sustainability Strategy will be reported at the December not September meeting.</li> <li>• Community Involvement Service Review will be reported at the January not September meeting.</li> <li>• Excalibur TMO transfer will be reported at a future Board meeting once a decision had been agreed.</li> </ul> <p><b><u>Decision</u></b> Board agreed the forward plan.</p>	<p><b>Head of Governance</b> <b>Head of Governance</b></p>
<p><b>9</b></p> <p><b>9.1</b></p> <p><b>9.2</b></p>	<p><b>ICT Service Review</b></p> <p>The Director of Resources introduced a report for decision outlining the recommendation of the ICT Service Review last year which stated that LH should in-source the ICT Infrastructure services provided by Capita SIS under its contract with the Council and should withdraw from the ICT SLA.</p> <p>Board agreed that it was feasible to pursue the option of a fully independent ICT Service and a decision on the future delivery of the Service should not be delayed by any pending decision on the future direction of LH. Having said that, the Board asked staff to revisit and reaffirm its cost calculation if the project was delayed.</p> <p><b><u>Decision</u></b></p>	<p><b>Director of Resources</b></p>

	<p>Board agreed subject to liaison with London Borough of Lewisham (LBL) regarding their concerns about the affordability of allowing Lewisham Homes to withdraw from the Service Level Agreement (SLA):</p> <ul style="list-style-type: none"> <li>• That LH gives notice to withdraw from the ICT SLA with effect from 1<sup>st</sup> April 2012.</li> <li>• That LH initiates a project to introduce its own ICT infrastructure and support arrangements at a Capital Investment of £555k.</li> </ul>	
<b>10</b>	<b>Future Options and Budget Report Strategy</b>	<b>Chief Executive</b>
<b>10.1</b>	The Chief Executive introduced a report for decision updating Board on the key options discussed at the Board Away Day in April 2011, and sets out the options available for achieving the Board's objectives.	
<b>10.2</b>	Board requested that a Co-Operative model be included in all future options reports.	
<b>10.3</b>	<p>Board noted that a balance to deliver Decent Homes within 5 years whilst increasing social housing supply would have to be considered going forward.</p> <p><b>Decision</b> Board agreed:</p> <ul style="list-style-type: none"> <li>• To recommend to LBL the evaluation of the options available to deliver the full decent homes programme, excellent services, increased housing supply and wider benefits to the Community.</li> <li>• To approve the approach to delivering the £5m of savings required by the model and authorise officers to adopt these principles in their negotiations with the Council.</li> </ul>	
<b>11</b>	<b>Scrutiny Committee – Terms of Reference, Forward Plan and Membership</b>	
<b>11.1</b>	The Head of Governance introduced a report for decision proposing the strategic direction and administration arrangements for the new Scrutiny Committee approved by Board at its meeting on 29 <sup>th</sup> March 2011.	
<b>11.2</b>	<p>Board noted at its meeting on 19<sup>th</sup> July, Scrutiny Committee had agreed to include quarterly Complaints Performance monitoring on the forward plan.</p> <p><b>Decision</b> Board agreed:</p> <ul style="list-style-type: none"> <li>• The Terms of Reference for Scrutiny Committee.</li> <li>• To include in the Board's Terms of Reference "to agree an annual work plan for the Scrutiny Committee".</li> <li>• The forward plan for Scrutiny Committee with the addition of complaints monitoring on a quarterly basis.</li> <li>• The membership of the Scrutiny Committee.</li> </ul>	
<b>12</b>	<b>Business Plan 2011/12 and KPI Performance</b>	
<b>12.1</b>	The Chief Executive introduced a report for decision setting out LH's performance as at 31 <sup>st</sup> May 2011 measured by the agreed KPI's for	



	organisation, providing assurances of how the Company complies with its Health and Safety obligations and the areas being addressed in 2011/12.	
14.2	Board requested that all Health and Safety issues (Legionella, Asbestos etc), not just fire safety be logged onto the new web based reporting system.	Director of Property Services
14.3	Board requested that an Action Plan rather than proposed activities for 2011/12 be forwarded before the next meeting.  <b><u>Decision</u></b> Board noted the report.	Director of Property Services
<b>15</b>	<b>Capital Programme Financial Monitoring</b>	
15.1	The Director of Property Services introduced a monitoring report providing an update on the LH capital programme for the 2011/12 financial year.	
15.2	Board noted that the 2011/12 programme currently contains a number of pre-tender estimates that will be adjusted accordingly when contract costs are determined following tender.	
15.3	Board noted that the Major Works Programme budget currently stands at £13.59m, with the May forecast indicating an overspend of £308,301. Board noted that this was within reasonable tolerances given the scale of the programme and the fact that a significant number of the project forecasts remain as pre tender estimates.	
15.4	Board noted that the Council is considering the request for the use of the 2011/12 brought forward balances in respect of Chrysalis properties that have transferred to London and Quadrant to be used on LH capital schemes.  <b><u>Decision</u></b> Board noted the report.	
<b>PART A – INFORMATION ITEMS</b>		<b>Action</b>
<b>1</b>	<b>Directors Enquiry System</b>  <b><u>Decision</u></b> Board noted the report.	
<b>2</b>	<b>Decent Homes Update</b>  <b><u>Decision</u></b> Board noted the report.	

There being no other business to conclude, the Vice Chair closed the meeting at 8.30pm.

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**Chair: Julia Cotton**

**Date**

The next Lewisham Homes Board Meeting will take place on **Tuesday 20<sup>th</sup> September 2011**, starting at **6.30pm** at **Holbeach House, Catford**.

	<b>PART A – BOARD MEETING MATTERS ARISING</b>	<b>DIRECTOR</b>	<b>RESPONSE</b>
<b>7</b>	<b>Chief Executive Update</b>		
7.2	The Head of Strategic Housing assured Board that she would confirm to the Chief Executive when the report was due to be presented at Mayor and Cabinet in the future.	Head of Strategic Housing	London Borough of Lewisham to provide a verbal update at the meeting.
7.3	Board expressed concerns regarding direct interim management of the TMO and asked LBL to consider whether the Housing Association responsible for the re development of the TMO could be charged with its management.	Head of Strategic Housing	London Borough of Lewisham to provide a verbal update at the meeting.
<b>9</b>	<b>ICT Service Review</b>		
<b>9.2</b>	Board agreed that it was feasible to pursue the option of a fully independent ICT Service and a decision on the future delivery of the Service should not be delayed by any pending decision on the future direction of LH. Having said that, the Board asked staff to revisit and reaffirm its cost calculation of the project to the Board.	Director of Resources	Council has requested assurances around the following areas:  1. How service quality to Council services will be assessed; 2. How roles and responsibilities around data protection issues will be established and how data protection responsibilities will be fulfilled under the new arrangements. A report is being prepared for the Council outlining how these issues will be addressed. Target date is the 30 <sup>th</sup> September 2011.
<b>10</b>	<b>Future Options and Budget Report Strategy</b>		
10.2	Board requested that a Co-Operative model be included in all future options reports.	CEO	This will be included in all future options reports.
<b>12</b>	<b>Business Plan 2011/12 and KPI Performance</b>		
12.3	Board requested that rent collection performance continues to be scrutinised at Scrutiny Committee.	Director of Housing	This has been included on the Committee forward plan.

12.4	Board requested that void and re-let performance continues to be scrutinised at Scrutiny Committee.	Director of Housing	This has been included on the Committee forward plan.
<b>14</b>	<b>Health and Safety Annual Assurance Report</b>		
14.2	Board requested that all Health and Safety issues (Legionella, Asbestos etc), not just fire safety be logged onto the new web based reporting system.	Director of Property Services	A new system is to be procured and has been set as a Corporate project which will be reflected within the Business Plan as soon as dates are known.
14.3	Board requested that an Action Plan rather than proposed activities for 2011/12 be forwarded before the next meeting.	Director of Property Services	The action plan was contained in the report presented to Board in appendix A

Committee	<b>Lewisham Homes Board</b>	Item No.	<b>7</b>
Report Title	<b>Chief Executive's Update</b>		
Report Of	<b>Chief Executive – Andrew Potter</b>		
Class	<b>Information</b>	Date	<b>20<sup>th</sup> September 2011</b>

**1. Purpose of the Report**

Update Board Members.

**2. Recommendation**

Note the report.

**3. Report**

This report will be presented at each Board meeting to provide summary information to Board Members on current activities within the business.

**Governance, Strategy and Finance**

**4. LBL Executive Director of Customer Services**

Council is seeking to make an appointment to this role in September 2011.

**5. Board Away day – Future for Lewisham Homes**

A decision has been made to postpone the October Away Day until such time as Lewisham Homes has a clearer direction on its future options.

**6. Audit Committee Self-Assessment**

This is complete and has been included on the agenda.

**7. Remuneration Committee Self Assessment**

This is currently in progress, and will be reported at the October Remuneration Committee meeting.

**8. Board Recruitment**

Interviews for Independent and Resident Board Directors were held on 8<sup>th</sup> September 2011.

**9. Board Succession 2011/12**

Chief May has advised the Chair that she will be standing down as a Board Director and her post will be filled during the current recruitments.

**10. Door Entry Equipment Maintenance 2011-16 Contract Award**

The decision was taken by the Director of Resources to award the contract to Cartel as per the contract award report.

**11. Marine Tower Fire**

The Enforcement Notice expired on 15 August 2011 and a joint visit was undertaken with London Fire Brigade and Lewisham Homes. No formal feedback has yet been received, however, we are of the opinion that all actions have been complied with. The works to the fire damaged floor will be completed by end October 2011.

**12. Maple House Fire**

There was a fire at Maple House on 19<sup>th</sup> August that damaged three flats. We understand the fire was started by accident and there was no injuries. The London Fire Brigade undertook an audit but no formal feedback has been received to date.

**13. Lethbridge Close**

There was a fire at Lethbridge Close on 18<sup>th</sup> August 2011. There was no injuries. The London Fire Brigade undertook an audit but no formal feedback has been received to date.

**14. Heathside & Lethbridge Interim Improvement Works.**

Works have started on site.

**15. Fire Safety Policy**

GLG has issued new draft guidance for consultation on Fire Safety and we will be reviewing our Policy to incorporate the new guidance once its finalised.

**16. Bribery Act 2010**

This is now law and comes into force July 2011, Audit Committee received a presentation on the updates to the Act at their meeting on 5<sup>th</sup> July 2011.

**17. Data Stick**

This matter has now been concluded with the Information Commissioners and an undertaking has been signed agreeing action to further improve security. The Undertaking is attached for information and will be included on the Scrutiny Committee agenda to assess progress.

**If you require any further information on this report please contact Andrew Potter on 0208 613 7696 or [andrew.potter@lewishamhomes.org.uk](mailto:andrew.potter@lewishamhomes.org.uk)**

**Lewisham Homes Board  
Forward Plan 2011-12**

**1<sup>st</sup> December 2011**

<b>Report Title</b>	<b>Presenter</b>	<b>Status</b>
<b>Meeting items</b>		
Election of Chair and Vice Chair	Mike Sims	Decision
Decent Homes Training	Verbal	Information
Minutes of meeting 20 <sup>th</sup> September 2011 & matters arising	Chair	Decision
Questions from Members of Public	Chair	Decision
Chairs Actions	Chair	Decision
Chief Executive Update	Andrew Potter	Information
Board Forward Plan	Mike Sims	Decision
Appointments of Board Members to Committees	Mike Sims	Decision
Sustainability Strategy	Mark Agnew	Decision
Risk Strategy (Annual Update)	Adam Barrett	Decision
Procurement Strategy (Annual Update)	Mark Agnew	Decision
Fire Safety Policy	Mark Agnew	Decision
Estate Services and Caretaking Service Review	Mark Agnew	Decision
Business Plan 2010/11 and KPI Performance	Hilary Barber	Monitoring
Financial Monitoring 2011/12	Adam Barrett	Monitoring
Capital Programme Monitoring	Mark Agnew	Monitoring
<b>Information Items</b>		
Board Members Enquiries	Mike Sims	Information
Annual Independent Adjudicator Report	Hilary Barber	Information
Garage Service Review	Kevin Jones	Information
<b>Exempt items</b>		
Exempt Minutes 20 <sup>th</sup> September 2011	Chair	Decision
Communal Boiler Maintenance 2012-17	Mark Agnew	Decision
Legal Services Contract Award	Mike Sims	Decision
Away Day notes and actions	Mike Sims	Information
Minutes of Audit Committee 6 <sup>th</sup> September 2011	Terry James	Information
Minutes of Scrutiny Committee 27 <sup>th</sup> September 2011	Nick Joslyn	Information
Minutes of Remuneration Committee 20 <sup>th</sup> October 2011	David Gannicott	Information
Minutes of Scrutiny Committee 25 <sup>th</sup> October 2011	Nick Joslyn	Information

**31<sup>st</sup> January 2012**

<b>Report Title</b>	<b>Presenter</b>	<b>Status</b>
<b>Meeting items</b>		
Resident Business Plan	Residents	Information
Minutes of meeting 1 <sup>st</sup> December 2011 & matters arising	Chair	Decision
Questions from Members of Public	Chair	Decision
Chairs Actions	Chair	Decision
Chief Executive Update	Andrew Potter	Information
Board Forward Plan and proposed meeting dates for 2012/13	Mike Sims	Decision
Community Involvement Service Review	Adam Barrett	Decision
Excalibur Tenants Management Organisation Transfer	Hilary Barber	Decision
LHL Budget Strategy 2012/13	Adam Barrett	Decision
Financial Inclusion Strategy (Annual Update)	Adam Barrett	Decision
Business Plan 2010/11 and KPI Performance	Hilary Barber	Monitoring
Financial Monitoring 2011/12	Adam Barrett	Monitoring
Capital Programme Monitoring	Mark Agnew	Monitoring
<b>Information Items</b>		
Board Members Enquiries	Mike Sims	Information
<b>Exempt items</b>		
Exempt Minutes 1 <sup>st</sup> December 2011	Chair	Decision
Contract Awards	Mark Agnew	Decision
Finance Service Review	Adam Barrett	Information
Minutes of Scrutiny Committee 22 <sup>nd</sup> November 2011	Nick Joslyn	Information
Minutes of Scrutiny Committee 13 <sup>th</sup> December 2011	Nick Joslyn	Information

**27<sup>th</sup> March 2012**

<b>Report Title</b>	<b>Presenter</b>	<b>Status</b>
<b>Meeting items</b>		
Minutes of meeting 31 <sup>st</sup> January 2012 & matters arising	Chair	Decision
Questions from Members of Public	Chair	Decision
Chairs Actions	Chair	Decision
Chief Executive Update	Andrew Potter	Information
Board Forward Plan	Mike Sims	Decision
Business Plan 2012-2015	Hilary Barber	Decision
People Strategy (Annual Update)	Adam Barrett	Decision
ASB Strategy (Annual Update)	Hilary Barber	Decision
Communications Strategy (Annual Review)	Adam Barrett	Decision
Customer Care Strategy	Hilary Barber	Decision
Business Plan 2012/13 and KPI Performance	Hilary Barber	Monitoring
Capital Programme Monitoring	Mark Agnew	Monitoring
Financial Monitoring 2012/13	Adam Barrett	Monitoring
<b>Information Items</b>		
Board Members Enquiries	Mike Sims	Information
Staff Satisfaction Survey	Adam Barrett	Information
<b>Exempt items</b>		
Exempt Minutes 31 <sup>st</sup> January 2012	Chair	Decision
Contract Awards	Mark Agnew	Decision
Minutes of Audit Committee 17 <sup>th</sup> January 2012	Terry James	Information
Minutes of Remuneration Committee 24 <sup>th</sup> January 2012	David Gannicott	Information
Minutes of Scrutiny Committee 28 <sup>th</sup> February 2012	Nick Joslyn	Information

Meeting	<b>Lewisham Homes Board</b>	Item No.	<b>9</b>
Report Title	<b>Capital Programme Financial Monitoring</b>		
Report Of	<b>Director of Property Services</b>		
Class	<b>Monitoring</b>	Date	<b>20th September 2011</b>

## 1. Purpose of the Report

- 1.1 To provide an update to the Board on the Lewisham Homes (LH) capital programme for the 2011/2012 financial year and note a new scheme to be included in the 2011/2012 programme.

## 2. Recommendations

It is recommended that the Board:

- 2.1 Notes the monitoring to the end of July 2011, the resources and budgets available for 2011/12 including the current forecasted expenditure as identified within Appendix 1.
- 2.2 Notes the addition of one new scheme into the programme, Lucas Court, as outlined in Section 3.
- 2.3 Notes the potential addition of £3m Decent Homes resources, as outlined in Section 5, and the proposed allocation of these additional funds as described in Section 3.

## 3. Executive Summary

- 3.1 The capital programme resource for 2011/12 totals £27,446,000 as outlined within Table 1.
- 3.2 As detailed in Section 5, a further £3 million will potentially be made available to the 2011/2012 capital programme with an equal reduction in the funding earmarked for the 2012/2013 programme from £14.5m to £11.5m. Subject to confirmation, it is anticipated that this will be used on a door replacement programme for individual flats. The project will be delivered by the existing Major Works contractors and will contribute to decent homes, security and fire safety
- 3.3 Lucas Court is a new project requiring funds of £20,000 for inclusion in the 2011/12 programme. The monies are required to improve lighting, following a murder on the estate. It is in line with the Health and Safety priority in the programme and addresses residents' concerns over safety. The funds will be allocated from under spends elsewhere in the programme.

Implications approved	2 <sup>nd</sup> September 2011	
Report approved by Director	2 <sup>nd</sup> September 2011	
Report approved by CEO	6 <sup>th</sup> September 2011	

3.4 The current forecast is indicating an under spend of £276,628. This represents approximately 1% of the overall programme budget. The pre tender estimates will be received shortly and the Decent Homes works will be more clearly defined following the completion of surveys.

#### 4. Context

4.1 The 2011/12 Capital Programme resources total £27,446m. These have been allocated against specific projects, some of which are carried over from 2010/11. All of these schemes fall within the broader priority headings originally identified.

#### 5. 2011/2012 Capital Programme Resources

5.1 The potential resources currently available for 2011/12 remain as shown in the table below:

Table 1

<b>Resource</b>	<b>2011/2012</b>	<b>2012/2013</b>
	<b>£'000</b>	<b>£'000</b>
Lewisham Homes MRA	12,639	12,639
Under-spend 2010/2011	807	0
<b>Sub Total</b>	<b>13,446</b>	<b>12,639</b>
Decent Homes	11,000	14500
<b>Total Capital Resources</b>	<b>24,446</b>	<b>27,139</b>
Revenue Contribution -ExDecs	2,800	2,800
Garages - Revenue Contribution	200	0
<b>Total Revenue Contribution</b>	<b>3,000</b>	<b>2,800</b>
<b>Overall Total Resources</b>	<b>27,446</b>	<b>29,939</b>

5.2 The revenue allocations shown, whilst being treated as a contribution to capital, will nevertheless be monitored to ensure that the revenue allocation is not exceeded.

5.2.1 The total Decent Homes funding allocated to Lewisham Homes in 2011/13 is £25.5m, this is split as between 2011/2012 and 2012/2013 as set out in Table 1 above. The Homes and Communities Agency have asked whether Lewisham Homes will be interested in bringing forward up to £3m of our Decent Homes funding for 2012/2013, thereby increasing the 2011/2012 funding to £14m and decreasing the funding for 2012/2013 to £11.5m

5.2.2 Lewisham Homes has expressed an interest in bringing forward the additional £3m for use in 2011/2012. The Board will be updated in due course of any further decisions that are made in relation to this matter.

Implications approved	2 <sup>nd</sup> September 2011	
Report approved by Director	2 <sup>nd</sup> September 2011	
Report approved by CEO	6 <sup>th</sup> September 2011	

## 6. 2011/12 Capital Programme Position as at 31<sup>st</sup> July, 2011

- 6.1 Appendix 1 shows the programme's financial position as at 31<sup>st</sup> July, 2011 including the current forecast spend for the 2011/12 year. Actual expenditure and forecasts are updated monthly, reflecting progress in each scheme.
- 6.2 The programme spend to date is £3.687m out of an overall £27,446m programme. Appendix 1 shows the programme's financial position as at 31<sup>st</sup> July 2011.
- 6.3 The provisional budgetary allocations agreed by the Board in March 2011 have been updated to specifically identify the ring fenced Chrysalis retentions. The Chrysalis under spend was rolled over from last year for redistribution to other projects. Part of this (£76k) needs to be ring fenced for release of retentions on Chrysalis properties and to cover conversion works on a property transferred to Chrysalis.
- 6.4 Those schemes identified within Appendix 1 as "budget allocated" are based on pre tender estimates, awaiting works scoping or tender returns. These estimates will be adjusted when contract costs are determined.
- 6.5 No cost pressures have emerged to date for the 2011/12 Capital Programme.
- 6.6 The Major Works Programme started on site in July 2011 and surveys are underway. At the moment, the Major Works is reported as a single budget figure of £13.52 million. To increase transparency and aid control it is intended that, as the surveys and cash flows are completed, approved phases will be identified as individual projects. It is anticipated that there will be seven phases covering the current years expenditure and that there will be sufficient information to apportion individual budgets and report against them in the next Board report
- 6.6.1 In addition, a comprehensive electronic data base is being developed by one of the appointed consultants. The database will record and monitor detailed information on project activity and report the rate at which properties are being made decent.
- 6.7 Detailed information on the schemes can be found in the following Appendices:

**Appendix 1** – Expenditure (forecast and actual) by scheme 2011/12

**Appendix 2** – Commentary on individual scheme status 2011/12

**Appendix 3** – Risk monitoring guidance

Implications approved	2 <sup>nd</sup> September 2011	
Report approved by Director	2 <sup>nd</sup> September 2011	
Report approved by CEO	6 <sup>th</sup> September 2011	

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## Appendix 1 – 2011/12 Programme Monitoring

Scheme	Status	Time	Cost	Quality	Budget for	Total spend	Total forecast	Variance to
					year	to date	expenditur	budget for
					£	£	£	£
<b>Pre 2008 Schemes</b>					23,844	-	23,844	0
<b>2008 - 2011 Programme</b>								
<b>Structural &amp; Essential Works</b>					3,502,755	852,606	3,664,203	161,449
Long Term Voids	Practically co	G	G		54,474	64,419	103,323	48,849
Disrepair Properties.	In contract	G	G		100,000	50,000	100,000	0
Hughesfield Est. Security & Communal works	Practically co	G	G	G	6,821	0	6,821	0
Valentine & Pikethorne Struct. Repairs.	Practically co	G	G	G	14,362	0	14,362	0
Dartmouth Road - Renewal of Roof Covering	Practically co	G	G		2,550	0	2,550	0
Longfield Crescent - Concrete Repairs	Practically co	G	G		7,665	0	7,665	0
Magnolia House - Roof Renewal	Practically co	G	G		1,341	0	1,341	0
Bircham Path remedial works	Practically co	G	G		3,098	0	3,098	0
Planned schemes 2010-11	In contract	A	G		548,870	219,303	478,999	-69,871
Trinity fees and concrete repairs	Closed	G	G		43,951	13,286	45,955	2,004
Lethbridge Close	Pre-contract	G	R		640,000	0	747,040	107,040
Extensions/Deconversions - GRANT ALLOCATION	In contract	G	A		393,492	139,672	462,794	69,302
Voids Capital Works 2011-12	In contract	G	G		500,000	356,871	500,000	0
Brockley Mews investigative work	In contract	G	G		20,000	6,271	24,071	4,071
Repairs of a capital nature	In contract	G	G		200,000	2,784	202,784	2,784
Planned Schemes 2011-12	Budget Alloc	G	G		701,130	0	701,000	-130
Non-Slip floor Crossfield Estate	Budget Alloc	A	G		30,000	0	27,400	-2,600
Self closing doors Roseview Hollowcombe and Crof	Budget Alloc	G	G		35,000	0	35,000	0
Garage Door Replacements	Budget Alloc	G	G		200,000	0	200,000	0
<b>Decent Homes</b>					16,073,025	1,476,619	16,052,917	-20,108
Honor Oak (Phase 4) & (Phase5)	Closed	G	G	G	31,619	419	32,038	419
Mercator-Rawlinson House	Practically co	G	G	R	31,693	0	53,865	22,172
Hazel Grove	Closed	G	G	G	38,623	0	38,392	-231
ShelduckCrt,Guillemot Crt.	Practically co	G	G	G	1,004	0	1,004	0
Sayes Court - Various	Practically co	G	G		17,538	0	17,538	0
Sayes Court - Woodcote House	Practically co	G	G		1,477	0	1,477	0
Lanyard/ Argosy	Practically co	G	G	R	19,618	0	24,189	4,571
External works North	In contract	G	G		621,691	183,464	663,307	41,616
External works South	In contract	R	G		391,126	90,387	321,126	-70,000
Major Internal Works 2010-11	Practically co	A	G	A	1,267,193	1,202,349	1,248,538	-18,655
Retention Ex Decs 2009/10 and 2010/11		G	G		134,073	0	134,073	0
Major Works 2011-12	Budget Alloc	G	G		13,517,370	0	13,517,370	-0
<b>Mechanical &amp; Electrical</b>					6,617,940	1,346,906	6,200,347	-417,592
Replacement Domestic Boilers	In contract	G	G		2,000,000	1,085,581	2,000,000	0
Electrical Rising and Lateral Mains 2009-10	Practically co	G	G		5,550	0	5,550	0
Grafton House Lift replacement	Practically co	G	G		2,248	0	2,248	0
Evelyn Estate Lifts	Practically co	A	G		8,668	5,396	5,396	-3,273
Electrical Distribution Boards Baizdon Road	In contract	A	G		37,189	0	21,698	-15,491
Electrical Rising and Lateral Mains 2010-11	In contract	A	G		388,526	70,456	361,960	-26,566
Integrated Reception Installation 2010-2012	In contract	G	G		222,174	0	222,174	-0
Lifts Contract A	Practically co	G	G		103,609	28,528	107,565	3,956
Lifts Contract B	In contract	G	G		141,280	35,613	145,085	3,804
Lifts Contract C	In contract	G	G		148,007	102,501	166,146	18,139
Pepys Estate Fire Safety Improvements	Practically co	G	G		20,689	18,832	20,694	5
Fire Safety Works 2011-12	Budget Alloc	G	G		200,000	0	200,000	0
Security works against Pirate Radio	Budget Alloc	G	G		125,000	0	125,000	0
Fire alarm panels	Budget Alloc	G	G		25,000	0	25,000	0
Electrical Works - Replacement of Galvanised-Asb	Pre-contract	G	G		250,000	0	250,000	0
Upgrade of Fire Alarms	Budget Alloc	G	G		60,000	0	60,000	0
Electrical Rising Main Replacement	Pre-contract	G	G		400,000	0	400,000	0
Lift Works 2011-12	Pre-contract	R	G		2,480,000	0	2,081,832	-398,168
<b>Lewisham Homes, General Schemes</b>					1,152,547	10,756	1,152,171	-376
Tenants Panel Package (Resident Led Programme)	Practically co	G	G	G	14,664	833	14,664	0
Salaries for all years 2011-12		G	G		500,000	0	500,000	0
Improvements to Caretakers environment	Closed	G	G		3,913	1,232	3,890	-23
Residents' Business Plan Door Entry	Practically co	G	G		33,970	8,691	33,617	-353
Resident Led 2011-12	Budget Alloc	G	G		600,000	0	600,000	0
<b>Unallocated</b>					-0		0	0
<b>Lewisham Homes 2008-11 Programme</b>					27,346,266	3,686,888	27,069,638	-276,628
<b>Pre 2008 Schemes</b>					23,844	0	23,844	0
Chrysalis Retention	Practically co	G	G		75,890	0	75,890	-0
<b>Lewisham Homes Total &amp; Grants &amp; Pre 2008 Sc</b>					27,446,000	3,686,888	27,169,372	-276,628

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## **Appendix 2 - Status on individual schemes**

Below are details of schemes currently shown as at risk (shown red or amber on Appendix 1) where there is a forecast overspend in excess of £50k.

### **Cost Risks**

- **Lethbridge Close - Budget £640,000**
- **Current Forecast £747,000, Forecast Overspend £107,000**

Additional expenditure is forecasted due to the inclusion of emergency fire protection works within this scheme, which were not originally anticipated. An estimated £80,000 will be transferred from Lethbridge Close to Fire Safety Works, leaving the original scheme £27,000 overspent

- **Extensions and deconversions - Budget £393,000**
- **Current Forecast £462,000, Forecast Overspend £69,000**

Increased costs are anticipated due to the structural issues caused at Brownhill, the delay in decanting some tenants and the needs for additional security to prevent future squatting within the properties. Enhanced security costs are included in this month's forecast following a need to extend the security at Bishopsthorpe. Monies from the rolled over 10/11 Chrysalis budget have been ring fenced to pay for the additional Brownhill Road expenditure as this property will ultimately be transferred to L&Q,

### **Quality Risks: Changes from previous report**

Nil

### **Delivery Risks**

- **Resident Business Plan (door entry) and Water tanks**

The Resident Business Plan (door entry) was dependent upon residents identifying priorities and both these projects are subject to EU procurement rules requiring adverts in the European Journal. Adverts are running but the prescribed protocols means contracts cannot be let until December. The belief is that they can be delivered between January and March next year but there is a risk given the level of "back ending".

- **Major Works**

The initial surveys have indicated that the division of work between North and South is out of balance. Specifically, the investment per property on the initial phases in the South is relatively low. As a result, the number of properties that need to be accessed is substantially higher than anticipated. If this pattern persists it, will inevitably put pressure on the South to deliver the required spend level.

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- **Major Works: Door Replacement**

Any additional funds allocated at this stage of the year need to focus on readily implementable projects without leaseholder involvement. The potential allocation of the additional £3 million to door replacement meets this requirement but, given the scale of the programme, it must be highlighted as a delivery risk if the allocation is confirmed.

### **Appendix 3 - Risk Monitoring Guidance**

	<b>GREEN</b>	<b>AMBER</b>	<b>RED</b>
<b>TIME</b> (Monitors delivery within the year)	On programme to spend within the year	Delayed to the extent that up to £50k is rolled into subsequent year	Delayed to the extent that over £50k is rolled into subsequent year
<b>COST</b> (Monitors expenditure against approved annual budget)	Within 5% of the latest approved budget	Forecast overspend more than £50k of latest approved budget	Forecast overspend in excess of £100k of latest approved budget
<b>QUALITY</b> (Monitors resident satisfaction survey at the time of handover of internal works*)	95% of residents are either "satisfied" or above	90% of residents are "satisfied" or above	Below 90% of residents are "satisfied"

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Report approved by CEO	6 <sup>th</sup> September 2011	

Meeting	<b>Lewisham Homes Board</b>	Item No.	<b>10</b>
Report Title	<b>Business Plan and KPI Performance</b>		
Report Of	<b>Head of Service Development – Hilary Barber</b>		
Class	<b>Monitoring</b>	Date	<b>20<sup>th</sup> September 2011</b>

## **1 Purpose of Report**

- 1.1 This report sets out Lewisham Homes' performance for April to July 2011 measured by the agreed key performance indicators (KPIs) for 2011/12, and progress in completing tasks in the Business Plan with targets for completion by 31 July 2011;

## **2 Executive Summary**

### **2.1 Performance concerns:**

- The amount of rent collected at the end of July was 97.75% of the debit raised. This is lower than the end of year position and 2.3 % outside the target. Performance has remained the same for three months and the trend is not currently changing. This decline in collection rate is consistent with our peers;
- Voids and re-let performance indicators remain outside the target. This is in part due to long term voids that have been relet in the last few months following a long period of being empty.
- Responding to complaints within the target time although improved from 2010-11 is outside the target of 94% at 93%, Performance has deteriorated over the year and for July alone was at 86.7%, and this is due to repairs complaints performance;
- 85.7% of phone calls were answered within 15 seconds, which is better than last year, but not meeting the target of 90%. The repairs contact centre which answers 44% of calls is reaching the target.

### **2.2 Good performance:**

- Repairs performance in meeting repairs targets for completion is positive across all priorities and overall satisfaction with repairs has increased by 5% from the 2010/11 year end position;
- Staff have had an average of 2.3 days sickness absence over the first 4 months of the year, which is equivalent to 6.9 days over a full year. Significantly better than last year (10.3 days) and the target of 9 days for the whole year.
- Responding to Mayor and MP enquiries within the target time has improved by 12% since 2010/11 and is following an improving trend;

- The number of new reported incidents of Anti-Social Behaviour has reduced from last year as has the number of live cases. However the average duration of closed cases has increased and is above the target time.

**2.3** For the Business Plan tasks, 16 tasks were due to be completed by July 2011. 10 tasks have been completed (62.5%) and 6 have not (37.5%). The progress of the uncompleted tasks is detailed in Appendix B to this report.

### **3 Recommendations**

**3.1** That Board notes the current performance of Lewisham Homes as measured by the KPIs and progress against agreed Business Plan tasks.

**3.2** That Board notes actions being taken to address performance issues.

### **4 Background of the Report**

**4.1** The Board agreed the 2011-14 Business Plan at the February 2011 Board meeting which included KPIs, performance targets and tasks, which the Board monitors.

**4.2** Appendix A shows the KPIs and the agreed targets from April 2011 to July 2011. This is set out in a dashboard format using a (RAG) traffic light system:

- **Green** – indicates performance is better than the target
- **Amber** – indicates performance has remained the same
- **Red** – indicates performance is worse than target.

**4.3** The dashboard also includes the direction of travel (year to date performance compared to the 2010/11 end of year figure) and graphs with trend information.

**4.4** Where performance has not met targets, reasons are set out below together with action being taken to improve performance. Critical areas of performance are included in the newly formed Scrutiny Committee's draft programme which includes Decent Homes, Income Collection, Voids, Sickness Absence and the Repairs Service.

**4.5** Appendix B shows progress in completing tasks in the 2011-14 Business Plan for those tasks due to be completed by 31 July 2011.

### **5 Performance Issues**

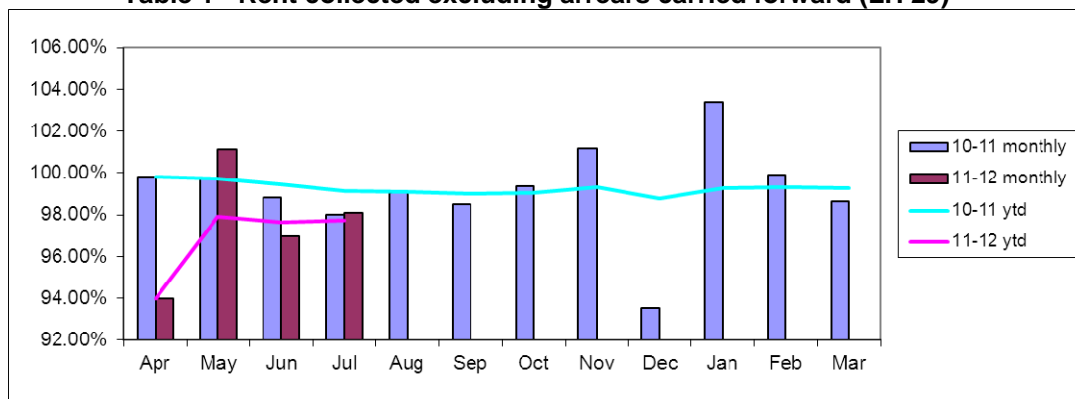
#### **5.1 Rent Collection**

**5.1.1** Rent collection performance (excluding arrears carried forward) was 97.75% for the year to 31 July 2011. This is lower than the year end performance for 2010-11 of 99.26% and below the target of 100.01%. Performance for the month of July was an improvement on the previous month's performance.

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5.1.2 The monthly and year to date performance for 2010/11 and 2011/12 are shown in table 1 below. This indicates a performance for rent collection is lower than the same time period last year.

**Table 1 - Rent collected excluding arrears carried forward (LH 29)**



5.1.3 Although the decline in performance is greater than others, the decline is consistent with the trend among other social housing providers as can be seen in table 2 below.

**Table 2 - Benchmarking rent collection 2010/11 & 2011/12**

Rent Collection Excluding Arrears brought forward <sup>1</sup>	Quarter 1 10-11	Year End 10-11	Quarter 1 11-12	Quarter 1, 10-11 and Quarter 1, 11-12	10-11 Year End and Quarter 1 11-12
Upper quartile	100.59	100.27	99.48	-1.11	-0.79
Club median	99.8	99.98	99.06	-0.74	-0.92
Lower quartile	98.13	99.61	98.11	-0.02	-1.5
Lewisham Homes	99.46	99.26	98.1	-1.36	-1.16

5.1.4 Action to address current performance includes the following:

- We have introduced intense scrutiny of individual arrears cases, moving away from a random check approach. This is already in progress and has started with the most serious cases, with every account being reviewed and outstanding actions implemented;
- The more thorough monitoring has increased the number of cases going through the legal process -
  - The average number of cases going to court for possession from April to July was 12 per month and in July it was 25.
  - The average number of eviction warrants increased from 8 per month for April to June to 19 in July;
- Although legal action does not always lead to rent being paid, experience shows that in around 80% of cases it prompts a lump sum payment;

<sup>1</sup> Peer group = national ALMOs who belong to Housemark PI Tracking Club

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- We have intensified our work with new tenants to ensure rent is paid from the start. This includes a phone call or visit within two weeks if no payment has been received, including from Housing Benefit;
- New people - we have a new permanent Welfare Benefits Advisor and expect him to have a big impact on the more complex benefit cases. We are also in the process of recruiting new team leaders for two of the three posts and will make sure these are high calibre and performance focused managers;
- We have continued to focus on the performance of individual officers, using performance issues that have emerged from the vigorous scrutiny of accounts and the eviction panel process. A robust approach to formal capability action is now taking place where appropriate.

## 5.2 Voids

- 5.2.1 There is a separate report for the September Board meeting that provides an update on the action being taken to improve performance in Voids. Lewisham Homes' newly formed Scrutiny Committee is also looking at voids in detail over 2011/12.
- 5.2.2 The July report to Board highlighted that performance will show some deterioration as properties that have been empty for a long time are brought back into use. For this reason the averages provided in the table below are further qualified in foot notes.
- 5.2.3 As can be seen in the table below there are the initial signs of improvement in Voids' performance particularly:
- The number of properties empty at the end of July is at the lowest level this year and on average they have been empty for 16% less time than last year.
  - Rent lost through void properties as a % of the rent roll is at the lowest level this year and the downward trend is continuing.

**Table 3 – Voids performance data 2010/11 & 2011/12**

Indicator	2010/11	31 July 2011	Target
Average time taken to let an empty property excluding major works.	20.9 days	25.9 days	24 days
The number of properties empty at the end of the period (excluding those identified as with LBL for decision on their future and those due to be demolished.)	246	231	200
The average time empty of these properties at the end of the period	169 days	142 days <sup>2</sup>	
The total times that the properties relet in the period were empty.	69.5 days	104.6 days <sup>3</sup>	65 days
The proportion of rent and service		1.89%	1%

<sup>2</sup> If the 4 properties that have been empty for more than 2 years are excluded the average days empty reduces to 108 days

<sup>3</sup> If the three properties that were empty for more than 2 years are excluded the average goes down to 60 days

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charges lost through properties being empty*.	1.69*% (1.98%)		
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*\* In order to align with the HouseMark definition we now calculate void rent loss including service charges. If this definition had been applied in 2010-11 the proportion of rent and service charges lost would have been 1.98%*

### 5.3 Complaints

5.3.1 268 complaints were received in the first four months of this year, which is a reduction of 60 from the same period in 2010/11. The percentage of complaints responded to within the target times for the period was 93%, which is below the target of 94% although better than 2010/11 (90%).

**Table 4 – Complaints performance data 2011/12**

Month	April	May	June	July	YTD	2010-11
Complaints Received Stage 1	53	40	61	45	200	250
Complaints Received Stage 2	12	14	14	12	52	64
Complaints Received Stage 3	2	3	7	5	17	14
% of Complaints Responded to in target time	98.4%	94.6%	90.7%	88%	93%	87.8%

5.3.2 Performance has declined every month this year as can be seen in table 4. The decline in performance is mainly due to the Property Services' Directorate, whose performance was 91% year to date compared to Housing Services at 97%. In the last two months of the period, only 85.2% of Property Services' complaints were responded to within the target time - this is broken down by team in table 5.

**Table 5 – Property Services Complaints performance June and July 2011**

Team	Number of Complaints Responded to	% Responded to within Target Time
Asset Management	12	83%
Responsive Repairs	53	85%
Mechanical and Engineering	11	91%
Voids	6	83%

5.3.3 There have been a total of 17 late responses to complaints year to date, which have been an average of 4 days overdue. Of the 17 late responses, 6 were preceded by a letter advising that due to the complexity of the case there would be a delay in sending a full response.

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5.3.4 To reduce the number of escalated complaints and improve performance, training on complaint investigation and letter writing was provided to staff in July 2011. New reporting on procedural compliance has been introduced from June to the Corporate Leadership Team, with the aim of reducing escalation. In addition, “learning from customer feedback “reports are provided to each Directorate on a quarterly basis.

5.3.5 We also record compliments and table 6 gives a breakdown of the compliments recorded year to date by service area.

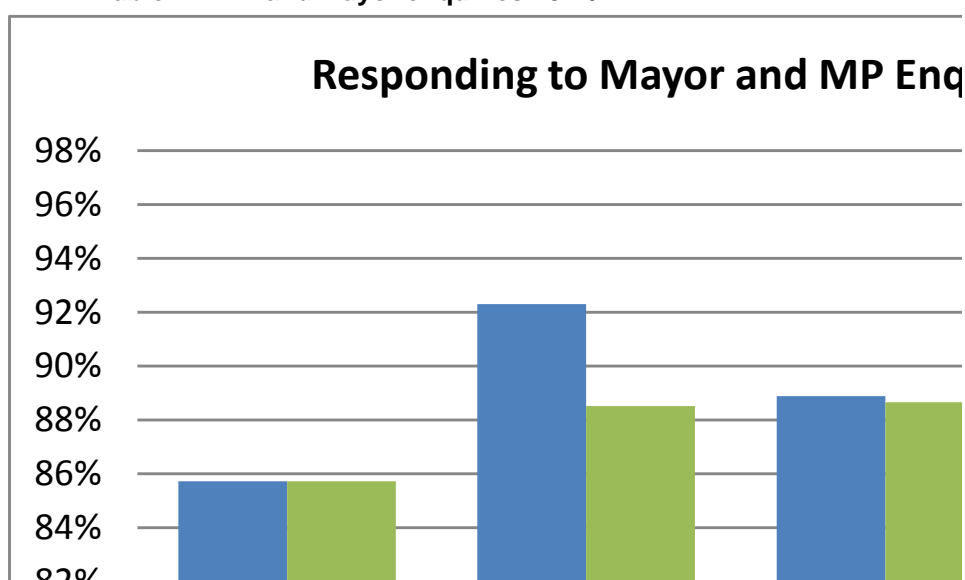
**Table 6 – Compliments data 2011/12**

<b>Compliments Received</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Total</b>
Customer Services		1		2	1
Repairs	3	2	1	2	5
Income		1	1		1
Tenancy Teams		1			1
Customer Relations Team	1		2	1	1
Community Involvement	2	1			3
<b>Total</b>	<b>6</b>	<b>6</b>	<b>4</b>	<b>5</b>	<b>21</b>

#### 5.4 MP & Mayor enquiries

Of the 125 enquires from the Mayor and MPs received this year, 113 or 90.4% were responded to within the target time. This is below the target of 94% but is an improvement of 12% on performance for the year 2010/11.

**Table 7 – MP and Mayor enquiries 2011/12**

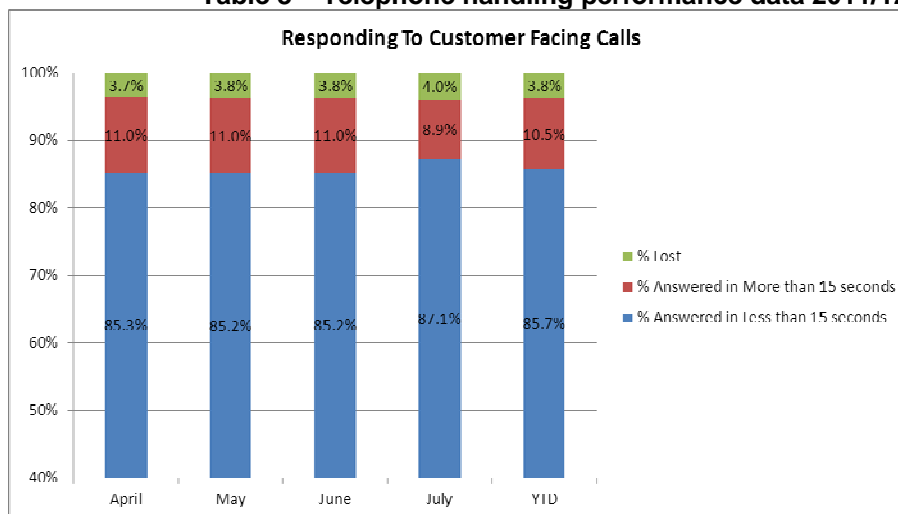


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## 5.5 Incoming Telephone Calls

5.5.1 Performance at 85.7% is currently 4.3% below the target of 90% of calls answered within 15 seconds. Performance has improved by 2% from 2010/11 and as can be seen in table 8, there is a slight upward trend in 2011/12.

**Table 8 – Telephone handling performance data 2011/12**



5.5.2 The Income team in particular has been significantly below target. This is the service that receives the second highest volume of calls in Lewisham Homes after the Repairs Contact Centre. At the end of July, one in three Income Service calls had not been answered within 15 seconds. Additional resources for phone answering in busy periods has now been arranged and the latest available data shows an improvement.

## 5.6 ASB

5.6.1 The time taken to deal with and close ASB cases is not meeting target and has increased since end of March 2011. The position at the end of July is that severe cases have been open for an average of 250 days and non-severe cases for 170 days, which is not meeting the target of 210 and 120 days respectively. This is due to a more proactive approach during this period to resolve and close cases, as some long standing cases were closed, significantly increasing the average for April and May. It is expected that there will be a downward trend for year to date figures over the rest of the year, as the average case duration decreased for June and July (and August).

5.6.2 On the positive side, the proportion of cases closed that were resolved has improved from 86% to 97% from 2010/11, which is meeting the target of 90%. The number of open cases has also decreased from 400 at the end of March to 320 at end of July, a reduction of 20% - this is a reflection of a more proactive approach during this period to resolve and close cases. Also, in the current year, the ASB Team has obtained two suspended possession orders, carried out two evictions, served eight notices and issued 80 warning letters.

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## 5.7 Repairs performance and Sub-contracting

5.7.1 Performance for responsive repairs continues to improve in 2011/12. In particular:

- Tenant satisfaction has increased to 94% from 89% in 2010/11 (the previously reported technical difficulties resulting in a lower sample size than in previous years for April and May have been resolved);
- Performance for repairs completed within the target time have exceeded the target at the end of July across all categories and are higher than 2010/11.

5.7.2 The target for sub-contracting repairs was set in accordance with the repairs budget strategy at 15% for 2011/12. The level of subcontracting is marginally higher than the target at 15.6%. We measure the level of sub contracting by:

- Service area – Voids and Responsive Repairs;
- Whether the works are specialist (trades not available in house such as Asbestos Removal and scaffolding) or non-specialist (trades available in house.)

5.7.3 Performance up to the end of July is shown in table 9 below. This shows that while responsive repair work is meeting the target for sub-contracting at 12%, voids repairs is not meeting target at 21%.

**Table 9 – Analysis of sub-contracted work 2011/12**

		April	May	June	July	YTD
<b>Responsive Repairs</b>	Sub contracted spend on specialist works	£ 50,250	£ 25,615	£ 34,815	£ 40,892	£151,572
	Sub contracted spend on non specialist works	£ 37,697	£ 26,891	£ 31,211	£ 21,505	£117,304
	Total sub-contracted spend	£ 87,947	£ 52,506	£ 66,027	£ 62,397	£268,877
	Percentage of budget sub-contracted by value	15%	9%	11%	11%	12%
	Target	15%	15%	15%	15%	15%
<b>Voids</b>	Sub contracted spend on specialist works	£ 28,138	£ 25,912	£ 35,540	£ 34,217	£123,807
	Sub contracted spend on non specialist works	£ 60,218	£ 66,039	£ 63,877	£ 56,356	£246,490
	Total sub-contracted spend	£ 88,356	£ 91,952	£ 99,417	£ 90,573	£370,298
	Percentage of budget sub-contracted by value	20%	21%	23%	21%	21%
	Target	15%	15%	15%	15%	15%
<b>Overall</b>	Overall percentage of budget sub-contracted by value	17.3%	14.1%	16.2%	15.0%	15.6%
	Target	15%	15%	15%	15%	15%

5.7.4 Progress is being made with initiatives reported to Board in July to reduce the level of sub-contracting are as follows:

- In-house provision of glazing, UPVC repairs and issuing Energy Performance Certificates - now all delivered in-house;
- Investigation of viability of having in-house metalworkers – resources identified and agreed;
- Using cherry pickers to reduce expenditure on scaffolding – this is now used where possible.

## 5.8 Staff Sickness

5.8.1 Absence data is now reported as the average days lost per member of staff per month rather than a rolling 12 month average, as shown in table 10. This was agreed by the Performance Panel as it focuses on recent absence levels.

Implications approved	2 <sup>nd</sup> September 2011	
Report approved by Director	2 <sup>nd</sup> September 2011	
Report approved by CEO	8 <sup>th</sup> September 2011	

5.8.2 Performance year to date is top quartile although the monthly level of absence is increasing. Current quartiles are shown in the table below:

<b>Sickness Absence data<sup>4</sup> 2002/10</b>	
Top quartile	< 8.23 days
Median	10.23 days
Bottom quartile	> 12.38 days

**Table 10 – Sickness absence 2011/12**

	<b>Working Days lost per Full Time Equivalent</b>	<b>Monthly Target</b>	<b>Whole Year Target</b>
2010/11	10.3 (average 0.86 days per month)	0.75 days	9 days
April 2011	0.5 days	0.75 days	9 days
May 2011	0.6 days	0.75 days	9 days
June 2011	0.64 days	0.75 days	9 days
July 2011	0.7 days	0.75 days	9 days
Year to Date 2011/12	2.3 days	3 days	9 days

## 5.9 Gas Safety Certificates

5.9.1 99.92% of due gas checks have been completed which is slightly down on the end of 2010/11 figure of 99.97%. No gas checks are more than three months overdue. All properties that are non compliant are being dealt with in line with agreed processes, in which, as a last resort, forced entry is made to the property to ensure the appliance does not present a risk.

## 6 Business Plan tasks

6.1 The table in Appendix B shows progress on tasks in the Business Plan due for completion by 31 July 2011. Tasks have traffic lights that show:

- **Green** – completed
- **Red** – not completed

RAG	CEO (Governance)	Housing Services	Property Services	Service Development	Resources	Overall	
						No.	%
<b>RED</b>	0	0	4	0	2	6	37.5
<b>GREEN</b>	0	3	2	2	3	10	62.5
<b>Total</b>	<b>0</b>	<b>3</b>	<b>6</b>	<b>2</b>	<b>5</b>	<b>16</b>	<b>100</b>

6.2 At this stage in the year there are no clear themes emerging – three of the six late tasks relate to ICT but are late for different reasons.

<sup>4</sup> Data from Housemark London ALMO Club – 2009/10 data is the latest data available

Implications approved	2 <sup>nd</sup> September 2011	
Report approved by Director	2 <sup>nd</sup> September 2011	
Report approved by CEO	8 <sup>th</sup> September 2011	

- 6.3** The executive team will be reviewing progress against the business plan in September and findings from this will be reported to Board in November. This will include realignment of priorities and early warning of any projects or performance that are unlikely to meet current targets

**If you require further information on this report please contact Hilary Barber on 020 9613 7698 or email [hilary.barber@lewishamhomes.org.uk](mailto:hilary.barber@lewishamhomes.org.uk)**

Implications approved	2 <sup>nd</sup> September 2011	
Report approved by Director	2 <sup>nd</sup> September 2011	
Report approved by CEO	8 <sup>th</sup> September 2011	

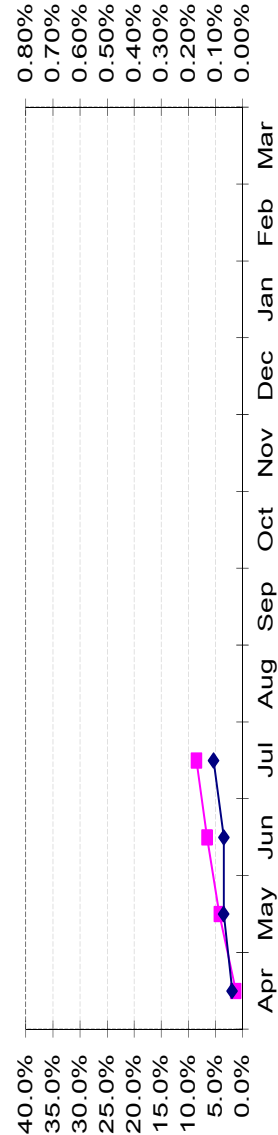
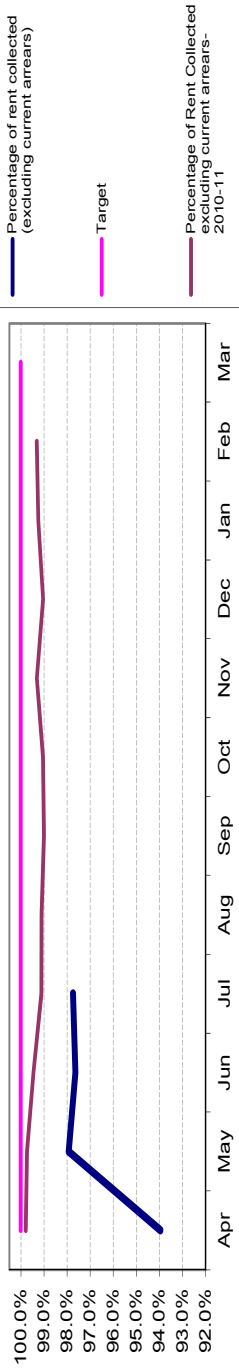
**Rent collection and arrears**

Indicator	2009-2010	2010-2011	Current YTD	Target	Direction of Travel **	YTD vs Target
<b>Monthly Indicators</b>						
LH 29 Percentage of rent collected excluding current arrears	99.89%	99.26%	97.75%	100.01%	▲	▲
BV Percentage of rent accounts > 7 weeks in arrears	10%	8.5%	8.5%	7.5%	▲	▲
BV Percentage of tenants who have had a Notice Seeking Possession served	42%	34%	8%	None	—	—
BV Percentage of tenants evicted as a result of rent arrears	0.75%	0.53%	0.11%	None	—	—
LH 40 Rent written off as not collectable as a percentage of the total rent	1.93%	1.15%	1.31%	1.50%	▲	▲
FTA1 Former tenant arrears as a percentage of gross rent debit	-	3.41%	3.26%	2.25%	▲	▲
LHG % of garages empty at the end of the month	-	-	14.5%	12%	—	▲

**Performance Commentary**

Rent collection has remained at a fairly constant level over the last three months which is below the target and last years performance. Benchmarking shows that this decline is being experienced by all housing providers, further detail is in the body of the report. The number of notices seeking possession issued and evictions for rent arrears are at a lower level than last year.

**YTD Rent Collection**



\* Target for the month  
 \*\* Direction of travel compares the current ytd with the 2010/11 figure

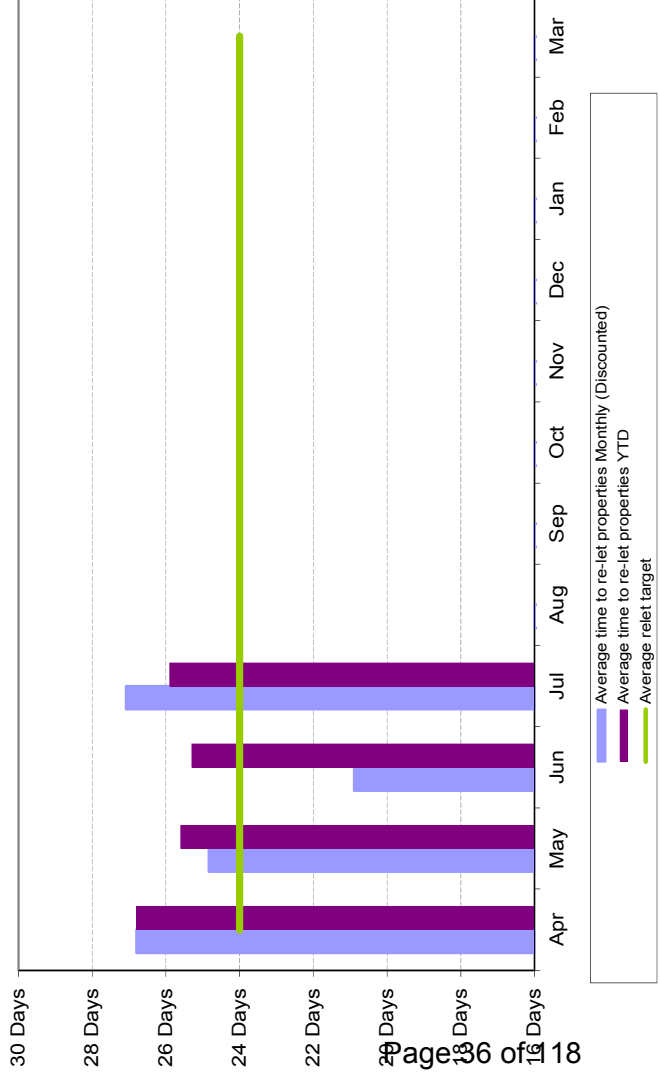
## Voids and Relets

Indicator	2009-2010		2010-2011		Current YTD	Target	Direction of Travel **	YTD vs Target
	2009-2010	2010-2011	2009-2010	2010-2011				
BV 212 Average time to relet properties	30.0	20.9	25.9	24	25.9	24	▲	▲
BV 13 Average days empty of relet properties	-	69.5	104.6	65	104.6	65	▲	▲
LH 30 Percentage of rent lost through vacant properties	3.05%*	1.69%	1.89%	1.00%	1.89%	1.00%	▲	▲
BV 14 Number of properties void at the end of the month (excl demolition and client for decision)	-	246	231	200	231	200	▲	▲
LH 18 Voids as a percentage of total stock (excl demolition)	3.60%*	1.69%	1.90%	Contextual	1.90%	Contextual		

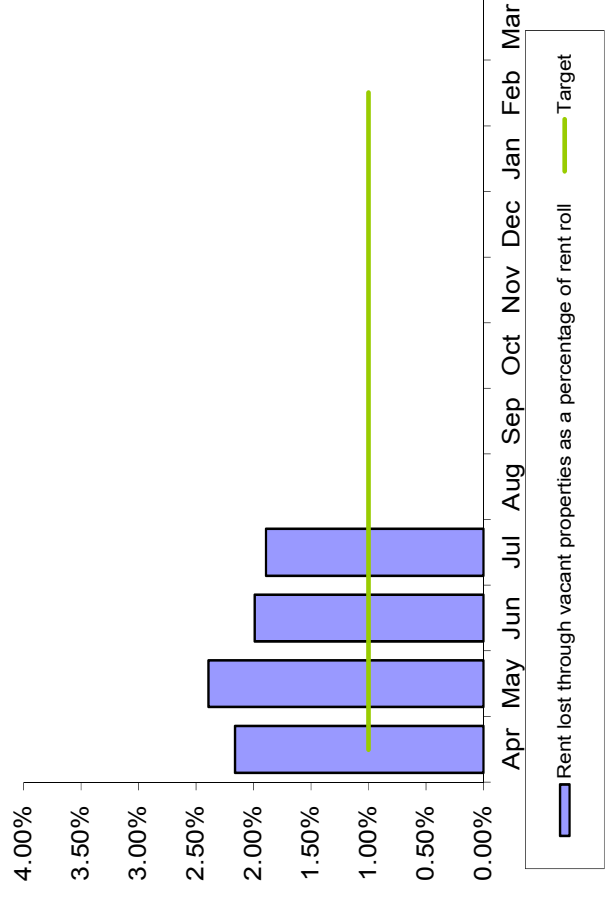
### Performance Commentary

A total of 290 properties have been let this year. BV 13 There have been a number of voids that have been part of the long term void programme that have been returned to use after up to 5 years. This distorts the average (mean). Further details are within the body of the report.

### Average Relets Times Monthly & YTD



### Percentage of Rent Lost Through Vacant Properties



\* Included void properties due for demolition

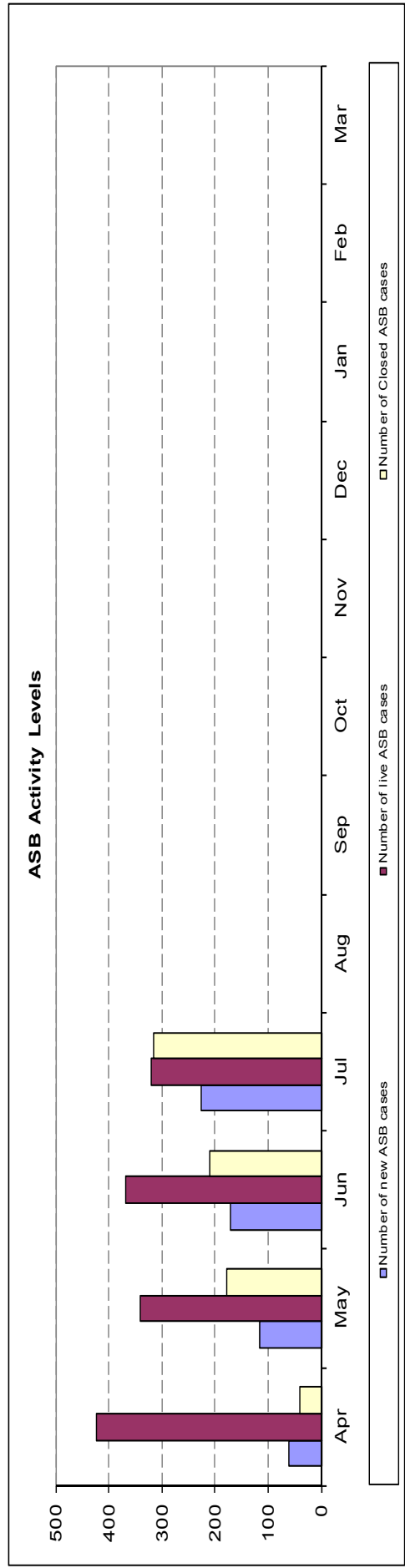
\*\* Direction of travel compares the current ytd with the 2010/11 figure

**Anti-Social Behaviour**

Indicator	2009-2010	2010-2011	Current YTD	Target	Direction of Travel**	YTD vs Target
<b>Monthly Indicators</b>						
BV174 Number of racial incident cases reported	15	14	2	None	-	-
BV175 Percentage of racial incident cases reported that resulted in further action	73%	79%	100%	100%	▲	▲
RES A1 Number of new ASB cases	944	805	225	None	-	-
RES A2 Number of live ASB cases	306	400	320	None	▲	-
LHAS1 Number of live ASB cases - Severe	89	92	81	None	▲	-
LHAS" Number of live ASB cases - Non-severe	217	308	239	None	▲	-
LHAS3 Average duration of closed cases - Severe	146	237	258	210	▲	▲
LHAS4 Average duration of closed cases - Non-severe	124	142	170	120	▲	▲
LHAS5 % of closed ASB cases that were resolved	88%	86%	97%	90%	▲	▲

**Performance Commentary**

The average duration of ASB cases is still longer than the target. The number of live cases has reduced by 20% since the start of the year.



\*\* Direction of travel compares the current ytd with the 2010/11 figure

## Customer Services and Complaints

Indicator	2009-2010	2010-2011	Current YTD	Target	Direction of Travel**	YTD vs Target
<b>Monthly Indicators</b>						
LH % of complaints responded to within timescales	94.0%	90.0%	93%	94%	▲	▲
LH % of mayor/mp enquiries responded to within timescales*	80.0%	78.7%	90.4%	94%	▲	▲
LH Percentage of calls answered within 15 seconds	87.3%	83.6%	85.7%	90%	▲	▲
LH Percentage of calls lost	3.4%	5.8%	3.8%	4%	▲	▲
LH Percentage of letters responded to within 10 days.	89.0%	91.5%	95.4%	92%	▲	▲

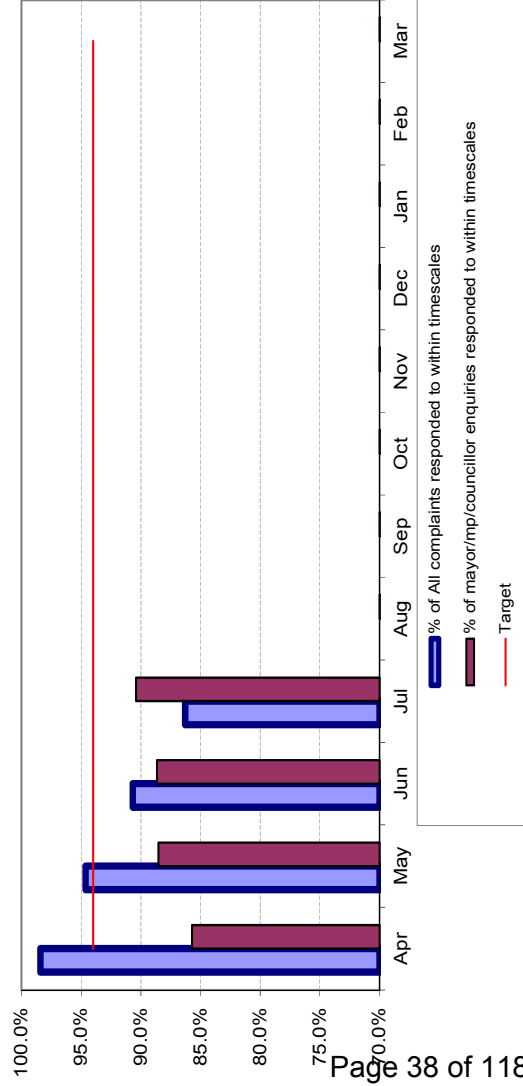
### Performance Commentary

Complaints performance is below target and has fallen every month since April. Performance for July alone was 88%. Phone answering performance overall is below target, however the Repairs Contact Centre have improved since last year and are meeting the target.

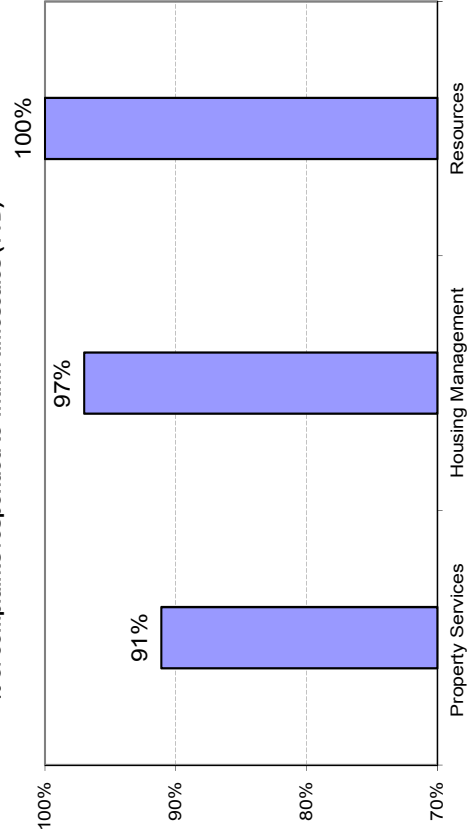
### Annual Indicators

LH % of complaints resolved at 51a stage 1	81%	76%	Annual	80%
LH % of complaints resolved at 51b stage 2	79%	74%	Annual	80%

### Customer Service Performance YTD



### % of complaints responded to within timescales (YTD)



\* In 2009/10 and 2010/11 the time taken to provide a response to LBL. From 2011/12 the time for a full response will be measured.  
 \*\* Direction of travel compares the current ytd with the 2009/10 figure

## Leasehold Services

Indicator	2009-2010	2010-2011	Current YTD	YTD Target	Year end Target	Current YTD v YTD Target
LH 116a % of service charge collected against total available excluding arrears	107%	124%	38.8%	40%	120%	▲
LH 116b % of service charge collected against total available including arrears (YTD)	70%	77%	28.9%	28%	85%	▲
LH 117b Major works charges collected as a % of total charges outstanding including arrears	39%	39%	10.9%	-	-	-

### Performance Commentary

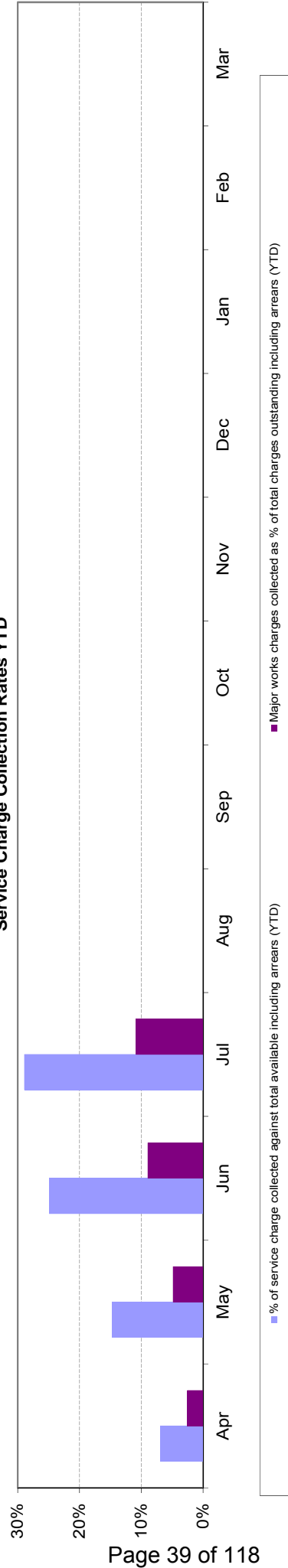
The recently completed Leaseholder survey shows an increase in overall satisfaction of 8%. Collection rates are in line with agreed targets

indicator	2009-2010	2010-2011	Current YTD	Target	direction of travel	YTD vs Target
LH 24 Percentage of RTB2 forms served within statutory target of 4 weeks	100%	100%	100%	100%	▲	▲
LH 25 Percentage of S125 forms for freehold properties served within statutory target of 8 weeks	100%	100%	100%	100%	▲	▲
LH 26 Percentage of S125 forms for leasehold properties served within statutory target of 12 weeks	100%	100%	100%	100%	▲	▲

### Annual Indicators

LH 113 Satisfaction of leaseholders with the performance of the home ownership service	31.0%	-	41%	-	-
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Service Charge Collection Rates YTD



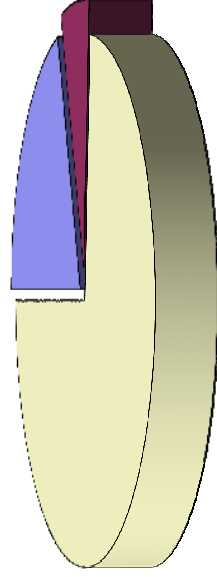
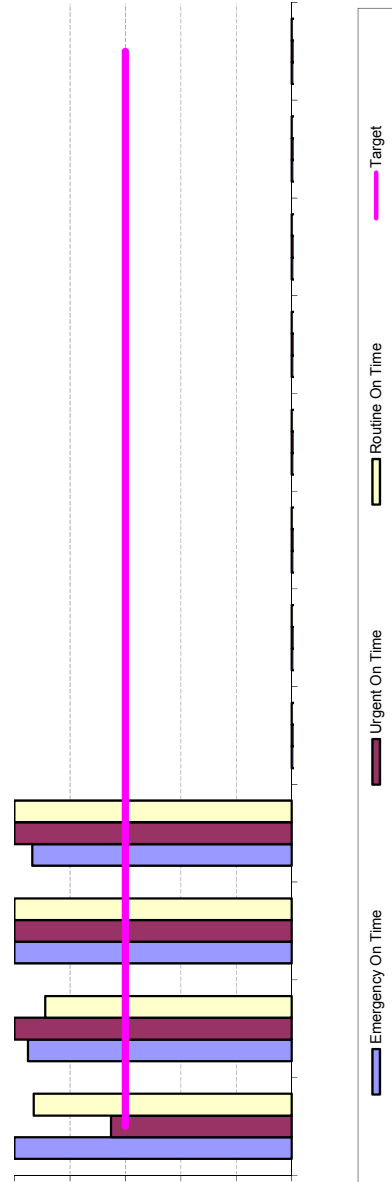
\*\* Direction of travel compares the current ytd with the 2009/10 figure

# Repairs and Maintenance

Indicator	2009-2010	2010-2011	Current YTD	Target	Direction of Travel**	YTD vs Target
CPA Average time taken to complete non-urgent repairs (days)	7.48	7.89	6.95	7.0	▲	▲
LH 204 Percentage of repairs subcontracted	17.3%	13.4%	15.6%	15%	▼	▲
LH 107a % of emergency repairs completed on time	98.4%	99.7%	99.9%	99%	▲	▲
LH 107b % of urgent repairs completed on time	97.5%	99.8%	99.8%	99%	▲	▲
LH 107c % of routine repairs completed on time	98.4%	99.4%	99.9%	99%	▲	▲
LH 6 Percentage of non emergency repairs where appointments made & kept	97%	98%	98.4%	98%	▲	▲
LH 7 Percentage of repairs completed on first visit	93.1%	95.9%	97.5%	95%	▲	▲
LH 32 Tenant satisfaction with the repairs service - % very or fairly satisfied	87%	89%	94%	91%	▲	▲
LH 32b Tenant satisfaction with the repairs service - % very or fairly dissatisfied	10%	6%	3%	5%	▲	▲
<b>New</b> Average time taken to complete a basic adaptation	9.4	9.0	14.6	15	▲	▼

## Performance Commentary

The number of satisfaction surveys received has increased since a dip in May and June due to system problems. The latest satisfaction rating for July is 96% (172 responses)



# Performance Monitoring all Remaining areas

Indicator	2009-2010	2010-2011	Current YTD	Target	Direction of Travel**	YTD vs Target	Comments
<b>Resources ~ HR</b>							
LH 106 a	Percentage attendance at staff training	92%	94%	93.0%	95%		
LH 114	Staff turnover as a percentage of total workforce.	16%	16%	2.4%	2.3%*		
LH 129	Percentage of posts which are vacant	9%	12%	-	7%		We will be able to report on these indicators once the structure has been finalised and implemented
LH 130	Percentage of posts which are filled by a temp	9%	8%	-	5%		This year we are measuring Absence year to date, the target for the whole year is 9 days which equates to 0.75 days absence per month per FTE
LH 38	Number of working days lost due to sickness (YTD)	10.4	10.3	2.3	3.0*		Survey carried out every 2 years
LH 105	Percentage of staff who agree that Lewisham Homes is a good place to work.	68%	-	Annual	68%	-	
<b>Resources ~ VFM</b>							
LH 104a	Average cost to repair a void property	£2,503	£3,957	Annual	None	-	
LH 104b	Average weekly cost per dwelling of repairs	£25.71	Annual	Annual	None	-	These figures will not be available until the annual HouseMark report is produced in October / November
LH46	Average weekly housing management costs	£36.91	Annual	Annual	None	-	
<b>Housing Management</b>							
LH 200	Number of properties with unauthorised occupants or squatters.	137	27	26	None		LH 200 - The number of tenancies that are included as unauthorised occupants is calculated differently from 2010-11 onwards to ensure only tenants who we are actively seeking to end their tenancy are included. Performance is not comparable with the reported data for 09-10
LH 201	Percentage of blocks passing a caretaking quality inspection	93%	95%	95.2%	95%		
LH 400b	Percentage of racist/sexist/offensive graffiti removed from internal communal areas within 24 hours.	100%	100%	none reported	100%		
LH 207	Number of accidents	n/a	62	Annual	none	-	

\* Target for the month

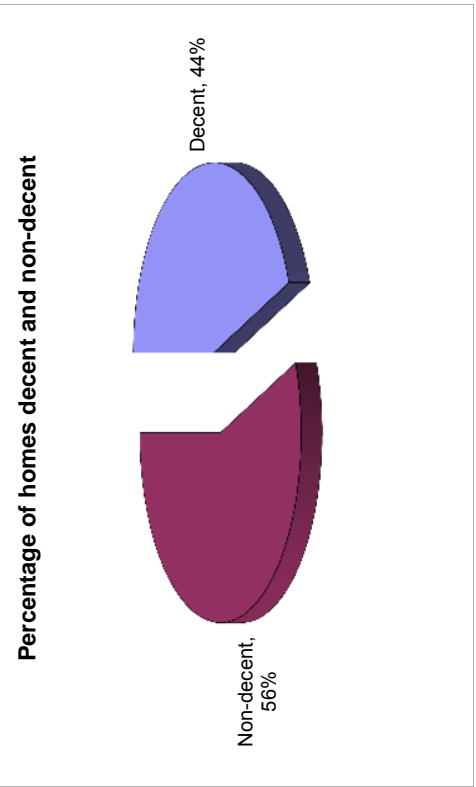
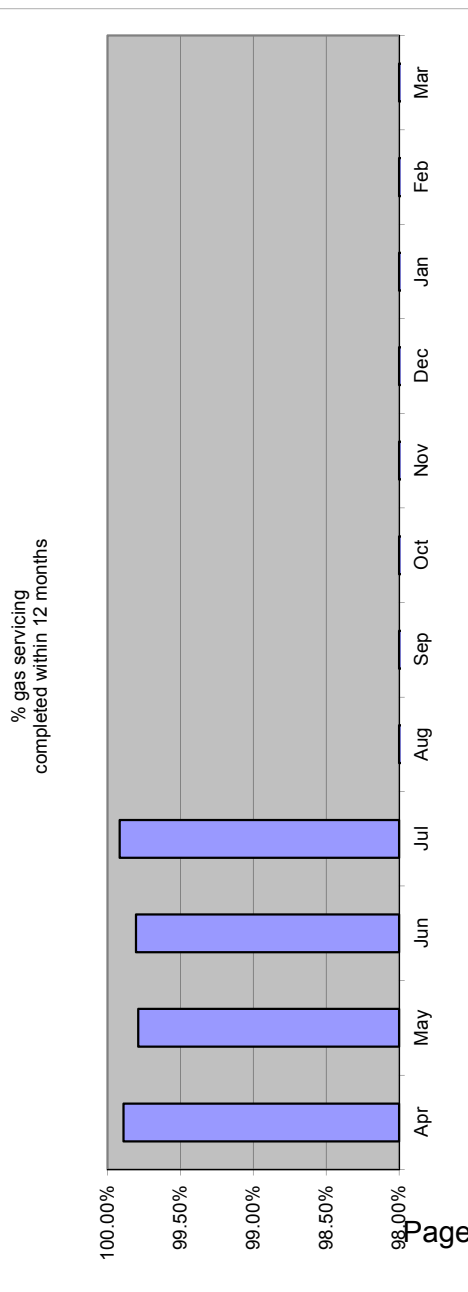
\*\* Direction of travel compares the current ytd with the 2010/11 figure

# Property Services

See separate page for Repairs and Maintenance

Indicator	2009-2010	2010-2011	Current YTD	Target	Travel**	Direction of Travel**	YTD vs Target
% of gas services completed within the 12 month target time (rolling 12 months)	99.94%	99.97%	99.92%	100%		▲	▲
LH Gas servicing overdue > 3 months (% of 110 properties)	0.00%*	0.00%*	0.00%	0.0%		—	▲
Number of properties for which a fire risk assessment is overdue	—	—	Quarterly	0		—	
Percentage spend of capital programme (quarterly)	—	—	Quarterly	100%			
Percentage very of fairly satisfied with completed schemes (quarterly)	—	—	94.0%				
Proportion of non-decent homes	57%	55%	56%	53%		▲	▲
Percentage change in the number of homes decent at year end	—	-2%	1.8%	—		▲	▲
Average SAP rating of local authority dwellings	67	67	67	68		▲	▲

Performance Commentary



\* In 09/10 and 10/11 the indicator was gas servicing overdue by > 6 months

\*\* Direction of travel compares the current ytd with the 2010/11 figure

Item 10 – Appendix B

Task No.	Service	Task	Outcome	Target Date	Status	Service Head	Director	RAG Status	Revised Completion Date	Updates for Board
054	Income	Assess the impact of the welfare reforms relating to income collection that are being implemented from 2011 to 2014. As part of this liaison with LBL Housing Service.	Ability to plan and mitigate impact of welfare reforms on income collection	Apr-11	DP	Duncan Brown	Housing Services	Green		
142	Service Development	Complete business plan to consider the transfer of all sheltered housing functions to Lewisham Homes.	Improved service to elderly people living in sheltered housing	May-11	DP	Krysia Szpytma	Housing Services	Green		
036	Health and safety	Complete recommendations for improvement identified in the British Safety Council Audit of May 2010.	Improved health and safety practice	May-11	Board	Alan Gardner	Property Services	Red	Dec-11	24 of 27 actions completed. Remaining 3 actions on target for revised completion date.
219	Major works	Implement IT systems to support the delivery and monitoring of capital programmes	Delivery of decent homes improvements	May-11	Board	Colin Dawes	Property Services	Green	Jun-11	
195	Service Development	Develop strategy for communicating with different groups of leaseholders as part of the programme to improve properties to DH Standards.	Less complaints and higher leaseholder satisfaction	May-11	DP	Hilary Barber	Service Development	Green		

Item 10 – Appendix B

Task No.	Service	Task	Outcome	Target Date	Status	Service Head	Director	RAG Status	Revised Completion Date	Updates for Board
182	Repairs	Complete implementation of revised rechargeable repairs process, including training of staff.	Improved value for money	Jun-11	DP	Gwyn Davies	Property Services	Red	Sep-11	This is being implemented as part of the repairs finder tool (cross reference with task 077).
156	ICT	Revise procedures and interfaces to accommodate LBL moving to new allocations system	Ensures void process works efficiently	Jun-11	DP	Nick Tutt	Resources	Red	Apr-12	Discussions and workshops with LBL completed. Revised proposal for transfer applications being discussed & interface requirements assessed. Plans to be agreed with LBL by 30-9-11.
149	Service Development	Develop a joint work plan with LBL Adult Social Care to address issues relating to services for vulnerable tenants, and regular liaison meeting at operational level.	Improved services for vulnerable tenants through effective joint working	Jun-11	DP	Hilary Barber	Service Development	Green		
167	Income	Complete feasibility study for introduction of rent free weeks - to include resident consultation, LBL approval and ICT/Finance evaluation.	Ability to implement new approach to increase rent collection.	Jul-11	DP	Duncan Brown	Housing Services	green		

Item 10 – Appendix B

Task No.	Service	Task	Outcome	Target Date	Status	Service Head	Director	RAG Status	Revised Completion Date	Updates for Board
011	Asset Investment	Review the Asset Investment Plan for DHS programme, in light of confirmed funding allocation	A deliverable Asset Investment Plan	Jul-11	Board	Colin Dawes	Property Services	Red	Sep-11	Delayed as resources reprioritised to consolidate the outcomes of individual fire risk assessments to inform a prioritised programme of preventative and corrective action.
012	Asset Investment	Mobilise the Major Works Programme by setting up the governance structure and securing input from service areas such as Leasehold Services, Estate Services and Repairs Services	An efficient Major Works Programme	Jul-11	Board	Colin Dawes	Property Services	Green		
077	Repairs	Implement the business case to improve quality of repairs by introducing new repairs diagnostic tool for call centre and residents to access via web.	Improved quality of repairs call handling with reduced calls and variation orders	Jul-11	Board	Gwyn Davies	Property Services	Red	Sep-11	Repairs Finder diagnostic tool is undergoing user acceptance testing (UAT). This project is now due to be implemented in September. Delays were caused by difficulties recruiting temporary staff to allow release of contact centre staff to project team.

Item 10 – Appendix B

Task No.	Service	Task	Outcome	Target Date	Status	Service Head	Director	RAG Status	Revised Completion Date	Updates for Board
220	Finance	Review Treasury management strategy	Effective financial management	Jul-11	Board	Adrian Gilham	Resources	Green		
160	ICT	Implement Capita Housing V16 upgrade	Effective and up to date information management system	Jul-11	DP	Nick Tutt	Resources	Green		
161	ICT	Implement Capita LLPG Integration	Reliable data	Jul-11	DP	Nick Tutt	Resources	Green		
216	ICT	Implement Lewisham Homes Desktop support	Improved value for money and operational efficiency	Jul-11	Board	Nick Tutt	Resources	Red	TBA	<p>Board approved (26th July) withdrawal from the SLA (subject to liaison with London Borough of Lewisham regarding their concerns):</p> <ul style="list-style-type: none"> <li>giving notice to withdraw from the ICT SLA with effect from 1st April 2012;</li> <li>Initiation of project to introduce in-house ICT infrastructure and support arrangements.</li> </ul>

Meeting	Lewisham Homes Board	Item No.	11
Report Title	LHL – Financial Monitoring Report		
Report Of	Director of Resources – Adam Barrett		
Class	Monitoring	Date	20th September 2011

## 1. Purpose of the Report

- 1.1 This report updates the Board on the financial monitoring forecasts for July 2011. It will report on the Lewisham Homes' company budgets, the Housing Revenue Account (HRA) managed budgets and the Repairs trading account.

## 2. Recommendation

- 2.1 The Board notes the financial monitoring forecasts for July 2011.

## 3. Background of the Report

- 3.1 The report sets out financial forecasts for 2011/2012 based on income and expenditure up to the end of July 2011.

- 3.2 The report covers the following areas:

- HRA Managed Budgets
- Lewisham Homes Company Account
- Repairs Service Trading Account

- 3.3 The report uses the following colour coding structure to analyse risk:

- **Red** - Significant negative financial impact, management action cannot contain the variation
- **Amber** - Significant positive financial impact, management action is able to control the variation
- **Green** - On budget or insignificant financial impact

- 3.4 The following Appendices are attached to provide detailed analysis of individual budgets.

- Appendix A - Lewisham Homes Company – Summary by Subjective
- Appendix B – Repairs Trading – Summary by Subjective
- Appendix C – HRA Repairs & Maintenance – Details by Work Type
- Appendix D – Use of Reserves on Projects - Update

Implications approved	2 <sup>nd</sup> September 2011	
Report approved by Director	2 <sup>nd</sup> September 2011	
Report approved by CEO	6 <sup>th</sup> September 2011	

#### 4 Executive Summary

##### 4.1 Financial Monitoring Forecasts – 2011/2012

4.2 The report is based on the July 2011 financial monitoring position of all managed budgets and represents income and expenditure incurred up to the end of July 2011. The report highlights clear material risks, variances and budget pressures.

##### 4.3 Table 1 - Summary Position HRA Managed Budgets

	Budget 2011/2012	Revised Budgets 2011/2012	July 2011/12 Board Forecast	Sept 2011/12 Board Forecast	Variance P2 - P4	Variance to Budget	RAG
	£'000	£'000	£'000	£'000	£'000	£'000	
HRA Managed – Revenue	(49,002)	(48,875)	(49,322)	(51,466)	(2,144)	(2,591)	
HRA Managed – Capital	27,446	27,446	27,755	27,169	(586)	(277)	

() = Under-spend/Surplus

4.3.1 The HRA managed revenue budgets are forecasting an additional net surplus of £2.1m for the 2011/2012 financial year compared to the position reported to Board in July 2011. The main variations are additional income generated in the HRA from Major Works receipts of £2.7m, a forecast increased expenditure in R&M of £501,000, an additional expenditure of £43,000 in energy charges and £26,000 additional expenditure in supplies and services.

4.3.2 The Lewisham Homes Capital Programme is forecast to spend £27.1m which is £277,000 less than the position reported to Board in July. A separate Capital report outlines the reasons for the variation.

##### 4.4 Table 2 – Summary Position of Company and Trading Account Budgets

	Budget 2011/2012	Revised Budgets 2011/2012	July 2011/12 Board Forecast	Sept 2011/12 Board Forecast	Variance P2 - P4	Variance to Budget	RAG
	£'000	£'000	£'000	£'000	£'000	£'000	
<b>Lewisham Homes Company</b>							
Income	(20,749)	(20,749)	(20,781)	(20,730)	51	19	
Expenditure	21,339	21,555	20,633	20,878	245	(677)	
<b>Lewisham Homes Company Total</b>	<b>590</b>	<b>806</b>	<b>(148)</b>	<b>148</b>	<b>296</b>	<b>(658)</b>	

Implications approved	2 <sup>nd</sup> September 2011	
Report approved by Director	2 <sup>nd</sup> September 2011	
Report approved by CEO	6 <sup>th</sup> September 2011	

	Budget 2011/2012	Revised Budgets 2011/2012	July 2011/12 Board Forecast	Sept 2011/12 Board Forecast	Variance P2 - P4	Variance to Budget	RAG
<b>Repairs Trading Account</b>							
Income	(12,460)	(12,460)	(12,460)	(13,647)	(1,187)	(1,187)	
Expenditure	11,666	11,666	11,692	12,775	1,083	1,109	
<b>Repairs Trading Account Total</b>	<b>(794)</b>	<b>(794)</b>	<b>(768)</b>	<b>(872)</b>	<b>(104)</b>	<b>(78)</b>	
<b>Lewisham Homes Company and Trading Account Total</b>	<b>(204)</b>	<b>12</b>	<b>(916)</b>	<b>(724)</b>	<b>192</b>	<b>(736)</b>	

() = Under-spend/Surplus

4.4.1 The Company is forecasting a combined surplus of £724,000 after an investment of £795,000 in various projects and schemes based on proposals presented to Board in March 2011.

4.4.2 The combined surplus is broken down between the Company and the Repairs trading account as follows:

- Lewisham Homes Company - £148,000 Deficit
- Repairs Service Trading Account - £872,000 Surplus

4.4.3 The key Company reported variances are as follows:

Income: Lewisham Homes a no longer providing a communications service to Homes for Islington, and the funding of a community involvement post by the Lewisham Tenants' Fund has been terminated.

Expenditure: There has been an increase in forecast for Service Level Agreements (SLAs) mainly on Property Advice of £43,000. This is as a result of savings in the SLA not being negotiated as part of the budget process.

There has also been an increase in the forecast expenditure on operational activities by £130,000. The key increases are £65,000 in the legal expenditure forecast and an increase of £45,000 in ICT expenditure, mainly on a range of small ICT projects.

There has only been a reduction of £13,000 in respect of the forecast on staff cost.

4.4.4 The Company is forecasting to spend £795,000 on projects for 2011/2012. Majority of the forecast expenditure is related to the continuation of existing commitments carried over from 2010/2011.

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Report approved by CEO	6 <sup>th</sup> September 2011	

- 4.4.5 A drawdown on reserves of £795,000 will be made and is based on the current forecast revenue expenditure on live projects. The level of drawdown will increase as other projects are made live during the course of the year.
- 4.4.6 A further £520,000 worth of new projects are still in the feasibility stage and are likely to go live at some point during the year.
- 4.4.7 Appendix D is attached with details of the original and updated estimates and forecast revenue expenditure.
- 4.4.8 The Repairs trading account is forecasting a surplus of £872,000, this represents an increased surplus of £78,000 compared to the position reported to Board in July. The main reason for the increased surplus is an extra turnover of £1.1m mainly from the Capital Programme budget. Detailed financial monitoring information on the trading account is provided in Paragraph 6.3

#### 4.5 Key Risks

##### 4.5.1 HRA Managed Budgets

- 4.5.2 The increased level of income to be derived from Major Works is likely to result in a increased level of bad debt provision and debt write off.
- 4.5.3 The HRA R&M budget is forecast to over-spend by £588,000 in total. This is mainly as a result of the works being generated from the on-going fire risk assessments.
- 4.5.4 The average void cost which is currently running at £5,100 is a further risk to the HRA R&M budget. This needs to be brought back into affordable levels or else it is likely to add to the forecast over-spend.

#### 4.6 Company

4.6.1 The key risks to the company are as listed below:

- Legal Expenditure: Legal budgets are currently forecast to budget. In the latter part of last year, negotiations with external providers resulted in more competitive rates for the different types of legal services and fixed price sums for some services. However it is still too early to judge whether the full impact of the new charges on the 2011/2012 legal budgets. Legal expenditure will be continuously monitored and any material changes reported to Board at the earliest opportunity.
- Company Contingencies: There are a number of contingency budgets including sums for single status, redundancy costs arising from restructures and savings proposals and inflation provisions which may not be utilised within the current financial year. The level of usage will have an impact on the outturn forecast.

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- **Project Expenditure:** The basis of the forecast expenditure on projects is the planned activity and costs. There are on-going feasibility studies and being carried out on projects and the results of these studies can influence the level of planned activity and hence the finally outturn of the company.

#### 4.7 Repair Trading Accounts

4.7.1 The trading account is generating extra income mainly from capital sources. However contribution rates on the additional income are forecast at below budget levels. It is recommended that a productivity framework is established within the repairs service that measures input costs against income generation. This will include setting productivity target levels for operatives and a robust mechanism to monitor actual levels against targets.

### 5. Detailed Financial Monitoring Reports

#### 5.1 HRA Managed Budgets

5.1.1 The HRA managed revenue budgets are forecasting a consolidated under-spend of £2.59m and the Capital Programme budgets are forecast to under-spend by £277,000. An analysis of the individual budgets are set out in Table 2 below.

#### 5.2 Table 3 – HRA Managed Budgets Summary

	Budget 2011/2012	Revised Budgets 2011/2012	Forecast 2011/2012	Variance to Budget	RAG
	£'000	£'000	£'000	£'000	
<b>Income</b>	<b>(69,222)</b>	<b>(69,121)</b>	<b>(72,568)</b>	<b>(3,447)</b>	
R&M	19,830	19,830	20,419	588	
R&M Revenue Contribution to Capital	(2,800)	(2,800)	(2,800)	0	
<b>Net R&amp;M</b>	<b>17,030</b>	<b>17,030</b>	<b>17,619</b>	<b>588</b>	
Energy	2,211	2,211	2,479	268	
Supplies & Services	978	1,004	1,004	0	
<b>Total HRA Managed Revenue Budgets</b>	<b>(49,002)</b>	<b>(48,875)</b>	<b>(51,466)</b>	<b>(2,591)</b>	
<b>Capital Programme</b>	<b>27,446</b>	<b>27,446</b>	<b>27,169</b>	<b>(277)</b>	

() = Under-spend/Surplus

Implications approved	2 <sup>nd</sup> September 2011	
Report approved by Director	2 <sup>nd</sup> September 2011	
Report approved by CEO	6 <sup>th</sup> September 2011	

### 5.2.1 Income:

The income budget is forecasting extra revenue of £3.4m. This is mainly due to the increased receipts from leaseholders in respect of Major Works. Invoices raised to date amount to £2.1m with a balance of 1.6m due to be raised in the next eight months.

### 5.2.2 Repairs & Maintenance:

The R&M budgets have been adjusted to reflect the transfer of the External Decorations programme budget of £2.8m to the Capital Programme and classified as a revenue contribution to the Capital Programme. Forecast expenditure on repairs and maintenance is £588,000 more than budget. A more detailed analysis of the R&M budget is covered in paragraph 6.

### 5.2.3 Capital Programme:

The Capital Programme is forecasting an under-spend by £277,000. A separate board report sets out the reasons for the current forecasts.

### 5.2.4 Energy:

Expenditure on energy is forecast to be £268,000 over budget. This over-spend is expected to be contained within the overall HRA budgets mainly from the extra receipts forecasts from Major Works.

## 6. HRA Repairs and Maintenance

6.1 The HRA Repairs and Maintenance budget is forecasting to over-spend by £588,000,

### 6.2 Table 4 – HRA R&M Budgets

	Budget 2011/2012	Forecast 2011/2012	Variance to Budget	RAG
HRA Repairs & Maintenance	£'000	£'000	£'000	
Cyclical Works & External Decorations	0	0	0	
Voids	3,983	4,044	61	
Planned Schemes	0	0	0	
Planned Gas Works	810	810	0	
Planned M&E Works	720	724	4	
OAP Decorations	50	50	0	
<b>Total Planned Schemes</b>	<b>5,563</b>	<b>5,628</b>	<b>65</b>	
Responsive Repairs	6,620	6,620	0	

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Report approved by Director	2 <sup>nd</sup> September 2011	
Report approved by CEO	6 <sup>th</sup> September 2011	

	Budget 2011/2012	Forecast 2011/2012	Variance to Budget	RAG
<b>HRA Repairs &amp; Maintenance</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
Disrepair Works & Compensation	700	628	(72)	
Gas and Boiler Repairs	1,950	1,950	0	
Lift Repairs	260	260	0	
Asbestos Works	400	550	150	
Fire Assessments	280	625	345	
Other Responsive M&E Repairs	937	982	45	
Recoveries	(70)	(15)	55	
<b>Total Responsive</b>	<b>11,077</b>	<b>11,600</b>	<b>523</b>	
<b>Lewisham Homes Total</b>	<b>16,640</b>	<b>17,228</b>	<b>588</b>	
<b>Hostels</b>	<b>391</b>	<b>391</b>	<b>0</b>	
<b>R&amp;M Budgets Total</b>	<b>17,031</b>	<b>17,619</b>	<b>588</b>	
<b>Insurance Rechargeable Works</b>				
<b>L&amp;Q Disrepair Costs</b>	<b>0</b>	<b>315</b>	<b>315</b>	
<b>Adjusted Position</b>	<b>17,031</b>	<b>17,934</b>	<b>903</b>	

() = Under-spend/Surplus

#### 6.2.1 Fire Risk Assessment Works

Based on activity levels and unit costs to date it is projected that a total of £545,000 will be expended in fire risk assessments and related works. Out of this total, £200,000 has been assumed to be chargeable to the Capital Programme and the balance of £345,000 chargeable to the HRA R&M revenue budget. The Director of Property has been advised to apply for funding from the Council's risk fund to alleviate the pressure on this budget.

#### 6.2.2 Voids

The expenditure on voids is forecast to over-spend by a total of £211,000. This is made up of £61,000 on the main voids budget and an extra £150,000 on the Asbestos works budget. The current average void revenue unit cost is £5,100. The forecast however assumes that this unit cost will be reduced by £480 in the remaining eight months of the year. This will be achieved by the eradication of encapsulation of asbestos cost, which is currently carried out on 40% of work on empty properties at a cost of £1,200 per empty property.

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Report approved by CEO	6 <sup>th</sup> September 2011	

### 6.2.3 Responsive Repairs

Expenditure on Responsive Repairs is forecast to budget. The forecast position assumes that a total of £300,000 worth of responsive repairs expenditure will qualify for capitalisation as they are renewals and not repairs.

### 6.2.4 Insurance Rechargeable Works

The reported forecast has not accounted for any expenditure in respect of insurance rechargeable works. Early indications are that there is unlikely to be any material expenditure incurred for 2011/2012 after the recharges incurred in the last two years. The Board will be updated of any future changes.

### 6.2.5 L&Q Disrepair Costs

The forecast expenditure on L&Q continuing Disrepair cases of £315,000 is in respect of associated legal expenditure. This is a direct charge to the HRA and not counted against Lewisham Homes' stock maintenance allowances.

### 6.2.6 Risk Areas

In summary the key risk areas within the R&M budget are the following areas:

- Voids – high unit costs
- Asbestos Surveys and Removals – contributing to high void unit costs
- Fire Risk Assessments and related works. – additional expenditure requirements

The high void unit costs need to be managed. Additional pressures arising out of fire risk assessments will need to be resourced as part of the overall HRA financial planning process.

## 6.3 Lewisham Homes Company Budgets

6.3.1 Lewisham Homes Company is forecast to return a deficit of £148,000 after accounting for expenditure on projects of £795,000.

6.3.2 The gross forecast surplus of the company before accounting for projects is £647,000, this is mainly attributed to an under-spend in staff budgets.

### 6.4 Table 5 – Subjective Analysis of Company Budgets

	Budget 2011/2012	Revised Budgets 2011/2012	P4 July 2011/12 Board Forecast	Variance to Budget	RAG
Core Company	£'000	£'000	£'000	£'000	
Income	(20,749)	(20,749)	(20,730)	19	

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Report approved by CEO	6 <sup>th</sup> September 2011	

	Budget 2011/2012	Revised Budgets 2011/2012	P4 July 2011/12 Board Forecast	Variance to Budget	RAG
Core Company	£'000	£'000	£'000	£'000	
Employees	13,317	13,317	12,448	(869)	Green
Operational Costs	4,215	4,215	4,411	196	Red
SLAs	3,217	3,217	3,224	7	Yellow
<b>Net (Surplus)/Deficit</b>	<b>0</b>	<b>0</b>	<b>(647)</b>	<b>(647)</b>	
<b>Projects</b>	<b>590</b>	<b>806</b>	<b>795</b>	<b>(11)</b>	Yellow
<b>Combined Net (Surplus)/Deficit</b>	<b>590</b>	<b>806</b>	<b>148</b>	<b>(658)</b>	Yellow
<b>Drawdown from Reserves</b>	<b>(590)</b>	<b>(806)</b>	<b>(795)</b>	<b>11</b>	Green

() = Under-spend/Surplus

#### 6.4.1 Income

Income has reduced as a result of no longer providing a communications service to HFI and the termination of funding for a TRA support officer by Lewisham Tenants fund. This has been offset by increased depreciation charges to the repairs trading account.

#### 6.4.2 Employees

Once variations arising out of employee project costs and contingencies are excluded an operational under-spend of £0.5m on employee budgets is forecast. This is due to:

- Delayed recruitment to establishment vacancies as a result of late re-organisations. - £88k
- Staff budgets assume all employees are members of the Company pension scheme - £350k
- Staff budgets assume all employees are at the top of the scale of their respective grades and are full time staff- £105k

#### 6.4.3 Operational Costs

Operational Costs are forecast to overspend by £196k. The key areas are; depreciation and ICT expenditure.

#### 6.4.4 Projects

Forecast expenditure on projects is £795,000. These projects are being funded from company reserves. Appendix D is attached for further analysis.

#### 6.4.5 Risk Areas

Implications approved	2 <sup>nd</sup> September 2011	
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Historically expenditure on legal and court services has been a risk area, however forecast expenditure for the current year is in line with budgets. Early indications suggest that this is because of the impact of the new negotiated competitive rates achieved in the latter part of 2010/2011. The legal budgets will be continuously monitored to identify any possible pressures as early as possible and this will be reported to Board. Expenditure on projects however remains a key risk area. There are still around £500,000 worth of estimated project activity that has not commenced, but is likely to commence at some point in the year. The degree of activity on these projects and those in progress will go a long way to determine the final outturn on projects and this can potentially influence the forecast financial outturn for the company.

## 6.5 Repairs Trading Account

6.5.1 The Repairs trading account is forecasting a surplus of £872,000, against a budgeted position of £794,000 resulting in an extra £78,000 surplus.

### 6.5.2 Table 5 – Repairs Trading Account

	Budget	Revised Budgets 2011/2012	P4 July 2011/12 Board Forecast	Variance to Budget	RAG
	£'000	£'000	£'000		
<b>Income:</b>					
Response Repairs (Daytime)	(6,668)	(6,668)	(7,468)	(800)	
Response Repairs (Out of Hours)	(326)	(326)	(348)	(22)	
Voids & Insurance	(5,266)	(5,266)	(5,655)	(389)	
Disrepair	(200)	(200)	(177)	23	
<b>Repairs Income</b>	<b>(12,460)</b>	<b>(12,460)</b>	<b>(13,647)</b>	<b>(1,187)</b>	
Other Income	0	0	0	0	
<b>Total Repairs Income</b>	<b>(12,460)</b>	<b>(12,460)</b>	<b>(13,647)</b>	<b>(1,187)</b>	
<b>Expenditure:</b>					
Wages	4,105	4,105	4,865	760	
Materials	1,755	1,755	2,004	249	
Fleet	523	523	516	(7)	
Subcontractors	1,872	1,872	1,843	(29)	
<b>Total Variable Costs</b>	<b>8,255</b>	<b>8,255</b>	<b>9,228</b>	<b>973</b>	
<b>Contribution to Fixed Costs</b>	<b>(4,205)</b>	<b>(4,205)</b>	<b>(4,419)</b>	<b>(214)</b>	
<b>Contribution - %</b>	<b>33.75%</b>	<b>33.75%</b>	<b>32.38%</b>	<b>18.01%</b>	
Salaries	1,849	1,849	1,923	74	

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Report approved by CEO	6 <sup>th</sup> September 2011	

	Budget	Revised Budgets 2011/2012	P4 July 2011/12 Board Forecast	Variance to Budget	RAG
	£'000	£'000	£'000		
Direct Service Overheads	652	652	702	50	
SLAs	419	419	419	0	
Mgt & Support Staff Recharges	491	491	503	12	
<b>Total Fixed Costs</b>	<b>3,411</b>	<b>3,411</b>	<b>3,547</b>	<b>136</b>	
<b>Net (Surplus)/Deficit</b>	<b>(794)</b>	<b>(794)</b>	<b>(872)</b>	<b>(78)</b>	

() = Under-spend/Surplus

#### 6.6 Income:

The trading account is forecasting to generate an extra £1.1m in turnover, £950,000 of this is from the Capital Programme and the balance of £150,000 is from the HRA revenue budget.

#### 6.7 Variable Costs:

##### 6.7.1 Wages

An extra £760,000 in wages is forecast to be incurred. It is presently unclear as to what proportion of this over-spend is as a result of the increased turnover productivity, The management will be advised to set up a productivity framework for the organisation that includes clear productivity targets per trade and a robust monitoring system to measure actual performance against targets.

##### 6.7.2 Materials

Spend on materials is forecast to increase by £249,000. The key reason for this is in part related to the increased turnover levels and secondly the unit cost of materials post out-sourcing to Travis Perkins. Management have engaged a consulting firm to carry out a post implementation review to ascertain whether the organisation is getting value for money and whether Travis Perkins prices for materials is competitive

##### 6.7.3 Subcontractors:

Expenditure on subcontracting is forecast to remain at budget levels. This suggests that the organisation is relying more on temporary operatives rather than subcontractors to cover the extra work.

#### 6.8 Fixed Costs:

Implications approved	2 <sup>nd</sup> September 2011	
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Report approved by CEO	6 <sup>th</sup> September 2011	

6.8.1 Salaries are forecast to over-spend by £74,000. This is mainly because of the impact of the delayed implementation of the new structure. This has resulted in keeping the full compliment of staff including temporary staff from the old structure and not being able to realise the savings that were going to be delivered by the new structure.

#### 6.9 Support Staff Recharges

Support staff recharges are forecast to budget.

#### 6.10 Risks

6.10.1 The main risks for the service is productivity levels, and the relationship of variable cost to income generation. The contribution target for the year is 33.75%. The contribution on the marginal income generated to date is only 18%, however the overall contribution has only dropped by 1.37% to 32.38%.it is important that this level is maintained to ensure that any extra income generated is only likely to incur a marginal increase in fixed costs and not variable costs.

6.10.2 From 1<sup>st</sup> October 2011 the Agency Workers Regulations (AWR) will give agency workers entitlement to the same basic working and employment conditions as employees after 12 working weeks in the same role. The performance related pay system operated by Repair Service and certain contractual benefits that are currently enjoyed by permanent staff may become available to agency staff. It is too early to ascertain the full impact on the organisation, however a full cost benefit analysis needs to be carried out to inform management of any risks and hence any potential mitigating factors that can be considered.

## 7 Implications

### 7.1 Financial Implications

7.1.1 Contained within the Report

### 7.2 Legal Implications

7.2.1 None specific to this report

### 7.3 Value for Money Implications

7.3.1 Contained within the Report

### 7.4 Equality and Diversity Implications

7.4.1 None specific to this report

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Lewissham Homes' Monthly Monitoring Statement 2011/12

July 2011

	2011/12 Original Budget	2011/12 YTD Budget	2011/12 YTD Actual	2011/12 Forecast	Variance Forecast to Budget	Variance % Budget
<b>Core Activities</b>						
<b>Income</b>						
Other Income	0	0	0	0	0	0.0%
Management Fees Income	(18,942,000)	(4,735,500)	(6,314,000)	(18,942,000)	0	0.0%
Rechargeable Income	(1,418,550)	(354,638)	(4,400)	(1,466,950)	48,400	(3.4%)
External Income	(388,469)	(97,117)	(8,156)	(321,156)	(67,313)	17.3%
<b>Total Income (Ordinary Activities)</b>	<b>(20,749,019)</b>	<b>(5,187,255)</b>	<b>(6,326,556)</b>	<b>(20,730,106)</b>	<b>(18,913)</b>	<b>13.9%</b>
<b>Expenditure</b>						
<b>Employee</b>						
Direct Payroll Cost	12,360,053	3,090,013	3,901,199	11,666,090	693,963	5.6%
Other Staff Cost	0	0	0	0	0	0.0%
Corporate Provisions (2)	956,738	239,185	0	781,738	175,000	18.3%
<b>Total Employee Cost (Ordinary A)</b>	<b>13,316,791</b>	<b>3,329,198</b>	<b>3,901,199</b>	<b>12,447,828</b>	<b>868,963</b>	<b>6.5%</b>
<b>Operational</b>						
Corporation Tax	0	0	41,462	4,462	(4,462)	0.0%
Corporate Provisions (3)	377,673	94,418	0	317,673	60,000	15.9%
Depreciation	318,484	79,621	0	426,000	(107,516)	(33.8%)
Other Staff Costs	364,500	91,125	50,023	390,061	(25,561)	(7.0%)
Premises	163,000	40,750	29,115	173,250	(10,250)	(6.3%)
Supplies and Services	2,811,451	702,863	667,741	2,910,737	(99,286)	(3.5%)
Transport	164,600	41,150	16,427	165,847	(1,247)	(0.8%)
Residents' Training	15,000	3,750	2,774	22,714	(7,174)	(51.4%)
<b>Total Operational Cost (Ordinary)</b>	<b>4,214,708</b>	<b>1,053,677</b>	<b>807,542</b>	<b>4,410,744</b>	<b>(196,036)</b>	<b>(86.9%)</b>
0 SLAs	3,217,520	804,380	1,001,994	3,224,209	(6,689)	(2.0%)
<b>Total expenditure (Ordinary Activities)</b>	<b>20,749,019</b>	<b>5,187,255</b>	<b>5,710,734</b>	<b>20,082,781</b>	<b>608,043</b>	<b>2.9%</b>
<b>Net operating surplus / (deficit) for year before Projects</b>	<b>(0)</b>	<b>(0)</b>	<b>(615,822)</b>	<b>(647,325)</b>	<b>647,325</b>	
<b>Projects</b>						
<b>Income</b>						
Rechargeable Income	0	0	0	0	0	0.0%
External Income	0	0	0	0	0	0.0%
<b>Total Income (Projects)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>
<b>Expenditure</b>						
<b>Employee</b>						
Direct Payroll Cost	0	0	103,541	150,676	(150,676)	0.0%
<b>Total Employee Cost (Projects)</b>	<b>0</b>	<b>0</b>	<b>103,541</b>	<b>150,676</b>	<b>(150,676)</b>	<b>0.0%</b>
<b>Operational</b>						
Depreciation	0	0	0	75,075	(75,075)	0.0%
Other Staff Costs	0	0	0	0	0	0.0%
Supplies and Services	806,333	0	34,262	569,012	237,321	0.0%
Transport	0	0	0	0	0	0.0%
<b>Total Operational Cost (Projects)</b>	<b>806,333</b>	<b>0</b>	<b>34,262</b>	<b>644,087</b>	<b>162,246</b>	<b>0.0%</b>
<b>Total expenditure (Projects)</b>	<b>806,333</b>	<b>0</b>	<b>137,803</b>	<b>794,764</b>	<b>11,569</b>	<b>0</b>
<b>Net operating surplus / (deficit) for year after Projects</b>	<b>806,333</b>	<b>(0)</b>	<b>(478,019)</b>	<b>147,439</b>	<b>658,894</b>	
Drawdown from Reserves	(806,333)	(268,778)	0	(794,763)	(11,570)	
<b>Net Surplus/(Deficit) after Drawdown from Reserves</b>	<b>(0)</b>	<b>(268,778)</b>	<b>(478,019)</b>	<b>(647,324)</b>	<b>647,324</b>	

APPENDIX B  
Repairs Service Trading Account Detailed Analysis - Jul. 2011/2012

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	Original Budget Submitted to Board	Revised Budget	Revised Budget	Actual	Forecast	Variance - Actual	Variance - Revised Budget to
	2011/2012	2011/2012	YTD - Jul. 2011/2012	YTD - Jul. 2011/2012	2011/2012	YTD Revised Budget	Forecast
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Income:</b>							
Response Repairs & Int. Decs.	(6,514)	(6,668)	(2,223)	(2,627)	(7,468)	(404)	(800)
Response - Emergency	(258)	(326)	(109)	(79)	(348)	30	(22)
Voids & Insurance	(4,308)	(5,266)	(1,755)	(2,002)	(5,654)	(247)	(388)
Disrepair	(200)	(200)	(67)	(36)	(177)	30	23
<b>Total Income:</b>	<b>(11,280)</b>	<b>(12,460)</b>	<b>(4,153)</b>	<b>(4,744)</b>	<b>(13,647)</b>	<b>(591)</b>	<b>(1,187)</b>
Other Income	(50)	0	0	0	0	0	0
Total Other Income	<b>(50)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Income ( Including Other Income)</b>	<b>(11,330)</b>	<b>(12,460)</b>	<b>(4,153)</b>	<b>(4,744)</b>	<b>(13,647)</b>	<b>(591)</b>	<b>(1,187)</b>
<b>Expenditure:</b>							
Wages	4,066	4,105	1,368	1,538	4,865	170	760
Materials	1,406	1,755	585	716	2,004	131	249
Sub-Contracting Costs	1,627	1,872	624	602	1,843	(22)	(29)
Fleet	510	523	174	172	516	(2)	(7)
Salaries	1,823	1,849	616	609	1,923	(7)	74
Direct Service Overheads	662	652	217	278	702	61	50
SLAs	469	419	140	140	419	0	0
Recharges	489	491	164	167	503	3	12
<b>Total Expenditure</b>	<b>11,052</b>	<b>11,666</b>	<b>3,889</b>	<b>4,222</b>	<b>12,775</b>	<b>333</b>	<b>1,109</b>
<b>(Surplus)/Deficit</b>	<b>(278)</b>	<b>(794)</b>	<b>(265)</b>	<b>(522)</b>	<b>(872)</b>	<b>(258)</b>	<b>(78)</b>

APPENDIX C  
Repairs & Maintenance Monitoring July 2011

	Original Budget	Revised Budget	YTD spend actual	YTD budget	YTD underspend / (overspend)	Academy commitments	Forecast	Forecast Underspend / (overspend)
Lewisham Homes	16,639,541	16,639,541	3,801,185	5,546,514	1,745,329	2,578,084	17,228,021	(588,480)
Areas subject to stock transfer	0	0	0	0	0	0	0	0
Chrysalis	0	0	0	0	0	0	0	0
Hostels	390,815	390,815	64,252	130,272	66,019	39,790	390,815	0
	<u>17,030,356</u>	<u>17,030,356</u>	<u>3,865,437</u>	<u>5,676,785</u>	<u>1,811,348</u>	<u>2,617,874</u>	<u>17,618,836</u>	<u>(588,480)</u>

**Budgets managed by Lewisham Homes**

	Original Budget	Revised Budget	YTD spend actual	YTD budget	YTD underspend / (overspend)	Academy commitments	Forecast	Forecast Underspend / (overspend)
<b>Planned Schemes</b>								
Cyclical works & external decoratio	0	0	0	0	0	0	0	0
Voids	3,983,000	3,983,000	468,988	1,327,667	858,678	1,380,420	4,044,378	(61,378)
Planned schemes	0	0	(500)	0	500	500	0	0
Planned gas works	810,000	810,000	161,775	270,000	108,225	5,122	810,000	0
Planned M&E works	719,850	719,850	87,038	239,950	152,912	120,146	724,100	(4,250)
OAP decorations	50,000	50,000	14,988	16,667	1,678	7,985	50,000	0
	<u>5,562,850</u>	<u>5,562,850</u>	<u>732,290</u>	<u>1,854,283</u>	<u>1,121,994</u>	<u>1,514,173</u>	<u>5,628,478</u>	<u>(65,628)</u>
<b>Responsive</b>								
Responsive repairs	6,620,191	6,620,191	1,892,787	2,206,730	313,943	482,311	6,620,191	0
Disrepair cases	700,000	700,000	145,571	233,333	87,763	143,030	628,000	72,000
Gas and boiler repairs	1,950,000	1,950,000	475,853	650,000	174,147	33,130	1,950,000	0
Lift repairs	260,000	260,000	70,340	86,667	16,327	80,092	260,000	0
Asbestos works	400,000	400,000	163,999	133,333	(30,665)	95,726	550,000	(150,000)
Fire assessments	280,000	280,000	143,294	93,333	(49,961)	40,174	625,000	(345,000)
Pest control	0	0	0	0	0	0	0	0
Other responsive M&E repairs	936,500	936,500	192,200	312,167	119,966	189,447	981,500	(45,000)
	<u>11,146,691</u>	<u>11,146,691</u>	<u>3,084,044</u>	<u>3,715,564</u>	<u>631,520</u>	<u>1,063,911</u>	<u>11,614,691</u>	<u>(468,000)</u>
Total Expenditure	16,709,541	16,709,541	3,816,333	5,569,847	1,753,514	2,578,084	17,243,169	(533,628)
less Recoveries	(70,000)	(70,000)	(15,148)	(23,333)	(8,185)	0	(15,148)	(54,852)
Net Expenditure	<u>16,639,541</u>	<u>16,639,541</u>	<u>3,801,185</u>	<u>5,546,514</u>	<u>1,745,329</u>	<u>2,578,084</u>	<u>17,228,021</u>	<u>(588,480)</u>

Appendix D  
Detailed - Updated Proposals for the Use of Reserves  
2010/2011 Including Projects

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Project/Programme	Funding Source	Classification	Proposals for March Board	Updated Proposals for July Board	Proposed Budgets for 2011/2012	Forecast Cashflow 2011/2012	Forecast Revenue Impact 2011/2012 P2	Forecast Revenue Impact 2011/2012 P4	Variance P2 v P4 Forecast Revenue Impact	Variance Budget to Forecast 2011/2012
Archive Back-Scanning	Revenue	Existing Commitments	300,000	300,000	60,000	60,000	0	60,000	60,000	0
Data Cleansing	Capital	Existing Commitments	94,000	94,000	15,667	112,000	15,667	18,667	3,000	(3,000)
EDRM	Capital	Existing Commitments	76,000	76,000	12,667	111,921	17,667	14,499	(3,168)	(1,832)
Migration of Academy from Unix to Windows Platform	Capital	Existing Commitments	90,000	90,000	0	0	0	0	0	0
Mobile Handhelds (Voids Specification)	Capital	Existing Commitments	35,000	35,000	5,833	35,000	5,833	6,689	856	(856)
Repairs Diagnostics	Capital	Existing Commitments	12,000	12,000	2,000	17,600	2,000	3,017	1,017	(1,017)
Stores Supplies Contract & Interface Files	Capital	Existing Commitments	45,000	45,000	7,500	45,000	7,500	3,703	(3,797)	3,797
Academy Upgrade & Reporting review	Revenue	Existing Commitments	25,000	25,000	25,000	40,000	40,000	45,000	5,000	(20,000)
Carry out an efficiency review of Academy Housing	Revenue	Existing Commitments	15,000	15,000	15,000	15,000	15,000	5,250	(9,750)	9,750
Decent Homes	Revenue	0	0	0	0	200,722	300,967	118,679	(182,288)	(118,679)
Feasibility studies for residents ICT	Revenue	New Investment	2,000	2,000	2,000	2,000	2,000	2,000	0	0
Finance System Implementation	Capital	Existing Commitments	130,000	130,000	21,667	147,000	130,000	28,500	(101,500)	(6,833)
Implement separate Email Server & Mailstorm	Revenue	New Investment	75,000	75,000	0	0	0	0	0	0
IT Service Review	Revenue	New Investment	5,000	5,000	5,000	10,000	5,000	10,000	5,000	(5,000)
LLPG Integration	Revenue	New Investment	9,000	9,000	9,000	9,000	9,000	9,000	0	0
Lone Working Technology	Revenue	New Investment	25,000	25,000	0	0	0	0	0	0
Migrate to Sharepoint	Revenue	New Investment	30,000	30,000	0	0	0	0	0	0
New File Server for Academy Documents	Revenue	0	0	0	0	17,645	13,932	7,313	(6,619)	(7,313)
Repair Service Apprentice Scheme	Revenue	Existing Commitments	100,000	100,000	50,000	45,002	45,902	43,971	(1,931)	6,029
Review procedures & interfaces for LBL allocations system	Revenue	Existing Commitments	15,000	15,000	15,000	15,000	15,000	15,000	0	0
Scan to email functionality	Revenue	New Investment	5,000	5,000	5,000	5,000	5,000	4,500	(500)	500
Time recording system	Revenue	New Investment	15,000	15,000	15,000	1,500	1,500	1,500	0	13,500
Upgrade of Open Contractor to v10	Revenue	Existing Commitments	15,000	15,000	15,000	18,730	15,000	14,230	(770)	770
Upgrade Open Contractor infrastructure & support	Revenue	New Investment	65,000	65,000	65,000	65,000	65,000	65,000	0	0
New Interfaces for LBL CDPSoft Allocations System	Revenue	New Investment	15,000	15,000	0	0	0	0	0	0
The Mayor's Apprentice Scheme	Revenue	New Investment	250,000	250,000	125,000	125,000	0	125,000	125,000	0
Fraud Prevention	Revenue	New Investment	175,000	175,000	115,000	52,466	0	0	0	115,000
Sheltered Housing	Revenue / Capital	New Investment	300,000	300,000	0	0	0	0	0	0
Bin Chute Cleaning	Revenue	New Investment	80,000	80,000	80,000	85,000	0	85,000	85,000	(5,000)
Fire and Asbestos Health and Safety	Revenue	New Investment	200,000	318,000	100,000	0	0	68,245	68,245	31,755
Communal Heating Systems Strategy Consultants Cost	Revenue	New Investment	40,000	40,000	40,000	0	0	40,000	40,000	0
Smart Utility Meter Readers	Revenue	New Investment	39,000	39,000	0	0	0	0	0	0
Working Balance at 2.5%	Revenue	Corporate Contingencies	750,000	750,000	0	0	0	0	0	0
Redundancy Reserve	Revenue	Corporate Contingencies	250,000	250,000	0	0	0	0	0	0
Single Status	Revenue	Corporate Contingencies	250,000	250,000	0	0	0	0	0	0
Property Planned Maintenance	Revenue / Capital	Corporate Contingencies	100,000	100,000	0	0	0	0	0	0
<b>Grand Total</b>			<b>3,632,000</b>	<b>3,750,000</b>	<b>806,333</b>	<b>1,235,586</b>	<b>711,968</b>	<b>794,763</b>	<b>82,795</b>	<b>11,570</b>

# **Part B**

## **Information Items**

Committee	<b>Lewisham Homes Board</b>	Item No.	<b>1</b>
Report Title	<b>Directors Enquiry System</b>		
Contributors	<b>Head of Governance – Mike Sims</b>		
Class	<b>Information</b>	Date	<b>20<sup>th</sup> September 2011</b>

**1. Purpose of the Report**

1.1 Summarises enquiries received from Board members.

**2. Recommendations**

2.1 The Board notes the report.

**3. Enquiries Received**

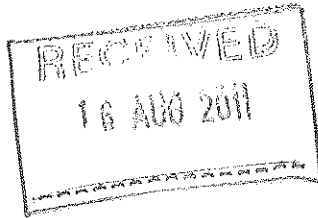
3.1 Board at its May meeting requested that the Directors Enquiry System should only show new enquiries since its last meeting, and that it should include a brief outline of the original enquiry not just the response.

3.2 Board should note that the following enquiries have been received since its last meeting:

<b>Date Received</b>	<b>Board Member</b>	<b>Enquiry</b>	<b>Date Responded</b>	<b>Response</b>
17.08.2011	Julia Cotton	a) Confirmation of the number of resident parking permits allowed per residence.  b) Are business' permitted to receive parking permits from Pepys Housing Office?	01.09.2011	a) LH's approach is to allow each household to have 1 residents and 1 visitors permit.  b) LH does not issue business permits and wouldn't normally give permits to people other than residents.
30.08.2011	Paul Bell and Danielle Heath	Request for an estate inspection to be scheduled for the Milton Court Estate with CEO and Director of Housing to address ongoing concern.		The Director of Housing contacted the named Board Directors asking for a specific outline of the issues. As soon as this information has been provided, he will arrange an estate inspection with all the relevant officers in attendance. An

				update will be provided at the next meeting.
01.09.2011	Paul Bell	Request for a list of the Community Improvement Projects awarded by Lewisham Homes.	01.09.2011	<ul style="list-style-type: none"> <li>• Hazel Grove Intergenerational Project.</li> <li>• McMillan Community Garden and Play Area.</li> <li>• Silva Community Garden.</li> <li>• Prendergast Play Area.</li> <li>• Loats Pit Restoration.</li> <li>• 2CAC Children's Play Area.</li> </ul>

**If you require further information on this report please contact  
Mike Sims on email [mike.sims@lewishamhomes.org.uk](mailto:mike.sims@lewishamhomes.org.uk)**



Our Ref: IL / KL

12<sup>th</sup> August 2011

Ms J Cotton  
Chair  
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Dear Ms Cotton

**Lewisham Homes – Major Works Contract**

Thank you for your letter dated 19<sup>th</sup> July 2011 to our Group Chairman Philip White, which has been forwarded to me as the Kier Group Director with overall responsibility for the Services division.

As you will note from our letter of 8<sup>th</sup> March 2011, the decision to withdraw our tender offer was based on the expiry of the acceptance period.

We operate internal policies in line with governance procedures that require us to review all tenders that are nearing expiry on a monthly basis, this withdrawal was a difficult but essential decision that was made by our management board due to the volatile market conditions that we continue to experience, we pride ourselves in customer excellence and to have entered into such a contract would have compromised this.

Should you require any further details please contact myself or Peter Brynes our Maintenance Managing Director, Peter or I would be pleased to meet with you to discuss further if you so require.

Yours sincerely

Ian Lawson  
**Executive Director**