

# Lewisham Homes Board Meeting

Thursday 28th January 2010

6.30pm – 8.30pm

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)

Alan Barker

Chief May Agbakoba

Danielle Heath

John Paschoud

Lawrence Britton

Marion Nisbet

Mel Couldwell

Nick Joslyn

Ron Stockbridge

Ruth Oshikanlu

Sarah Smith

Terry James

Tim Fallon

## Lewisham Homes Officers

Andrew Potter – Chief Executive

Mark Agnew – Director of Property Services

Adam Barrett – Director of Resources

Hilary Barber – Head of Service Development

Qadeer Kiani – Head of Income

Mike Sims – Head of Governance

Nicola Clarke – Governance Manager

## London Borough of Lewisham

Janet Senior – Exec Director for Resources

Lesley Seary - 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

**Thursday 28<sup>th</sup> January 2010, starting at 6.30pm  
Holbeach House, 9 Holbeach Road, SE6 4TW**

## Part A - Open items

	<b>Item</b>	Page	Report type	
<b>1</b>	Residents Business Plan	verbal	Information	
<b>2</b>	Welcome and introductions	verbal	Information	<b>Chair</b>
<b>3</b>	Questions from members of the public	verbal	Decision	<b>Chair</b>
<b>4</b>	Apologies for absence	verbal	Information	<b>Chair</b>
<b>5</b>	Declaration of interests	verbal	Information	<b>Chair</b>
<b>6</b>	Minutes of last meeting 26 <sup>th</sup> November & matters arising 2009	4	Decision	<b>Chair</b>
<b>7</b>	Chairs Actions	verbal	Decision	<b>Chair</b>
<b>8</b>	Chief Executive Update	12	Information	<b>Andrew Potter</b>
<b>9</b>	Financial Inclusion Strategy	15	Decision	<b>Qadeer Kiani</b>
<b>10</b>	LHL Budget Strategy 2010-11	34	Decision	<b>Adam Barrett</b>
<b>11</b>	Capital Programme Update	45	Decision	<b>Mark Agnew</b>
<b>12</b>	LHL Financial Monitoring Report	58	Monitoring	<b>Adam Barrett</b>
<b>13</b>	Business Plan 2009-10 and KPI Performance	69	Monitoring	<b>Hilary Barber</b>
<b>14</b>	Equality and Diversity Monitoring	98	Monitoring	<b>Hilary Barber</b>
<b>15</b>	Major Works Programme Update	119	Monitoring	<b>Mark Agnew</b>

<b>16</b>	Board Forward Plan	129	Decision	<b>Mike Sims</b>
<b>Part B - Information Items</b>				
<b>1</b>	Board Members Enquiries	132	Information	<b>Mike Sims</b>
<b>Part B – Exempt Items</b>				
<b>1</b>	Exempt Minutes of Meeting 26 <sup>th</sup> November 2009	136	Decision	<b>Chair</b>
<b>2</b>	Lift Maintenance 2010-15 Contract Award	137	Decision	<b>Mark Agnew</b>
<b>3</b>	Minutes from Remuneration Committee 7 <sup>th</sup> December 2009	146	Information	<b>David Gannicott</b>
<b>4</b>	Notes from Performance Panel 9 <sup>th</sup> December 2009	150	Information	<b>David Gannicott</b>

# LEWISHAM HOMES

## Minutes of the Lewisham Homes Board meeting

held on Thursday 26<sup>th</sup> November 2009, Holbeach House, Catford

### **Present**

#### **Board**

Julia Cotton (Chair)  
Alan Barker  
Chief May Agbakoba  
Danielle Heath  
John Paschoud  
Lawrence Britton  
Marion Nisbet  
Mel Couldwell  
Nick Joslyn  
Ruth Oshikanlu  
Sarah Smith  
Terry James  
Tim Fallon

### **Apologies**

#### **Board**

David Gannicott (V. Chair)

#### **Not Present**

Ron Stockbridge

#### **Lewisham**

#### **Homes Officers**

#### **LBL**

Lesley Seary (Executive Director for  
Customer Services)

#### **Lewisham**

Andrew Potter (Chief Executive)

#### **Homes**

Adam Barrett (Director of Resources and Company Secretary)

#### **Officers**

Hilary Barber (Head of Service Development)

Mark Agnew (Director of Property Services)

Mike Sims (Head of Governance)

Nicola Clarke (Governance Manager)

#### **LBL**

Richard Hards (Senior Group Manager for Strategic Housing)

#### **In**

Wendy Gajadhar (Board Development Manager)

#### **Attendance**

	<b>PART A – BOARD MEETING</b>	<b>Action</b>
<b>1</b>	<b>Welcome and Introductions</b> The Chair opened the meeting at 6.50pm and welcomed everyone to the meeting.	
<b>2</b>	<b>Apologies for Absence</b>  None	
<b>3</b>	<b>Declarations of Interest</b>	
<b>3.1</b>	None	
<b>4</b>	<b>Election of Chair and Vice Chair</b>	
<b>4.1</b>	Mike Sims, Head of Governance, introduced a point of order relating to a request from David Gannicott. David Gannicott had been present before the meeting to cast a vote for his position of chair but sought Board's permission to have a sealed vote cast for the position of vice-chair should the need arise given he had to leave before the meeting due to an urgent work reason. The Board agreed to this request.	
<b>4.2</b>	Election of Chair, votes cast – Julia Cotton 9 votes and Terry James 5 votes. Julia Cotton is elected Chair.	
<b>4.3</b>	Election of Vice Chair, votes cast – David Gannicott 8 votes and Terry James 6 votes. David Gannicott is elected Vice Chair.	
<b>4.4</b>	Mike Sims handed back the Chair of the meeting to Julia Cotton.	
<b>5</b>	<b>Minutes of the meeting of 29 September 2009 and Matters Arising</b>  <b>Accuracy</b> None.  <b>Matters arising</b>  <b>Page 5, item 6.3</b> – Chief Executive Update. Board noted that there was no further update with regards to the Decent Homes Bid submission to the Homes for Communities Agency.  <b>Page 5, item 6.4</b> – Chief Executive Update. Board noted that Lewisham Homes had now joined the “safe as houses scheme”.  <b>Page 7, item 9.3</b> – Business Plan 2008/09 and KPI Performance. Board noted that the Equality and Diversity training has been re-evaluated as it was felt the training was too general. One day training will begin in January 2010 for all staff.	<b>Head of Service Development</b>

	<p><b><u>Decision</u></b> The minutes were recorded as an accurate record of the meetings.</p>	
<b>6</b>	<b>Chairs Actions and Questions from the Public</b>	
<b>6.1</b>	None	
<b>7</b>	<b>Chief Executive Update</b>	<b>Head of Service Development</b>
<b>7.1</b>	The Chief Executive introduced an update report for information.	
<b>7.2</b>	Board noted that the Decent Homes Task Force is not currently meeting. This is due to a number of round 6 ALMO's seeking a Judicial Review. Lewisham Homes is not part of the Judicial Review, but is continuing to lobby Government.	
<b>7.3</b>	Board noted that the date for the inspection has been confirmed as the fortnight beginning 21 <sup>st</sup> June 2010. Board noted that the gap analysis will be reported at its next meeting.	
<b>7.4</b>	Board noted that a scheme piloting text arrears reminders had been introduced and was due to go live in January 2010.	
<b>7.5</b>	Board noted that the Customer Excellence Assessment took place 26 <sup>th</sup> November, and early indications show a positive result.	
	<p><b><u>Decision</u></b> The report was noted.</p>	
<b>8</b>	<b>Appointment of Board Members to Committees</b>	
<b>8.1</b>	The Head of Governance introduced a report for decision asking Board to agree the membership of its Committees.	
<b>8.2</b>	Board agreed the membership of Audit Committee would be: Terry James, Alan Barker, Chief May Agbakoba, Danielle Heath, Lawrence Britton and Marion Nisbet. This left 2 current vacancies.	
<b>8.2.1</b>	Board agreed the membership of Remuneration Committee would be: David Gannicott, Julia Cotton and Mel Couldwell. This left one current vacancy.	
<b>8.2.2</b>	Board agreed the membership of Ethics Committee would be: Julia Cotton, John Paschoud and Terry James.	
<b>8.2.3</b>	Board agreed the membership of Performance Panel would be: David Gannicott, Alan Barker, Julia Cotton and Lawrence Britton.	
	<p><b><u>Decision</u></b> Board agreed its Committee membership until November 2010.</p>	

<p><b>9</b></p> <p><b>9.1</b></p> <p><b>9.2</b></p> <p><b>9.3</b></p> <p><b>9.4</b></p> <p><b>Decision</b> Board agreed:</p> <ul style="list-style-type: none"> <li>To note the position on the following: <ul style="list-style-type: none"> <li>• Lewisham Homes Accounts.</li> <li>• The Repairs Service trading account.</li> <li>• The HRA Capital Programme.</li> <li>• The HRA Managed budgets.</li> </ul> </li> </ul>	<p><b>LHL Financial Monitoring Report</b></p> <p>The Director of Resources introduced a report for decision updating the Board on the September 2009 financial monitoring forecasts for the Lewisham Homes' company budgets, the repairs service trading account and the Housing Revenue Account (HRA) managed budget.</p> <p>The Director of Resources reported that the total summary forecast position for the Company as a whole for 2009-10 is a surplus of £1.069m This surplus is made up of £326K in the Repairs trading account and £743K in the Company's main account.</p> <p>Board requested that detailed proposals regarding the spending of the Lewisham Homes and Repairs Service Trading Account surplus be reported at its next meeting.</p> <p>Board noted that potentially 10 - 15% of current occupancy checks (2,400 properties) have highlighted illegal occupiers. Over the last 2 months there have been 30 abandonments and 85 notices to quit served where the occupier has failed to declare their identity. Board noted that a report will be presented to Audit Committee in March 2010.</p>	<p><b>Director of Resources</b></p> <p><b>Director of Resources</b></p>
<p><b>10</b></p> <p><b>10.1</b></p> <p><b>10.2</b></p> <p><b>10.3</b></p> <p><b>Decision</b> Board agreed to approve the Lewisham Homes Budget Strategy.</p>	<p><b>LHL Budget Strategy 2010-2011</b></p> <p>The Director of Resources introduced a report for decision updating the Board on the September 2009 budget strategy for the Councils Housing Revenue Account (HRA), the capital programme and Lewisham Homes company account including the repairs service trading account.</p> <p>Board noted that the Director of Resources would cross check the London Borough of Lewisham's budget strategy following the full Council meeting on 25<sup>th</sup> November 2009.</p> <p>Board requested that the reports regarding Tenant and Leaseholder increase in service charges that was reported at the Area Panels be forward to them before the next meeting.</p>	<p><b>Director of Resources</b></p> <p><b>Head of Governance</b></p>
<p><b>11</b></p> <p><b>11.1</b></p>	<p><b>Business Plan and KPI Performance</b></p> <p>The Head of Service Development introduced a report for decision setting out Lewisham Homes' key performance indicators (KPI's) and</p>	

<p>11.2</p> <p>11.3</p> <p>11.4</p> <p>11.5</p>	<p>progress against target times for tasks in the Business Plan for 2009/10.</p> <p>Board noted that the areas of poor performance continue to be Income Collection, Voids and Staff Sickness whilst areas of good performance are Gas Safety, Complaints, Repairs and Repairs call centre response times. The Board accepted assurances from members of the Performance Panel that areas of poor performance continued to be scrutinised in detail at its meetings.</p> <p>Board noted that complaints performance for September should read 91% responded to on time.</p> <p>Board noted that a voids scrutiny panel was meeting on a weekly basis to regulate performance data, improve performance to meet targets, solve quality issues around sign ups and works, and to control tenancy end dates and rent refunds.</p> <p>Board noted that Lewisham Homes was working towards a January 2010 date for the implementation of Opt-time. Board requested that the delay's in the implementation of the system be looked at as part of the Performance Panel meetings.</p> <p><b><u>Decision</u></b> Board agreed to approve the proposal approach to rectify under performing areas.</p>	<p>Head of Service Development</p>
<p>12</p> <p>12.1</p> <p>12.2</p> <p>12.3</p> <p>12.4</p>	<p><b>Financial Inclusion Strategy</b></p> <p>The Chief Executive introduced a report for decision setting out the draft financial inclusion strategy for Lewisham Homes.</p> <p>Board noted that strategy will be largely implemented by the Credit Union.</p> <p>Board did not agree with the conclusion of the report that there were no comments made at the November Area Panels on the Strategy.</p> <p>Board noted that the financial implications and cost benefit methodology regarding the implementation of this strategy were not included in this report.</p> <p><b><u>Decision</u></b> Board did not agree this strategy and requested that it be reported again at its next meeting, with the amendments highlighted.</p>	<p>Head of Income</p>
<p>13</p> <p>13.1</p>	<p><b>Forward Plan</b></p> <p>Board noted that an additional meeting on 25<sup>th</sup> February 2010 would be convened.</p> <p><b><u>Decision</u></b> Board agreed the Forward Plan</p>	

There being no other business to conclude, the Chair closed the meeting at 8.50pm.

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**Chair: Julia Cotton**

.....  
**Date**

The next Lewisham Homes Board Meeting will take place on **Thursday 28<sup>th</sup> January 2009**, starting at **6.30pm** at **Holbeach House, Catford**.

	<b>PART A – BOARD MEETING MATTERS ARISING</b>	<b>RESPONSE</b>
<b>5</b>	<b>Minutes of the meeting of 29 September 2009 and Matters Arising</b>  Business Plan 2008/09 and KPI Performance. Board noted that the Equality and Diversity training has been re-evaluated as it was felt the training was too general. One day training will begin in January 2010 for all staff.	This will begin on Monday 8 <sup>th</sup> February 2010.
<b>7</b>	<b>Chief Executive Update</b>	
<b>7.3</b>	Board noted that the date for the inspection has been confirmed as the fortnight beginning 21 <sup>st</sup> June 2010. Board noted that the gap analysis will be reported at its next meeting.	This will be reported at the Board meeting on 25 <sup>th</sup> February 2010.
<b>9</b>	<b>LHL Financial Monitoring Report</b>	
<b>9.3</b>	Board requested that detailed proposals regarding the spending of the Lewisham Homes and Repairs Service Trading Account surplus be reported at its next meeting.	This has been included in the report for the 28 <sup>th</sup> January meeting.
<b>9.4</b>	Board noted that potentially 10 - 15% of current occupancy checks have highlighted illegal occupiers. Over the last 2 months there have been 30 abandonments and 85 notices to quit served where the occupier has failed to declare their identity. Board noted that a report will be presented to Audit Committee in March 2010.	This has been included on the agenda for the Audit Committee meeting on 16 <sup>th</sup> March 2010.
<b>10</b>	<b>LHL Budget Strategy 2010-2011</b>	
<b>10.2</b>	Board noted that the Director of Resources would cross check the London Borough of Lewisham's budget strategy following the full Council meeting on 25 <sup>th</sup> November 2009.	A verbal update will be provided by the Director of Resources at the meeting on 28 <sup>th</sup> January.
<b>10.3</b>	Board requested that the reports regarding Tenant and Leaseholder increase in service charges that was reported at the Area Panels be forward to them before the next meeting.	This was emailed to Board on Monday 11 <sup>th</sup> January 2010.
<b>11</b>	<b>Business Plan and KPI Performance</b>	
<b>11.5</b>	Board noted that Lewisham Homes was working towards a January 2010 date for the implementation of Opt-time. Board requested that the delay's in the implementation of the system be looked at as part of the Performance Panel meetings.	This has been included on the agenda for all future Performance Panel meetings.
<b>12</b>	<b>Financial Inclusion Strategy</b>  Board did not agree this strategy and requested that it be reported again at its next meeting, with the amendments highlighted.	This has been included on the agenda for the 28 <sup>th</sup>

		January meeting.
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Committee	<b>Lewisham Homes Board</b>	Item No.	<b>8</b>
Report Title	<b>Chief Executive's Update</b>		
Contributor	<b>Chief Executive – Andrew Potter</b>		
Class	<b>Information</b>	Date	<b>28<sup>th</sup> January 2010</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. Business Plan 2010/13**

Residents will be presenting the 'Residents Business Plan' to Board in January and the full Business Plan will be on the agenda for the additional Board meeting in February.

**5. Decent Homes Task Force and Funding Update**

No further update at this stage, however, we have secured additional funding from Capital Ambition to support our improvement to 2 stars.

**6. Consultation on TSA Standards**

On 12 November, the TSA launched its official consultation about the form of the new regulatory regime, the consultation period runs to 5 February 2010. Following consultation the National Federation of ALMO's will be responding to the review.

**7. Rent Increase 2010/11**

The average rent increase for Lewisham tenants for 2010/11 will be 29p per week (0.37%). The majority of tenants (79%) will receive a reduction on their charges for existing services. The remaining 21% will receive an increase. The increase is not due to increased cost of services but due to the cap on service charge increases preventing the full cost of services being charged in 2009/10.

New service charges for lumber at 26p per week and communal window cleaning of 6p per week are proposed for 2010/11.

**8. Inspection Update**

The Self Assessment will be presented at the March Board for comments and sign-off. An update on our progress since the last inspection is included with these Board papers.

**9. Repairs Service**

Summary of the Improvement Programme progress:

- Operative Pay review has been completed and agreed by three trade unions. The Remuneration Committee has approved the arrangements with a review after 3 months to assess the actual implications.
- Opti-time automatic scheduling system. This was due in September 2009, however, due to issues with one supplier the project has been delayed until March 2010.
- Electronic stores system has experienced delays but tenders have been returned and the supplier will be appointed shortly and the go-live date will be agreed with the supplier, usually 3 months.
- VFM review on the fleet is being done in partnership with the Council by March 10.
- VFM Board Report will be presented at the March Board that will demonstrate how the Repairs Service is delivering value for money in line with the organisations VFM Strategy.

**10. Decent Homes Procurement**

Board Report Attached.

**11. New Phone System**

This has now been implemented.

**12. Customer Excellence Assessment**

We have been successful in getting the accreditation the report will be presented to the Board in February 2010.

**13. Investors in People Assessment**

We have been successful in getting the accreditation the report will be presented to the Board in February 2010.

**14. Staff Survey**

This has been complete and will be presented to Board in February 2010.

**15. ISO9001 – Gas Servicing**

This will be assessed in January 2009.

**16. British Safety Council 5 Star Audit - Health & Safety**

We will have an audit carried out by the British Safety Council in July 2010. A pre-assessment has been arranged at the start of February in preparation.

**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)**

Meeting	<b>Lewisham Homes Board</b>	Item No.	<b>9</b>
Report Title	<b>Financial Inclusion Strategy</b>		
Report Of	<b>Head of Income Management – Qadeer Kiani</b>		
Class	<b>Decision</b>	Date	<b>28<sup>th</sup> January 2010</b>

## **1. Purpose of the Report**

- 1.1 This report sets out the draft financial inclusion strategy for Lewisham Homes.

## **2. Recommendations**

- 2.1 To approve the financial inclusion strategy.

## **3. Background of the Report**

- 3.1 The lack of a corporate approach to financial inclusion was identified as a weakness in the service review of income management carried out by the Housing Quality Network in May 2009.

## **4. Context**

- 4.1 This strategy sets out Lewisham Homes' philosophy and ethos on supporting vulnerable residents who may be financially or socially excluded. It is the intention of this strategy to ensure that residents' incomes are maximised either through welfare benefit advice and or worklessness initiatives.

- 4.1.1 The strategy is linked to Lewisham Homes Debt Management Policy which sets out the organisation's corporate approach to income management.

- 4.1.2 Lewisham Homes will work through and with a number of third sector advice and support agencies to deliver this strategy. The list below is not exhaustive but includes the main agencies through which this strategy will be implemented:

- Lewisham Plus Credit Union
- Refugee Agency,
- The 190 Centre,
- Age Concern Lewisham,
- Drug Intervention Programme (DIP)
- Lewisham Disability Coalition,
- Foundation 66
- Lewisham Multi Lingual Advice Service
- Lewisham Council Housing Benefit Service
- Lewisham Council Social Care Department

- 4.2 Lewisham Homes will also work with and through the Department of Work and Pensions to deliver the objectives of this strategy.

4.3 The objectives of the strategy will be delivered under the following headings:

- Committed Teams
- Empowered Residents
- Promoting Bank Accounts
- Working with Lewisham Plus Credit Union
- Worklessness initiatives
- Welfare Benefit Maximisation
- Partnership Working

## 5. Implications

### 5.1 Legal Implications

5.1.1 There are no legal implications arising from this strategy. However, the implementation of this strategy will provide residents with the additional or maximised income to avoid or reduce legal action taken by Lewisham Homes to recover outstanding debts.

### 5.2 Financial Implications

5.2.1 Investment in financial inclusion will enable Lewisham Homes to increase the levels of income available to residents through employment or maximised income levels. This is expected to help ensure that residents have the financial advice and support to pay charges owed to the organisation.

5.2.2 The costs associated with the implementation of this strategy are summarised in the table below:

Welfare Benefit Advice Service	£40,000
Lewisham Plus Credit Union match funding pilot	£5,000
Working Links initiatives	£4,090
Financial Inclusion Training workshops (8)	£4,000
	<b>£53,090</b>

5.2.3 It is to be noted that the business case for the introduction of the welfare benefit advice service is constructed on the basis that the role is self funding and maximises welfare benefit to either the same value or in excess of the cost of this role.

### 5.3 Value For Money Implications

5.3.1 Ensuring that income revenue streams are maximised through increased collection is a key value for money objective. The delivery of advice and welfare services will support the tenancy sustainment objectives of the organisation, thereby avoiding costly court action which results in additional financial and social costs.

### 5.4 Equality and Diversity Implications

- 5.4.1 The strategy outlines the groups that are more likely to be affected by issues of financial and thereby social exclusion from research carried out by the Joseph Rowntree Foundation and the Chartered Institute of Housing. This includes the elderly who are aged over 70, young householders, women who become single parents at an early age, asylum seekers, homeless persons and vulnerable persons with disabilities or learning needs. These financially excluded groups are most likely to have rent arrears.
- 5.4.2 From our own research 76% of tenants in the 16-19 age group were in arrears. The highest percentage of tenants in arrears are those of African or Caribbean or racially mixed backgrounds, having over 60% tenants in arrears compared with 47% of all tenants.
- 5.5 Consultation Implications
- 5.5.1 Third sector advice agencies who are key to supporting the delivery and implementation of this strategy, have contributed to its development in conjunction with residents through the Area Panel process. At the combined Area Panel meeting held on November 3<sup>rd</sup>, no additional recommendations were made for inclusion in the strategy. The Panel did however make a request for the term '*functional literacy*' to be described in simpler language within the strategy, which has been noted and included into the body of the updated document.

If you require further information on this report please contact Qadeer Kiani on 020 8613 7699 or email [Qadeer.kiani@lewishamhomes.org.uk](mailto:Qadeer.kiani@lewishamhomes.org.uk)

# **Lewisham Homes**

## **Financial Inclusion Strategy**

**DRAFT**

**DRAFT V4.0**

**JANUARY 2010**

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2. What is Financial Inclusion
3. Causes of Financial Exclusion
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11. Partnership Working
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## APPENDICES

*Appendix A      Equality Impact Assessment*

## 1. Introduction

Lewisham Homes is an Arms Length Management Organisation (ALMO) which was set up by Lewisham Council on 22nd January 2007 as one of a number of investment vehicles to improve housing services and deliver the Decent Homes Standard (DHS) by 2012.

Lewisham Homes manages 12,000 social housing tenancies and 4,700 leasehold properties within the borough, as well as 5,000 social housing tenancies and 2,000 leasehold properties (which are being managed on an interim basis). We have applied for £145 million of additional funding resource to deliver the DHS to the properties we manage by 2012.

Our mission is ***"To deliver great housing services for thriving neighbourhoods."***

The initiatives in this document are aligned with our mission, and have the primary objective of improving performance and the quality of the income management service delivered to residents. In addition, they are aimed at enhancing residents' skills and knowledge in order that financial exclusion can be reduced or eliminated in the areas where stock is managed by Lewisham Homes.

Our last mock inspection report - published in February 2009 - highlighted areas for improvement in the services we deliver to support vulnerable residents and improve income collection. This strategy, will, along with other corporate improvements we are implementing in our organization, is designed to enable us to achieve two stars.

Supporting our residents by providing them with the programmes, tools, services, and assistance to sustain their tenancies by overcoming issues of financial and social exclusion (and where absolutely necessary maximising their entitlement to welfare benefits), is for us a key part of this process.

This strategy will have a real impact on our residents' future financial viability, and hence our own revenue stream.

## 2. What is Financial Inclusion

Financial inclusion means access for individuals to affordable financial products and services. This also includes people having the skills knowledge and understanding to make best use of these products and services on offer.

Across the UK, there are significant numbers of financially excluded individuals who do not have access to the most basic financial products and services. These include bank accounts, insurance products, affordable credit and money advice.

Four million people now have to pay up to 40% more for their gas and electricity because they cannot, or do not feel able to, use bank accounts, and therefore have to use expensive pre-payment meters. These people also have great difficulty cashing cheques. Two thirds of those without bank accounts rely for credit from cheque traders, moneylenders and pawnbrokers, whose average rate of interest exceeds 200%.

The key aspects of financial inclusion include the following:-

- Very low numbers of tenants and residents with bank accounts
- Unavailability of access to free money advice
- Debt - including rent arrears
- Unwillingness or lack of funds to take out insurance policies
- Absence of savings or assets.
- Poor financial knowledge and understanding
- No assets
- Unaffordable credit - reliance on extortionate credit

### **3. Causes of Financial Exclusion**

Financial exclusion is the result of a raft of causes which include:

- Products that do not meet the needs of low income consumers
- High interest rates and charges
- Crime- residents who live in areas facing higher levels of antisocial behaviour or crime often pay higher levels of insurance premiums
- Poor or lack of information through residents not having knowledge about how or where to access appropriate financial services.
- Lack of confidence and a fear of approaching financial institutions because of concern at being refused products or services.
- Cultural barriers.
- Lack of marketing by financial institutions wishing not to attract people on low incomes as customers

### **4. Affected Groups and Implications**

Research by the Joseph Rowntree Foundation and the Chartered Institute of Housing shows that there are some groups who are more likely to be at risk of financial exclusion.

These are :

- Householders who have never had a secure job or who are in receipt of benefits (the largest group).
- Elderly people (aged over 70) who are part of a cash-only generation.
- Young householders who have not yet made use of financial services, but may do so in the future.

- Women who became single mothers at an early age.
- Some minority ethnic groups - particularly Pakistani and Bangladeshi households - make limited use of financial products due to language barriers, religious beliefs and lack of knowledge.
- Asylum seekers and refugees
- Homeless persons
- Vulnerable persons: those with disabilities or learning needs

Financial exclusion results in individuals incurring extra costs as day-to-day money management is often more difficult and expensive, making it harder to find a job (partly because employers need a bank account in which to pay wages). Families are unable to plan for their future and vulnerable groups are more likely to experience financial distress, hardship and poverty.

## 5. Government Objectives

The Government has three goals for increasing levels of financial inclusion in the UK:

- Everyone should be able to manage their money effectively and securely through having access to a bank account, and the confidence and capability to get the most from it.
- Everyone should be able to plan for the future with a reasonable degree of security.
- Everyone should have the information, support and confidence they need to prevent avoidable financial difficulty and to know where to turn if they find themselves in financial distress.<sup>1</sup>

Most of those who are financially excluded and in need of help are often the least likely to know how to ask for it. Lewisham Homes is in an instrumental position to identify those who need the relevant advice, experience and support to help them towards financial inclusion.

We have demonstrated our commitment to the financial inclusion agenda by raising awareness in the areas that we work in, and through the partnership working that has begun with third sector agencies working to support our most vulnerable clients.

## 6. Local Context

This strategy is informed by local information which takes account of our resident profile to enable Lewisham Homes to support financial inclusion, and the related income maximisation objectives of the organisation.

Lewisham is a diverse borough with Black and Minority Ethnic (BME) residents in the borough representing 38.4% of the population. The ONS census of 2001 showed that Lewisham had a younger age structure than the national norm with an average age of

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<sup>1</sup> Financial inclusion, The way Forward HM Treasury March 2007

37.5 years. It is also a borough with a high level of relative poverty. Government data now ranks Lewisham as the 39th most deprived Local Authority in England based on the Government's indicators.

For December 2008, 3.8% of the working age population in Lewisham were claiming Job Seekers Allowance, compared to 3% overall for England. Lewisham also has a low economic activity rate, compared to the average for England.

It is estimated that the levels of unclaimed benefits and financial exclusion across Lewisham is high although the exact numbers are unknown.

## 7. Vulnerable Groups

Most of Lewisham Homes' tenants are at higher risk of financial exclusion purely because of their tenure type. From the results of our 2008 status survey the majority of tenants fall into the 'at risk' financially excluded groups.

In 2008 we carried out a tenant satisfaction survey which provides the profile of Lewisham Homes tenants. Of the residents surveyed the results showed that<sup>2</sup>

- 65% of residents live alone, with 21% comprising one parent families with children under 16.
- 53% of our households contain some one with a long-term illness, or disability which limits their daily activities or the work they can do.
- 39% of our tenants have held their tenancies for less than 5 years.

Our tenants have low incomes with nearly two thirds of status survey respondents earning less than £200 per week and 5% earning £500 or more per week, making it more challenging for some of our residents to afford their rents.

Within the borough, Lewisham has a higher than average percentage of the population who are benefit claimants and an average age of 37 years.

Additionally we have gained a greater understanding of the literacy levels both nationally and locally through research<sup>3</sup> which shows that :

- 16 % of people are functionally illiterate. (The term functional illiteracy is used by the National literacy trust website to describe persons with a reading age which is below that of an 11 year old) .
- 14 % of Lewisham borough residents have a reading age which is below that of an 11 year old.

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<sup>2</sup> Lewisham Homes Status Tenant Satisfaction Survey March 2009.

<sup>3</sup> National literacy trust website

- 29% of Lewisham Homes residents live in either New Cross or Evelyn and have functional illiteracy rates ( i.e. those with a reading age which is below that of an 11 year old) of 23% and 28% respectively.

With this knowledge, we recognise the need to use innovative and creative ways to communicate with our residents so that messages about financial exclusion can be understood by all.

In May 2009 we commissioned a vulnerability consultation exercise with residents from major vulnerable groups<sup>4</sup>, through a series of stakeholder focus groups and interviews.

The results showed that:

- There is a high level of welfare benefit need amongst our vulnerable tenants. 75% of those sampled received housing benefit.
- Higher levels of younger people were in arrears

Status survey results would suggest that the majority of our tenants (59%) can be described as 'White' whilst 31% are from Afro Caribbean and other Black and Ethnic Minority groups (BME groups).

## **8. Rent Arrears**

Our rent arrear levels would suggest that financial difficulties and possible exclusion is affecting residents.

At the end of March 2009 we collected 99.2% of the rent due for 2008-09 for that year. However the arrears outstanding stood at £2.5 million. For the last 3 years Housing Benefit has contributed between 53% and 55% towards our rental income collection, compared with most inner London boroughs where the contribution is around 60%.

Unresolved rent arrears issues can result in people losing their tenancies.

Through future surveys and tenancy profiling exercises, we will be including specific questions on financial exclusion and capability and use the results to inform future development of this strategy.

## **9. Where are we now ? - Our current financial inclusion activity**

Since Lewisham Homes was set up some progress been made towards the promotion of financial inclusion for our residents.

Some of the activities we are currently doing are outlined on page 8, overleaf.

<b>Advice and support</b>	<p>We have formed alliances with a number of third sector advice and support agencies and have developed draft protocols which outline referral pathways.</p> <p>These include :</p> <p>Refugee Agency, The 190 Centre, Age Concern Lewisham, Drug Intervention Programme (DIP) and the Lewisham Disability Coalition, Foundation 66 and Lewisham Multi Lingual advice Service</p> <p>Formal protocols have also been set up with Lewisham Council Housing Benefit service.</p>
<b>Financial Services</b>	<p>We have partnered with Lewisham Plus Credit Union to offer residents loans for £500.00 to clear rent balances of £1,000 or less rent owed which is match funded by a payment of £100.00 by Lewisham Homes to offset loan interest payments.</p> <p>We offer a low cost home contents insurance scheme operated by Lewisham Council that allows tenants to pay insurance weekly with their rent.</p>
<b>Increasing awareness amongst residents</b>	<p>We have and will continue to run Friday Foyers aimed at promoting housing benefit take up in addition to other tenancy sustainment activities.</p> <p>Promoting budget management and planning skills at Lewisham Homes Open days held annually; 2008 and 2009.</p> <p>We have worked in association with Lewisham Council's Housing Benefit Service to promote housing benefit take up.</p>
<b>Encouraging effective money management</b>	<p>We have increased the number of direct debit payment dates.</p>
<b>Tackling worklessness</b>	<p>We have set up a number of initiatives to help tenants get back into work and improve their financial situation. This includes collaborating with Working Links to refer residents on to job skills training and placement programmes.</p> <p>We have obtained Future Jobs funding for 6 placements each lasting 6 months to support the creation of jobs for long term unemployed young people. The fund aims to create jobs primarily aimed at 18-24 year olds who have been out of work for nearly a year.</p> <p>We have successfully applied for Working Neighbourhood funding to deliver outreach work on estates to match people to job opportunities and providers. This is a joint project with London &amp; Quadrant and Family Mosaic Housing and this programme will run for 2 years until 2010.</p>

Whilst we have made good progress, we recognise that there are still gaps in the service.

From the advice we receive from other agencies, and through benchmarking our services against other organisations, we have identified where we need to be.

## **10. Our Strategic Objectives**

We have set ourselves the following objectives to overcome financial exclusion for our residents:

### **Committed Teams**

We want financial inclusion work to be part of our day-to-day activities rather than it being viewed as a specialist area of work.

Our staff should be able to provide basic advice, sign-posting residents towards the appropriate advice and support - either provided internally - or to a specialist agency with whom we have developed working protocols.

We will achieve this objective by :-

- Launching this strategy
- Training our staff by running financial awareness training which will better equip them to provide basic advice and information about affordable credit services offered by the Lewisham Plus Credit Union

We will know when this objective has been achieved through:

- The results of future planned surveys, and
- From regular analysis of the number of cases and outcomes of referrals to sign-posted agencies.

### **Empowered Residents**

People who are financially excluded, and in need of advice and information, often do not know where to go for advice and information. We will use all available methods to ensure that residents know about the free money advice that is available to them.

When people have a better understanding of the financial services and products available to them they are more likely to make informed choices.

We will achieve this objective by :

- Providing on our website more self-help tools and more information about internal and external advice agencies that can assist our residents.
- Delivering financial awareness events and awareness sessions for our residents either independently or in conjunction with other agencies.

We will know when this objective has been achieved as we will:

- Carry out surveys to assess the level of awareness of the services that we and external agencies provide. Over time, we would expect to see an increase in awareness.

- Measure the level of referrals to support agencies; we would expect this to increase as more residents become more aware of these services.
- Measure the number of hits on the webpage about financial inclusion and advice and support.

### **Promoting Bank Accounts**

People who do not use, or who do not have a bank account, often experience greater difficulties managing their money which results in them paying more for goods and services, and more to access their money. They often have no alternative but to turn to costly non-mainstream financial providers, such as doorstep lenders.

Those without bank accounts are unable to pay their rent by Standing Order or Direct Debit - which is the most efficient method of collection for Lewisham Homes.

We want to provide more support to residents wishing to open bank accounts by:

- Providing more information about the different types of bank accounts on offer at sign up and on our website and through articles in our Homes magazine.

#### **We will know when this objective is being achieved once:**

- We are able to measure whether the proportion of tenants without a bank account is reducing (we will begin to measure this by collecting the information in future status surveys, as we do not have baseline information on the number of tenants with bank accounts.)
- In time we would expect a corresponding increase in the number of residents paying by direct debit

### **Working with Lewisham Plus Credit Union**

Credit unions are co-operative financial institutions owned and controlled by the members who use their services. They are not-for-profit organisations and exist to provide a safe place for members to save their money, and to get loans and other financial services at reasonable rates.

The interest rates that credit unions charge are regulated by the Financial Services Authority (FSA). Their rates of interest are substantially lower than doorstep lenders' rates.

Credit unions provide affordable credit and accessible means of saving.

We will encourage the use of Lewisham Plus Credit Union amongst our residents, and we will achieve this objective by:

- Promoting the credit union through the sign up process.

We will know when this objective is being achieved as Lewisham Plus Credit Union will record all new memberships that are created as a result of Lewisham Homes promotional activities.

We will also measure the number of tenancies sustained through by the number of loans taken up to clear rent accounts of under £1,000.

### **Worklessness Initiatives**

Working with other agencies to deliver programmes designed to reduce unemployment, and increase employment skills for residents will reduce dependency on out-of-work benefits.

We will achieve this objective by:

- Submitting funding applications either independently or in collaboration with other social landlords to set up programmes to address unemployment amongst groups most likely to be affected by financial exclusion
- Setting up programmes offering literacy and job skills training combined with mentoring and coaching for residents
- Signposting residents to employment agencies such as working links to maximise their employment and training opportunities

#### **We will know when this objective is being achieved by :**

- Measuring and recording the numbers of participants from programmes run, and referrals made, who have successfully gained employment.

### **Maximising Benefit Take-Up**

We recognise that some groups of residents will be unable to participate fully in worklessness programmes either because they are not of working, age or are sick or disabled, and therefore have to rely on benefits as their main source of income.

We will maximise welfare benefit entitlement for our residents by :

- Introducing a welfare benefit advisory service

We will know when this objective is being achieved by:

- Measuring the level and types of welfare benefits claimed for tenants each year
- Measuring and increasing the level of welfare benefit overpayments successfully challenged for tenants on an annual basis

## **11. Partnership Working**

The overall success of this strategy is dependant on partnership working. The experience and specialist knowledge of partner agencies and organisations will enable us to deliver our goals.

We will be establishing protocols and agreements with other Lewisham Council Departments such as Social Care, external third sector organisations operating within Lewisham borough - such as for example Age Concern.- and government agencies such as the Department of Works and Pensions, to deliver our objectives

## 12. Impact of the Strategy

It is the intention of this strategy to have the following impact for residents :

- Debt and welfare benefit advice tailored to residents' needs
- Improved knowledge and understanding of financial products and services available
- Residents having increased confidence to use financial products and services
- The ability to maintain tenancies by prioritising rent payments and avoiding increased levels of debt
- The ability for affordable credit, reducing reliance on doorstep lenders and other forms of high cost credit

For the organisation, investment in financial inclusion initiatives is expected to deliver the following outcomes:

- A reduction in rent transaction costs due to an increase in the use of more efficient collection methods such as direct debit
- A reduction in court costs
- Increased levels of customer satisfaction
- An increase in the level of welfare benefits maximised for those most in need and unable to work.

## 13. Development of the Strategy

This strategy has been developed with reference to:-

- Consultation with our customers regarding the income management service, in particular service standards;
- Consultation with partner agencies;
- Consultation at Lewisham Homes Combined Area Panel meeting, 3.11.2009;
- Audit Commission and TSA guidance and regulations, including the Key Lines of Enquiry (KLOEs);
- Lewisham Homes' strategies, policies and projects - notably the Customer Care and Vulnerability Strategy;
- The strategies and policies of partners, including the London Borough of Lewisham's Community Strategy;
- The findings and recommendations from the Audit Commission's indicative inspection of Lewisham Homes in November 2008;

- The findings and recommendations from the Service Review of Income Management carried out by HQN in 2009;
- Research into best practice, including discussions with other social landlords and membership of HQN's Rent Income Excellence Network;
- Examination of Audit Commission inspection reports;
- The review and updating of Lewisham Homes' income management procedures.

#### **14. Ownership and Responsibility**

The Director of Housing is responsible for the implementation of the Income Management Strategy. This responsibility includes the dissemination and promotion of the Strategy, monitoring compliance and co-ordinating regular review and revision.

Tackling financial exclusion is the shared responsibility of everyone at Lewisham Homes, and will require the involvement of not just specialist teams and officers from the income, community involvement and leasehold sections - but a range of operational activities.

This approach will "join-up " various parts of Lewisham Homes and external agencies so that the customer experience in this context is holistic.

#### **15. Distribution and access**

The Strategy will be reviewed and updated annually, and will be distributed and accessible as follows:

- Published on our website, and in summary form in our Newsletter
- Sent to customers and stakeholders on request
- Sent to partner agencies, and Government Offices
- Available for download from Lewisham Homes' corporate website
- Accessible to blind, partially sighted people, and people with learning difficulties
- Available in community languages
- Available to the public in a variety of places, including locations that target audiences may visit/contact
- Summary presentations will be used for public meetings etc.

#### **16. Contact**

To comment on this document please contact **Violet Amedée, Income Project Manager** on **0208 613 7699**.

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## Appendix A: Equalities Impact Assessment

<b>Income &amp; Financial Inclusion Strategy</b>	Team responsible Income Department	New Document Yes	Date of assessment October 2009	Date for review November 2010
<b>Who is the policy/service aimed at?</b>	<i>1. All Lewisham Homes residents 2. Lewisham Homes staff 3. Lewisham Homes SMT &amp; Board.</i>			
<b>Summary of the policy/service</b>	<i>It is the purpose of this document to set the strategic direction for Lewisham homes income management service and to ensure that a consistent service is delivered to residents of all ages, and from all ethnic and social groupings to enable and support them to pay their rent, sustain their tenancies and reduce dependency on welfare benefits as far as practicably possible.</i>			
<b>What consultation has been done/ is planned to develop this policy/service?</b>	<i>This document has been presented to partner agencies who support vulnerable residents at an inter agency forum meeting, staff involved in delivering income management services, Lewisham Homes area panels and board as part of the consultation process.</i>			
<b>Name of other teams or organizations involved in the delivery of the policy/service</b>	<i>The following departments input is required for this strategy to succeed:-  Housing tenancy teams, multi agency advice and support forum members, Housing Benefit Department and Lewisham Homes Leasehold team</i>			
<b>How and where will information about this policy/service be publicized?</b>	<i>On Lewisham Homes internet and intranet sites as well as at the consultation meetings referred to above.</i>			

Consider whether the following statements are true for each of the groups listed below, in connection with this policy or service:

- There has been a significant or disproportionate number of complaints
- There has been underrepresentation identified
- There are gaps in our knowledge which prevent us from making this assessment

**If yes to any of the above – please specify nature of the evidence, whether the impact is positive or adverse, and whether this can be explained**

There are gaps in Lewisham Homes knowledge of the profile of its customer base. Through increased profiling a comprehensive understanding of residents needs will be developed which will be built into the future design of the service.

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Committee	<b>Lewisham Homes Board</b>		Item No	<b>10</b>
Report Title	<b>LHL Budget Strategy 2010-11</b>			
Contributor	<b>Director for Resources - Adam Barrett</b>			
Class	<b>Decision</b>	Date	<b>28<sup>th</sup> January 2010</b>	

## **1. Purpose of the Report**

- 1.1 This report updates the Board on the November 2009 Lewisham Homes financial strategy and asks for the savings and growth for 2010/11 to be approved.

## **2. Recommendations**

- 2.1 Approve the company saving and investment proposals as set out in sections 6 and 7.
- 2.2 Approve the changes to the company fee for 2010/11.
- 2.3 Approve the Repairs and Maintenance Trading budget for 2010/11 and note the associated risks around the implementation of the operatives pay review and the implementation of the new Schedule of Rates.
- 2.4 Note that an updated report will be received on the overall HRA resources in March 2010.

## **3. Budget Strategy**

- 3.1 The overall budget strategy for Lewisham Homes is to reduce management costs to the Housing Revenue Account and redirect the savings to front line services primarily repairs and maintenance.

### **Housing Revenue Account (HRA) and Capital budgets**

- 3.2 The budget strategy report to board in November 2009 detailed the proposals from Lewisham Homes to the Council in respect of the HRA resources and Capital budgets. These are summarised below :-

- Any increase on maintenance allowances to be passported to the repairs and maintenance budget plus an addition for leaseholder minor works.
- Increase in pest control budget – this is currently funded from the repairs and maintenance allocation.
- Efficiencies savings in the HRA to increase in capital resources by making revenue contributions from the HRA.
- That the Major Repairs Allowance and Supported capital expenditure received from the Government is ring fenced towards Decent Homes Expenditure and that Lewisham Homes is working with the Council to ensure that MRA resources are passported through to the capital programme.

- 3.3 Lewisham Homes proposals to the Council are set out in the Table below.

## Revenue

Budget	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000
Pest Control	300			300
Leasehold Major Works		3,000		3,000
Leasehold Minor Works	500			500
Revenue Contribution to Capital			1,193	1,193
<b>Total increased resources in asset investment</b>	<b>800</b>	<b>3,000</b>	<b>1,193</b>	<b>4,993</b>

## Council's Draft Budget Strategy

- 3.4 The Council's draft budget strategy contains proposals for 2010/11 but proposals for the years 2011/12 and 2012/13 have not yet been agreed.

### Pest Control

- 3.5 The proposal to create a pest control budget of £300,000 is being put forward in the Council's draft budget proposals. This will be added to Lewisham Homes management fee in 2010/11 subject to the agreement of the Council's budget strategy.

### Repairs and Maintenance

- 3.6 The draft budget proposals are based on passporting repairs and maintenance allowances to Lewisham Homes in line with the number of properties managed by Lewisham Homes. In addition Lewisham Homes will receive an estimated £500,000 which reflects the level of Leasehold income receivable in respect of repairs to leasehold properties. These resources will be added to the Repairs and Maintenance budgets to ensure that maintenance allowances for tenanted properties are not spent on maintaining the leasehold stock.

### Major Repairs Allowance –

- 3.7 The Major Repairs Allowance in 2010/11 has been increased by £817,000. The Passporting of this allowance to Lewisham Homes would provide a capital budget of £12.9m. The draft budget strategy proposes an allocation of £12.03m which is a shortfall of £0.873m on the allowances received by the Council.

Lewisham Homes will continue discussions with the Council with the aim of securing the full allocation of allowances in the 2010/11 capital budget.

- 3.8 The capital position is summarised in the table below.

## Capital

	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000
* MRA forecast allowances	12,903	11,839	11,839	36,581
LH capital budgets	12,030	11,839	11,839	35,708
<b>Shortfall</b>	<b>873</b>	<b>0</b>	<b>0</b>	<b>873</b>

\* up dated for draft Housing Subsidy determination 2010/11

### 3.9 Area Panel Consultation

There was a delay in the Government issuing the draft subsidy determination that decides the overall resources for the HRA. This resulted in the consultation with tenants being postponed from December 2009 to January 2010. The result of these consultations, impact if any of the final subsidy settlement - due in the first week of February, and any changes in proposals from the Councils will be reported to board in March.

### 4. Lewisham Homes Company Account

4.1 The business plan approved by the board in March 2009 contained budget proposals for the company for the next three years. It is not proposed to make any significant amendments to the budget proposals for the 2010/11 financial year.

4.2 The revised fee, set out below, of £20,371,000 for the company has been agreed with the Council. The table below shows the fee as reported to board in November and adjustments the council have been made in arriving at the revised fee.

Lewisham Homes Fee 2010/11	Lewisham Homes proposed 2010/11 fee £'000	Councils figures £'000
Fee at 01/04/2009	21,050	21,050
<b>In year changes</b>		
Inflation 2.5% on fee	526	0
Pay Inflation 2010/11 .5%	0	65
Pay inflation (clawed back from 2009/10)	0	-195
Non pay inflation 1.5%	0	121
Pension Contribution	98	98
<b>Inflation and Pension Contribution</b>	<b>624</b>	<b>89</b>
<b>Growth</b>		
Delay in savings as a result of Chrysalis transfer	417	502
Pest Control Service	0	300
<b>Total Growth</b>	<b>417</b>	<b>802</b>
<b>Savings</b>		
Efficiency savings (3%)	(632)	(632)
Additional savings (as agreed with LBL)	(700)	(700)
Savings from Chrysalis transfer	(502)	(502)
<b>Total savings</b>	<b>(1,834)</b>	<b>(,834)</b>
<b>Service Charges</b>		
Window Cleaning	0	33
Lumber Collection		240
Extra Caretaking services	0	54
Sheltered Housing Costs (Not Agreed with the Council yet)	0	173
Paralegal Charges	0	37
	<b>0</b>	<b>537</b>
*Budget Transfers	-30	0
<b>Revised Fee</b>	<b>20,227</b>	<b>20,644</b>

\* This transfer is no longer required in 2010/11 as the service will be provided with out transfer of resources to the Council.

### **Changes to Fee**

#### **4.3 Inflation – £89,000**

The changes from the figure reported to Board in November are that the inflation allowance has been changed to reflect :-

- The claw back of 1.5% of pay inflation from 2009/10 i.e. an allowance was received in 2008/2009 for 2.5% pay award the actual award was only 1%. The adjustment equate to £195,000
- Pay inflation of .5% £65,000
- Non pay inflation of 1.5% - 121,000
- An allowance has also been given of £98k for increase in pension contributions.

#### **4.4 Savings - £1,332,000**

These savings have been reduced by £500,000 to reflect the delayed transfer of Staff to London and Quadrant.

#### **4.5 Pest Control - £300,000**

The council budget proposals are that there is a extra £300,000 allocation for Pest Control.

#### **4.6 Service Charges £537,000**

The council draft budget proposals are that the services listed below are funded from increases to the fee.

<b>Services Description</b>	<b>£'000</b>
Window Cleaning	33
Lumber Collection	240
Extra Caretaking services	54
Sheltered Housing Costs (Not Agreed with the Council yet)	173
Paralegal Charges	37
<b>Total additional service charges</b>	<b>537</b>

Following consultation with residents on the introduction of a new window cleaning service for communal areas 58.5% of the 892 residents who responded were in favour of the proposal.

Following a proposal arising from the resident business plan to introduce a lumber collection service on estates funded by a service charge negotiations took place with the Council resulting in a proposed service charge for the service of 26p per week. The proposals were presented to the joint area panel on the 15<sup>th</sup> of January 2010. Whilst there was a consensus that flytipping was a problem and that a collection service would be a good in principle, especially for those without access to transport, concerns were expressed about the exclusion of residents in street properties and the practical details of how the arrangements would work in each estate.

The extra Caretaking charge are as a result of consultations with residents during their business planning process.

The Sheltered Housing charge is subject to the TUPE transfer of staff to Lewisham Homes and consultation with residents.

The Para Legal charges in respect of an additional position to reduced the dependency on external solicitors by handling court work in house.

## 5. Company savings

5.1 The Company savings are as a result of TUPE transfers, efficiency savings, process reviews, stock reductions or procurement savings.

The savings will have no negative impact on the ability of Lewisham Homes to deliver Services to its residents.

5.2 The revised target saving for the company was set at £1.783m. This target reflects reduction of £0.502m due to the delayed transfer staff to London and Quadrant. The proposed savings are £1,801 i.e. £0.018m above the revised target.

5.3 A summary of the company savings as reported to the last board and those now proposed are set out below. Company savings that impact on the repairs trading account are reflected in that account. See para 9.0.

	Revised	Proposed	Variance
	£'000	£'000	£'000
<b>Staffing savings</b>			
Property	175	136	39
Housing	408	471	(63)
Resources	120	127	(7)
Service Development	80	24	56
<b>Operational</b>	0	61	(61)
<b>SLAs</b>	1,000	982	18
	1,783	1,801	(18)

## 6. Summary of savings by Directorate

6.1 Staffing budgets

### 6.2 Property £142,000

This relates to the TUPE transfer of staff to London and Quadrant.

### 6.3 Housing £423,950

This is the part year effect of the proposed TUPE transfer of staff to London and Quadrant.

### 6.4 Resources £127,100

Reduction is staff number due to efficiencies from changes in processes, review of procedures, reduction in stock levels and economies of scale.

### 6.5 Service Development £24,400

Restructure of positions with in Service development due to improved automation of processes. Sufficient staffing numbers have been maintained so as not to adversely affect the service required for the inspection in June 2010.

#### **6.6 Operational £61,180**

This £61,180 savings is mainly a result of a review, by budget managers, of operational budgets in 2009/2010 compare to likely outturn and a contribution from the consultancy budget of £38,500 towards the Service Development saving target.

#### **6.7 Service Level agreements £982,130**

Of the £982,130 savings £704,000 relate to the transfer of the costs of the call centre, night call out and switch board to the repairs trading account and £111,500 relates to savings from the corporate phone system. Negotiations are on going with the council on a number of SLAs. A full schedule of SLA for 2010/11 is shown in appendix A.

#### **7. Investments needs of Lewisham Homes £1,006,000**

An allocation of £352,000 was identified for additional investment for the Company in 2010/11. The budget process has identified total investments needs of £766,000 i.e. £414,000 in excess of this allowance. Of this total £537,000 relates to items that the council have agreed to fund via an increase through service charge income.

The investment items are listed below:-

##### **7.1 Item funded by a service charge income increase £537,000**

These additional costs are matched by an increase in service charge income. See 5.6.

##### **7.2 Additional Legal costs £67,000**

Pressure on legal expenses has been identified in the 2009/2010 budget process, see monitoring report elsewhere on the agenda. This is likely to continue in 2010/11. The £100,000 represents an estimate of the ongoing pressure.

##### **7.3 New telephone system to enhance customer call monitoring £133,000**

The new phone system for Lewisham homes was installed in 2009/2010 to increase customer monitoring. This represents an estimate of the ongoing running costs and has been funded by SLA savings.

##### **7.4 Occupancy Team £125,000**

During 2009/2010 additional resources have been allocated to the issue of tackling unauthorised occupancy this represents an estimate of the ongoing costs required in this vital housing management function.

##### **7.5 Project Finance Support £61,000**

Significant change is taking place that requires financial support and advice to ensure the financial consequences of the change are effectively managed. It is more cost effective if this support is provided in house. Examples of where this support has been provided, albeit externally, are – Income project, pay review project, income project, voids project and integration of the DLO with Lewisham Homes.

## 7.6 Resident Business Plan £40,000

This represents the contribution from Lewisham Homes to the Resident Business Plan.

## 7.7 Service Level agreements £33,000

Of this £23,000 is in respect of agreed revisions to agreements and £10,000 for a new pensions SLA .

## 7.8 Additional Grades for housing officers £10,000

This reflects the increase in management grades due to the transfer of the responsibilities to estates services. This is only an estimate at this stage, which is still subject to more detailed work.

The investment proposals are set out in appendix B

## 8. Overall Company Position

The following table summaries the budget movements in the budget

	£'000
Budget at 01/04/2008	21,050
Inflation	89
Savings	-1,801
Pest Control	300
Investment needs	1,006
	<b>20,644</b>
Management Fee 2010/11	-20,644
Balance	0

## 9. Repairs Service Trading Account

The Budget Strategy report for November detailed the substantial changes that are proposed to the trading account in 2010/11, which showed a loss position of £16,000.

The assumptions and charges to the account have been updated as part of the budget setting process for the company. The position of the account is now a surplus position of £227,000. This revised position, as shown below, is an improvement of £243,000 on the projected position reported in November 2009.

	Budget	Efficiency	Growth	Budget
	09/10			10/11
	£000's	£000's	£000's	£000's
<b>INCOME</b>				
Responsive Repairs	-6,950	-454	727	-6,677
Response	-300	-60	0	-360

Emergency				
Voids & Disrepair	-3,900	-57	273	-3,684
<b>REPAIRS INCOME</b>	<b>-11,150</b>	<b>-571</b>	1,000	<b>-10,721</b>
<b>OTHER INCOME</b>	<b>-746</b>	<b>-8</b>	704	<b>-50</b>
<b>TOTAL REPAIRS INCOME</b>	<b>-11,896</b>	<b>-579</b>	1,704	<b>-10,771</b>
<b>EXPENDITURE</b>				
Internal Variable Costs	5,959	-1,192	804	5,571
External Variable Costs	1,626	-94	0	1,532
Fixed Costs	1,933	-195	74	1,812
Direct Service Overheads	825	-352	72	545
SLAs - LBL	741	-167	0	574
Support Recharges	579	-70	0	509
<b>TOTAL EXPENDITURE</b>	<b>11,663</b>	<b>-2,069</b>	950	<b>10,544</b>
<b>(SURPLUS)/DEFICIT</b>	<b>-233</b>	<b>-2,648</b>	2,654	<b>-227</b>

#### 9.1 Changes in Trading account Budgets 2010/2011

##### **Income – increase of £8,000**

This is in respect of additional income from the Council to cover the additional lease costs on the Wearside Depot.

##### **Expenditure – reduction of £235,000**

Net reductions in costs of £235,000 have been identified. The major changes are in respect of reduced wages of £317,000. This figure has been revised to reflect the conclusion of the pay review. This achievement of these additional savings will be monitored closely and variances will be reported to board as appropriate.

Savings on support costs have not been achieved by £80,000 this is mainly due to uncertainty about the introduction the new stores system. These support service charges will be reviewed when the stores system has been implemented.

#### **10. Residents Business Plan**

Residents have now finalised the Residents Business Plan and will be presenting their proposals to the Board for approval.

The proposals are affordable within existing budgets within Lewisham Homes Housing Revenue Account and the Capital Budget.

#### **11. Risk Management**

- 11.1 When setting the budget the board must consider its duty to ensure that the company can trade as a going concern and does not risk becoming insolvent.

- 11.2 The Director of Resources advises that the company's financial position for the 2010/11 financial year is sound and that measures will be undertaken and reported to the March board meeting which will achieve a balanced budget.
- 11.3 The Director of Resources reports that for the 2010/11 budget there are key risks associated with the Repairs Trading Account in respect of the implementation of the pay review and the introduction of the new Housing Federation schedule of rates (SOR) the new schedule of rates assumes a 7% reduction in the average repairs and maintenance charge per job to the HRA i.e., from £112 to £104. To ensure continued viability of the trading account efficiency savings as set out in this report including productivity gains must be delivered.
- 11.4 The substantial number of variables in the financial model used for budget forecasting purposes mean that there is a risk of substantial change to cost and income forecasts as set out in the model. The trading account will therefore be subject to increased scrutiny in the first 6 months of 2010/11. Mitigation measures will be put in place to manage any adverse financial or performance impacts.

## **12. Implications**

### 12.1 Financial Implications

12.1.1 Contained within the report.

### 12.2 Legal Implications

12.2.1 The Directors of the Company have a duty to ensure that Lewisham Homes trades as a going concern. This means that Directors must ensure that the financial forecasts for the company are reasonable and that they demonstrate that the company has the resources to meet its financial obligations to its creditors. Setting a balanced budget based on reasonable forecasts is a key element in a Director discharging this duty.

12.2.2 Directors of the company must also ensure that the resources available to the company are used to promote its objectives. The objectives of the company are set out in the memorandum and articles of association. These provide the company with broad powers to carry out activities in support of the provision of a housing service.

### 12.3 Value for Money Implications

12.3.1 Contained within the report.

### 12.4 Equality and Diversity Implications

12.4.1 None specific to the report.

### 12.5 Consultation Implications

12.5.1 Contained within the report.

**If you require any further information on this report please contact  
Adam Barrett on 020 8613 7697 or [adam.barrett@lewishamhomes.org.uk](mailto:adam.barrett@lewishamhomes.org.uk)**

SLA Description	Budget 2009/2010	Savings proposed	Revisions to SLAs	Trading Account Savings	Budget 2010/11	Status
	£	£	£	£	£	
Audit of Leaseholder Accounts	22,000				22,000	Agreed
Cash Team	25,000		15,000		40,000	Agreed
Cashiering	55,000		8,000		63,000	Agreed
Commercial Property Management	150,000	-20,000			130,000	Agreed
Communications	10,500	-1,000			9,500	Agreed
Employee Relations	5,000				5,000	Agreed
HR Systems	27,000				27,000	Agreed
ICT Academy Development	100,000				100,000	Agreed
ICT SLA	920,000	-111,500		-23,500	785,000	Agreed
Insurance & Risk Management	504,000				504,000	Agreed
Internal Audit	60,000	-10,000			50,000	Agreed
LAMP (Arbitration & Mediation)	42,500				42,500	Not agreed
Learning & Development	30,000	-30,000			0	n/a
Legal Strategic Advice	50,000				50,000	Not agreed
Management Trainees	14,000				14,000	Agreed
NCO / Emergency Services	131,000	-131,000			0	n/a
Occupational Health	17,500				17,500	Agreed
Tenant Medicals	40,000				40,000	Not agreed
Payroll & Pension	26,220		10,000		36,220	Agreed
Photocopying	130,000	-40,000			90,000	Agreed
Procurement	15,000	-7,500			7,500	Agreed
Property Advice	59,500				59,500	Not agreed
Property Services	787,950	-46,000			741,950	Not agreed
Recruitment & Agency	5,000				5,000	Not agreed
Repairs Call Centre	490,500	-490,500			0	n/a
Right to Buy Plans & Valuations	27,000	-12,000			15,000	Not agreed
RTB (Right to Buy)	10,000				10,000	Not agreed
Sustainable Resources	19,700				19,700	Not agreed
Switchboard	82,600	-82,600			0	n/a
Systems & Oracle	90,000				90,000	Not agreed
<b>Grand Total</b>	<b>3,946,970</b>	<b>-982,100</b>	<b>33,000</b>	<b>-23,500</b>	<b>2,974,370</b>	

## Investment items for 2010/11 Comany Budget

	Directorate	£	£
<b>Two Star Service</b>			
Project accountant PO7	Resources	61,000	
Extended Hours Cleaning service	Housing	54,000	
New Phone System	Resources	133,000	
Occupancy Team	Housing	125,000	
Resident lead BP	Housing	40,000	<b>413,000</b>
<b>Pressures</b>			
Additional Legal fee	Housing	67,000	
Revisions to SLAs	Resources	23,000	
New SLA for Pensions	Resources	10,000	
Adjustments to existing grades	Housing	10,000	
Window Cleaning	Housing	33,000	
Lumber Collection	Housing	240,000	
Sheltered Housing	Housing	173,000	
Para Legal costs	Housing	37,000	<b>593,000</b>
<b>Total</b>		<b>1,006,000</b>	<b>1,006,000</b>

Meeting	<b>Lewisham Homes Board</b>	Item No.	<b>11</b>
Report Title	<b>Capital Programme Update</b>		
Report Of	<b>Director of Property Services – Mark Agnew</b>		
Class	<b>Decision</b>	Date	<b>28<sup>th</sup> January 2010</b>

## **1. Purpose of the Report**

- 1.1 To provide an update on the current position of the Lewisham Homes (LH) capital programme 2009/10 and the status of the 2010/11 capital allocation.
- 1.2 To seek the Board approval to adjustments and additions to this years capital programme to either fund additional works on existing schemes or to bring forward expenditure to underpin the 2009/10 programme.

## **2. Recommendations**

- 2.1 That Board agrees the proposals for the 2010/11 programme.
- 2.2 That Board approves the proposal to bring forward £500,000 of expenditure on individual boiler replacements from next years programme into 2009/10.
- 2.3 That Board agrees a programme of major repairs for Lethbridge Close should be included in next years programme, subject to the full MRA allocation.
- 2.4 That Board approves an increase in the budget provision to £988,308 on the Lanyard and Argosy project to cover additional properties and asbestos removal.
- 2.5 That Board subject to the agreement of Lewisham Council, approve the ring-fencing and roll over of ICT and Fees for future schemes resources in the 2009/2010 Capital Programmes budgets of £718k for utilisation on asset maintenance and improvement in 2010/2011.

## **3. Context**

- 3.1 This report reflects the actual expenditure to 30<sup>th</sup> November and the current forecast spend for the remainder of the year. The forecasts are updated monthly, reflecting actual spend and progress in each scheme to produce a single consistent database from which all reporting is generated.
- 3.2 Appendix 1 shows the status of each scheme, the majority of which are on site or completed.

## **4. Capital Programme Resources**

- 4.1 Lewisham Homes has been in negotiations with the Council during the year over the level of Major Repairs Allowance (MRA) resources allocated to Lewisham Homes. There is still a difference in the level of resources which Lewisham Homes believes should be passported through to the Lewisham Homes capital programme budgets in line with Council policy commitments and the level of resources that the Council has allocated. This difference has however reduced substantially since the last report to board in January following additional capital allocations made by the Council of £7.6m. The figures exclude supported borrowing resources which were originally

earmarked to support the Decent Homes bid but which the Council is utilising to fund other capital projects.

- 4.2 Table 1 below sets out the estimated MRA resources, borrowing resources and funding commitments that the Council had made to Lewisham Homes over the next three years as reported to board in November 2009.

**Table 1 – MRA Resources - November 2009 Reported Position**

<b>Capital Programme Resources</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>Total</b>
	<b>£,000</b>	<b>£,000</b>	<b>£,000</b>	<b>£,000</b>	<b>£,000</b>
MRA Gross	13,379	14,332	12,849	12,035	52,595
Homelessness	-213	-238	-242	-245	-938
TMO's	-347	-368	-251	-221	-1,187
<b>LH Net MRA</b>	<b>12,819</b>	<b>13,726</b>	<b>12,356</b>	<b>11,569</b>	<b>50,470</b>
Lewisham Homes	11,147	10,890	8,300	8,000	38,337
<b>Shortfall</b>	<b>1,672</b>	<b>2,836</b>	<b>4,056</b>	<b>3,569</b>	<b>12,133</b>

- 4.3 The government issued a draft subsidy determination in December 2009. The provisional MRA allowances for 2010/2011 and 2011/12 have been increased by £817k.

- 4.4 Table 2 also sets out the updated draft MRA resources (post December draft determination), borrowing resources and funding commitments by the Council to Lewisham Homes for the next three years.

**Table 2 – MRA Resource position January 2010**

<b>Capital Programme Resources</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>	<b>Total</b>
	<b>£,000</b>	<b>£,000</b>	<b>£,000</b>	<b>£,000</b>	<b>£,000</b>	<b>£,000</b>
MRA Gross	13,379	14,332	13,408	12,343	12,343	65,805
Homelessness	-213	-238	-247	-247	-247	-1,192
TMO's	-347	-368	-257	-257	-257	-1,486
<b>LH Net MRA</b>	<b>12,819</b>	<b>13,726</b>	<b>12,903</b>	<b>11,839</b>	<b>11,839</b>	<b>63,126</b>
Lewisham Homes MRA Allocation	11,147	10,890	12,030	11,839	11,839	57,745
<b>Shortfall</b>	<b>1,672</b>	<b>2,836</b>	<b>873</b>	<b>0</b>	<b>0</b>	<b>5,381</b>

- 4.5 The position in Table 2 indicates that over the five year period from 2008/9 to 2012/13 an estimated £63.1m of MRA resources will be available. However, it should be noted that the 2010/11 is based on the draft HRA determination figures and may be subject to change. There may also be an adjustment for changes in time scales for stock transfers. No prudential borrowing has been assumed for 2012/13 as in the current climate there is doubt over whether the funding to support it would be available. Over the same period the funding commitments made by the Council to Lewisham Homes amount to £57.7m. The shortfall between the available MRA resource levels and the committed funds is £5.4.7m.

- 4.6 Operational policy for managing the capital programme ensures that there are limits on the proportion of available resources that can be allocated. This is to ensure that unforeseen emergency expenditure can still be accommodated. The operational rules set out that in year 1 of the programme 100% of available resources can be allocated, in year 2 up to 75% of available resources and in year 3 up to 50% of available resources. An analysis of the years in which these resources are available to allocate is set out in the following table. A breakdown of the resource movements between years is provided in the Appendix 3.

**Table 3 – Resource Allocation and Utilisation**

<b>Resource Allocation</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>	<b>Total</b>
	<b>£,000</b>	<b>£,000</b>	<b>£,000</b>	<b>£,000</b>	<b>£,000</b>	<b>£,000</b>
Resources Brought Forward and Extra Resources Allocated	4,947	4,564	1,860	0	0	<b>11,371</b>
New Resources	10,000	9,890	12,030	11,839	11,839	<b>55,598</b>
Percentage of New Resources Available	100%	100%	100%	75%	50%	
New Resources Available in Year Based on Percentage			12,030	8,879	5,920	<b>26,829</b>
Unallocated Resources Held for Contingency			0	2,960	5,920	<b>8,879</b>
<b>Total In year Resources Available for Schemes</b>	<b>14,947</b>	<b>14,454</b>	<b>13,890</b>	<b>8,879</b>	<b>5,920</b>	<b>28,689</b>
Actual & forecast	11,147	12,944	7,265	3,989	0	<b>35,345</b>
Balance of Resources Carried Forward/ Resources Available for Commitment	<b>3,800</b>	<b>1,510</b>	<b>6,625</b>	<b>4,890</b>	<b>5,920</b>	<b>22,745</b>

- 4.6.1 The table above sets out the available resources for 2010/11 to 2012/13, resources already committed and the balance of resources available for commitment in each of the 3 years. These resources are based on the assumption that in each of the three years, the total in year available resources available for schemes will be fully utilised. If not then there will brought forward balances in 2012 and 2013 that will also need to be considered for commitment.

- 4.6.2 Balance of resources available for commitment in the 3 year period are summarised as follows:

- 2010/2011 - £6.625m
- 2011/2012 - £4.89m
- 2012/2013 - 5.92m
- Total - 17.435m**

- 4.6.3 Programme proposals to utilise the above resources are contained within appendix 2 and will be further developed as part of the asset investment plan to be submitted to Board in February 2010.

## **5 Forecast outturn position for 2009/10**

- 5.1 Following Board approval on 29th September a number of scheme budgets have been restated and additional schemes introduced as approved. The latest month's return (at the end of November 2009) shows a total forecast of

£12.944m (including Chrysalis, Pre 2008 Schemes and the 2008-11 programme). The table sets out the forecast outturn position for 2009/2010.

5.2 **Table 4 – Summary Capital Programme Monitoring Position**

<b>Scheme</b>	<b>Budget 2009/2010</b>	<b>Forecast 2009/2010</b>	<b>Variance</b>
2007/2008 Schemes	660,325	660,325	0
<b>Total 2007/2008 Schemes</b>	<b>660,325</b>	<b>660,325</b>	<b>0</b>
<b>Lewisham Homes Programme - 2009/2010</b>			
Structural & Essential Works	2,675,313	2,564,563	(110,750)
Decent Homes	5,241,037	5,266,335	25,298
Mechanical & Electrical	3,160,555	3,409,466	248,911
Tenants Panel Package	385,274	399,123	13,849
ICT	490,600	0	(490,600)
Fees for future schemes	499,500	0	(499,500)
Caretaking	137,406	136,906	(500)
Salaries	280,000	280,000	0

5.3 As per the Table 5 above, the total budgets for 2009/2010 is £14.454m of which £13.144m relates to core Lewisham Homes with the balance of £650k allocated to ex Chrysalis.

5.4 The total forecast expenditure for the year is £12.944m, broken down as £12.056 in respect of core Lewisham Homes and £228k in respect of ex Chrysalis.

5.5 The resultant under-spend on the Capital Programme budget is a total of £1.51m. This is analysed further below:

- Lewisham Homes - £370k
- Resource re-allocation - £718k
- Chrysalis - £422k
- Total - £1.51m**

5.6 The main reason for the under-spend of £422k attributable to Chrysalis properties is due to a delayed start on site because of the withdrawal of the lowest (preferred) tenderer. Works only commenced on these properties when other resources which had hitherto been ring-fenced were released.

5.7 As notified in the November Board Report, the spending shortfall is to be off set by trying to accelerate other approved schemes e.g. Hazel Grove and bringing forward programmes that span 2009/10 and 2010/11. Specifically, we are looking at accelerating the boiler replacement programme and are seeking approval from the Board to bring forward £500k of works from the 2010/11 programme.

5.8 **Appendix 1** sets out on a scheme by scheme basis the status of each scheme, the current year's forecast spend and the measure of time/ cost and quality as an assessment of the risk attached to each scheme. This is indicated by ranking each scheme as red/ amber or green on the basis of time, cost and quality (Customer Satisfaction).

5.9 **Appendix 3** shows the monitoring of the completed schemes as agreed at the September 2009 Board meeting (set out in **Appendix 2**).

5.10 Below is the detailed commentary on the schemes identified as high risk (i.e. red):

5.10.1 **Long term voids** –budget £75k., current forecast £129k

We are anticipating spending to the original £75k budget, however, £50k was spent on two properties in 2008/09 that were not accounted for within that year, this has therefore been set as an overspend against the 2009/10 budget. In discussions with the LBL it has been agreed that of the eleven long term void properties currently identified, five are to likely be retained and refurbished.

5.10.2 **Dartmouth Road** – budget £146k, current forecast £99k

Original expectation was that the roof would require replacement. Inspection from scaffold indicated that repair only would be necessary.

5.10.3 **Magnolia House** – budget £146k current forecast £39.1k

Original expectation was that the roof would require replacement. Inspection from scaffold indicated that repair only would be necessary.

5.10.4 **Bircham Path** - budget £110k, current forecast £135k

When the works were specified assumptions were made over the number of kitchens to be replaced. Having now gained access to all the properties this has proved too low and further kitchens have needed to be replaced.

5.10.5 **Planned schemes** – budget £170k current forecast £100k

Tenders have been returned for the works and are far less than anticipated, the forecast has been reduced accordingly.

5.10.6 **Honor Oak phase 4** – budget £1057k current forecast £948k

Although the contractor was slower than anticipated in starting this contract, the action taken appears to have addressed this. However, the contractors insurers have now advised them that they will not be covered for works in properties in Brockley Mews, where there is evidence of subsidence. Structural engineers are being appointed to advise and report on appropriate action but it is deemed prudent to omit these properties until recommendations have been made. The overall budget remains unchanged but as a result of this action some costs will roll over into 2010/11.

5.10.7 **Board approval for revised financial provision (Lanyard and Argosy)**

5.10.7.1 Lanyard and Argosy are part of the Pepys estate and comprise 54 properties. The original "works only" budget of £419, 997 (£434,103 including fees) was modeled on costs established on the previous phase (Bembridge House) factored up for inflation and applied to the 44 units that were subject to the initial decent homes surveys.

5.10.7.2 Following detailed surveys, additional works elements have been identified that were not apparent previously, namely:

- Asbestos was identified in the properties, surveys were £27,000 and removal has been priced at £94,500, assuming this applies to all properties.
- Boiler replacement: - in thirty two flats the boilers were identified as being beyond their economic life. This, coupled with the fact that their water storage was below the work surfaces would render the kitchen layout inappropriate if they were replaced with combination boilers at a later date led to the recommendation to replace. The cost of installing a new boilers is estimated at £95,551.
- Additional properties: the original budget was constructed on the basis of those residents that had agreed to the initial decent homes survey, subsequently, the remaining ten properties have either requested the works or become void. In the interests of completeness, it is proposed that these additional properties should be included. The additional properties are predicted to cost £104,060.
- Additional preliminaries, i.e. covering the additional time and management needed to undertake the additional ten properties is calculated as £65,750.

5.10.7.3 The above four items alone amount to £386,861, in addition to this there are additional minor items e.g., Fan works (£17,000) Window replacements (£18,000) contingency allowance (£24,000) and alterations to cylinders and tanks (£22,500). Consultants' fees for this project are based upon 6% of contract value.

5.10.7.4 Given the above and the attendant increase in consultants' fees, the Board's approval is sought to increase the budget provision from £434,103 to £988,308 of which it is currently forecast that £108k extra will be spent this year with the remainder in 2010/11.

5.10.8 **Lift refurbishment** - budget of £44k forecast £68k.

An invoice received this year was inadvertently in previous forecasts attributed to 2008/09 and therefore not included in the previous forecast.

The remainder of the schemes shown as red are for amounts less than £10,000 and an explanation is included in Appendix 1.

5.10.9 **The Ex Chrysalis Capital Programme** – budget £650k current forecast £228k

The current ring fenced budget for the year is £650k, with the balance of £350k included in next year. The intention is that all identified works will be completed prior to the stock transfer, currently planned for summer 2010.

Tenders for the works were received and a pre contract meeting was called, unfortunately, the lowest tenderer then withdrew his offer (having found an error in his submission).

Originally four contractors were invited, however, only two contractors submitted bids for the work, with 2 failing to submit tenders as a result of sickness. With the lowest tenderer withdrawing late in the process it was felt there could have been opportunity for information on pricing to have been communicated. It was therefore considered prudent to re tender the works completely.

This has now been done but the delay inevitably means that the anticipated level of work for 2009/10 cannot now be achieved and some work will have to be rolled into 2010/11 and added to the exiting provision for next year. A reassessment will be made to establish that the 2010/11 monies can be expended prior to transfer

## **6 2010/11 Capital Programme Allocation**

- 6.1 The capital allocation for 2010/11 from Lewisham Council is £12.030m as set out in 4.4 above, in addition to the budgets rolled forward. Of this, £7.265m has been committed to complete existing schemes and on new heating and electrical requirements.
- 6.2 As previously outlined, the agreed priorities for unallocated capital are:
- health and safety requirements;
  - keeping buildings wind and weather tight;
  - emergency works/systems failures; or
  - to meet additional decent homes requirements not covered above.
- 6.3 Remaining works will be based on the Stock Condition Survey carried out by Savills in 2008.
- 6.4 There are small schemes identified as priority that are being included, such as lift and boiler replacements. An allocation of £240k, as agreed at the Residents Business Planning day, to fund a Resident Led Door Entry Programme during 2010/11 is also proposed as well as £100K to match fund De-conversions and Extensions for which we are obtaining external funding.
- 6.5 The anticipated spend for 2010/11 is set out in Appendix 2, although it should be noted that movements in the current year on the existing schemes could result in adjusted profiling.
- 6.6 A significant proportion of the funding, as directed by the Major Works Improvement Group is to be applied to keeping buildings wind and weather tight. Wind and weather tight works have been identified by reviewing external Decent Homes failures of properties.
- 6.7 To ensure economies on preliminaries and access costs, It is intended that a programme of works will be undertaken to repair/ replace windows and other external components alongside the external decorations.
- 6.8 The properties to be included for survey have therefore been selected based on the poor condition of their external decorations as well as window and roofs requiring repair or replacement.
- 6.9 We are in the process of appointing consultants to survey the properties and specify the works ready for tender, capital works will be brought in up to the level of the budget available. This is currently allocated at £2m but will be reviewed once the specifications and tenders for the works are returned.
- 6.10 It is anticipated that works will be let on an area basis, with two contractors allocated an area each. Works will be overseen by a single contract administration consultancy who will ensure consistency across the Borough.
- 6.11 The intention is that all properties with external decorations identified as very poor or poor on the stock condition survey should receive external decorations with repair or replacement in the next 2 years.

- 6.12 The remaining unallocated money amounting to £2.165m will be available to start the Decent Homes works before the money is received from the government.

## **7 Issues requiring Board approval**

- 7.1 There are two further areas requiring a Board decision, namely:

### **7.1.1 Boiler Programme**

There is a major ongoing programme of boiler replacements and a considerable backlog of units requiring replacements. Given this, the added pressure of the cold weather and in order to underpin the expenditure level for 2009/10 by advancing projects spanning financial years, Board approval is sought to advance £500k from next years programme into 2090/11.

Properties have been taken from the priority list to identify where this additional expenditure will be applied. The budget provision for this financial year is £1.8 million and for 2010/11 a provisional allowance of £2.2 million has been made.

The £500k boiler replacement is marginally more than the currently predicted under spend of £370k (i.e. £1088k less the £718k reserved for ICT and future fees) and could result in a marginal overspend if expenditure on all projects is delivered as predicted, however, it is anticipated that some adjustments to project outturn figures are inevitable in the next three months

### **7.1.2 Lethbridge Close**

Lewisham Homes interim manages properties on the Heathside and Lethbridge estate pending their demolition and redevelopment. There are currently 475 properties on the estate, with their demolition phased in 6 phases (1-6) over the next 8-10 years, with Phase 3 taking place later this year. The blocks last to be demolished will be in Lethbridge Close with 212 properties in Phases 5 and 6.

As a result of discussions at TRA meetings surveys have been undertaken to establish major repairs required to the properties prior to demolition which would be required to ensure we meet the minimum requirements in regards to Health and Safety and Right to Repair (as they do not form part of Lewisham Homes investment plans).

The minimum costs provided by an external surveying practice for the latter phases (5 &6) are £686k, with a combination of external and internal works required. LBL are unable to provide additional funding for these works so LH would need to allocate funding from its current capital allocation.

## **8. Implications**

### **8.1 Financial Implications**

- 8.1.1 These are contained within the body of the report.

### **8.2 Legal Implications**

- 8.2.1 Lewisham Homes has a duty to ensure statutory compliance. This includes health and safety, building regulations and contractual obligations in respect to leaseholders. All contracts awarded within the programme will comply with these requirements.

### **8.3 Value for Money Implications**

- 8.3.1 All contracts have been subject to competitive tendering to ensure that the costs of the works represent good value for money. Where relevant potential contractors have been subject to further scrutiny through interviews with officers and residents in attendance to ensure that the requirements set out in the contract will be fully met.
- 8.4 Equality and Diversity Implications
  - 8.4.1 Where works are planned and subsequently carried out, the needs of the residents are taken into account in respect to vulnerability, disability and any other specific requirements.
- 8.5 Consultation Implications
  - 8.5.1 Residents were consulted on the 2010/2011 Capital Programme at the Major Works' Forum in November 2009.

**If you require further information on this report please contact Mark Agnew on 020 8613 4203 or email [mark.agnew@lewishamhomes.org.uk](mailto:mark.agnew@lewishamhomes.org.uk)**

Scheme	Status	Time	Cost	Quality	Budget for year	Profiled Budget	Oracle Spend	Unpaid invoices / accruals	Total spend to date	Variance to profiled budget	Committed Expenditure	Forecast expenditure for remainder of year	Total forecast expenditure	Variance to budget for year	Comments
					£	£	£	£	£	£	£	£	£	£	
<b>Pre 2008 Schemes</b>					<b>660,325</b>		<b>488,672</b>		<b>488,672</b>		<b>171,653</b>	<b>422,899</b>	<b>660,325</b>		
<b>2008 - 2011 Programme</b>															
<b>Structural &amp; Essential Works</b>					<b>2,675,313</b>	<b>1,588,651</b>	<b>932,933</b>	<b>197,477</b>	<b>1,130,410</b>	<b>458,241</b>	<b>1,081,116</b>	<b>1,434,153</b>	<b>2,564,563</b>	<b>-110,750</b>	
Long Term Voids	Pre-contract	G	R		75,000	0	85,915	8	85,923	-85,923	0	43,037	128,960	53,960	Some charges carried over from last year
High Cost Voids	Pre-contract	G	G		60,000	0	0	0	0	0	0	60,000	60,000	0	
Disrepair Properties.	In contract	G	G		75,000	0	0	0	0	0	75,000	75,000	75,000	0	
Hughesfield Est. Security & Communal work	In contract	G	A		197,474	128,907	87,649	0	87,649	41,258	131,646	131,646	219,295	21,821	Additional works required for front entrance door installation.
Glastonbury Hse / Falmouth Cl. / Barnstaple	Practically cor	G	G	A	86,036	86,036	99,277	-13,813	85,464	572	0	0	85,464	-572	
Somerville (Doors, Windows & Porches)	Practically cor	G	G	G	207,338	207,338	189,199	0	189,199	18,139	11,280	11,280	200,479	-6,859	scheme complete
Valentine & Pikhorne Struct. Repairs.	In contract	G	A		460,066	281,598	118,431	159,339	277,769	3,829	229,846	229,846	507,615	47,549	Additional concrete repairs
Merridale - Structural Repairs	Practically cor	G	G		164,436	177,388	164,436	-0	164,436	12,952	0	0	164,436	0	
Dartmouth Road - Renewal of Roof Covering	In contract	A	R		146,479	146,479	0	26,039	26,039	120,440	72,882	72,882	98,921	-47,568	Slipped in programme but will be complete this financial year
Longfield Crescent - Concrete Repairs	In contract	G	A		304,530	191,011	3,112	25,905	29,017	161,994	259,283	259,283	288,300	-16,230	Some works planned not needed
Magnolia House - Roof Renewal	In contract	G	R		146,479	146,479	0	0	0	146,479	39,100	39,100	39,100	-107,379	Roof renewal not required- Repair now specified at lower cost
Endwell Court. Window Replacement.	In contract	A	A		131,701	112,641	40,850	0	40,850	71,791	81,289	81,289	122,139	-9,562	minor variation
Bircham Path remedial works	In contract	G	R		110,774	110,774	83,100	-0	83,100	27,674	52,234	52,234	135,334	24,560	additional internal works necessary to remedy penetrating damp issues
Planned schemes	In contract	G	R		170,000	0	0	0	0	99,520	99,520	99,520	99,520	-70,480	Tender significantly lower than forecast
Trinity fees	Closed	G	G		90,000	0	60,963	0	60,963	-60,963	29,037	29,037	90,000	0	
Trinity Concrete	Pre-contract	G	G		250,000	0	0	0	0	0	0	250,000	250,000	0	
<b>Decent Homes</b>					<b>5,241,037</b>	<b>3,520,750</b>	<b>1,761,380</b>	<b>298,093</b>	<b>2,059,472</b>	<b>1,461,278</b>	<b>3,206,862</b>	<b>3,206,862</b>	<b>5,266,335</b>	<b>25,297</b>	
Honor Oak (Phase 4)	In contract	G	R		1,057,100	632,328	157,232	13,736	170,968	461,360	777,618	777,618	948,586	-108,514	This version assumes that Brockley Mews does not proceed
Honor Oak (Phase 5)	Practically cor	G	G		135,103	0	141,623	0	141,623	-141,623	0	0	141,623	6,520	minor variance
Mercator-Rawlinson House	In contract	G	G		854,075	728,000	310,319	123,086	433,405	294,595	430,834	430,834	864,239	10,164	OT & CoW Costs.....
Hazel Grove	In contract	G	G		910,196	681,854	81,198	150,006	231,205	450,649	679,273	679,273	910,478	282	
Evelyn St, Laurel Hse, Abinger Gr, Shelduck	In contract	G	G		507,699	370,401	320,469	-1	320,468	49,933	186,496	186,496	506,964	-735	n/a
Sayes Court - Various	In contract	G	G		607,612	399,508	241,982	161	242,142	157,366	376,013	376,013	618,155	10,543	Additional railings, tarmac and paving required
Sayes Court - Woodcote House	In contract	G	G		735,149	540,877	508,557	-1	508,556	32,320	225,188	225,188	733,744	-1,405	Additional works identified since last monthly update, asphaltting, electric
Lanyard/ Argosy	In contract	G	R		434,103	167,783	0	11,105	11,105	156,678	531,439	531,439	542,544	108,441	Additional units identified and asbestos found
<b>Mechanical &amp; Electrical</b>					<b>3,160,555</b>	<b>2,445,614</b>	<b>2,028,030</b>	<b>83,848</b>	<b>2,111,878</b>	<b>333,736</b>	<b>971,169</b>	<b>1,297,588</b>	<b>3,409,466</b>	<b>248,911</b>	
Lifts Refurbishment - Contract One	Practically cor	G	G		91,946	91,946	94,277	0	94,277	-2,331	0	0	94,277	2,331	Under spend of contingency
Lifts Refurbishment - Contract Two	Practically cor	G	R		44,740	83,921	45,012	0	45,012	38,909	23,620	23,620	68,632	23,892	
Disability Lifting Equip. (renewals)	Closed	G	G		5,000	3,100	4,827	23	4,850	-1,750	0	0	4,850	-150	
Replacement Domestic Boilers	In contract	G	G		1,842,800	1,228,533	1,084,549	58,667	1,143,216	85,318	699,584	699,584	1,842,800	0	
Central Boilers	Practically cor	G	G		27,609	18,406	9,426	4,305	13,731	4,675	15,125	15,125	28,855	1,246	
Replacement fan coil units.	Practically cor	G	G		3,395	0	0	0	0	0	3,395	3,395	3,395	0	
Lightning Protection Systems	Practically cor	G	G		3,461	3,461	3,461	0	3,461	0	0	0	3,461	0	
New Door Entry Systems	Practically cor	G	G		128,957	122,866	119,926	10,730	130,656	-7,791	0	0	130,656	1,700	
Refurb door entry systems	In contract	G	G		663,601	658,740	454,255	9,622	463,877	194,863	215,100	215,100	678,977	15,376	
Ventilation System refurb.	Practically cor	G	R		9,842	4,760	4,760	0	4,760	0	0	0	4,760	-5,082	none
Cold water tank replacement	Practically cor	G	G		123,195	123,474	123,194	0	123,195	280	0	0	123,195	0	
IRS (digital TV)	Practically cor	G	R		2,345	1,094	1,094	0	1,094	0	0	0	1,094	-1,251	n/a
Hillcrest CCTV	Practically cor	G	G		50,693	50,693	49,730	0	49,730	963	0	0	49,730	-963	
Milton Crt. CCTV & Barriers (Woodpecker R	In contract	A	R		61,121	54,620	33,520	500	34,020	20,600	14,344	14,344	48,365	-12,756	n/a
Electrical Distribution Boards Pepys Estate	Pre-contract	G	R		40,000	0	0	0	0	0	0	33,394	33,394	-6,606	none
Electrical Rising and Lateral Mains	Pre-contract	G	R		61,850	0	0	0	0	0	0	293,026	293,026	231,176	Additional spend to be transferred from Revenue
<b>Lewisham Homes, General Schemes</b>					<b>1,792,780</b>	<b>353,100</b>	<b>300,207</b>	<b>1</b>	<b>300,208</b>	<b>52,892</b>	<b>235,821</b>	<b>515,821</b>	<b>816,029</b>	<b>-976,751</b>	
ICT	In contract	R	R		490,600	0	0	0	0	0	0	0	0	-490,600	Part of underspend moved to 2010/11 ringfenced for ICT, £222k availat
Tenants Panel Package (Resident Led Prog	In contract	G	G		385,274	4,000	163,302	-0	163,302	-159,302	235,821	235,821	399,123	13,849	
Fees for future schemes		G	R		499,500	223,000	0	0	0	223,000	0	0	0	-499,500	This year's spend charged elsewhere, balance ringfenced in 2010/11
Improvements to Caretakers environment	Practically cor	G	G		137,406	126,100	136,905	1	136,906	-10,806	0	0	136,906	-500	
Salaries for all years		G	G		280,000	0	0	0	0	0	0	280,000	280,000	0	
Ringfenced for ICT and Future Fees 2010-11														0	Ringfenced expenditure (notional spend)
Unallocated					274,498									-274,498	Now allocated to other schemes
<b>Lewisham Homes 2008-11 Programme</b>					<b>13,144,183</b>	<b>7,908,116</b>	<b>5,022,550</b>	<b>579,418</b>	<b>5,601,968</b>	<b>2,306,148</b>	<b>5,494,968</b>	<b>6,454,424</b>	<b>12,056,392</b>	<b>-1,087,791</b>	
<b>Lewisham Homes Total</b>					<b>13,804,508</b>	<b>7,908,116</b>	<b>5,511,222</b>	<b>579,418</b>	<b>6,090,640</b>	<b>2,306,148</b>	<b>5,666,621</b>	<b>6,877,324</b>	<b>12,716,717</b>	<b>-1,087,791</b>	
Ex Chrysalis	Pre-contract	A	R	N/A	650,000						0	227,675	227,675	-422,325	Spend on roofing delayed to next year because of need to retender.
<b>TOTAL including Chrysalis and PRE 2008</b>					<b>14,454,508</b>	<b>7,908,116</b>	<b>5,511,222</b>	<b>579,418</b>	<b>6,090,640</b>	<b>2,306,148</b>	<b>5,666,621</b>	<b>7,104,999</b>	<b>12,944,392</b>	<b>-1,510,116</b>	

Appendix 2

<b>Pre 2008 schemes</b>	£	54,512
<b>2010/11 Capital Programme</b>		
Resources	£	12,030,000
<b>2008-2011 Programme</b>		
<b>Structural &amp; Essential Works</b>		
Long Term Voids	£	350,000
Disrepair Properties.	£	100,000
Hughesfield Est. Security & Communal works	£	5,602
Glastonbury Hse / Falmouth Cl. / Barnstaple Hse.	£	2,098
Somerville (Doors, Windows & Porches)	£	5,878
Valentine & Pikethorne Struct. Repairs.	£	13,449
Merridale - Structural Repairs	£	11,886
Dartmouth Road - Renewal of Roof Covering	£	3,521
Longfield Crescent - Concrete Repairs	£	8,914
Magnolia House - Roof Renewal	£	3,521
Bircham Path remedial works	£	4,282
Planned schemes	£	500,000
Trinity concrete repairs	£	1,284,375
<b>Decent Homes</b>		
Honor Oak (Phase 4)	£	28,000
Honor Oak (Phase 5)	£	33,489
Mercator-Rawlinson House	£	20,545
Hazel Grove	£	438,243
Evelyn St, Laurel Hse, Abinger Gr, Shelduck Cr, Guillemot Cr.	£	14,183
Sayes Court - Various	£	17,071
Sayes Court - Woodcote House	£	20,710
Lanyard/ Argosy	£	11,131
<b>Mechanical &amp; Electrical</b>		
Lifts Refurbishment - Contract One	£	10,691
Lifts Refurbishment - Contract Two	£	14,772
Replacement Domestic Boilers	£	2,200,000
Replacement fan coil units.	£	3,661
Lightning Protection Systems	£	10,112
New Door Entry Systems	£	3,355
Refurb door systems	£	19,512
Ventilation System refurb.	£	4,760
Cold water tank replacement	£	8,500
IRS (digital TV)	£	1,145
Hillcrest CCTV	£	4,815
Milton Cr. CCTV & Barriers (Woodpecker Rd)	£	1,605
Electrical Rising and Lateral Mains	£	338,150

<b>Lewisham Homes, General Schemes</b>	
ICT	£ 600,000
Tenants Panel Package (Resident Led Programme)	£ 10,511
Fees for future schemes	£ 100,500
Improvements to Caretakers environment	£ 3,900
Salaries for all years	£ 280,000
<b>Chrysalis</b>	£ 772,000
<b>TOTAL</b>	<b>£ 7,264,887</b>
<b>New Schemes</b>	
Redfearn Road heating	£ 150,000
Extensions/ Deconversions	£ 100,000
Door Entry Resident Business Planning	£ 240,000
Grafton House Lift replacement	£ 110,000
External works	£ 2,000,000
	<b>£ 2,600,000</b>
<b>Balance unallocated</b>	<b>£ 2,165,113</b>

Appendix 3

**Resource Movements Appendix**

**Lewisham Homes Resources & Expenditure (Including ex Chrysalis)**

	2008/09	2009/10	2010/11	2011/12	2012/13	Total
<b>Resources and Expenditure</b>	<b>£,000</b>	<b>£,000</b>	<b>£,000</b>	<b>£,000</b>	<b>£,000</b>	<b>£,000</b>
Pre 2008/9 Resources	4,947					4,947
New Resources LH	10,000	9,890	12,030	11,839	11,839	55,598
Agreed adjustment with LBL		114				114
Additional Chrysalis		1,000				1,000
<b>Total Resources</b>	<b>14,947</b>	<b>11,004</b>	<b>12,030</b>	<b>11,839</b>	<b>11,839</b>	<b>61,659</b>
Brought forward resources	0	3,800	1,510	6,625	14,475	
<b>Resources transferred to 2010/11</b>		-350	350			
<b>Revised Resources inc b/f</b>	<b>14,947</b>	<b>14,454</b>	<b>13,890</b>	<b>18,464</b>	<b>26,314</b>	
Expenditure	-11,147					-11,147
Forecast Expenditure		-12,944	-7,265	-3989	0	-24,198
Total Expenditure						-35,345
<b>Carry Forward Resources</b>	<b>3,800</b>	<b>1,510</b>	<b>6,625</b>	<b>14,475</b>	<b>26,314</b>	

Meeting	<b>Lewisham Homes Board</b>	Item No	<b>12</b>
Report Title	<b>LHL Financial Monitoring Report</b>		
Report Of	<b>Director of Resources - Adam Barrett</b>		
Class	<b>Monitoring</b>	Date	<b>28th January 2010</b>

## **1. Purpose of the Report**

- 1.1 This report updates the Board on the November 2009 financial monitoring forecasts for the Lewisham Homes' company budgets, the repairs service trading account and the Housing Revenue Account (HRA) managed budgets.

## **2. Recommendation**

- 2.1 The Board to note the financial monitoring actual income and expenditure to November 2009, and forecasts for the year 2009/2010 for:

- Lewisham Homes' Accounts.
- The repairs service trading account
- The HRA Capital Programme
- HRA Managed Budgets

- 2.2 To propose the following use of reserve balances to the Council as set out in Section 8.

## **3. Introduction**

- 3.1 This report sets out the actual financial monitoring position for November 2009 and the forecasts for the 2009/2010 financial year

- 3.2 The report is structured as follows:

- 3.2.1 Summary monitoring statement – Lewisham Homes and Repair Service Trading Account

- 3.2.2 Summary monitoring statement – HRA Managed Budgets

- Lewisham Homes Company Account
- Repairs Service Trading Account
- HRA Repairs and Maintenance (R&M)
- HRA Capital Programme
- HRA Managed Income and Utilities Budget

### **Financial Monitoring**

- 3.3 Lewisham Homes' management agreement with the Council requires preparation of monitoring forecasts for HRA budgets managed by Lewisham Homes on behalf of the Council and for the Lewisham Homes Company Account including the Repairs Service trading account. Overall responsibility for the HRA strategy and balancing the HRA remains with the Council.

- 3.4 This report identifies any major forecast variations to the budgets for 2009/2010 and assesses their potential impact on the HRA and the Company's financial position.
- 3.5 The report uses the following colour coding:

- **Red** – High Risk – Significant Financial Impact
- **Amber** – Medium Risk – Moderate Financial Impact
- **Green** – Low Risk – Minor Financial Impact

- 3.6 The new forecast position has been derived after reviewing the year to date activity levels, and also reflecting the impact of any unforeseen income and expenditure variations. Projections for the rest of the year will be closely monitored in the coming months and any material variations to projections for the rest of the financial year that cannot be addressed by management action will be duly reported to the Board appropriately.

#### 4. Lewisham Homes Company Accounts and Repair Service Trading Accounts

- 4.1 Table 1 - Summary Budgets and Forecast for 2009/2010 - Lewisham Homes and Repair Service Trading Account

	<b>Budgets 2009/2010</b>	<b>Revised Budgets 2009/2010</b>	<b>Forecast to March 2010</b>	<b>Variance - Forecast to Revised Budget</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
LHL Company	0	0	(965)	(965)
Repairs Services Trading	(233)	(233)	(404)	(171)
<b>Totals</b>	<b>(233)</b>	<b>(233)</b>	<b>(1,369)</b>	<b>(1,136)</b>

( ) = Under-spend or Surplus

- 4.2 The total summary forecast position for the Company as a whole for the 2009/2010 financial year is a surplus of £1.37m. This surplus is made up of £404k in the Repairs trading account and £965k in the Company's main account.

#### 5. Table 2 – Summary Budgets 2009/2010 – HRA Managed Budgets

<b>Description</b>	<b>Budgets 2009/2010</b>	<b>Revised Budgets 2009/2010</b>	<b>Forecast to March 2010</b>	<b>Variance - Forecast to Revised Budget</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
HRA Managed Repairs & Maintenance	20,700	21,405	21,364	(41)
HRA Managed - Capital Programme	13,690	13,804	12,717	(1,087)
HRA Managed - Income	(85,672)	(83,904)	(84,791)	(887)
HRA Managed Utilities	2,834	3,035	3,860	825
HRA Utilities Reserve	0	0	(711)	(711)
<b>Total</b>	<b>(48,448)</b>	<b>(45,660)</b>	<b>(47,561)</b>	<b>(1,901)</b>

( ) = Under-spend or Surplus

- 5.1 The HRA managed budgets have been analysed in the above table. The main categories are - Repairs & Maintenance (R&M); Capital; Income & Utilities and the Utilities Reserve.
- 5.2 The R&M budgets are forecast to under-spend by £41k.
- 5.3 The Capital Programme is now forecast to under-spend by £1.08m. This new forecast position is £162k less than the position reported to Board in September. This difference represents the level of under-spend that has since been recycled into other schemes.
- 5.4 The HRA Income budgets are projected to generate an extra income of £887k. The reason for this is the extra major works income for 2009/2010 as reported to the Board in November.
- 5.5 Expenditure on energy and other utilities, is forecast to over-spend by £825k, and as reported in September a drawdown from the HRA Energy Reserve of £711k is expected to mitigate this over-spend.

<b>6. Lewisham Homes Company Accounts</b>
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- 6.1 The main company account is forecasting to return a surplus of £965k for 2009/2010.

Table 3 – Lewisham Homes Company

	Budgets 2009/2010	Revised Budgets 2009/2010	Forecast 2009/2010	Variance - Revised Budgets 2009/2010
	£'000	£'000	£'000	£'000
Income	22,042	22,420	22,664	(244)
Employees	14,756	15,019	14,056	(963)
Operational Costs	3,580	3,454	3,863	409
SLAs	3,706	3,947	3,780	(167)
<b>Total</b>	<b>0</b>	<b>0</b>	<b>965</b>	<b>(965)</b>

() = Under-spend or Surplus

- 6.2 **Appendix A and B** provides information on the company financial position as at the end of November 2009 and projections to the end of the year, with an analysis of the main budget heads – Income, Employee costs, Operational costs and SLAs split across Directorates.
- 6.3 **Income - Green**
  - 6.3.1 Appendix A gives a breakdown of the projected income. The income forecast to the end of the year is estimated at £244k over the budget. This is made up of £110k rechargeable income due the company from the repairs service trading account, other income of £101k and £33k from external income received by the resident involvement team, to contribute to the cost of resident events.
- 6.4 **Employee Costs – Green**
  - 6.4.1 There is a projected net under-spend of £963k on employee costs. The reported position has generally remained constant from the position reported to board in

November, and the main reasons stated in the November board report remain the same.

## 6.5 Operational Costs – Amber

6.5.1 Operational budgets have been forecast to over-spend by £409k. The Repair Service improvement project and some other revenue funded ICT projects are the main reasons for the projected over-spend on the operational budgets. These projects are to be funded from the company 2008/2009 reserves and were not allocated specific budgets for 2009/2010.

6.5.2 Another area of expenditure contributing to the projected over-spend is the level of projected legal expenditure. This is currently projected to over-spend by £60k. The budget strategy for 2010/2011 has considered the level of legal budgets and budgets have been increased to address this issue.

## 6.6 SLAs – Green

6.6.1 The SLA budgets are expected to under-spend by £167k. This under-spend is derived mainly from ICT, Learning & Development, Commercial Properties and Property SLAs.

## 7. Repair Service Trading Account – Green

7.1 The Repair Service Trading account is forecasting a surplus of £404k for the 2009/2010 financial year. This is an increase of £171k on the budget position. The new forecast position is the net result of extra income from sources outside the core HRA repairs and maintenance budget, savings in operational running costs and a rise in projected staff costs.

Table 4 - Repair Service Trading Account

	<b>Budgets 2009/2010</b>	<b>Forecast 2009/2010</b>	<b>Variance - Budgets 2009/2010</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Income:</b>			
Response Repairs	(6,950)	(6,550)	400
Response Emergency	(300)	(320)	(20)
Voids & Disrepair	(3,900)	(4,700)	(800)
<b>Repairs Income:</b>	<b>(11,150)</b>	<b>(11,570)</b>	<b>(420)</b>
Other Income:	(746)	(754)	(8)
<b>Total Repairs Income</b>	<b>(11,896)</b>	<b>(12,324)</b>	<b>(428)</b>
<b>Expenditure:</b>			
Internal Variable Costs	5,959	5,884	(75)
External Variable Costs	1,626	2,018	392
Fixed Costs	1,933	2,156	223
Direct Service Overheads	825	656	(169)
SLAs - LBL	741	687	(54)

Support Recharges	579	519	(60)
<b>Total Expenditure:</b>	<b>11,663</b>	<b>11,920</b>	<b>257</b>
<b>(Surplus)/Deficit</b>	<b>(233)</b>	<b>(404)</b>	<b>(171)</b>

() = Under-spend or Surplus

7.2 **Appendix C** provides detailed information on the current financial monitoring position of the trading account to the end of November 2009.

7.3 **Income – Amber**

7.4 Repair Services are forecast to generate a net extra income of £420k. This is mainly from the following sources; out of hours repairs - £20k, fire damage, other insurance funded repairs ,private sector leasing orders and voids - £800k. Conversely, it is anticipated that the income generated from day to day responsive repairs will be down by £400k.

7.4.1 The income projections also assume that the budgeted income from the HRA Repairs budget will be achieved. The inherent risk is if this is not achieved then this will have a direct impact on the projected surplus for the service.

7.5 **Internal Variable Costs – Amber**

7.5.1 These consist of operative wages, materials costs and fleet charges. These costs are forecast to under-spend by £75k. The budget strategy for the current financial year included the requirement to recruit new operatives to ensure that majority of works are carried out in-house rather than subcontracting. The service has not been able to recruit and retain the level of operatives required. The key reason is the current pay scheme, which is due to be replaced in April 2010. For this reason the internal variable costs budgets are forecast to under-spend and conversely the sub-contractor budgets are forecast to over-spend.

7.6 **External Variable Costs – Amber**

7.6.1 This represents payments made to subcontractors for work carried out for the service. Subcontractors are engaged to carry out work of a specialist nature such as glazing and asbestos removal. They are also engaged to cover busy periods where the service has not got enough labour resources to meet work demands. The forecast extra income to be generated will result in an increase in the level of sub-contracting, this is projected to be £392k over budget.

7.7 **Fixed Costs - Amber**

7.7.1 This consists of employee costs and other overheads. Employee costs are forecast to over-spend by £223k. This is due to some key posts being covered on an interim basis at a cost higher than budget and extra administration and management support engaged on an interim basis to support the service whilst projects such as the introduction of Opti-time are implemented.

7.7.2 The Voids letting team has now been merged with the Voids contracting team, to encourage seamless working practices and hence assist in the improvement of void turnaround times. To aid this process an interim has been engaged to work closely with the Voids manager for the initial period to streamline processes. This is likely to be in place until the end of the financial year.

7.8 **SLAs - Green**

- 7.8.1 SLAs are fixed charges agreed with the Council principally for the use of the depot, insurance and ICT. These costs are forecast to under-spend by £54k. This savings has mainly been achieved by the cessation of the Switchboard SLA.

## **8. Proposals for the use of Reserve Balances**

- 8.1 Under the management agreement between Lewisham Homes and the Council the use of year end surpluses is subject to agreement between the Council and Lewisham Homes. The forecast trading surplus for 2009/10 is £1.369m. Total forecast reserves including reserve balances in the company accounts at 31st March 2009 of £981k are forecast to be £2.35m at the 31st March 2010.
- 8.2 The strategic financial and value for money objectives for Lewisham Homes are to reduce management costs to enable a re-allocation of resources to key priority services with the emphasis on additional investment in repairs and asset management.
- 8.3 The Directors' report that accompanied the 2008/9 company accounts highlighted that Lewisham Homes had been successful in reprioritising resources to support its business objectives and that the key area where there remained a shortfall of resources was in capital investment in the Housing Stock.
- 8.4 With these factors in mind the proposed use of surpluses is put forward to the Board for a decision as to whether to forward this proposal to the Council for consideration.
- 8.5 The use of the surplus is set out in three categories:

### **8.5.1 Asset Investment**

This remains the area where there is a substantial shortfall in the resources available to bring the stock up to the Decent Homes standard. These proposals free up capacity to invest in the core stock. Whilst in relation to the overall shortfall of £300m these sums are not material they will allow some improvements to be made to the stock.

### **8.5.2 Service Improvements**

These proposals are aimed at:

- Preparing the organisation for inspection and making immediate improvements to services that will have a positive impact on the inspection assessment. This is key to securing the additional investment in the stock necessary to achieve Decent Homes.
- Medium term investment in key services such as repairs with the aim to improve services and generate efficiencies that will generate additional financial headroom to allow for additional stock investment
- Invest in training and development of young people to provide local employment opportunities and to ensure more effective workforce planning considering the current age profile of the Lewisham Homes workforce.

### **8.5.3 Financial Commitments**

The key element in this category is the working balance of £800k equivalent to 2.5% of turnover which is considered a prudent balance to maintain for an organisation to be able to manage unforeseen financial commitments, financial pressures or changes in the economic environment.

In addition a sum is set aside for depreciation to avoid the Council having to make a prudential borrowing commitment for sums that Lewisham Homes has spent on capital investment but not charged to its profit and loss account.

An estimate has been made, although no surpluses have been allocated against it, of the level of redundancy reserve provision that the company would need to retain should the Council wish to transfer the responsibility for funding redundancies from the Council to Lewisham Homes.

Table 5 – Reserve Balance Requirements

<b>Lewisham Homes - Reserve Balance Requirements</b>			
	<b>Target</b>	<b>Forecast</b>	
<b>Category</b>	<b>£'000</b>	<b>£'000</b>	<b>Comments</b>
<b>Asset Investment</b>			
Decent Homes Fees	300	300	Funding Decent Homes Fees from Lewisham Homes surpluses releases additional capital programme resources for investment in asset improvements
ICT Strategy	1,200	450	Funding ICT capital investment from Lewisham Homes surpluses releases additional capital programme resources for investment in asset improvements
Property Planned Maintenance	150	100	Ensure office properties and the customer environment are maintained in good state of repair
<b>Total Asset Investment</b>	<b>1,650</b>	<b>850</b>	
<b>Service Improvement</b>			
Repair Services Stores Outsourcing	240	200	Set up costs for tendering the Repairs Supplies contracts and putting in place more efficient electronic stores ordering and management arrangements
Preparation for Inspection	100	80	Additional support to prepare inspection documentation and carry out small inspection improvement initiatives, eg additional communal cleaning
Occupancy Checks		60	Additional investment to progress occupancy checks prior to inspection
Apprenticeship Scheme (3 Apprentices)	300	150	Introduction of an apprenticeship scheme leading to formal trade qualifications in the Repairs Service

<b>Total Service Improvement</b>	<b>640</b>	<b>490</b>	
<b>Expenditure Pressures</b>			
Working Balance of 2.5% of turnover	800	800	2.5% of £32m
Depreciation	250	210	Resources to be set aside to avoid the requirement for prudential borrowing approval
Redundancy Reserve	750	0	Potential Redundancy Reserve Requirement
<b>Total Expenditure Pressures</b>	<b>1,800</b>	<b>1,010</b>	
<b>Total</b>	<b>4,090</b>	<b>2,350</b>	

## 9. HRA Repairs & Maintenance Lewisham Homes Managed – Green

- 9.1 **Appendix D** is a detailed analysis of the year to date November 2009 financial monitoring position of the Repairs & Maintenance Budgets. The analysis is between Lewisham Homes and Budgets allocated to Hostels across the various work streams.
- 9.2 The HRA Repairs budget is forecast to under-spend by £42k.

Description	Budgets 2009/2010 £'000	Revised Budgets 2009/2010 £'000	Forecast 2009/2010 £'000	Variance - Revised Budgets 2009/2010 £'000
Cyclical works & External Decorations	2,800	3,150	3,225	75
Voids	3,600	3,786	3,900	114
Planned Schemes	600	600	583	(17)
Planned Gas Works	936	936	1,150	214
Planned M&E Works	709	752	688	(64)
OAP Decorations	50	50	50	0
Responsive Repairs	7,275	7,320	6,880	(440)
Disrepair Works & Compensation	400	450	555	105
Gas and Boiler Repairs	2,290	2,290	2,075	(215)
Lift Repairs	200	200	365	165
Asbestos Works	194	320	170	(150)
Fire Assessments	115	190	160	(30)
Pest Control	200	200	332	132
Other Responsive M&E Repairs	967	797	866	69

<b>Lewisham Homes Total</b>	<b>20,336</b>	<b>21,041</b>	<b>20,999</b>	<b>(42)</b>
<b>Hostels</b>	<b>364</b>	<b>364</b>	<b>364</b>	<b>0</b>
<b>R&amp;M Budgets Total (Under-spend)/Overspend</b>	<b>20,700</b>	<b>21,405</b>	<b>21,363</b>	<b>(42)</b>

() = Under-spend or Surplus

9.3 The net position at the end of November 2009 on the HRA Repairs & Maintenance budget is an under-spend of £277k. Of the reported position, responsive repairs accounts for a £431k under-spend with planned activity accounting for an over-spend of £154k. The under-spend on responsive repairs reported to board in September 2009, has gradually eroded. This is expected to continue for the rest of the year, as the bad winter conditions continue. Planned works are forecast to come in on budget and on schedule.

9.4 The key area of pressure within the HRA Repairs budget is the Voids budget. The voiding rates have been forecast to reach 1,400, an increase of 200 extra units for the year on the 2009/2010 budget. This is however mitigated by the projected under-spend in the Response Repairs budget.

9.5 Table 5 – HRA Repairs Budget Monitoring

## 10. HRA Capital Expenditure – (Lewisham Homes Managed) – Green

10.1 The Capital budget monitoring report shows an actual spend to date position of £6.1m. The 2009/2010 budgets of £13.8m is forecast to under-spend by £1.088m.

10.1.1 The new forecast under-spend of £1.088m, is a reduction of £162k from the £1.25m under-spend position reported to Board in September 2009. The reduced forecast is as a result of recycling some under-spend on other on-going schemes.

10.2 The projected under-spend which is largely due to the decision to fund ICT projects and the Decent Homes fees for future schemes from the company's revenue resources has resulted in the release of additional resources within the capital programme to fund bricks and mortar projects in both 2009/2010 and 2010/2011.

10.3 Find below two summary tables on the capital programme. The first table is an analysis of capital schemes by project and the second table an analysis by work type. **Appendix E** provides a more detailed monitoring report which outlines the budget monitoring position by type of work, and split between schemes started before 2008-2009 and schemes started post this financial year. A separate more detailed Capital monitoring Board report will be presented to the board by the Director of Property Services.

10.4 Table 6 - HRA Capital Budget Monitoring – Summary by Status of Projects

Status of Schemes	Spend Year to Date - Oct. 2009	Budget 2009/2010	Forecast 2009/2010	Variance to Budget
	£'000	£'000	£'000	£'000
Pre Contract	86	487	765	278
In Contract	4,755	10,741	10,620	(121)
Practically Complete	1,184	1,217	1,237	20
Closed	66	95	95	0

Rolled Over - 2010/2011	0	990	0	(990)
Unallocated	0	274	0	(274)
<b>Total</b>	<b>6,091</b>	<b>13,804</b>	<b>12,717</b>	<b>(1,087)</b>
Ex Chrysalis Schemes		650	228	(422)

() = Under-spend or Surplus

#### 10.5 Table 7 – HRA Capital Budget Monitoring – Summary by Work Type

<b>Category</b>	<b>Revised Budgets 2009/10</b>	<b>Forecast Expenditure 2009/10</b>	<b>Variance to Budget</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Pre 2008 Schemes	660	660	0
Structural & Essential	2,675	2,565	(110)
Decent Homes	5,241	5,266	25
Mechanical & Electrical	3,161	3,409	248
ICT	491	0	(491)
Resident Led Programmes	385	399	14
Fees for Future Schemes	500	0	(500)
Improvements to Caretakers Env.	136	137	1
Salaries for All Years	280	280	0
Unallocated	274	0	(274)
<b>Total</b>	<b>13,803</b>	<b>12,716</b>	<b>(1,087)</b>
Ex Chrysalis Schemes	650	228	(422)

() = Under-spend or Surplus

### 11. HRA – (Lewisham Homes Managed) – Green

#### 11.1 Income - Green

11.1.1 The revised income budget is forecast to exceed budget levels by £0.89m. This extra income is mainly derived from income from major works.

#### 11.2 Utilities – Amber

11.2.1 The utilities expenditure budgets have also been revised to £3.05m, with the forecast expenditure at £3.86m. Majority of this forecast over-spend is related to the expenditure on energy. The projected over-spend in the energy budget is £711k, this will be covered by a drawdown from the Energy Reserves.

### 12. Implications

#### 12.1 Financial Implications

12.1.1 Contained within the report.

#### 12.2 Legal Implications

12.2.2 The Board has a duty to ensure that Lewisham Homes can trade as a going concern and is able to meet its financial liabilities. The Board must ensure that its

income in the form of the management fee is sufficient to meet the financial obligations it sets out in its budget.

12.3 Value for Money Implications

12.3.1 None specific to this report.

12.4 Equality and Diversity Implications

12.4.1 None specific to this report.

**If you require any further information on this report please contact Adam Barrett on 020 8314 3405 or [adam.barrett@lewishamhomes.org.uk](mailto:adam.barrett@lewishamhomes.org.uk)**

Committee	<b>Lewisham Homes Board</b>	Item No.	<b>13</b>
Report Title	<b>Business Plan 2009/10 and KPI Performance</b>		
Contributor	<b>Head of Service Development – Hilary Barber</b>		
Class	<b>Monitoring</b>	Date	<b>28<sup>th</sup> January 2010</b>

## 1. Purpose of the Report

- 1.1 This report sets out Lewisham Homes' key performance indicators (KPIs) and progress against target times for tasks in the Business Plan for 2009/10.

## 2. Recommendations

- 2.1 That Board:

- 2.1.1 Approves the proposed approach to rectify under performing areas.

## 3. Background of the Report

- 3.1 At the March 2009 Board meeting, the Board agreed the 2009-12 Business Plan. This included the performance targets and tasks, which the Board monitors.
- 3.2 Appendix A shows The KPI performance for April 2009 through to November 2009 against the agreed targets.
- 3.3 Appendix B shows progress in completing tasks in the 2009-12 Business Plan against target times from April to November 2009.

## 4. Context

- 4.1 As presented to the Board in March, the KPIs are now presented in a dashboard format by service area, which is intended to make the data more accessible. Where relevant there are comments from directors about contextual issues impacting on performance, or lack of data. The year to date figures show accumulated performance from 1 April 2009 to 30 November 2009.
- 4.3 Performance in relation to targets is highlighted by a traffic light system:
- **Green** - indicates performance was on or above target
  - **Red** - indicates performance did not meet the target.

The dashboard also includes the direction of travel (current year to date compared to the 2008/09 figure) and graphs with trend information.

- 4.4 We aim to be in the top 25 per cent (top quartile) of performers, and so comparative data is shown where this is available. The source for this is the most up to date figures from the Housemark ALMO Performance Improvement Club, a national benchmarking group, for most indicators. This is currently for the first quarter of 2009/10, as the year end figures are not yet available. The tables in Appendix A indicate which quartile we are in.<sup>1</sup>

<sup>1</sup> Quartiles – this shows how Lewisham Homes performs against its peers. Quartile 1 is the top 25% of performers, quartile 2 is above average, quartile 3 is below average and quartile 4 is the bottom 25%.

## 5. Performance Issues

5.1 Income collection, gas servicing and complaints represent the greatest risk to us achieving a two star rating. This was identified by the Audit Commission in its inspection in November 2008. Since then there has also been an issue with voids performance. Together with recommendations for improvement, progress and performance in these areas will be monitored at each Board meeting until there is sustained improvement. Performance in these areas is also being examined in more detail through the Performance Panel, a sub-group of the Board, which meets every six weeks.

### a) Income collection

	Rent collected excluding opening balances (LH29)				Percentage of rent accounts >7 weeks in arrears		
	Year end 07/08*	Year end 08/09*	Nov-09	Patches achieving > 100%	Year end 07/08	Year end 08/09	Nov-09
Core	97.9	99.4	98.8	3	13.8	9.7	9.8
Interim	97.8	97.5	100.1	3	13.4	13.6	11.6
<b>Total</b>	<b>97.9</b>	<b>99.0</b>	<b>99.1</b>	<b>6</b>	<b>13.7</b>	<b>10.4</b>	<b>10.1</b>

The above table<sup>2</sup> shows rent collection performance for November (year to date) is at 99.1%, which is higher than the 2008/09 year end figures (99.0%). It also shows that the proportion of tenants who are in more than seven weeks arrears has continued to improve from 10.4% of tenants in arrears at the end of 2008/09 to 10.1% in arrears for November 2009.

Action to improve rent collection performance includes the following:

- An Income Task Force is continuing to focus on cases where Housing Benefit payments have ceased and on Introductory Tenants who are in arrears. From this, £121k in Housing Benefit has been reinstated since October;
- A welfare Benefit Advisor has been in post since 2<sup>nd</sup> November;
- There is now a revised and robust sign-up process in place to promote a payment culture and provide appropriate advice at the start of the tenancy;
- A telephone campaign during the Christmas week which culminated in taking card payments of £8k in three days;
- Commenced a 'blitz' on suspected unauthorised occupant cases in early January;
- Continuing with focused home visits and working with the Tenancy Team to ensure tenancies are terminated on time.

### b) Void re-let times

From April to November 2009, the average time to re-let a void property took 32 days against a target of 25 days. This is a decline in performance compared to 2008/09 – 31 days. However, it is also an improvement in performance in the last quarter of 2008/09, when time taken to re-let rose to above 40 days, as shown in the table below<sup>3</sup>. Performance for November has also improved and was 28 days.

<sup>2</sup> Please note that for the purpose of comparison, the year end figures for 07/08 and 08/09 have been recalibrated to reflect stock in the 'core' and 'interim' categories. In the table, "core" includes Lewisham north, south and New Cross properties, and "interim" includes Milford Towers, Lethbridge and Heathside, and the transferred Chrysalis properties.

<sup>3</sup> Data has been adjusted to include performance of 'Chrysalis' properties

Jan	Feb	Mar	2008/ 09	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	2009/ 10 YTD	2009/ 10 Target
47	44	38	31	31	31	37	29	28	35	34	28	31.5	25

It is unlikely that the 25 day target will now be met by March 2010, as this would require performance of 12 days average from December to March. If voids performance meets the target for December to March 2010, overall performance for 2009/10 will be 29 days. Performance for December 2009 is 24 days, which would contribute to meeting that performance.

A detailed report on voids performance was provided to the Performance panel in December and will continue to be provided six-weekly. The main actions to address performance issues are as follows:

Voids Issues	Actions being undertaken to address
Proportion of properties refused	<p>New LB Lewisham allocations policy came into effect on the 2<sup>nd</sup> November reducing refusal options.</p> <p>Meetings have taken place with the Council to discuss performance of Homesearch and the delays caused by unpopularity of some sheltered housing. Regular monthly meetings will now take place to monitor progress.</p>
Overall performance	<ul style="list-style-type: none"> <li>• Formal executive scrutiny panel.</li> <li>• Service review of voids in progress and due to complete in April 2010</li> <li>• Regular contractor monitoring meetings</li> </ul>

### c) Staff sickness

The average number of days lost to sickness was 10.1 days at November 2009. This shows an improvement compared to the position at the end of 2008/09 when the average was 11.4 days. A large portion of this is due to staff with high levels of sickness who have since left the organisation – if staff who have left the organisation are excluded, the average reduces to 7.3 days.

The table below outlines the contribution that long term sickness has on the overall figures. We are still off the target of 9.5 days and the HouseMark upper quartile of 9.12 days. The total days lost to each service does not include sickness for those who have left Lewisham Homes during the period, this is reported separately in the table.

## Absence data for the period August 08 – November 09

(Note that not all changes following the restructure have been entered onto the HR system)

Service Area	Days Lost	FTE	Avg Days Lost	Total Days Long Term Absence	Avg Days Lost excl. Long Term Absence	Target
<b>Lewisham Homes Total</b>	<b>3226.0</b>	<b>443.7</b>	<b>7.3</b>	<b>1783.0</b>	<b>3.3</b>	
Housing	846.0	84.9	10.0	555.0	3.4	
Property(non DLO)	1431.0	177.6	8.1	820.0	3.4	
Housing Environmental	788.5	118.3	6.7	363.0	3.6	
Repairs Services**	12.0	2.0	6.0		6.0	
Corporate Services	67.0	20.3	3.3	25.0	2.1	
Resources	68.5	30.6	2.2	20.0	1.6	
Service Development	13.0	8.0	1.6		1.6	
Chief Executive	0.0	1.0	0.0		0.0	
Misc	0.0	1.0	0.0		0.0	
Leavers	1241					
<b>Total inc Leavers</b>	<b>4467.0</b>	<b>443.7</b>	<b>10.1</b>			<b>9.5</b>

\*\* this refers to staff displaced who are on notice

The following action is being taken to help tackle levels of staff absence –

- Monthly meetings with Directors to discuss cases
- Ensuring procedures are complied with through audits and monitoring
- Finding solutions to deal with specific health problems – for example, one of the highest categories is skeletal-muscular problems and as a result all caretakers have received manual handling training

## 5.2 Improved performance

### a) Gas servicing

The performance for carrying out gas safety checks, which are required by law for all landlords, has improved significantly since the new gas contracts commenced in October 2008. The table below shows latest performance by contractor and gives an indication of the number of properties. It shows that performance has continued to rise since the year end, and was 99.8% at the end of November 2009.

Position as at 29/11/09	Lewisham Homes total	T Brown (South)	QHS (north)
Properties requiring safety check	14413	8277	6136
Serviced Properties	14380	8257	6123
Non serviced properties	33	20	13
<b>% properties compliant</b>	<b>99.8%</b>	<b>99.8%</b>	<b>99.8%</b>

At the end of November 2009 there were 33 properties overdue for a gas safety check. All of these comply with legal requirements, as all reasonable steps have been taken to gain access. In line with our procedures, they have all had at least two letters from the gas contractors, additional cold calling, and a further letter from the Lewisham Homes Gas Access Team threatening legal action.

The table below outlines further action taken for the 33 properties without a current certificate:

Further actions for remaining properties	Number of properties
Tenants who are vulnerable and require additional support	2
Number of EPA notices issued	33
Suspected abandoned properties	0

## b) Complaints

Complaints responded to within targets times improved in November to 97%, and is now 93% year to date, which is above the target of 90% – see table below. Improvement in performance reflects the action taken to improve response times for Housing Services complaints, as reported to Board in November.

### Status of Stage 1-3 complaints handling since September 2009

	September 09			October 09			November 09		
	Responded to (all stages)		Stage1 Ave time (days)	Responded to (all stages)		Stage 1 Ave time (days)	Responded to (all stages)		Stage 1 Ave time (days)
	On-time	Late		On-time	Late		On-time	Late	
Housing - Management	81% (25)	19% (6)	11.7	91% (30)	9% (3)	9.9	100% (31)	0% (0)	8.8
Property - Services	96% (52)	4% (2)	10.8	93% (37)	7% (3)	10.5	96% (66)	4% (3)	9.4
Resources -	(0)	(0)	n/a	(0)	(0)	n/a	(0)	(0)	n/a
<b>Grand Total</b>	<b>91% (77)</b>	<b>9% (8)</b>	<b>11.1</b>	<b>92% (67)</b>	<b>8% (6)</b>	<b>10.2</b>	<b>97% (97)</b>	<b>3% (3)</b>	<b>9.3</b>

In addition to complaints we also record compliments. The table below gives a breakdown of compliments by service area.

Service	April	May	June	July	Aug	Sept	Oct	Nov	Total
Repairs	1	1	2	2	4	2	1	10	23
Property – Asset management			1					2	3
Property - Gas							2		2
Community Involvement	1				1				2
Housing - Tenancy	1	1	2						4
Housing - Caretaking					1		2	1	4
Housing - Income						1			1
Housing – customer services							3	2	5
Customer Relations		1	1	2	1	9	2	1	17
<b>Total</b>	<b>3</b>	<b>3</b>	<b>6</b>	<b>4</b>	<b>7</b>	<b>12</b>	<b>10</b>	<b>16</b>	<b>61</b>

**c) Repairs completed within timescale.**

Performance for all categories of responsive repairs have met targets at November 2009 (year to date). Performance is in the top quartile for London ALMOs<sup>4</sup> for 'routine' repairs.

	Target 09/10	Current YTD	08/09 Actual	Upper Quartile
% of emergency repairs completed on time	97%	98%	94%	98.60
% of urgent repairs completed on time	97%	98%	96%	98.79
% of routine repairs completed on time	97%	99%	97%	98.67

**d) Repairs call centre**

The level of calls being answered has continued to improve and 88% of calls were answered within 15 seconds in April to November 2009, against a target of 85%. In addition, only 3% of calls were lost against a target of 6%.

**6. Business Plan tasks**

6.1 The table in Appendix B shows progress on tasks in the Business Plan for 2009/10. Tasks have traffic lights to show:

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

6.2 From April 2009 to November 2009, 104 tasks were due for completion, and 72% of these have been completed, which is a small improvement on 69% reported in November. The table below shows the breakdown of tasks under these traffic light headings. Reasons for delay are captured in the 'comments' column of the table.

6.3 A process for adding tasks to the Business Plan through the year has been implemented. This is to ensure significant tasks arising out of, for example, recommendations from services reviews or various audits, can be included in the task list and progress monitored. When tasks have been marked as completed, documentary evidence is required.

RAG	Housing Services	Property Services	Service Development	Resources	Overall	
					No.	%
RED	3	20	2	6	31	28%
GREEN	14	23	11	30	78	72%
Total	17	43	13	36	109	100%

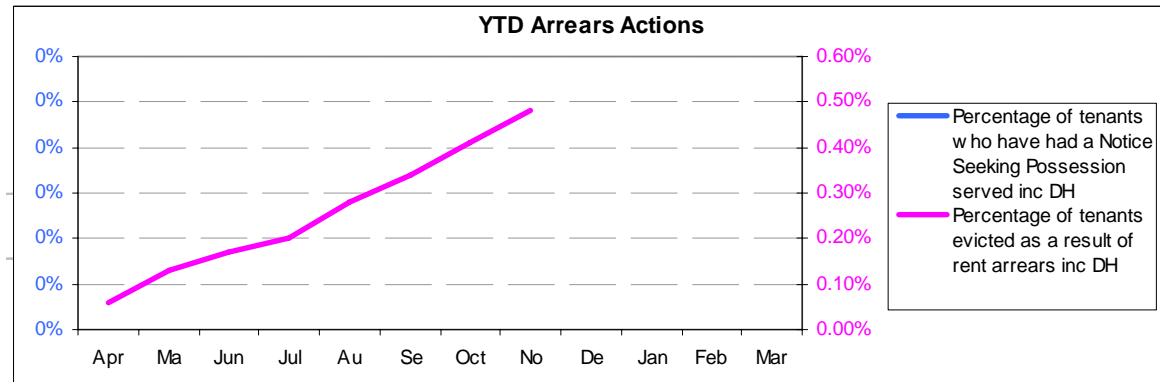
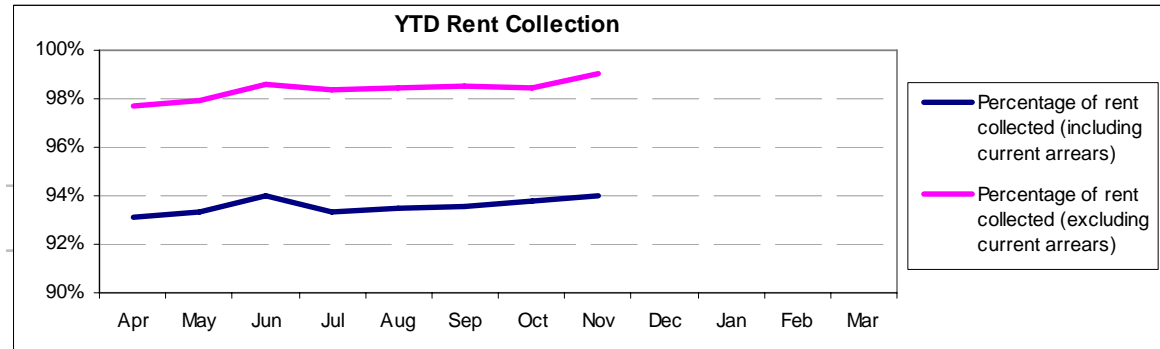
If you require further information on this report please contact Hilary Barber on 020 8613 7698 or email [hilary.barber@lewishamhomes.org.uk](mailto:hilary.barber@lewishamhomes.org.uk)

<sup>4</sup> Housemark data for London ALMOs to quarter two 2009/10.

## Rent collection and arrears

Lewisham Homes and former Dunlop Haywards properties combined

indicator	2007 - 2008	2008 - 2009	Current YTD	Target	direction of travel	YTD vs Target
LH 29 Percentage of rent collected excluding current arrears.	97.68%	99.28%	99.07%	100.40%	▼	▼
BV 66b Percentage of rent accounts > 7 weeks in arrears	13.7%	10.4%	10.1%	8.0%	▲	▼
BV 66c Percentage of tenants who have had a Notice Seeking Possession served	35%	48%	35%	45%	-	-
BV 66d Percentage of tenants evicted as a result of rent arrears	0.88%	0.61%	0.48%	1.00%	-	-
LH 40 Rent written off as not collectable as a percentage of the total rent	0.52%	0.94%	0.82%	1.00%	▲	▲



Performance Commentary

See main report.

Benchmarking (Quarter 1 2009/10)	BV 66b	BV 66c	BV 66d	LH 40
Ascham Homes ***	Q3	Q3	Q2	
Barnet Homes **	Q1	Q2	Q1	
Brent Housing Partnership	Q4	Q4	Q3	
City West Homes ***	Q1	Q1	Q1	
Ealing Homes	Q2	Q2	Q1	
H and F Homes*	Q4	Q4	Q4	
Hackney Homes **	Q3	Q1	Q3	
Hillingdon Homes **	Q1	Q4	Q3	
Homes for Harringey **	Q4	Q4	Q4	
Homes for Islington ***	Q3	Q2	Q2	
Homes for Havering *	Q1	Q3	Q1	
Hounslow Homes				
K & C TMO ***				
Lewisham Homes	Q4	Q3	Q4	
Newham Homes **	Q2		Q1	
Redbridge Homes	Q1		Q1	
Sutton Housing Partnership *	Q2	Q1	Q3	

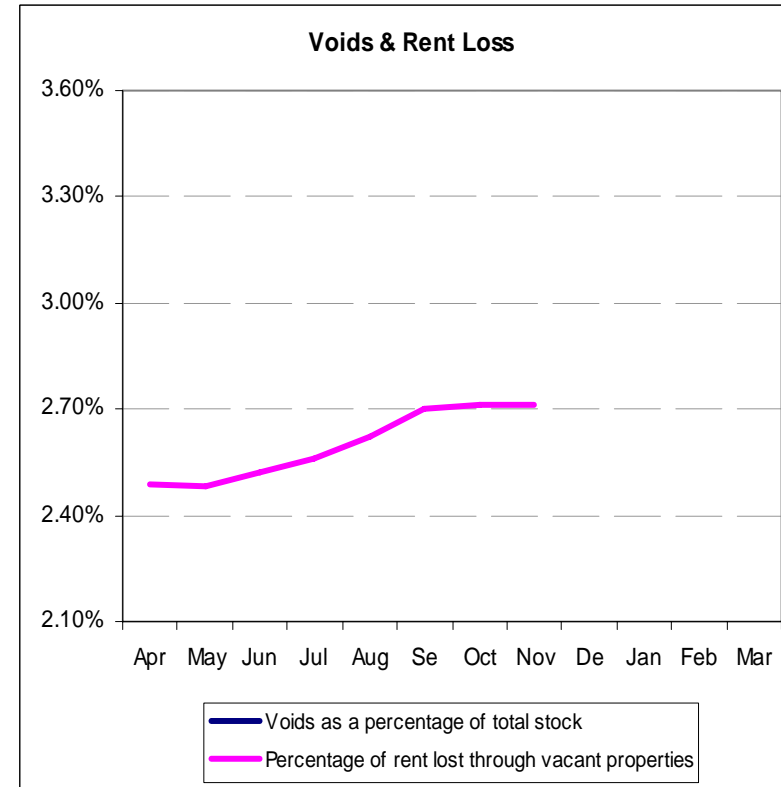
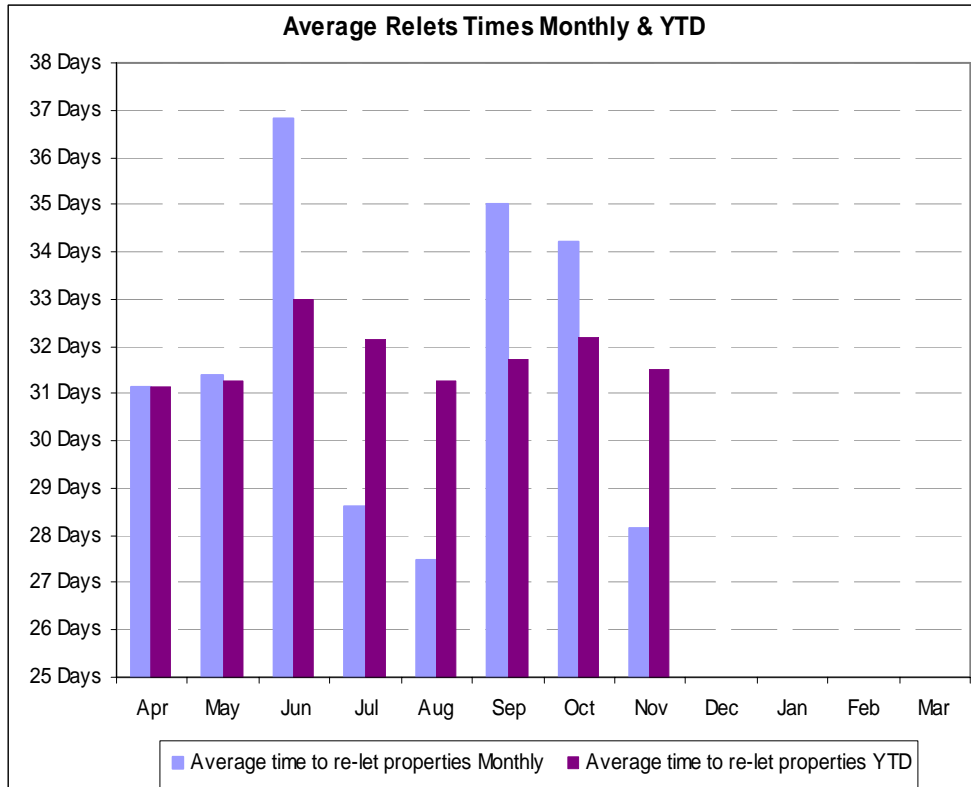
\*\* Direction of travel compares the current ytd with the 2008/09 figure

# Voids and Relets

Lewisham Homes and former Dunlop Haywards properties combined

indicator	2007 - 2008	2008 - 2009	Current YTD	Target	direction of travel	YTD vs Target
BV 212 Average time to relet properties	38.0	31.0	31.5	25	▼	▼
LH 30 Percentage of rent lost through vacant properties	2.53%	2.26%	2.71%	2.90%	▼	▲
LH 18 Voids as a percentage of total stock (excl sheltered housing)	1.61%	3.55%	3.07%	Contextual		

Performance Commentary
See main report.



Benchmarking (Quarter 1 2009/10)	BV 212
Ascham Homes ***	Q2
Barnet Homes **	Q3
Brent Housing Partnership	Q2
City West Homes ***	Q1
Ealing Homes	Q1
H and F Homes*	Q4
Hackney Homes **	Q3
Hillingdon Homes **	Q1
Homes for Harringey **	Q4
Homes for Islington ***	Q2
Homes for Havering *	Q2
Hounslow Homes	Q4
K & C TMO ***	Q4
Lewisham Homes	Q4
Newham Homes **	Q3
Redbridge Homes	Q1
Sutton Housing Partnership *	Q2

\*\* Direction of travel compares the current ytd with the 2008/09 figure

indicator	2007 - 2008	2008 - 2009	Current YTD	Target	direction of travel	YTD vs Target
<b>Monthly Indicators</b>						
BV174 Number of racial incident cases reported	24	22	8	none	-	-
BV175 Number of racial incident cases reported that resulted in further action	23	22	8	none	-	-
RES C1 Number of early intervention actions taken	-	-	1184	none	-	-
RES D1 Number of enforcement actions taken	-	-	71	none	-	-
RES E1 Number of perpetrator supportive actions taken	-	-	20	none	-	-
RES G1 Percentage of respondents satisfied with the way their ASB complaint was dealt with	51%	82%	-	none	-	-
RES G2 Percentage of respondents satisfied with the outcome of their ASB complaint	-	-	-	none	-	-
RES A1 Number of new ASB cases	271	748	667	none	-	-
RES A2 Number of live ASB cases	-	-	408	none	-	-
RES A3 Number of closed resolved ASB cases	-	-	227	none	-	-
RES A4 Number of closed unresolved ASB cases	-	-	31	none	-	-

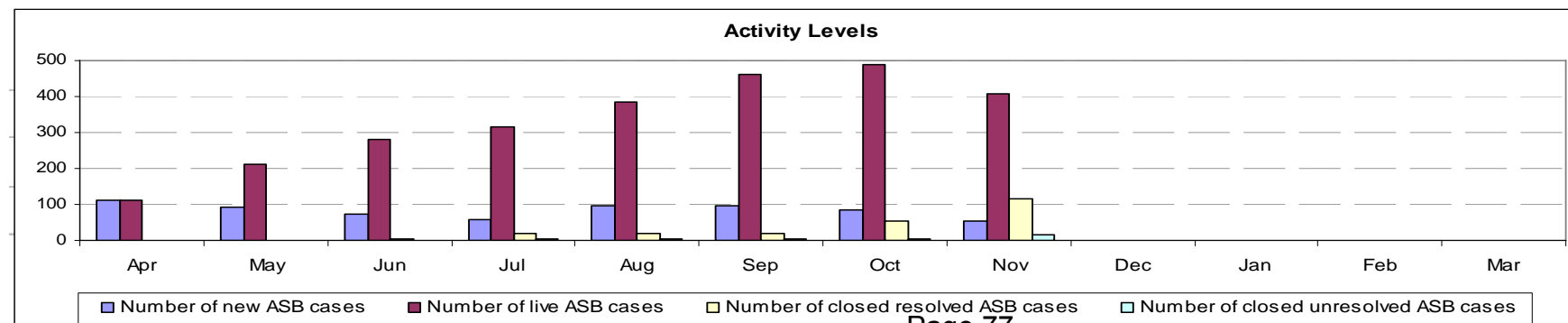
**Performance Commentary**

ASB survey satisfaction responses up to November 2009 are too low to report overall satisfaction for RES G1 and RES G2. Our intention is to report at year end when the number of responses are sufficiently higher to make the results more meaningful.

The ASB Team has dealt with a backlog of cases that needed to be closed and therefore the number of cases closed since the last board report has increased.

**Annual indicators**

RES A6 Percentage of closed resolved cases where ASB reoccurs by the same perpetrator(s) within 12 months of the case being resolved	-	-	Annual	-	-	-
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Benchmarking Housemark ASB - ALMO group 08-09	RES G1	RES G2
A1 Housing Bassetlaw	Q1	Q4
Barnet Homes	Q1	Q2
Blackpool Coastal Housing	Q4	Q1
Carrick Housing	Q4	Q1
Charwood Neighbourhood Housing	Q1	Q4
Cheltenham Borough Homes	Q1	Q4
Derby Homes	Q1	Q4
East Durham Homes	Q1	Q4
Enfield Homes	Q4	Q3
Gateshead Housing Company (The)		
Homes in Havering	Q4	Q1
New Progress Housing Association	Q3	Q1
Newark and Sherwood Homes	Q1	Q4
Poole Housing Partnership	Q1	Q4
Sheffield Homes	Q4	Q3
Solihull Community Housing	Q4	Q2
South Essex Homes	Q4	Q1
St Leger Homes of Doncaster	Q4	Q1
Your Homes Newcastle	Q1	Q4
Lewisham Homes	Q2	

\*\* Direction of travel compares the current ytd with the 2008/09 figure

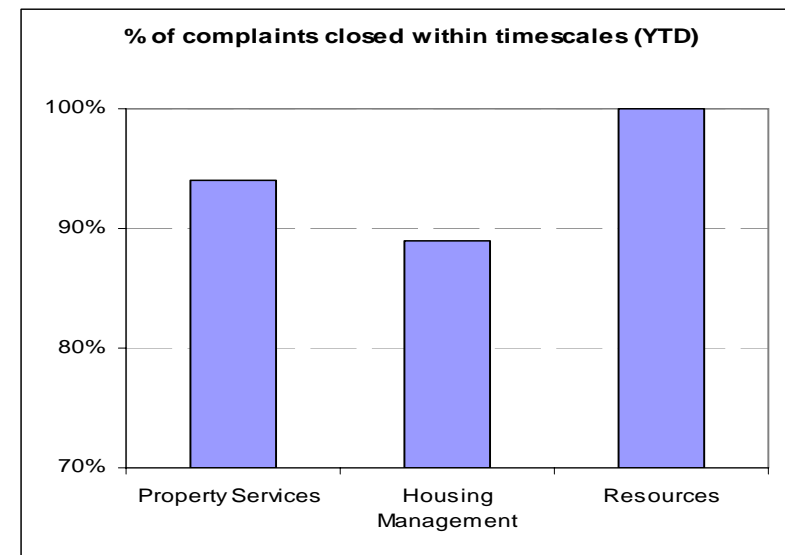
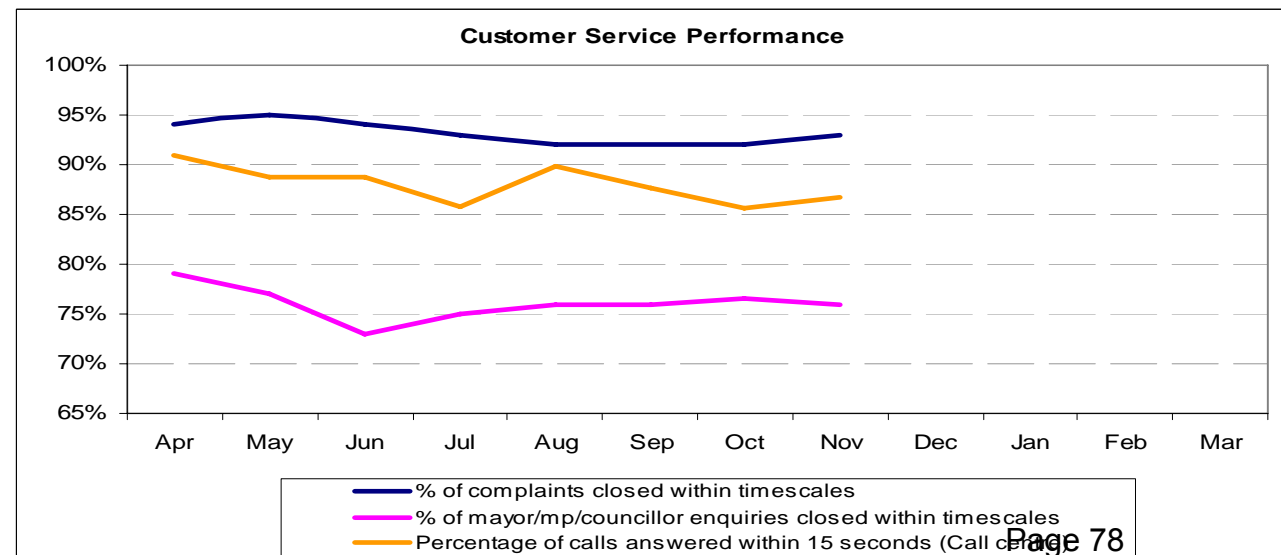
indicator	2007 - 2008	2008 - 2009	Current YTD	Target	direction of travel	YTD vs Target
<b>Monthly Indicators</b>						
LH 34 % of complaints closed within timescales	61%	69%	93%	90%	▲	▲
LH 35 % of mayor/mp/councillor enquiries closed within timescales	70%	49%	76%	90%	▲	▼
LH 50a No. of complaints received at stage 1	806	1106	665	none	-	-
LH 50b No. of complaints received at stage 2	112	122	147	none	-	-
LH 50c No. of complaints received at stage 3	25	15	33	none	-	-
LH 52 Percentage of calls answered within 15 seconds (Call centre)	80%	76%	88%	85%	▲	▲
LH 120 Percentage of calls lost (call centre)	20%	6%	3%	6%	▲	▲
LH 123 Percentage of letters responded to within 10 days.	-	87%	89%	90%	▲	▼

Annual Indicators

LH 51a % of complaints resolved at stage 1	86%	89%	Annual	90%	-	-
LH 51b % of complaints resolved at stage 2	78%	88%	Annual	88%	-	-

Performance Commentary

We are still unable to obtain accurate figures for LH35. We are negotiating a different approach to logging these complaints with the Council, which will lead to more accurate figures in the future.



\*\* Direction of travel compares the current ytd with the 2008/09 figure

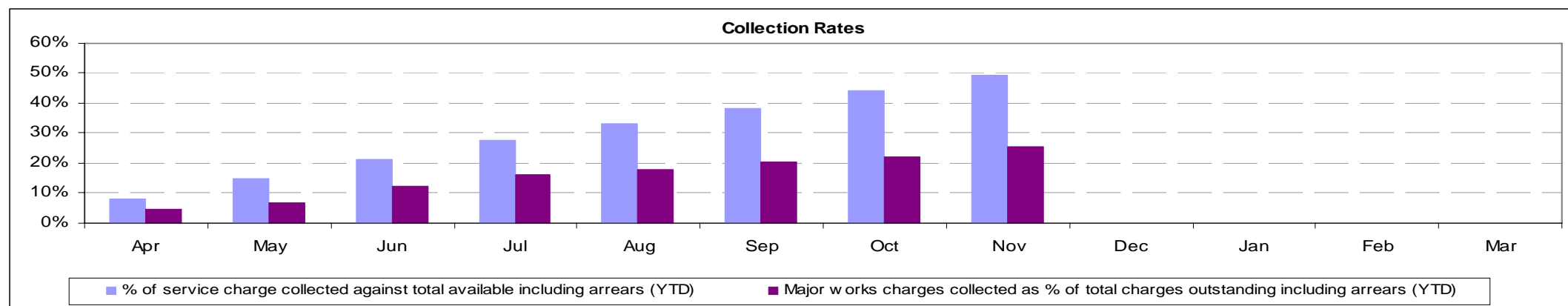
indicator	2007 - 2008	2008 - 2009	Current YTD	YTD Target	Year end Target	Current YTD v YTD Target
LH 116a % of service charge collected against total available excluding arrears	101%	92%	73%	68%	102%	▲
LH 116b % of service charge collected against total available including arrears (YTD)	62%	62%	49%	45%	68%	▲
LH 117b Major works charges collected as a % of total charges outstanding including arrears	26%	33%	26%	23%	35%	▲

Performance Commentary
YTD targets have been added. For LH116 the target takes into account the fact that the collection rate is higher in the first few months of the year. For LH116b and LH117b the target is simply pro rata of the annual target.

indicator	2007 - 2008	2008 - 2009	Current YTD	Target	direction of travel	YTD vs Target
LH 24 Percentage of RTB2 forms served within statutory target of 4 weeks	37%	94%	100%	100%	▲	▲
LH 25 Percentage of S125 forms for freehold properties served within statutory target of 8 weeks	71%	81%	100%	100%	▲	▲
LH 26 Percentage of S125 forms for leasehold served within statutory target of 12 weeks	80%	92%	100%	100%	▲	▲
LH 206 Number of Leasehold Tribunal Cases	-	-	1	none	-	-

Annual Indicators

LH 113	Satisfaction of leaseholders with the performance of the home ownership service	-	Annual	50%
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\*\* Direction of travel compares the current ytd with the 2008/09 figure

# Repairs and Maintenance

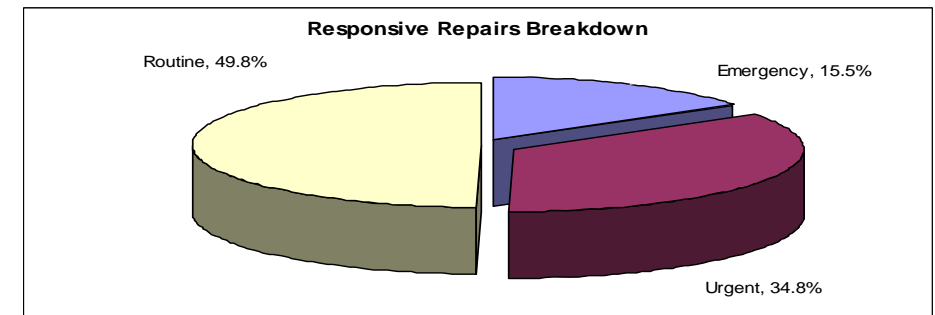
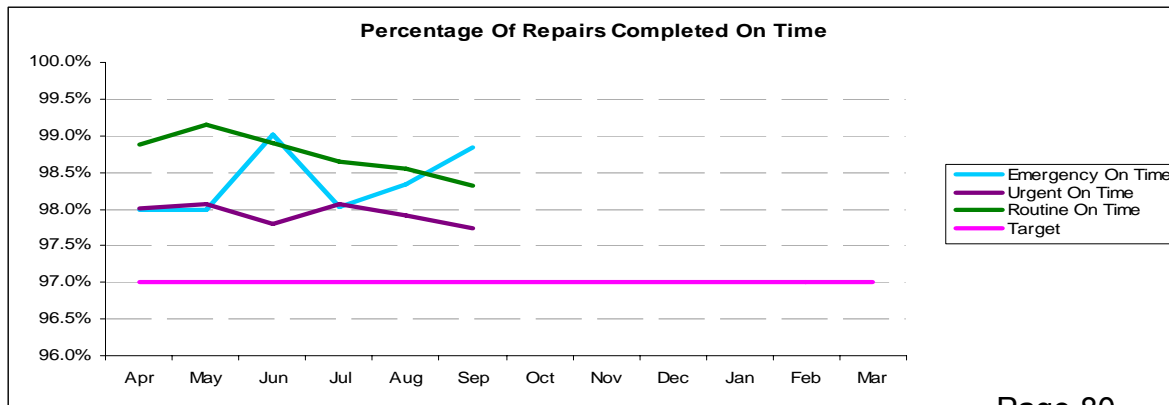
indicator	2007 - 2008	2008 - 2009	2009-10 YTD	Target	direction of travel	YTD vs Target
CPA H5 Average time taken to complete non-urgent repairs	6.77	7.06	6.77	10.00	▲	▲
LH 204 Percentage of repairs subcontracted	-	-	15.8%	15%	-	▼
LH 107a % of emergency repairs completed on time	76%	94%	98%	97%	▲	▲
LH 107b % of urgent repairs completed on time	68%	96%	97%	97%	▲	▲
LH 107c % of routine repairs completed on time	76%	97%	98%	97%	▲	▲
LH 13 Percentage of repairs which were 'emergency' .	10%	19%	15%	10%	▲	▼
LH 12 Percentage of repairs which were 'urgent'.	28%	29%	35%	20%	▼	▼
LH 14 Percentage of non-emergency repairs	62%	53%	50%	70%	▼	▼
LH 6 Percentage of non-emergency (housing) repairs during the year for which the authority both made and kept an appointment	90%	95%	96%	97%	▲	▼
LH 7 Percentage of repairs completed on first visit	84%	83%	93%	85%	▲	▲
LH 32 Tenant satisfaction with the repairs service - % very or fairly satisfied	73%	75%	82%	80%	▲	▲
LH 32b Tenant satisfaction with the repairs service - % very or fairly dissatisfied	-	-	14%	12%	-	▼
LH 110 Gas servicing overdue >6months (% of properties)	3%	1%	0.01%	0%	▲	▼
LH 4 % of gas services completed within the 12 month target time (rolling 12 months)	94.0%	99.0%	99.8%	100%	▲	▼
LH 208 Average number of jobs carried out by active operatives	-	-	7.3	7	-	▲

**Performance Commentary**

The target set for indicators LH12, 13 & 14 are those recommended by the Audit Commission. A major benchmarking exercise with 91 organisations undertaken in April showed that Lewisham Homes compares favourably with similar organisations. Measures to improve on this performance include daily monitoring to ensure jobs are allocated to the correct priority.

LH6 - appointments made & kept is below target. Repairs Service Managers are closely monitoring on a weekly basis since October 2009 to improve performance.

Benchmarking (Quarter 1 2009/10)	LH 6	CPA H5	LH 107a	LH 107b	LH 107c
Ascham Homes ***	Q4	Q1	Q1	Q1	Q1
Barnet Homes **	Q1	Q3	Q3	Q4	Q4
Brent Housing Partnership	Q1				
City West Homes ***	Q3	Q2	Q1	Q2	Q1
Ealing Homes	Q1	Q1	Q3	Q2	Q4
H and F Homes*	Q3	Q4			
Hackney Homes **	Q4	Q3	Q3	Q4	Q3
Hillingdon Homes **	Q3	Q4	Q3	Q1	Q3
Homes for Harringey **	Q3	Q4			
Homes for Islington ***	Q1	Q2	Q3	Q4	Q2
Homes for Havering *	Q2	Q2	Q2	Q3	Q2
Hounslow Homes					
K & C TMO ***			Q1	Q3	Q4
Lewisham Homes	Q2	Q3	Q2	Q2	Q1
Newham Homes **	Q4	Q4	Q3	Q4	Q3
Redbridge Homes	Q1		Q1	Q1	Q1
Sutton Housing Partnership *	Q1	Q1	Q2	Q3	Q4



\*\* Direction of travel compares the current ytd with the 2008/09 figure

## Performance Monitoring all Remaining areas

indicator	Baseline (2007/8)	2008/9	2009/10 YTD	direction Target	YTD vs Target	Comments
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## Resources ~ HR

LH 106 a	Percentage attendance at staff training	88%	92%	92%	95%	▼	▼	Below target for the first time this year. This will be closely monitored with service managers to ensure there are no issues with staff attending training.
LH 114	Staff turnover as a percentage of total workforce.	18%	13%	14%	10%	▼	▼	Redundancies in April to achieve VFM impacted on turnover figures.
LH 129	Percentage of posts which are vacant	13%	11%	8%	15%	▲	▲	
LH 130	Percentage of posts which are filled by a temp	8%	4%	6%	10%	▼	▲	HR undertaking audit of temporary staff.
LH 38	Number of working days lost due to sickness (rolling 12 month average)	10.6	11.4	10.1	9.5	▲	▼	See main report.
LH 105	Percentage of staff who agree that Lewisham homes is a good place to work.	-	48%	annual	65%	-	-	Results due at end of Jan 2010

## Resources ~ VFM

LH 104	Average cost to repair a void property	£2,618	£3,590	annual	-	-	-	
LH 104	Average weekly cost per dwelling of repairs	£19.34	£21.67	annual	-	-	-	
LH46	Average weekly housing management costs	£54.15	£45.08	annual	-	-	-	
RES F1	Cost of housing management staff tackling ASB per case	-	-	annual	none	-	-	

## Housing Management

LH 200	Number of properties with unauthorised occupants or squatters.	110	154	159	none	-	-	
LH 124	Proportion of welcome visits completed on time.	-	38%	No Data	85%	▲	▲	Procedure being finalised - no data available
LH 131	Number of occupancy checks completed	645	1780	1314	1600	-	-	
LH132	Number of occupancy checks completed that resulted in the discovery of an illegal occupant	-	-	15	none	-	-	This figure shows where closure reason of case is illegal occupant - it doesn't include those undergoing legal action.
LH 47	Percentage of tenancy profiling completed	88%	91%	90%	90%	▼	▲	
LH 201	Percentage of estates passing a caretaking quality inspection	-	87%	93%	87%	▲	▲	
LH 100b	Percentage of racist/sexist/offensive graffiti removed from internal communal areas	-	-	100%	90%	-	-	

## Health and Safety

LH 125	Percentage of risk assessments for display screen equipment completed.	-	79%	Annual	100%	-	-	
LH 126	Percentage of risk assessments undertaken against the number of hazardous substances on the register	-	100%	Annual	100%	-	-	
LH127	Percentage of middle managers attending safety training	-	100%	Annual	100%	-	-	
LH128	Percentage of teams who have had a lone working risk assessment	-	60%	Annual	100%	-	-	
LH 207	Number of accidents	-	-	Annual	none	-	-	

\*\* Direction of travel compares the current ytd with the 2008/09 figure

Appendix B

Task number	Service	Task	Outcome	Target Date	Status	Director	Rag	Revised Date	Comment for Board
222	HR	Ensure that all staff members receive appropriate diversity training	Staff aware of diverse customer needs	Apr-09	DP	Resources	Red	Mar-10	An e-learning package was procured and delivered to managers. This was evaluated and decision taken to commission one day training courses for rest of the organisation - due to take place Jan-Mar 2010.
534	ASB	Implement the recommendations from the review of Lewisham Homes' approach to dealing with handling reports of Hate Crime	More effective use of resources and publicity with regards to Hate Crime	Apr-09	Board	Housing Management	Green		
21	Asset Investment	Develop a SMART action plan to include a detailed and resourced programme for the delivery of the DHS contract	Improved delivery of DHS programme	Apr-09	DP	Property Services	Green		
422	Income	Review of rent arrears policy, procedures and monitoring systems and clarify collection priorities.	Robust approach to rent collection	Apr-09	DP	Income	Green		
337	Leasehold	Develop a strategy for dealing with leaseholder disputes and consider introducing a formal arbitration process.	Improve customer satisfaction and recovery of service charges.	Apr-09	DP	Housing Management	Green		
644	Asset Investment	Prepare an asset management information systems plan to address issues of integration.	Efficient and effective service	Apr-09	Board	Property Services	Green		

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120	Community Involvement	Complete self-assessment for TPAS accreditation	Improved resident engagement	Apr-09	Board	Resources	Green		
580	Health and Safety	Develop a Business Continuity Plan, to allow for greater control in the case of an emergency.	Improved health & safety	Apr-09	Board	Property Services	Green		
217	HR	Develop a training strategy for Equality and Diversity: Prioritise front line staff, SMT, Managers and induction for all new staff. Address gaps in awareness in Religious Beliefs, LGBT & DV issues	Increased understanding and awareness of diversity of residents	Apr-09	Board	Resources	Green	Jul-09	
233	HR	Provide a directory of all training facilities with disabled access	Meeting needs of diverse workforce	Apr-09	Board	Resources	Green		
793	ICT	Implement ASB module on the Academy system	Efficient and effective service	Apr-09	Board	Resources	Green		
319	Income	Provide clear guidance to income officers on rent advice and record keeping, and undertake frequent quality checks of rent arrears case files	Consistent approach to rent collection	Apr-09	Board	Income	Green		
593	Responsive Repairs	Develop procedures to ensure quality controlling of subcontractors work and in-house operatives.	Good quality standard of repairs	Apr-09	Board	Property Services	Green		
656	Responsive Repairs	Relocate Repairs Contact Centre (including telephony installation)	Improved customer care	Apr-09	Board	Property Services	Green		
417	Service Development	Review all strategy action plans to ensure they are SMART and outcome focused	Better quality plans	Apr-09	Board	Service Development	Green		

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721	Finance	Budget Strategy and Timetable in Place	Good financial management	Apr-09	Board	Resources	Green	Jul-09	
533	ASB	Ensure the publicity for support and assistance available to all victims of DV is targeted at specialist groups such as religious organisations. To encourage reporting from such organisations and to protect victims of different religions	More effective use of resources and publicity with regards to DV. Improved partnership working	May-09	Board	Housing Management	Green		
572	Asset Investment	Define the Lewisham Homes Decent Homes Plus standard	Clear standards for residents	May-09	DP	Property Services	Red	Jan-10	Completion date revised to January 2010 allow additional time for resident involvement as requested at Special Board Meeting on 25th June 09.
633	Responsive Repairs	Introduce new Operative Pay & Incentive scheme (including VFM benchmarking)	Increased productivity	May-09	DP	Property Services	Red	Jan-10	The scope of the original project has changed with the introduction of the national federation schedule of rates. There are additional consultation period requirements which were not known at the time of setting the BP task. these two issues combined have led to the change of date.
817	Finance	Develop Lewisham Homes Corporate Debt Policy in partnership with HB (LBL)		May-09	DP	Resources	Green		
735	Service development	Complete customer care service review	Customer care strategy and revised service standards	May-09	DP	Service Development	Green		
759	M&E	Conduct review of gas contracts and report results	Value for money	May-09	Board	Property Services	Green	Sep-09	Review completed. Report going to March Board.
604	Responsive Repairs	EPC surveys (in house resourcing)	Value for money	May-09	Board	Property Services	Green	Aug-09	

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609	Responsive Repairs	Join local and national benchmarking clubs for the repairs service.	Value for money for the repairs service	May-09	Board	Property Services	Green		
714	ICT	Develop a strategy for replacing telephone communications systems	Identify the appropriate procurement approach to secure VFM	May-09	Board	Resources	Green	Jun-09	
6	ASB	Explore with partners the potential of developing a responsive out of hours ASB service	Improved support to victims of ASB	Jun-09	Board	Housing Management	Green		
416	ASB	Review the hate crime policy and procedure.	Safer environment for residents	Jun-09	Board	Housing Management	Green		
752	ASB	Complete service review of approach to tackling anti-social behaviour	Efficient and effective service	Jun-09	DP	Housing Management	Green		
741	Tenancy Management	Complete garage management service review	Efficient and effective service	Jun-09	DP	Housing Management	Green		
691	Asset Investment	Update Procurement Strategy. Strategy to include equality and diversity considerations.	Value for money	Jun-09	Board	Property Services	Red	Feb-10	To follow completion of Project Procurement Strategy for Major Works Programme which has been re-programmed to reflect delay in receipt of ALMO funding
362	Customer Relations	Develop a system to analyse complaints trends and to embed learning from complaints	Services improved through learning	Jun-09	Board	Service Development	Green		

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205	Finance	Develop effective benchmarking to compare service costs, identify best performers and practice to inform service developments and identify potential efficiency savings.	Value for money	Jun-09	Board	Resources	Green		
730	Governance	Ensure all board members receive appropriate diversity training	Ensure diversity issues are understood & at the heart of decision making	Jun-09	Board	Resources	Green	Oct-09	
810	Governance	Complete development of the business continuity plan		Jun-09	Board	Property Services	Green		
556	Health and Safety	Audit risk assessments related to COSHH, [Hazardous Substances regulations] and working at height.	Improved health & safety	Jun-09	Board	Property Services	Green		
725	ICT	Implement text message reminders for Rent & service charge arrears, and customer surveys to be conducted.	Will improve income collection rates and customer participation in surveys.	Jun-09	Board	Resources	Green		
685	Responsive Repairs	Tender for specialist and non-specialist sub-contracted work	Value for money	Jun-09	Board	Property Services	Green		
379	Service Development	Review the corporate approach to issues of sexuality, faith and illiteracy, and identify where service improvements may be required	meet equality standard	Jun-09	Board	Service Development	Green	Oct-09	

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824	Service development	Analyse satisfaction data from customer surveys, and investigate any differential satisfaction between groups (e.g. ethnicity, age, disability)		Jun-09	Board	Service Development	Green	Oct-09	
825	Service Development	Review customer service standards and develop a customer service strategy that sets out approach to customer care and customer contact.		Jun-09	Board	Service Development	Green		
697	Finance	Introduce Multiple Direct Debit Billing Dates to encourage direct debit take up	Improved Income Collection	Jun-09	Board	Resources	Red	Nov-09	Advised by Capita to delay any changes to existing Direct Debit arrangements until new payment profile module is in place on Academy Housing. The Release 14 upgrade is not due until December 09
179	Estate management	Carry out an evaluation of recycling facilities and recommend way forward that ensures recycling provision is maximised and publicised to residents.	Improved resident involvement and satisfaction	Jul-09	DP	Housing Management	Green		
315	Income	Review, in conjunction with the Council, the level of provision of independent debt and welfare rights advice for Lewisham Homes' tenants and leaseholders, and explore opportunities such as dedicated advice surgeries in local areas	Improved ability to pay rent	Jul-09	DP	Income	Green		
278	Communications	Provide customers with a single contact number for all services	Easy access to services	Jul-09	Board	Resources	Green	Sep-09	

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221	HR	Achieve Investors in People (IIP) accreditation	Staff are involved in strategic direction of the organisation and appropriately developed to achieve its aims	Jul-09	Board	Resources	Green	Dec-09	
521	Service Development	Achieve Customer Service Excellence Standard	Independent assessment of customer care	Jul-09	Board	Service Development	Green	Nov-09	
358	Performance	Review how performance on repairs appointments made and kept is monitored, with a clear definition of what is and is not to be included in the measure	Improved customer care	Jul-09	Board	Service Development	Green		
163	HR	Ensure that all staff receive appropriate customer care training	Staff aware of diverse customer needs	Aug-09	DP	Resources	Green		
449	Responsive Repairs	Train Operatives and call centre staff to deal sensitively and understand how to deal with special circumstances / vulnerability	Improved customer care	Aug-09	Board	Property Services	Red	Dec-10	Deferred to ensure the training relates to the new vulnerability procedures. These have now been developed, and training programme in place.
579	Asset Investment	Develop 2010/11 Capital/Cyclical Programmes	well maintained properties	Sep-09	Board	Property Services	Green	Nov-09	
636	Asset Investment	Place OJEU Notice for Major Works post-contract consultants and contractors	Legal compliance	Sep-09	Board	Property Services	Red	Jan-10	Re-programmed to reflect delay in receipt of ALMO funding.
642	Asset Investment	Placement of contracts relating to security, landscaping etc arising from Resident Led Programme	Safer environment for residents	Sep-09	Board	Property Services	Green		

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34	Communications	Hold a Staff Conference	To ensure all staff have clear leadership, know the path ahead for Lewisham homes and understand the core objectives. Opportunity to network and crew	Sep-09	Board	Resources	green		
121	Community Involvement	Lewisham Homes Open Day	Improved resident engagement	Sep-09	Board	Resources	green		
645	Asset Investment	Prepare detailed five year planned programmes at a local level that demonstrates the delivery and sustainability of decent homes	Improved delivery of DHS programme	Sep-09	DP	Property Services	Red	Jan-10	Completion date revised to January 2010 to allow additional time for resident involvement as requested at Special Board Meeting on 25th June 09.
740	Asset Investment	Complete service review of capital programme management	Efficient and effective service	Sep-09	DP	Property services	Red	2010/11	Deferred as currently funding for decent homes is uncertain.
707	ICT	Upgrade of Academy to V14.1	potential enhancements to the system that secure more efficient operations	Sep-09	DP	Resources	Red	Dec-09	LH advised by Capita to wait for the next upgrade, as there are bugs in version 14.1 - to upgrade to version 14.3 in December.
738	Voids	Complete voids and lettings service review	Efficient and effective service	Sep-09	DP	Property Services	red	Apr-10	Now ongoing - conclusion due for April 2010. Delay due to transfer of the service from Housing to Property Services.
148	Customer Relations	Undertake a full review of the complaints procedures and systems and train staff in receiving and handling complaints	Improved complaints handling	Sep-09	DP	Service Development	Green		

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739	Responsive Repairs	Complete responsive repairs service review	Efficient and effective service	Sep-09	DP	Property services	Green		
247	Governance	Implement a plan for capacity building with Diverse community groups to encourage applications to Board from diverse groups	Improved resident engagement	Sep-09	Board	Resources	Green		
710	ICT	Data Cleansing of data on Academy	reliable management information allows better use of ICT and reduced staff error solving time	Sep-09	Board	Resources	Red	Feb-10	Project delivery delayed due to increased scope becoming apparent and resources required for other corporate projects (e.g. Income project)
711	ICT	Provide online access to rent and service charge information for residents	potential for reduced staff time spent answering queries	Sep-09	Board	Resources	Green	Sep-09	
298	Income	Review arrangements for providing an income management service outside of standard office hours - to include a review of contracts of employment	Enhanced customer service	Sep-09	Board	Income	Green		
248	Income	Implement facility for new young tenants at sign up to be given an appointment to see their income officer for money & debt advice. Update procedures	Improved income collection	Sep-09	Board	Income	Green		

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597	Responsive Repairs	Introduce dynamic repairs scheduling & one-job-at-a-time	Efficient and effective service	Sep-09	Board	Property Services	Red	Feb-10	The introduction of Opti-time has been delayed due to IT interface with the various parties involved, and considerable delay with Capita testing this. The actual go -live date cannot be confirmed until testing is complete and key issues resolved.
686	Responsive Repairs	Introduce texting for the repair service. (repair reminder, operative on the way)	Value for money	Sep-09	Board	Property Services	Red	Jan-10	The texting is linked to the introduction of Opti-time and was due to be implemented in September but delayed due to interface problems with Capita IT testing. No date has been confirmed for go-live as there testing is to be completed.
388	Service Development	Record information about vulnerable tenants on Academy - Review current practice and make recommendations for changes to policy and procedures. Implement new procedures. Review and cleanse existing information	Services tailored to needs of vulnerable tenants	Sep-09	Board	Service development	Green	Dec-09	
818	Service Development	Evaluate range of incentives to clear debt and pay rent regularly and implement		Sep-09	Board	Service Development	Green		

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161	Performance	Develop systems to enable the monitoring of all the customer service standards.	ability to test quality of customer service	Sep-09	Board	Service Development	Red	Jan-10	Original date based on date of customer care strategy - but this was not approved till September. Proposed performance framework developed - to be implemented.
25	Asset Investment	Produce a revised 8 year external decorations programme aligned to the decent homes programme	well maintained properties	Oct-09	Board	Property Services	Red	Feb-10	Part of DHS Asset Investment Plan which has been delayed due to funding delay. Strategy now approved and programmes to be developed in December for approval at Board Feb 10.
174	Estate Management	Consult residents on the introduction of concierges paid for through service charges.	Resident involvement in deciding on scheme	Oct-09	Board	Housing Management	Red	Mar-10	Officers have met with TRA reps on four occasions. Cost of services including initial set up costs estimated at £180K. Awaiting response from TRA on proposal. Interim arrangements have been put in place for officers and caretaking staff to use the Concierge room and for the counter to be open up while occupied.
457	ASB	Review service level agreement for LAMP mediation service	Value for money	Oct-09	DP	Housing Management	Green		
17	Asset Investment	Review service level agreement for procurement	Value for money	Oct-09	DP	Property Services	Red	Jan-10	The review has now been completed and is with LBL for sign off

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212	Health and Safety	Ensure that information on asbestos in domestic properties is available to residents, contractors and staff	Improved health & safety	Oct-09	Board	Property Services	Green		
86	Communications	Review service level agreement for Communications	Value for money	Oct-09	DP	Resources	Green		
215	HR	Conduct 2009 staff survey and publish results	Staff feedback and views recognised and acted upon	Oct-09	Board	Resources	Green	Nov-09	
164	Asset investment	Ensure that all public offices comply with the Disability Discrimination Act requirements	Services accessible to people with disabilities	Oct-09	DP	Property Services	Green	Dec-09	
192	Finance	Review service level agreement for Internal Audit	Value for money	Oct-09	DP	Resources	Green	Nov-09	
199	Asset Investment	Review service level agreement for Sustainable Resources	Value for money for the repairs service	Oct-09	DP	Property Services	Red	Jan-10	Negotiations in progress - meeting booked for 07/01/10 to finalise.
458	Asset Investment	Review service level agreement for Property Advice	Value for money	Oct-09	DP	Property Services	Red	Jan-10	Negotiations in progress. Delayed through the change of contact within LBL
200	Finance	Review service level agreement for Cash Team and Cashiering	Value for money	Oct-09	DP	Resources	Green	Nov-09	
471	Asset Investment	Review service level agreement for Facilities Management/Property Services	Value for money	Page 93	DP	Property Services	Red	Feb-10	Meeting being held in Jan with LBL to agree on efficiencies required. Delayed through change of contact within LBL.

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463	Estate Management	Review service level agreement for commercial property management	Value for money	Oct-09	DP	Property Services	Green		
242	HR	Review service level agreement for Employee Relations	Value for money	Oct-09	DP	Resources	Green		
243	HR	Review service level agreement for HR systems	Value for money	Oct-09	DP	Resources	Green		
244	HR	Review service level agreement for management trainees	Value for money	Oct-09	DP	Resources	Green		
245	HR	Review service level agreement for Occupational Health	Value for money	Oct-09	DP	Resources	Green		
246	HR	Review service level agreement for Payroll and Pensions	Value for money	Oct-09	DP	Resources	Green		
378	HR	Review service level agreement for Recruitment and Agency	Value for money	Oct-09	DP	Resources	Green		
344	Leasehold	Undertake annual reviews of service charges	Audit Commission additional recommendation	Oct-09	Board	Housing Management	Red	Jan-10	This related to tenant service charges. Agreeing timetable for reviewing tenant charges. Consideration needed for new charges for window cleaning and `lumber' this task cannot be completed until 10/11 budget agreed.
346	Leasehold	In consultation with leaseholders, develop service standards and targets for the preparation and issuing of service charge estimates and invoices	Improve customer satisfaction by making information available and transparent	Oct-09	Board	Housing Management	Green		

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346	Leasehold	In consultation with leaseholders, develop service standards and target for the preparation and issuing of service charge estimates and invoices	Audit Commission additional recommendation	Oct-09	Board	Housing Management	Green		
255	ICT	Review service level agreement for ICT to include the Academy development	Staff able to direct customers to support services	Oct-09	DP	Resources	Green		
193	Finance	Review service level agreement for insurance	Value for money	Oct-09	DP	Resources	Green	Nov-09	
343	Leasehold	Review service level agreement for RTB plans and valuations	Value for money	Oct-09	DP	Housing Management	Green		
365	Responsive Repairs	Organise small and medium sized contractor conference	Inclusion of small business to deliver repairs service	Oct-09	Board	Property Services	Red	Dec-09	Not required at present due to uncertainty over future funding and potential work load for contractors.
197	Finance	Review service level agreement for Treasury Management	Value for money	Oct-09	DP	Resources	Red	Nov-09	No response received from the Council.
758	Finance	Review service level agreement for Oracle	Staff able to direct customers to support services	Oct-09	DP	Resources	Red	Nov-09	In negotiation with the Council. Price is disputed.
350	Leasehold	Review service level agreement for RTB legal services	Value for money	Oct-09	DP	Housing Management	Green		

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438	Responsive Repairs	Review the lettable standard in conjunction with tenants. The new standard should include a lettable plus standard for vulnerable/disabled tenants and be available in the main community languages.	Good quality standard of homes for new tenants	Oct-09	DP	Property Services	Green		
352	Legal	Review service level agreement for Legal Services	Value for money	Oct-09	DP	Resources	Green		
459	Tenancy Management	Review service level agreement for Housing Reviews and Medical Assessments	Value for money	Oct-09	DP	Housing Management	Red	Feb-10	Delayed due to vacant management posts
624	Asset Investment	Issue tender documents for Major Works post-contract consultants and contractors	Value for money	Nov-09	Board	Property Services	Red	Apr-10	Re-programmed to reflect the delay in receipt of ALMO funding
652	Asset Investment	Produce Stock Investment Strategy	well maintained properties	Nov-09	DP	Property Services	Red	Feb-10	Re-programmed to reflect delay in receipt of ALMO funding.
210	Health and safety	Review health and safety policy	Improved health & safety	Nov-09	Board	Property Services	Green	Mar-10	
755	Responsive Repairs	Carry out an efficiency review of the fleet services jointly with Lewisham Council	Value for money	Nov-09	DP	Property Services	Red	Mar-10	A review has been carried out by LH on the current LBL hire costs compared to external hire company prices. Fleet review with LBL not commenced.
813	Responsive repairs	Develop systems to ensure rechargeable repairs are monitored and collected. Carry out a cost benefit analysis		Nov-09	DP	Property Services	Red	Jan-10	Policies, procedures and processes all agreed and training planned for late January. This will then be implemented and charges made. Delays due to ensuring pre-pay facility available and including in debt collection contract.

Appendix B

138	Service Development	Develop LGBT strategy.	Involving wide range of customers	Nov-09	Board	Service Development	Red	Mar-10	Decision taken to not have a separate strategy, but to incorporate into the revised equality & diversity strategy due to be completed by March 2010.
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Meeting	<b>Lewisham Homes Board</b>	Item No.	<b>14</b>
Report Title	<b>Equality and Diversity Strategy Monitoring</b>		
Report Of	<b>Head of Service Development – Hilary Barber</b>		
Class	<b>Monitoring</b>	Date	<b>28<sup>th</sup> January 2010</b>

## **1. Purpose of the Report**

- 1.1 To inform Board members of progress made with the equality and diversity strategy.

## **2. Background of the Report**

- 2.1 The Board approved the Lewisham Homes Equality and Diversity Strategy at the May 2008 Board meeting. This sets out the approach taken to ensure that the services we provide are relevant to all sections of the community we serve, and that our workforce is representative of that community.
- 2.2 The strategy contained a commitment to review all main functions through a programme of Equality Impact Assessments (EIAs) in 2008. This was completed through carrying out 19 EIAs, which identified some potential adverse impacts. A report to the Board in January 2009 updated Board members on these EIAs and the main actions arising.
- 2.3 The Equality and Diversity Strategy included an action plan for 2008/09. This was updated following the completion of the EIAs and the Audit Commission's report following its voluntary inspection work in November 2008. This was incorporated in the 2009-12 Business Plan.

## **3. Equalities monitoring**

- 3.1 The profile of our staff is included in appendix A to this report. This shows an increase in the proportion of men working in the organisation following the transfer of the repairs service from the Council – there are now 67% of staff who are male<sup>1</sup> compared to 57% before the transfer. Overall there are 41% of staff who are from non-white groups compared to 60% of Lewisham Homes tenants and 38% of LB Lewisham residents. In terms of age, the staffing profile is predominantly middle aged with 79% over 35 and 50% over 45 years old.
- 3.2 The proportions are different for management grades - in grades that are PO6 and above, 86% of managers are white and 69% are male. For this reason we are introducing a management development programme which encourages women and BME staff to apply. This programme provides coaching for middle managers to support their development and enable them to apply for senior management posts. This will be rolled out by the end of January 2010.

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<sup>1</sup> Data is at September 2009.

- 3.2 In terms of new starters over the last year – see appendix B – there has been a greater proportion of younger staff, men and BME staff than in the existing workforce.
- 3.3 The profile of our tenants is included in appendix C to this report, which is as follows<sup>2</sup>:
- 60% of residents are non-white;
  - The largest ethnic groups are - 35% White British, 21% Black Caribbean, 18% Black African, and all other groups are less than 5%;
  - 29% of residents with a disability or long term illness;
  - 16% over the age of 65 and 6% under 25;
  - 56% are female.
- 3.4 Data has been analysed to check whether there are any significant differences between groups of tenants in terms of satisfaction with our services. The main findings of this are –
- Residents from BME backgrounds are more satisfied than White residents about the overall service, but less satisfied when asked about specific services. The main tenant survey<sup>3</sup> showed satisfaction as 2% higher for BME tenants than non-BME tenants and this was 6% higher for leaseholders. This is against the trend elsewhere – in most housing organisations BME residents are less satisfied. However, when looking at specific service surveys, some BME tenants are less satisfied. For example, with caretaking (79% compared to 82% for white residents), and also with the repairs service (78% compared to 88% for white residents). This lower satisfaction for repairs is found among Asian, ‘mixed’ and ‘other’ groups, rather than for the various categories of Black tenants.
  - Older tenants are more satisfied with services than younger ones. This is in line with findings elsewhere in the sector.
  - Female tenants are generally less satisfied than male tenants. For overall satisfaction with services, which has a rating of 60%, 57% of women respondents were satisfied compared to 67% of men. This finding also applies to satisfaction with estate services and satisfaction for new tenants. However, the reverse is found when looking at repair satisfaction surveys – latest data shows 82% of tenants are satisfied with the service, compared to 80% for men and 84% for women.
  - For disability, the quantity of data from surveys about specific services is too low to make many assumptions. However, from the last tenant satisfaction survey covering all services, overall satisfaction of wheelchair users was only 51% compared to 60% for all tenants. However it must be noted that this applies to relatively low amounts of data (39 responses) which is of limited statistical reliability.

These findings will be further analysed following the tenant satisfaction survey which is taking place this February. We will also look into more detail for the differences in satisfaction by ethnic group with the repairs service to

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<sup>2</sup> Data set is core stock plus long-term interim managed only, and relate to lead tenants.

<sup>3</sup> 2008 ‘Status’ tenant satisfaction survey – Ipsos Mori.

see if there is another factor involved such as age or gender. The focus group work carried out by Ipsos Mori in early 2009, following the Status survey, explored with tenants whether there were any factors relating to age, race or gender that might account for any differences in satisfaction, but could not find a specific reason. However, Mori did state that “evidence points to lower dissatisfaction among young people being the product of higher expectations”. One other issue explored was the dissatisfaction felt by younger tenants with families who wanted larger homes and safer places for their children, which is believed to impact on the satisfaction rating for younger tenants.

3.5 Analysis has been undertaken to check if there are differences for various equality strands in the delivery of key services. This included looking at which groups did or did not access the repairs service; which tenants were more likely to be evicted or be served with a Notice of Seeking Possession (NOSP). The analysis compared data against the proportion of tenants in each group overall. This highlighted the following:

- Repairs are less likely to be reported by White British tenants and more likely to be reported by both Black African and Caribbean tenants, based on a comparison with their profile in the tenant population..
- Two ethnic groups – Chinese and Irish tenants – were least likely to report repairs, having more than a 10% difference compared to their profile. However, these are fairly low amounts of data – 2.63% of tenants are Irish and 2.36% of repairs were reported by an Irish household; and 1.68% of tenants are Chinese and 1.43% of repairs are reported by a Chinese household.
- White British and Black African tenants are proportionately less likely to be evicted or have a Notice of Seeking Possession served on them, whereas Black Caribbean and ‘other’ category tenants are more likely.
- Younger tenants, under 45 are more likely to be evicted or be served with a NOSP and the largest difference is for tenants under 25 – 18% of evictions for this group who are only 5% of the tenant population. However the most likely age group to be served with a NOSP is the 35-44 years age group.
- Tenants with disabilities are the least likely to be evicted or served with a NOSP. They are equally likely to order repairs compared to tenants without a disability.

3.6 In response to these findings, we are supporting tenants in our income service as follows:

- High risk groups including younger, Black Caribbean tenants are identified at sign up and referred to our Welfare Benefits Officer, who can ensure benefits are claimed and financial advice given.
- The pilot with the Credit Union, which began in July 2009, has targeted this group.
- We are increasingly using texting, as this has been a useful tool in communicating with younger people.

#### 4. Delivering the Equality and Diversity Strategy

The current strategy contains six objectives, which are being delivered as follows:

##### 4.1 Ensuring that everyone has equal access to our services:

- Resident profiling – this is required so that we have insight about who our residents are and enables us to assess and monitor access to services, as well as plan service delivery. We have:
  - Transferred tenant profiling data to the Academy Housing system to enable better analysis and collection of data;
  - Requested data transfer from the Council's Housing Benefit system to increase the proportion of equality profile data;.
  - Revised the profiling questionnaire so it captures vulnerability information, as well as data for faith and sexuality;.
  - Input leaseholder data;.
  - Used the data – for example to target residents for EIAs, involvement activities and focus groups; and to analyse use of services, and targeting for rent collection.
- Resident involvement - a database has been developed which enables us to monitor residents who are involved and consulted. A hard to reach plan is currently being developed with a view to targeting 2-3 groups a year from 2010/11. We are also developing a youth engagement plan for early next financial year. Equalities training for involved residents is being rolled out and planned to be delivered by March 2010.
- Programme of Equality Impact Assessments (EIAs) – 19 services covered in 2008. These have also been carried out where there has been a change in staffing or service delivery since 2008. The toolkit for EIAs has been reviewed in 2009 and further briefing session for staff arranged to update skills and knowledge in January 2010.
- Completion of works to reception areas to ensure compliance with the Disability Discrimination Act (DDA), following an independent audit.
- Information is offered to residents in a variety of languages and formats, including large print, Braille, DVD (for sign up); and ten members of staff are trained in British Sign Language.
- Developing Equality and Diversity targets and regularly reporting performance. The senior management team already receives quarterly reports relating to human resources issues, including equalities data. This will now also include an analysis of key services.

##### 4.2 Delivering services that are relevant, responsive and sensitive:

- Review of arrangements for third party reporting for racial harassment and domestic violence incidents. There are two officers within the Anti-social Behaviour Team who are specialists in dealing with domestic violence and hate crime cases to ensure access and consistency of support There is also regular attendance at MARAC (the Multi-Agency Risk Assessment

Conference), which includes a wide range of partners, including the Council, Police, drug and alcohol teams, and probation service.

- Support to victims of domestic violence – improved publicity, including leaflets and by targeting women’s groups, particularly hard to reach and ethnic minority groups. Further publicity and support has been made possible through attendance at MARAC and the Lewisham Domestic Violence Forum.
- Support for vulnerable tenants – a review of policy and procedures for supporting vulnerable residents, and new approach to gathering information. This included commissioning research engaging with vulnerable and hard to reach groups, the results of which have been fed into the revised procedures. Floating support is offered where appropriate through the Council’s contractor under Supporting People funding.
- The System to automatically alert staff to needs of vulnerable residents or residents with a disability was already in place, but data on the system is being cleansed and more systematically collected. Training to enable this to take place is being delivered by March 2010;
- A review of lettable standards to include enhanced standard for tenants who are vulnerable or who have disabilities will form part of the Voids service review which is due to be completed in April 2010.

4.3 Ensuring that our contractors and consultants who carry out functions that range from major building works to auditing our financial records also share our vision and values and deliver to this strategy:

- The procurement strategy, approved in September 2008, includes a commitment to ensure that all partners, contractors and suppliers deliver contracts in a way that is non-discriminatory and promotes equality of opportunity for staff, residents and businesses.
- Where procurement is subject to an EU procurement directive, all prospective tenderers are asked to complete a pre-qualification questionnaire which asks for confirmation of equalities policies and training. This is a mandatory requirement and forms part of the evaluation.
- The code of practice for contractors and suppliers also includes a requirement to not treat any group of customers less favourably; and to follow best practice and comply with all legislation in relation to equal opportunities. The repairs sub-contractors’ contracts similarly requires this, including monitoring their workforce and taking care when working in the homes of elderly or vulnerable people.
- Compliance with equalities requirements is a standard agenda item in monthly contract meetings.
- A small and medium sized contractor conference was planned, though this is now deferred due to the delay in decent homes programme procurement. This is expected to take place June 2010 but is dependent on the appointment of contractors for the major works investment programme.

4.4 Recruiting, developing and retaining the most talented people as well as valuing their varied skills and experiences:

- Policies and procedures are in place to ensure equal opportunity in recruitment and management of staff, and access to learning and development opportunities. All person specifications include a commitment to implement our equal opportunity policies.
- Data to enable equalities monitoring is captured for new staff, including temporary staff, and for the staff survey. Performance data is reported quarterly to senior managers, which includes the profile of staff and analysis for disciplinary and grievance actions by each equality strand.
- The management development programme will include mentoring and coaching and will target women and people from BME backgrounds. It is for middle managers with a view to developing them into potential senior managers. This is due to be implemented by January 2010.
- Guidance for recruiting younger staff is provided to managers when recruiting new staff, as part of our work to address the low proportion of younger staff in the organisation.

4.5 Encouraging an honest and open culture which values the differences between us:

- In June 2009 we formed an Equality and Diversity Challenge Group comprising of representatives from each directorate. The Group has considered issues relating to tenancy profiling, our approach to EIAs, the Single Equality Bill, monitoring sexuality, engaging hard to reach and marginalised groups and the responsibility of staff under the Disability Discrimination Act. The Group has received presentations from external organisations – including Stonewall (a campaign group for gay, lesbian and bi-sexual people).
- Establishment of a staff forum for effective consultation and information provision, and to develop co-operation and trust. The terms of reference includes encouraging staff membership from the six equality strands.
- Annual report to the Board on equalities monitoring and progress.

4.6 Recognising our important leadership role in promoting and encouraging tolerance, fairness and equality:

- Board members received equalities training at the last awayday in October 2009 and there is a nominated Board Champion for diversity.
- There is a strategy to encourage application for Board membership from diverse groups.
- Equalities training is now compulsory for all staff. An e-learning package for training staff in equalities was commissioned and has been rolled out to managers. This has been evaluated and an

additional course more relevant to the organisation is now being rolled out to staff. Senior managers will receive additional training focusing on leadership of equalities issues. The training will take place from January to March 2010.

- We are aiming to meet the criteria for an 'Achieving' organisation for the Equality Framework for ALMOs – due to be completed by March 2010.
- We will be developing a strategy for sexuality which will be incorporated into the Equality and Diversity strategy, due to be reviewed by March 2010.
- We promote Equality and Diversity activities to all staff, including the work of the Domestic Violence Officers and Lewisham Homes' approach to Hate Crime. Further publicity is planned to follow the staff training.

## **5. Strategy Review**

5.1 We are currently reviewing the Equality and Diversity Strategy, which is due to be completed by March 2010. One of the first stages for the review was an independent health check of our approach to equality and diversity. This involved looking at legal requirements and good practice expectations against the following frameworks:

- The Audit Commission's key lines of enquiry (KLOEs) for 'Diversity.'
- The Equality Framework for ALMOs.
- The Code of Practice on Racial Equality in Housing (September 2006).

5.2 The review will cover the following:

- Meeting the criteria for the Equality Framework for ALMOs.
- Consultation with residents - forming a Resident Forum to consult on the strategy and action plan and monitor progress in respect of this. The Forum will also review any other policy, procedure and initiative in relation to equality and diversity in the future. The strategy will also be presented to the April Area Panels.
- Consultation with staff through the Equality and Diversity Challenge Group.
- Consultation with Lewisham Council, which has been ongoing over the past year.
- Consultation with local and national community and representative groups, such as the Lewisham Disability Coalition and Stonewall.
- Benchmarking with other organisations and making reference to the latest good practice for delivering on equality issues.

## **6. Equality Impact Assessment Programme**

6.1 The key actions from EIAs carried out in 2008/09 are shown in the table in Appendix D. These were reported to the Board in January 2009 and actions were considered in the 2009-12 business planning process. The attached table indicates whether actions have been completed and if not what is planned.

6.2 The following EIAs have been completed in 2009/10:–

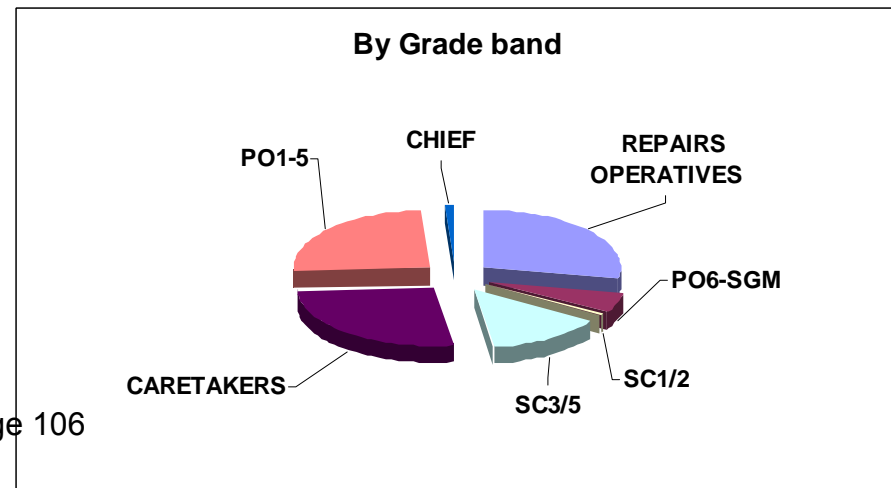
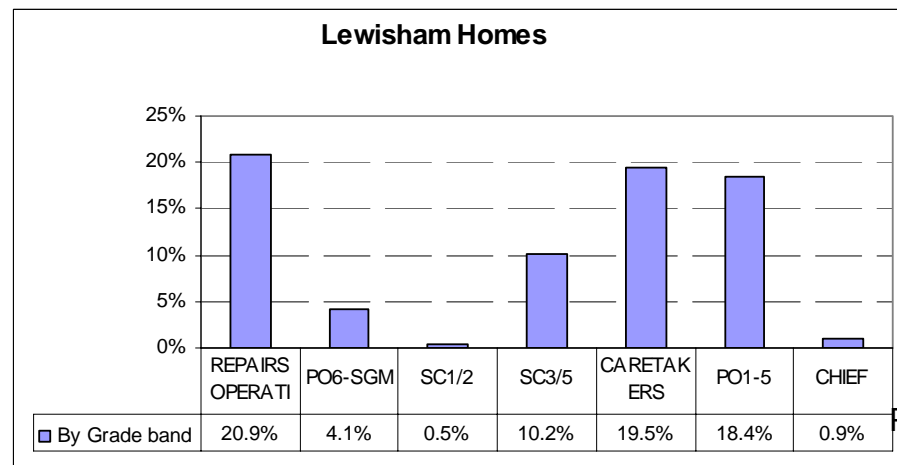
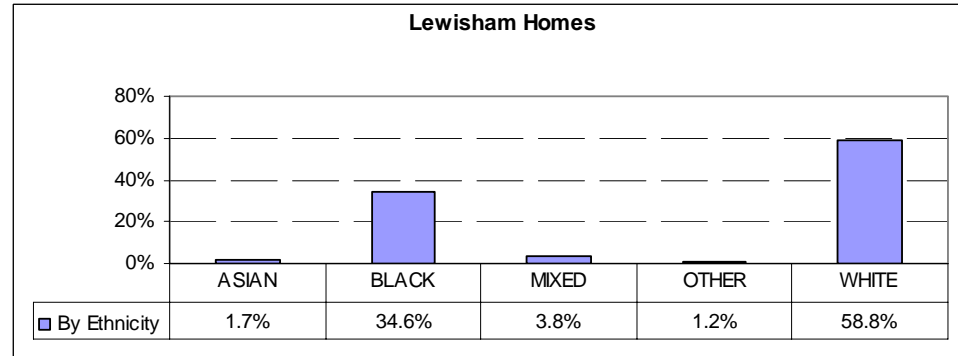
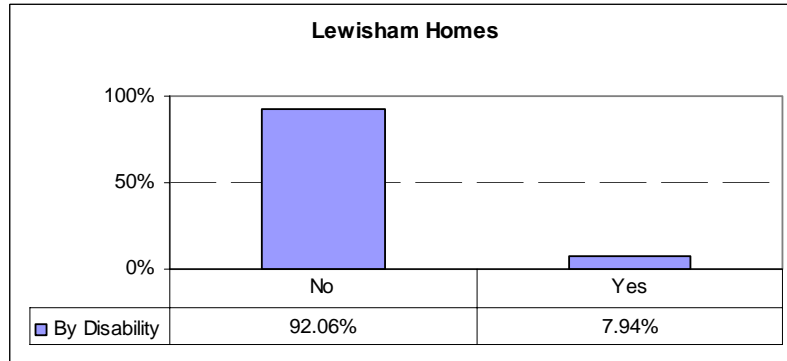
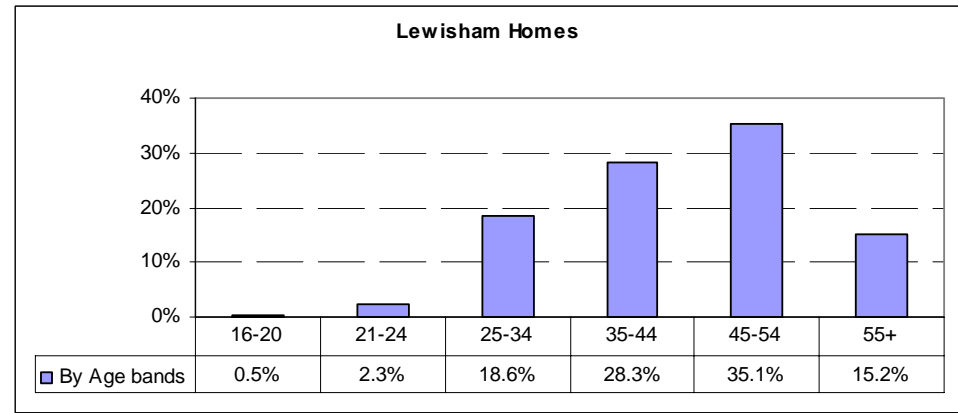
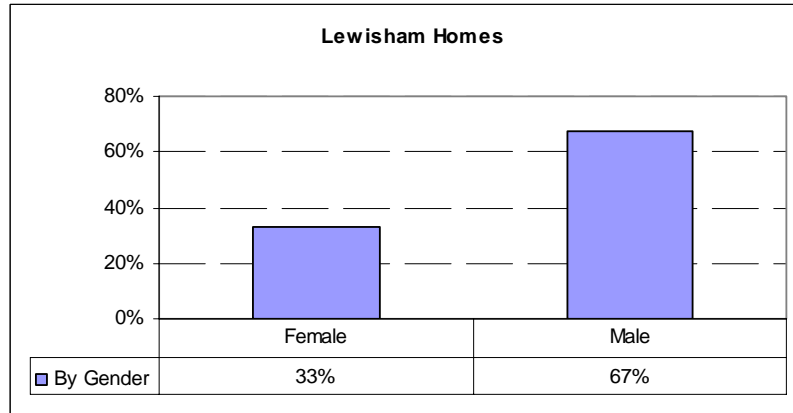
- Customer care review/strategy.
- Income management service review.
- Repairs service review and change programme.
- Transfer of Building services and Chrysalis and staffing re-structures.
- Corporate debt management policy.

A summary of impacts and required actions arising from these is shown in Appendix E.

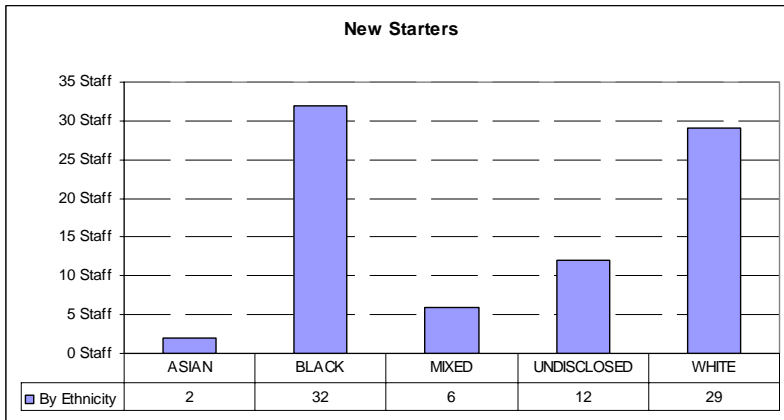
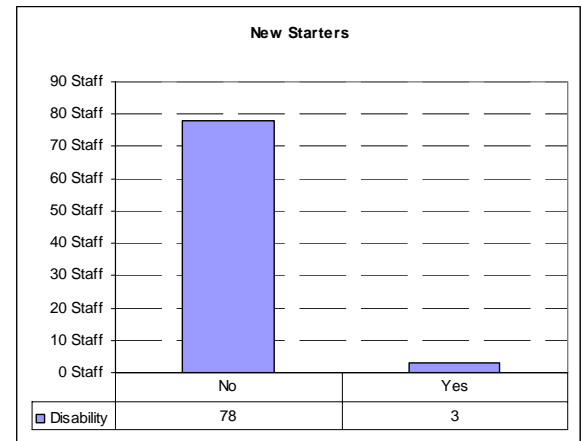
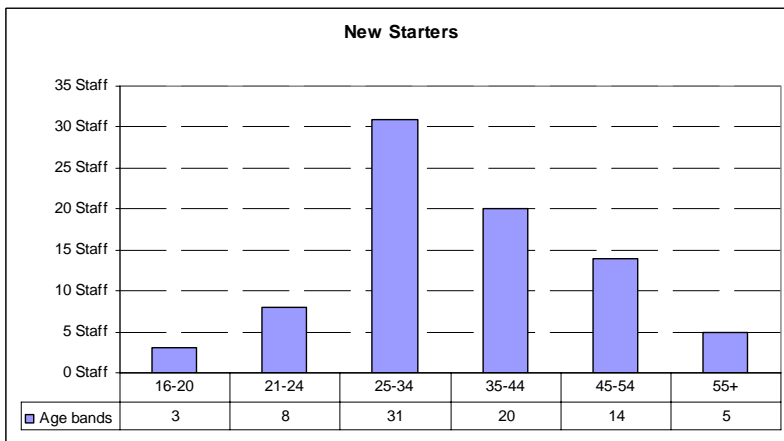
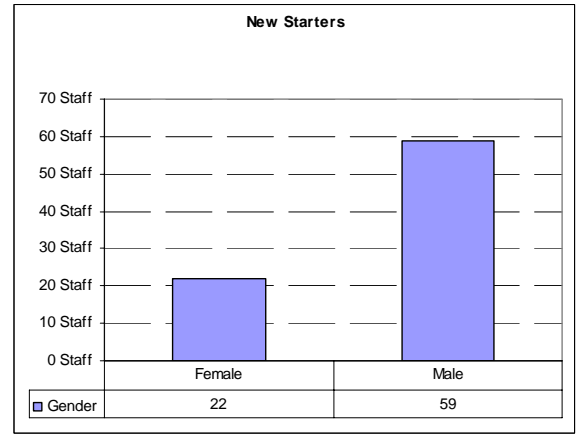
- 6.3 The current programme for EIAs focuses on the service review programme, as this is the main driver for change in services for residents. EIAs will also be carried out as part of new or revised strategy or major policy change, and where there are changes that impact on staffing. The programme is attached to this report – see Appendix E.

**If you require further information on this report please contact Hilary Barber on 020 8613 7698 or email [hilary.barber@lewishamhomes.org.uk](mailto:hilary.barber@lewishamhomes.org.uk)**

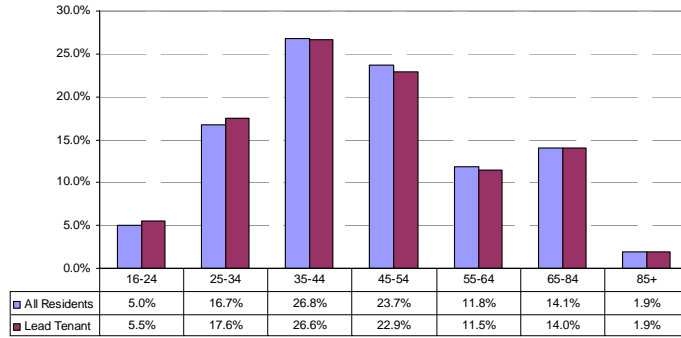
# Appendix A



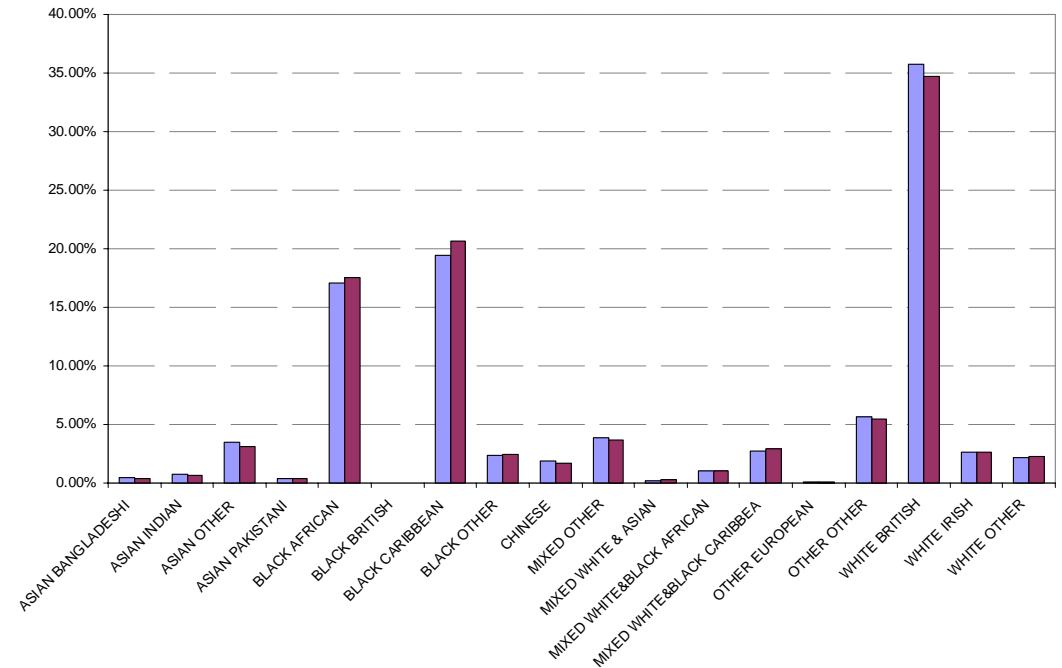
# Appendix B



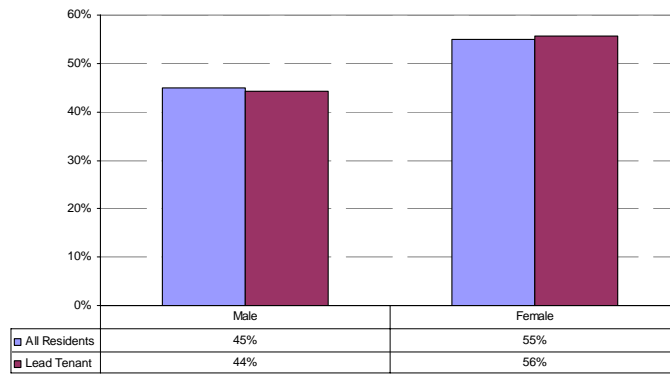
Resident Profiling by Age Band - Core Stock



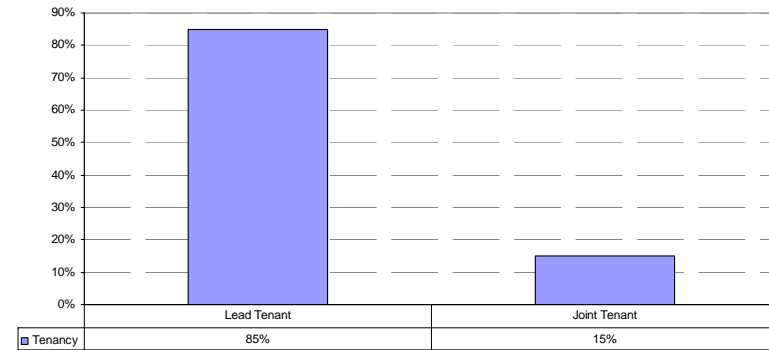
Resident Profiling by Ethnicity - Core Stock



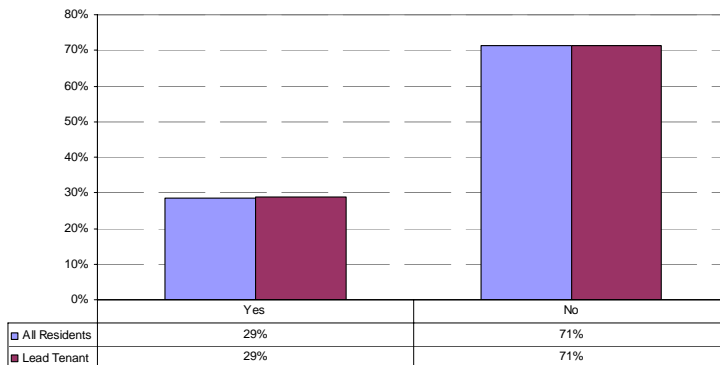
Resident Profiling by Gender - Core Stock



Resident Profiling Tenancy Type - Core Stock



Resident Profiling by Disability - Core Stock



**EIA ACTION PLANS**

<b>Equality Strand</b>	<b>Adverse Impact</b>	<b>Task</b>	<b>Expected Outcome</b>	<b>BP task no.</b>	<b>RAG</b>	<b>Comments</b>
Age (Y)	Young people owe the highest proportion of rent arrears	Implement facility for new young tenants at sign up to be given an appointment to see their income officer for money & debt advice. Update procedures	New young tenants are able to sustain their tenancies	248	Green	Incorporated into voids process
All equality strands	Evidence of incomplete profile information collected on individual tenants	Ensure system holds accurate tenancy profiling information. Implement procedure and programme of housekeeping. Carry out Data cleansing	Tenancy profiles accurately represent our residents	94	Red	Task 94 related to improving Academy system to allow transfer of data - this is completed. Follow on work still required to cleanse data.
All equality strands	Lack of equality criteria within the procurement strategy	Ensure Equality & Diversity forms part of the procurement strategy.	Will ensure procurement process complies with E&D requirements	173	Mar-10	
All equality strands	The 2008 Status survey indicated low satisfaction in the way harassment and hate crime is managed	Managers to make sure that reports of harassment and hate crime are responded to robustly. To be monitored through quality audits.	Effective ASB case handling		Dec-09	Quality Audit due for completion Dec 09
All equality strands	Under reporting of hate crime and inconsistent management of cases reported	Review the hate crime policy and procedure.	Increased willingness to report ASB, DV and hate crime	532 534 535	Green	
All equality strands	Lack of performance data to measure ASB enforcement action	Introduce performance data to record prompt legal action has been taken. To be monitored through quality audits.	Swifter enforcement action to protect victims and complainants		Green	ASB KPIs regularly reported and belong to Housemark ASB benchmarking club. Also part of quality audit programme.
All equality strands	Leaseholder profiles are recorded on a separate data base to the tenancy profiles	Record Leaseholder profile data collected on the same database as tenants profiles	Customer insight about leaseholders	489	Mar-10	Part of profiling workstream

**EIA ACTION PLANS**

<b>Equality Strand</b>	<b>Adverse Impact</b>	<b>Task</b>	<b>Expected Outcome</b>	<b>BP task no.</b>	<b>RAG</b>	<b>Comments</b>
All equality strands	Current tenancy agreement does not comply with plain English standards	Draft tenancy agreement to be assessed by the plain English Campaign	Clear information for tenants on conditions of tenancy			This was considered. However, it was decided this could not take place, as it could change the legal meaning of the agreement.
All equality strands	Make tenancy agreement easier for tenants to understand by highlighting the important clauses	Redraft the tenants handbook when the new agreement has been approved	Clear information for tenants on conditions of tenancy		Jan-10	
Disability	Consultation with disabled and vulnerable residents has been identified as a weakness	Develop approach to improve consultation with disabled and vulnerable residents and include wider consultation by working in partnership with statutory and voluntary sectors	Effective consultation with disabled & vulnerable residents	412	Green	Vulnerability consultation carried out in May 2009.
Disability	A directory of training facilities with disabled access is not currently available	Provide a directory of all training facilities with disabled access	Accessible training facilities	233	Green	
Disability	Literacy levels in Lewisham are low	Investigate if literacy levels are an issue for Lewisham Homes residents and develop an action plan to improve accessibility for those residents affected. Review our core communications channels to make them more accessible to those with literacy issues.	Increase engagement with hard to reach group of residents	264	Green	
Disability	No system in place to ensure equipment in housing offices used to communicate with disabled residents are operating	Establish regular inspections of equipment in offices used to communicate with disabled tenants	effective equipment for communication with disabled residents	218	Green	
Disability	Lack of information about the Aids and Adaptations service	Produce an aids and adaptations leaflet to be displayed in all Housing Offices, informing residents of the service. Target distribution to all of our disabled residents and publicise the service on our website	Increased awareness of the Aids & Adaptations service for residents.		Green	Leaflet has been available since November 2008, and is on the website.

**EIA ACTION PLANS**

<b>Equality Strand</b>	<b>Adverse Impact</b>	<b>Task</b>	<b>Expected Outcome</b>	<b>BP task no.</b>	<b>RAG</b>	<b>Comments</b>
Disability	CAPITA (Academy) system is not kept up to date with new adaptations.	Review system to ensure all properties which have had adaptations installed are recorded on Academy. Get data of properties which had adaptations within the last 12 months and update the information on the appropriate properties on Academy	Efficient use of adapted properties	415	Green	
Disability	No quality audit system in place to ensure Health and Safety issues defects are made safe urgently.	Carry out a Health and Safety compliance audit for communal areas to protect elderly & disabled tenants.	Safer environment for elderly and disabled residents	386	Dec-09	
Disability	Actions from recent DDA audits still outstanding	Ensure that all public offices comply with the Disability Discrimination Act requirements	All offices will have improved access for disabled residents	164	Green	
Disability	Current information on vulnerable tenants on CAPITA (Academy) system is out of date or not recorded	Record information about vulnerable tenants on Academy - Review current practice and make recommendations for changes to policy and procedures. Implement new procedures. Review and cleanse existing information	Will enable LH to target services to support vulnerable residents	434 and 435	Red	Procedures reviewed but data cleansing in progress
Disability	Staff have not been formally trained to record vulnerability on the CAPITA (Academy) system	Train staff to use vulnerable codes on Academy	Will enable LH to target services to support vulnerable residents	19	Green	Training/briefing will need to be revisited when new processes finalised
Disability	Evidence from consultation with residents of inconsistency by call centre/operatives when dealing with specific needs of disabled/vulnerable residents	Train Operatives and call centre staff to deal sensitively and understand how to deal with special circumstances / vulnerability	Enhanced service for disabled/vulnerable tenants	217	Green	
Disability	Evidence from consultation that operatives are not allowing enough time for elderly /disabled tenants to give access	Ensure robust monitoring in place to ensure operatives knock louder and give disabled tenants /elderly extra time to get to the door/ entry phone.	Improved repair service for disabled/vulnerable tenants			

**EIA ACTION PLANS**

<b>Equality Strand</b>	<b>Adverse Impact</b>	<b>Task</b>	<b>Expected Outcome</b>	<b>BP task no.</b>	<b>RAG</b>	<b>Comments</b>
Disability	Potentially vulnerable tenants are not consistently flagged up at sign up and sign posted appropriate services	Carry out quality audit to ensure vulnerability codes recorded at sign up	Will assist the organisation in correctly identifying vulnerable tenants	99	Green	
Disability	Current tenancy agreement is not available in different formats	Apply LH Communications standards to the tenancy agreement.	The agreement will be accessible to tenants with literacy issues, visual impairment and those who cannot read English			Not translated due to legal reasons - however, tenancy handbook is available in other formats and need for alternative formats is asked at sign-up.
Disability	Location of Board meetings not accessible to disabled board members/residents or the public	Consider different location for board meetings or provision of assistance for those with physical disabilities	Board meetings accessible for people with mobility disabilities		Sep-10	This has already been considered by the Board - to be reviewed again.
Race	Current information provided at sign up is not accessible to tenants with learning difficulties/ where English is not the first language	Introduce DVD into sign up process with sub titles	Will clarify rights and obligations of tenants with learning difficulties / where English not first language	809	Green	
Race	Details of translation services not consistently provided with leasehold information	Review information for leaseholders and ensure details of translation services accompany information - update procedures.	Accessible information for leaseholders		Green	Information for leaseholders was reviewed last year. Details of translation services is sent out with information on service charges etc.
Race	Language statement needs to be reviewed	Revise language statement to reflect core languages being used	Effective targetting of translation and interpretation service			Not required - existing language statement is fit for purpose.
Religious belief	Lack of consultation with faith groups	Consult with faith groups and monitor initiatives with faith groups to ensure wider involvement e.g. women, young people. Develop a protocol with LBL Community Sector to consult with faith groups.	Take account of views of main faith groups in service delivery		Mar-10	Part of E&D strategy review

**EIA ACTION PLANS**

Equality Strand	Adverse Impact	Task	Expected Outcome	BP task no.	RAG	Comments
Religious belief	Lack of awareness of staff around faith issues and sexuality in housing	Develop a training strategy for Equality and Diversity: Prioritise front line staff, SMT, Managers and induction for all new staff. Address gaps in awareness in Religious Beliefs, LGBT & DV issues	Staff well informed in equalities legislation and issues	217 and 222	Red	Partially completed, revised date Mar 2010 following change of plan from e-learning
Sexuality	Lack of LGBT strategy	Develop LGBT strategy: Consult with community groups to see how housing services can be improved. Benchmark other ALMO's to develop profiles and other info collected. Consider applying for accreditation to Stonewall. Also contact LBL re. their sexual orientation equality scheme 2008/11	Ensure views of LGBT groups are considered	403	Mar-10	Part of E&D strategy review

Appendix E

EIA programme 2009-11

EIA 2009/10	Target completion date	Progress	Findings	Action taken/planned
Transfer of Building services and CallPoint and reorganisation.	December 2008	Completed	<ul style="list-style-type: none"> <li>• Increased proportion of male and white staff.</li> <li>• Issues considered in the HR annual EIA – see below</li> </ul>	
Customer care review and strategy	June 2009	Completed	<ul style="list-style-type: none"> <li>• No adverse impacts found – three positive and three neutral impacts</li> <li>• Positive impacts –               <ul style="list-style-type: none"> <li>• Age - strategy is to use different means of contact to suit all age groups;</li> <li>• Disability – includes accessible offices and improved electronic services, and using accessible formats for written information</li> <li>• Race – improved customer profile data, information available in other languages, provision of interpretation service</li> </ul> </li> <li>• Neutral impacts – gender, religious belief, sexuality</li> <li>• Service standards specifically states: Aim to record and monitor your <b>age</b>, ethnic origin, sex and disability to assess whether we treat you fairly in line with our equality and diversity policy</li> </ul>	Carry out further EIA when strategy is reviewed in 2011.
Repairs service – TUPE transfer (Dunlop Hayward) and reorganisation	April 2009	Completed	<ul style="list-style-type: none"> <li>• Only related to 8 staff, but had a small impact on proportion of male staff. Issues considered in the HR annual EIA – see below</li> </ul>	

## Appendix E

EIA 2009/10	Target completion date	Progress	Findings	Action taken/planned
Human resources policies – annual review	July 2009	Completed	<ul style="list-style-type: none"> <li>• Gender - 7 re-organisations and TUPE transfers took place in the last year. This increased the proportion of male staff.</li> <li>• Age – low proportion of workforce (2%) under 25. Majority of staff between 45 and 55 – over next 10 years will lose skills and knowledge as these staff retire.</li> <li>• Disability – increased number of staff recorded as having a disability - now 8% (50% increase)</li> <li>• Analysis of profile by grade – for grades PO6 and above only 31% are female and 54% are white males. For PO1-5, 39% are female and 34% are BME. Repairs operatives – 3% are female and 18% BME.</li> <li>• Lack of data on faith and sexuality</li> <li>• Faith – consider need for prayer room was consulted on in March 2009, but no request received.</li> </ul>	<ul style="list-style-type: none"> <li>• Consider traineeships and apprenticeships that attract females through flexible working arrangements</li> <li>• Skills analysis to identify potential skills shortage and succession planning – to include in revised people Strategy – May 2010</li> <li>• Peer mentoring</li> <li>• Ensure all staff and managers are aware of Disability Discrimination Act responsibilities to make reasonable adjustments – include in E&amp;D training – by May 2010.</li> <li>• Roll out management development programmes for female and BME staff, to encourage progression into senior posts – by January 2010.</li> <li>• Promote flexible working</li> <li>• Introduce work experience programmes for 16-24 year olds on 6 month contracts with funding from DWP – by February 2010.</li> <li>• New HR/payroll/Recruitment system to be implemented - March 2010</li> </ul>
Income service review	Sept 2009	Completed	<ul style="list-style-type: none"> <li>• Identifies some groups as being more likely to have rent arrears – 76% of tenants under 20 years old have arrears compared to 47% of all tenants; and over 60% of</li> </ul>	<ul style="list-style-type: none"> <li>• Importance of giving support and advice early in the tenancy, particularly for these groups – has led to introduction of a DVD at sign-up</li> <li>• Using SMS text messaging to notify tenants they</li> </ul>

Appendix E

EIA 2009/10	Target completion date	Progress	Findings	Action taken/planned
			<p>tenants from a Caribbean or African background</p> <ul style="list-style-type: none"> <li>The service is structured to provide translation facilities for those persons for whom English is not their first language, signpost residents with special support needs</li> </ul>	<p>are in arrears – as shown to be effective way of communicating with younger tenants</p> <ul style="list-style-type: none"> <li>We offer home visits to those with a long term illness or disability</li> </ul>
Repairs Change Programme and repairs service review	December 2009	Completed	<p>EIA screening process identified neutral impact on five of the equality strands and a positive impact for race. In general the changes in service have produced benefits for tenants, including –</p> <ul style="list-style-type: none"> <li>More responsive service leading to higher resident satisfaction.</li> <li>A higher number of jobs right first time and reduction in repeat calls.</li> <li>Better access to the repairs service</li> <li>Keeping appointments</li> <li>Ensure best value – higher levels of productivity</li> <li>All business processes are designed around the customer getting a better service</li> </ul> <p>These benefits apply equally to all groups of tenants. However, an additional benefit for people who cannot communicate well in English was identified as a translation guide for operatives was introduced in October 2009, and there is also an internet translation service.</p> <p>Identified the need to analyse the repairs</p>	Regular analysis of customer satisfaction data by equality strand to ensure there are no groups that have a specific reason for dissatisfaction.

Appendix E

EIA 2009/10	Target completion date	Progress	Findings	Action taken/planned
Corporate debt management policy	December 2009	Completed	<p>satisfaction data by equality strand.</p> <ul style="list-style-type: none"> <li>• Identifies some groups as being more likely to have rent arrears – 76% of tenants under 20 years old have arrears compared to 47% of all tenants; and over 60% of tenants from a Caribbean or African background</li> <li>• Need to understand views of tenants about the rent collection service and analyse by equality strand</li> </ul>	<ul style="list-style-type: none"> <li>• Importance of giving support and advice early in the tenancy, particularly for these groups – has led to introduction of a DVD at sign-up</li> <li>• Using SMS text messaging to notify tenants they are in arrears – as shown to be effective way of communicating with younger tenants</li> <li>• From February, will also be texting young African/Caribbean male tenants with arrears to invite them to sessions with welfare benefit advisor, and to speak to their income officer</li> <li>• We offer home visits to those with a long term illness or disability</li> <li>• New financial inclusion strategy developed in consultation with residents to support the objectives of the Corporate Debt Policy by setting up initiatives to tackle worklessness issues, maximise welfare benefit take up and equip residents with the skills to understand financial products</li> <li>• Telephone satisfaction survey starting January 2010 – will enable views of tenants about the service to be analysed by equality strand.</li> </ul>
Complaints review	March 2010			
Vulnerability policy and procedures	March 2010			
ASB service review	March 2010			
Equality and diversity strategy review	March 2010			

Appendix E

EIA 2009/10	Target completion date	Progress	Findings	Action taken/planned
Value for money strategy review	March 2010			
Asset management strategy review	March 2010			
Sustainability strategy	March 2010			
Procurement strategy review	May 2010			
People strategy review	May 2010			
Resident compact review	May 2010			
ICT service review	May 2010			
Voids service review	September 2010			
Sheltered Housing	September 2010			
Communications Strategy review	September 2010			
Area Office (policy)	September 2010			
Finance Service review	October 2010			
Tenancy management service review	October 2010			
Human resources service review	October 2010			
Estate services & caretaking service review	March 2011			

Meeting	Lewisham Homes Board	Item No.	15
Report Title	Major Works Programme – Your Homes, Your Environment		
Report Of	Director of Property Services – Mark Agnew		
Class	Monitoring	Date	28 <sup>th</sup> January 2010

## 1 Purpose

- 1.1 The purpose of this report is to update the Board on progress regarding the Major Works Programme that will deliver full compliance with the Decent Homes Standard.

## 2 Recommendations

- 2.1 That the Board notes the attached Project Highlight Report, which shows that the procurement of the programme is currently on target to achieve a start on site from November 2010, subject to the availability of funding.
- 2.2 That the Board notes the contents of the risk register and in particular that there is a high risk that Central Government may not provide the supported borrowing approvals that are necessary in order for the Council to fund the programme.

## 3. Context

- 3.1 The Lewisham Homes Board approved the project mandate in June 2009 and set up the Project Board that is currently overseeing the procurement of the Major Works Programme.
- 3.2 In June 2009 Lewisham Homes appointed Ridge and Partners to act as the strategic consultant for the procurement of the partnering contractors.
- 3.3 The Council received a letter from the Housing Minister on 17<sup>th</sup> July 2009 stating that funding would not be provided to commence the programme in 2010/11, as had been expected if Lewisham Homes was successful in securing a 2\* assessment during its Audit Commission inspection. The letter stated that funding would most likely commence in 2011/12
- 3.4 The procurement of the programme was suspended for a period of reflection following receipt of the Minister's letter. It has however now been re-activated and is on target to achieve a start on site from November 2010, subject to the availability of funding. It is anticipated that the programme will take 5 years to deliver on site and that it will cost £275 million inclusive of fees and leaseholder contributions.

## 4. Progress update

- 4.1 The latest Highlight Report is attached as appendix a.

## **5. Key Risks**

- 5.1 The latest Risk Register forms part of the Highlight Report that is attached as appendix b.

If you require further information on this report please contact Mark Agnew on 020 813 4203 or email [mark.agnew@lewishamhomes.org.uk](mailto:mark.agnew@lewishamhomes.org.uk)

## 6. Project Highlight Report for Programme Board

<b>Programme:</b>	Corporate Programme
<b>Sub-Programme:</b>	Major Works Procurement Project

<b>Project Name:</b>	Major Works Procurement Project	<b>Reporting Period:</b>	7 <sup>th</sup> Dec 09 to 6 <sup>th</sup> Jan 10
<b>Project Manager:</b>	Colin Dawes	<b>Report Number:</b>	4



*Red – behind delivery against plan, and not expected to recover against the plan*

*Amber – behind delivery against plan, but is expected to get back on track*

*Green – going according to plan and within tolerance*

<b>What is the overall status of the project?</b>	<b>RAG</b>	<b>Comments if Red or Amber</b>
Schedule (Is project on time?)	<b>G</b>	<p>As noted in the previous report, the project is currently working on critical path activities. Namely; the Procurement Strategy, OJEU Contract Notice and pre-qualification questionnaire.</p> <p>The S20/151 Notices of Intention were served on 7<sup>th</sup> December 09 together with a FAQ sheet. Additionally an email was sent to those Councillors whose wards contain LHL stock to inform them of the process – attached as Appendix A.</p> <p>The Project Board met on 11<sup>th</sup> January 10 and approved the Procurement Strategy and the OJEU Contract Notice. It is intended to serve the Contract Notice following approval by the Chief Executive.</p> <p>The Project Board also approved proposals for procuring consultants by means of term contracts. Accordingly the S20/151 Notices of Intention will be drafted and served upon the leaseholders.</p> <p>There have been delays to some elements of the work. It should however still be possible to commence on site in November 2010 by accelerating some remaining activities and reducing the contractors' lead in time from 3 months to 2 months.</p>
Budget (Is project on target?)	<b>G</b>	Capital budget for 2009/10 has been re-aligned, £100,000 has been carried forward to 2010/11. All expenditure for this fiscal period will therefore remain in revenue.
Issues (Are they under control?)	<b>G</b>	See risk log – Appendix B
Risks (How big are the threats?)	<b>G</b>	See risk log – Appendix B
Quality (Are outputs fit for purpose?)	<b>G</b>	<p>The S20/151 Notice of Intention for the contractors was signed off by Anthony Collins Solicitors before being served upon the leaseholders.</p> <p>The Procurement Strategy and OJEU Contract Notice have been prepared by Ridge and signed off by the Project Board. The PQQ has been redrafted by Ridge following comments by Anthony Collins Solicitors and will be circulated for comment by the Project Team..</p>
Business Case (Is project still worthwhile?)	<b>G</b>	Although access to borrowing approvals has been delayed by approximately 6 months, (April 2011) the requirement to bring the permanently managed housing stock in to compliance with the Decent Homes Standard remains.

## 6.1.1

<b>Progress since previous report:</b>
<i>List any significant achievements or changes, including any milestones or deliverables</i>
1. Strategic objectives and PID completed.
2. S20/151 Notices of Intention dispatched.
3. Procurement Strategy approved by the Project Board on 11 <sup>th</sup> January 10.
4. OJEU Contract Notice approved by the Project Board. PQQ re-drafted and circulated for comment/approval by Project Board.
5. Lewisham Homes Standard drafted for comment and approval by Project Board.
6. Asset Investment Plan commenced in accordance with agreed guidelines.
7. Proposals for consultant appointment approved by Project Board.
8. Proposals for client team development drafted for comment by the Project Board.

<b>Project Issues</b>		
<i>List the key Issues currently affecting the project that need to be reported to the programme board</i>		
<b>Issue description</b>	<b>Impact analysis/action required</b>	<b>Owner</b>
1. Capital budget for future schemes for 2009/10 has been re-allocated	Current year expenditure will be a revenue pressure	Project Executive

## 6.1.2

<b>Tasks/Products planned for this period but not completed:</b>	<b>Forecast</b>
<i>List any significant tasks or milestones planned for but not completed this period</i>	
1. Issue contractor OJEU Contract Notice (Outstanding since 29 <sup>th</sup> December)	18 <sup>th</sup> January




<b>Tasks/Products planned for next period: 6<sup>th</sup> Jan to 5<sup>th</sup> Feb</b>	<b>Forecast</b>
<i>List activities planned for the next period, including completion of any key milestones or deliverables (include non-completed tasks from above, with revised completion dates)</i>	
1. OJEU Notice (Contractors) dispatched.	18 <sup>th</sup> January
2. S20/151 Notice of Intention (Consultants) served.	22 <sup>nd</sup> January
3. Asset Investment Plan finalized.	1 <sup>st</sup> February
4. Lewisham Homes Standard finalized.	1 <sup>st</sup> February




<b>Project Milestones:</b>	<b>Current Forecast Completion Date</b>	<b>Confidence (High or Low)</b>	<b>Forecast Date from last report</b>	<b>Baseline Date PID Project Plan</b>
Appointment of Strategic Procurement Consultant	Completed	N/A	N/A	June
Project Initiation Document Approved	Completed	N/A	December	July
Procurement Options Report Approved	Completed	N/A	N/A	July
Procurement Strategy Approved	Completed	N/A	January	September
Pre-Qualifying Questionnaire Completed	January	M	December	October
Contractor OJEU Notice Issued	January	M	January	October
Lewisham Homes Standard Approved	February	M	February	January
Asset Investment Plan Approved	February	M	February	January
Tender Short List approved	March	M	March	January
Tender Documents Issued	March	M	March	February
Tenders Scored	July	M	July	May
Audit Commission Inspection	June	H	May / June	May / June
Notice of Intent to Award Contracts	September	M	September	June




<b>Budget Status:</b>	<b>Baseline Budget (A)</b>	<b>Approved Changes (B)</b>	<b>Revised Budget (C=A+B)</b>	<b>Forecast (D)</b>	<b>Variance (E=C-D)</b>	<b>Comment</b>
1. Fees for Future Schemes	£600,000	(£500,000)	£100,000	£498,529.73	(£398,529.73)	The revised budget of £100,000 is for the fiscal period 2010/11.  All expenditure accrued to date and that anticipated to Mar 31 <sup>st</sup> will therefore remain in revenue




Please note that the year end projection is £273,892.13 against a capital budget of £0.00


**Appendix B - Risk Log**

ID	Risk / Issue (i.e: Threat to the Project)	Consequence	Current Assessment			How the risk will be managed and controlled				Impln Date	Direction of Travel	Comments	Closure Date
			Impact 1-4	L'hood A-E	Overall	Already in Place	Who is Managing	Not in Place (Proposed)	Who will Manage				
1	Failure to programme effectively and to identify the works required (Decent Homes by 2015)	Poor value for money with potential for reductions in specification during the programme to meet budgets	2	E	L	Ridge appointed to help develop programme. Residents involved in programme development through Major Works Improvement Group meeting 08/10/2009.	Project Manager			Jun-09		100% external and 25% SCS completed to date, data added to Apex database.	Jun-09
2	Failure to obtain 2* status in order to liberate additional funding	Insufficient funding to achieve full Decent Homes Standard compliance.	1	D	M			Effective preparation. Consider taking additional external support to prepare for KLOE inspection.	Chief Exec	Jun-10		Star status will be determined by the Audit Commission in 2010.	
3	Failure to obtain additional funding (reduced funding) due to external	Insufficient funding to achieve full Decent Homes Standard compliance.	1	C	H			LHL has little influence, other than ensuring that BCM is robust and regular liaison with	Chief Exec	Apr-11		CLG has already advised that Round 6 funding may be delayed to 2011, submission of new BCM, detail	

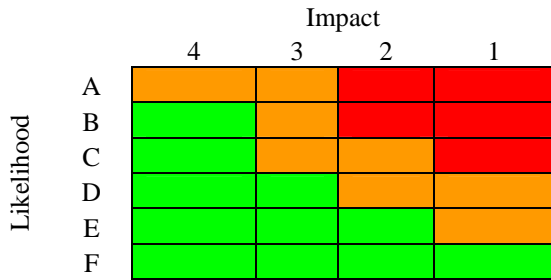
	factors						CLG.				yet to be considered by CLG.
4	Failure to attract good quality tenders from contractors	Poor quality of work resulting in low resident satisfaction.	2	E	L		Robust procurement process in accordance with strategy.	Ridge	Apr-10		Market conditions favour LHL. 'Soft market testing' feedback all positive. Low risk and clear contract documents will help to define expectation.
5	Failure to obtain competitive tenders that can deliver with the constraints of the Business Plan	Inability to achieve full Decent Homes Standard compliance.	2	E	L		Robust procurement process in accordance with strategy, including use of guide costs and realistic specifications.	Ridge	Apr-10		Market conditions favour LHL. 'Soft market testing' feedback all positive. Low risk and clear contract documents will help to define expectation.
6	Failure to provide sufficient, experienced, clienting to the new contracts	Inability to control the programme. Poor value for money and low resident satisfaction.	2	E	L		LHL to procure additional consultancy support to help deliver the programme at its peak.	Project Manager	Apr-11		LHL has limited internal clienting capacity and should only consider growing this to a sustainable level (i.e. no redundancies after the




											programme is complete).	
7	Failure to reach an agreed Lewisham Homes Standard	Uncertainty as to scope of work leading to low resident satisfaction.	2	E	L		Effective consultation with residents and sharing of business plan allowances at an early stage.	Project Manager	Apr-10		Standard needs to be defined and consulted upon at both high (strategic) level and detailed level.	
8	Failure to deliver a quality product	Low resident satisfaction.	2	E	L		Robust contract documents and effective clienting.	Ridge	Apr-10		Requires collaborative working and effective clienting of the contractor, along with effective materials selection.	
9	The failure of a partner contractor (e.g. insolvency)	Delays and additional costs arising from requirement to re-procure the programme.	3	D	L		Financial checks of tenderers as well as using more than one contractor provider.	Director of Finance	Mar-10		Cannot be discounted altogether as a possibility, but PQQ process will only allow contractors to tender that are financially stable and without an over-reliance on LHL work.	

10	The aspirations of residents are not met	Low resident satisfaction.	2	E	M			Comprehensive resident involvement and effective communication at all stages. Robust contract documents and effective clienting.	Project Manger / Ridge	Apr-10		Can be affected in several ways, including other risks, such as failure to obtain full funding of the programme, in which case standards/volume may need to be adapted.
11	Challenges to the procurement process	Damages payable to unsuccessful contractors.	3	D	L			Robust procurement process in accordance with strategy. Legal overview to be sought.	Ridge / Anthony Collins Solicitors	Sep-10		Cannot be discounted altogether as a possibility, but exposure can be limited by keeping information simple and following guideline procedures.
12	Leaseholder challenges	Inability to recover cost of works to leasehold dwellings in full.	3	D	L			Robust procurement process in accordance with strategy. Legal overview to be sought.	Ridge / Anthony Collins Solicitors	Sep-10		Section 20 obligations to be followed in full, to enable a long term qualifying agreement to be implemented.

13	Need to ensure consistency of service delivery (including sub-contractor control)	Inconsistent levels of service leading to low resident satisfaction.	2	E	M		Robust contract documents and effective clienting. Including resident involvement sessions and effective communication at all stages. Contractors' staff to undergo customer care training.	Project Manager / Ridge	Apr-10		Contract documents can address sub-contracting issues, including possibly the need for 'branded work wear' etc.
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**Weighted Risk Matrix**



Risk	
	High Immediate Action
	Medium Consider Action
	Low Keep Under Review

**Likelihood (probability of occurrence)**

A	Very High	> 90%
B	High	75% - 89%
C	Significant	50% to 74%
D	Low	16% to 49%
E	Very Low	6% to 25%
F	Almost Impossible	< 5%

**Impact (effect on outcome)**

1	Very High	Catastrophic
2	High	Critical
3	Medium	Concerning
4	Low	Negligible

**Lewisham Homes Board  
Forward Plan 2009-10**

**25<sup>th</sup> February 2010**

<b>Report Title</b>	<b>Presenter</b>	<b>Status</b>
<b>Meeting items</b>		
Chairs Action	Chair	Decision
Questions from Members of Public	Chair	Decision
Decent Homes Approvals: Project procurement Strategy Lewisham Homes Standard Asset Investment Plan	Mark Agnew	Decision/ Information
Anti Social Behaviour Review	Denise Hadfield	Decision
Business Plan 2010-13 (including Resident Business Plan)	Hilary Barber	Decision
Asset Management Strategy (Annual Review)	Mark Agnew	Decision
Business Continuity Plan	Mark Agnew	Decision
Dates of Board Meetings from April 2010 to March 2011	Mike Sims	Decision
Inspection Gap Analysis	Hilary Barber	Decision
<b>Information Item</b>		
Staff Satisfaction Survey	Adam Barrett	Information
Investors in People Assessment	Adam Barrett	Information
Customer Service Excellence	Hilary Barber	Information
<b>Exempt Items</b>		
Stores supply contract – preferred supplier recommendation	Mike Sims	Decision
Late Report Log	Mike Sims	Information

**25<sup>th</sup> March 2010**

<b>Report Title</b>	<b>Presenter</b>	<b>Status</b>
<b>Meeting items</b>		
Presentation by Audit Commission on Inspection	To be confirmed	Information
Minutes of meeting 28 <sup>th</sup> January 2010 & 25 <sup>th</sup> February 2010 & matters arising	Chair	Decision
Questions from Members of Public	Chair	Decision
Chairs Action	Chair	Decision
Chief Executive Update	Andrew Potter	Information
Lewisham Homes Self Assessment	Andrew Potter	Decision
Procurement Strategy	Mark Agnew	Decision
Value for Money Strategy	Adam Barrett	Decision
LHL Financial Monitoring Report	Adam Barrett	Monitoring
Business Plan 2009/10 and KPI Performance	Hilary Barber	Monitoring
Void Performance Review	Mark Agnew	Monitoring
Gas Performance Review	Mark Agnew	Monitoring
Board Forward Plan	Chair	Decision
<b>Information Items</b>		
Board Members Enquiries	Mike Sims	Information
LHL Budget Strategy	Adam Barrett	Information
Organisational Learning – Customer	Hilary Barber	Information

Item 16

Feedback results		
Value for Money Review of Repairs Service	Mark Agnew	Information
Value for Money Review of ICT	Adam Barrett	Information
Capital Programme Update	Mark Agnew	Information
<b>Exempt items</b>		
Exempt Minutes 28 <sup>th</sup> January 2010	Chair	Decision
Contract Awards	Mark Agnew	Decision
Terms of Reference – Remuneration Committee	Mike Sims	Decision
Notes from Performance Panel 20 <sup>th</sup> January & 3 <sup>rd</sup> March 2010	Chair Performance Panel	Information
Minutes of Audit Committee Meeting 16 <sup>th</sup> March 2010	Chair Audit Committee	Information
Late Report Log	Mike Sims	Information

# **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>28<sup>th</sup> January 2009</b>	

### 1. Purpose of the Report

- 1.1 Summarises enquiries received from Board members since the introduction of the Board Member Enquiry System.

### 2. Recommendations

- 2.1 The Board notes the report.

### 3. Enquiries Received

<b>Date Received</b>	<b>Board Member</b>	<b>Enquiry</b>	<b>Date Responded</b>	<b>Response</b>
15.07.08	Terry James	People Strategy	17.07.08	1) Agreed and indicated that the ethnicity targets for staff in the People Strategy should be amended.  2) Suggested that two organizations, PATH and the Federation of Black Housing Organisations be contacted and a meeting arranged to assist with the People Strategy.
19.09.08	Terry James	People Strategy	22.09.08	1) Confirm that the ethnicity targets were adjusted.  2) Both organisations had been met and there has been positive outcomes.
06.10.08	Mel Couldwell	Customer Care Standards	16.10.08	1) Visit to Home Park on 29 September 2008 resolved all issues.
19.11.08	Nick Joslyn	Decent Homes average costs	26.11.08	1) A spreadsheet of a Stock Condition Survey for recently completed Sayes Court was provided.
30.01.09	Marion Nisbet	Repairs Service	13.02.09	1) After several attempts to contact tenant re leak,

				a forced entry will be carried out on 16 <sup>th</sup> February 2009. 2) A letter explaining this action was hand delivered to the property on 12 <sup>th</sup> February 2009.
14.02.09	John Paschoud	Planned Works	18.02.09	Consultation on Refurbishment of Existing Door Entry Phone System
11.03.09	Marion Nisbet	Caretaking	17.03.09	New closure arm to be fitted 24/03/09
31.03.09	John Paschoud	Repairs Service	16.04.09	Approval to extend the height of the fence to overcome the ball game issues and children climbing the fence
31.03.09	Nick Joslyn	Decent Homes	16.04.09	The information requested was handed to Nick in paper form.
01.05.09	Alan Barker	Void Properties	03.05.09	The property in question is not void, and has had no repair work since 2008.
05.05.09	Alan Barker	Resident Involvement	11.05.09	Lewisham Homes do not have an age bar for residents to be involved, as every persons contribution is valid regardless of their age.
07.05.09	John Paschoud	Property Services	21.05.09	London Borough of Lewisham, is carrying out a 12 month monitoring programme. The monitoring period ends in October 2009, when we expect to be able to make a decision as to exactly what measures to take to alleviate the problem.
08.05.09	John Paschoud	Property Services	11.05.09	A carpentry Manager visited the property on Friday 8 <sup>th</sup> May and carried out an inspection of both the communal hall floor and the staircase inside the dwelling. As a result of this visit, two repairs have been raised.
03.07.09	Mel Couldwell	Decent Homes	03.07.09	There is a need for consideration to be given to our residents on an individual basis. This will always exist due to circumstances in which individual needs have to take priority, usually

				surrounding issues relating to health or age problems.
22.06.09	Tim Fallon	Health and Safety	08.07.09	A letter was drafted by the CEO providing answers to all the questions. Electronic documents that had been requested were also forwarded on.
08.07.09	Tim Fallon	Health and Safety	08.07.09	A letter was drafted by the CEO providing answers to the questions regarding Fire Safety in Tower blocks.
22.07.09	Marion Nisbet	Markwell Close TRA	27.07.09	A letter was drafted by Adam Barrett providing answers to all the questions raised.
20.11.09	Ruth Oshikanlu	Property Services	23.11.09	No lift to the 10 <sup>th</sup> floor of Arlington House, SE8. An email was sent explaining that the motor room and roof would have to be moved in order to incorporate a lift to the 10 <sup>th</sup> floor.
25.11.09	Ruth Oshikanlu	Property Services	07.12.09	A ramp will be installed outside Argosy House, the works will expected to be completed in January 2010.
08.12.09	Ruth Oshikanlu	Property Services	08.12.09	The staircase for the resident was still being manufactured, and the resident was notified when this was due to be fitted. A block treatment to try and eradicate the rats problem has taken place.
15.12.09	Mel Couldwell	Property Services		

**If you require further information on this report please contact  
Mike Sims on 020 8314 6075 or email [mike.sims@lewishamhomes.org.uk](mailto:mike.sims@lewishamhomes.org.uk)**