

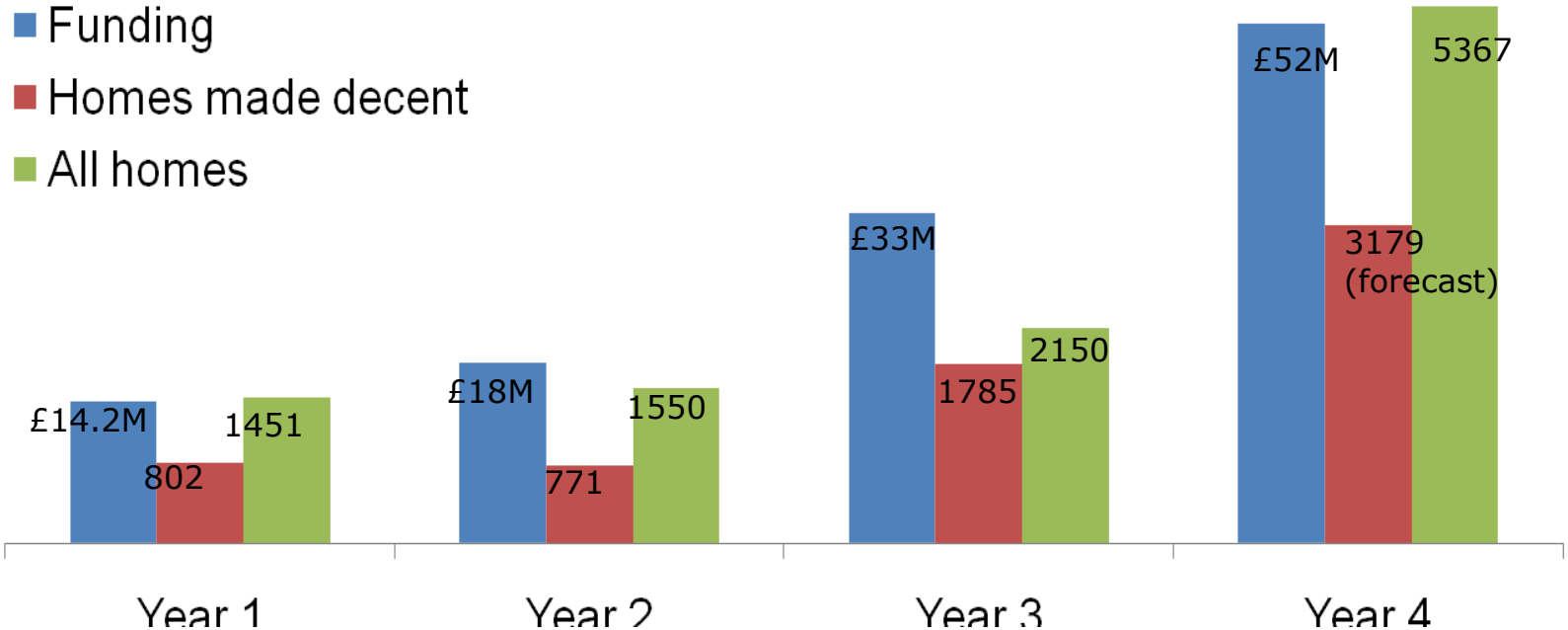
# **Overview and Scrutiny Committee**

**24th March 2015**

# 1

## Works progress Performance 2011-2015

- The programme is in its fourth year and has made over 5,000 homes Decent in that time.
- Tower Hamlets has met all of its annual spend and yield targets to date, and is on track to meet its very challenging Year 4 targets by the end of March 2015.



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# 2

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## Enhanced delivery approach

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- Enhanced service to residents over and above the Decent Homes standard.
  - Greater degree of choice and specification when planning their works, particularly around the configuration of kitchens.
  - Extra funding sourced as part of the Energy Company Obligation to carry out ECO works alongside Decent Homes delivery.
  - Enhanced resident consultation including leaseholder-specific pre-meetings and the establishment of all-tenure pre-start meetings and steering groups.
  - Expanded payment term options for qualifying leaseholders and expansion of the THH financial inclusion team.
- We also achieved significant savings on preliminary and procurement costs from dual-funding

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# 3

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## Vulnerability, Aids & Adaptations

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- **Extra support** for anyone who asks us for it and we actively offer this to people who are vulnerable.
  - 202 – packing & additional visits
  - 82 – day respite, rehousing, daily contact, clearance
  - 77 – medical respite, full decant, liaison with social/healthcare professionals, hoarding/cleaning
- For permanently disabled residents, we **adapt homes to residents' needs** - hand rails, grip rails, adapted baths, lowered toilets, and wet room showers.
  - Assessed 1,420 homes and specified works in 983.
  - Started work on 809 homes and completed work on 742.
  - We are yet to start work on 174 homes.

# 4

## Value for Money

- The five Decent Homes contractors were procured at a good time in the market using a robust pricing model. This has generated significant value for money for the Borough.

Element	Year 1+2 Average	Year 3 Average	SAVING
Kitchen	£5,572	£3,552	£2,021
Bathroom	£3,051	£1,782	£1,269
Separate WC	£1,785	£847	£938
Boilers	£1,445	£2,492	-£1,047
Rewires	£2,391	£1,633	£758
Property total (Spread Cost)	£9,368	£6,582	£2,786

- Total estimated internal saving £6.4M compared to years 1 and 2.
- Negotiating 0% inflation contracts have led to cost savings against the initial budget that could exceed as much as £15m.
- Richardsons administration in November 2014 was well managed. A settlement agreement avoided potential contract liabilities and allowed THH to retain all retentions. It also allowed THH to reassign all of Richardson's works without risk.

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# 5

## Year 3 & 4 Delivery Resident Satisfaction & other KPIs

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Contractor	Yrs 3 & 4 satisfaction	Yrs 3 & 4 completions
Axis	77%	1191
Breyer	80%	1228
Chigwell	85%	611
Keepmoat	82%	1559
Richardson	75%	357

- Industry standard benchmarks predict 80% resident satisfaction.
- We've done this through active contract management to improve satisfaction. For example, specialist de-snagging staff, and sharpening daily communication.
- THH's internal KPI is for 80% of responses to be Excellent or Good. This is a challenging benchmark that the contractors have not been able to meet.
- Core KPIs have been met:
  - Internal works duration averages 16.4 days vs target of 20 days
  - Fewer than 5% of homes generate Stage 1 complaints
  - 38% of labour force lives in LBTH vs target of 30%

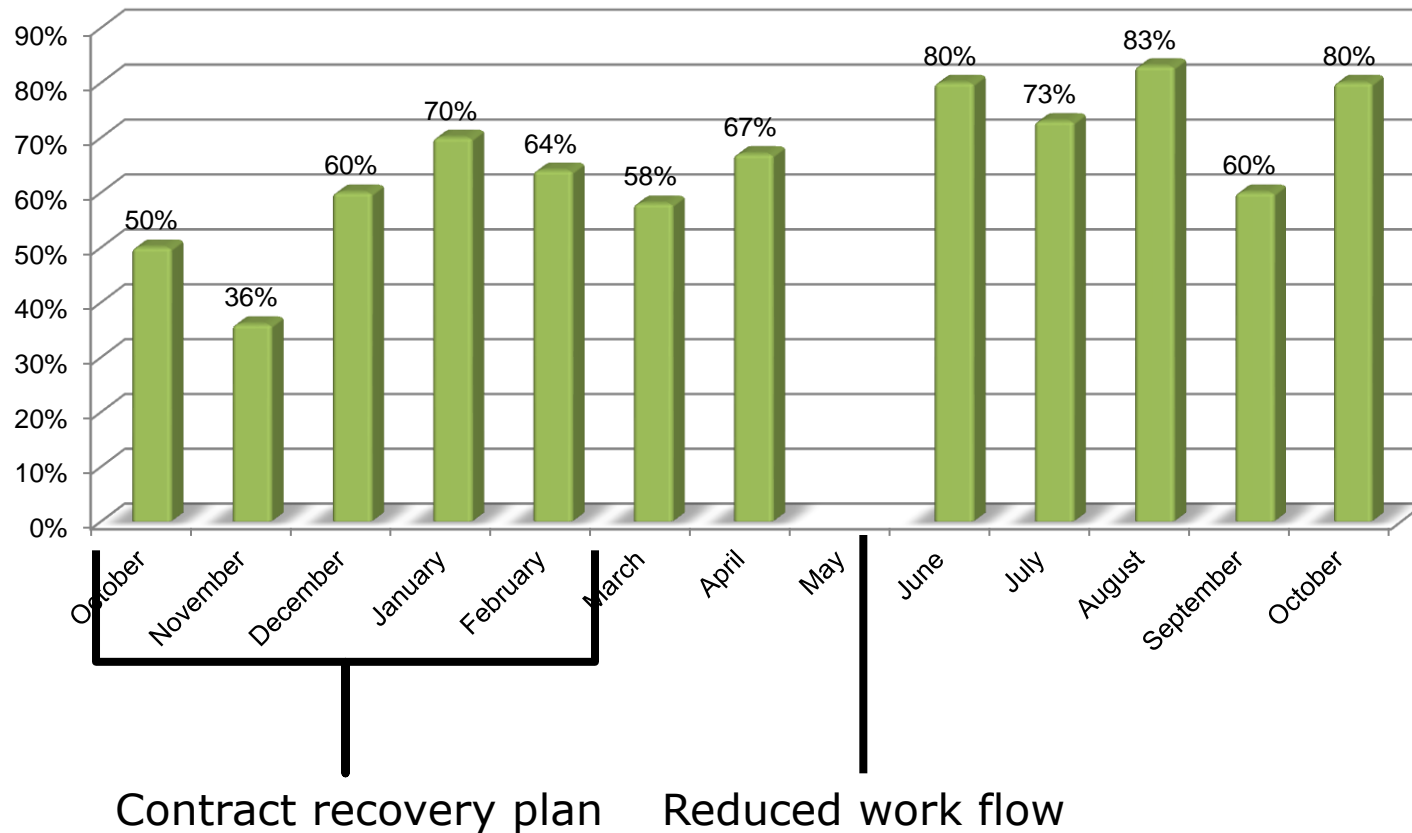
# 6

## Year 3 & 4 Delivery Resident satisfaction trajectory



# 7

## Year 3 & 4 Delivery Example of contract management



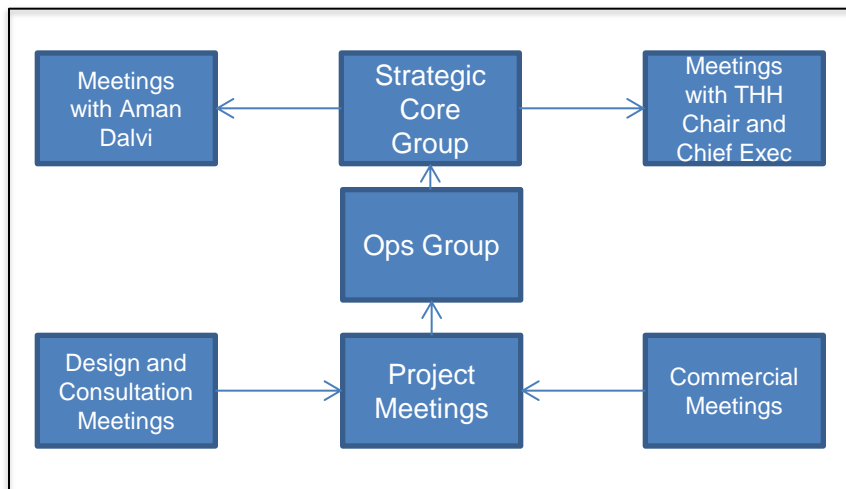


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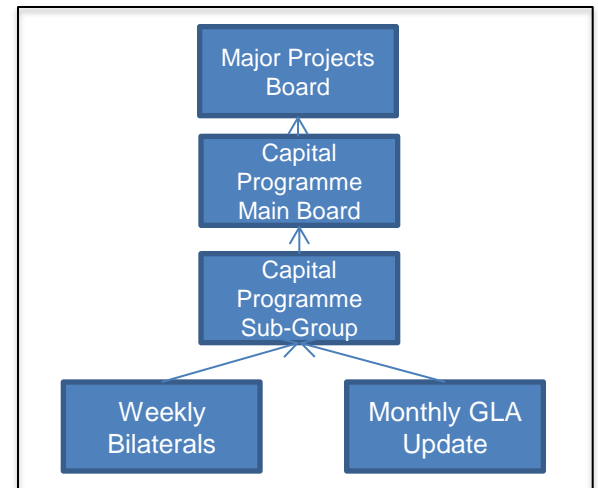
## Governance LBTH & THH internal governance

- Governance arrangements that allow for escalation of issues and risks, as well as swift dissemination of strategic decision-making.

THH Governance



LBTH Governance



# 9

## Decent Homes Local deliverables

- Investing in the local community :

Activity	#	Activity	#
Apprenticeships	132	Career fairs	5
Work experience	50	Business days and training	34
Outreach work placements	9	DIY and school training days	23

- Local community centres refurbished: Solander Gardens Community Centre, Locksley Culture Centre, Collingwood Hall, Barleymow Veterans Club, Brewster House, Harkness House, Lister & Treeves TRA Hall, SPLASH Community Centre and Ashington House
- Spending and hiring within the borough:

Activity	Target	Achieved
Local organisations and sub-contractors	20% of spend	31% of spend
Workforce live in the borough	30% of workforce	38% of workforce

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# 10

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## The Year 5 Bid

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- THH and LBTH were successful in their recent bid to secure additional funding.
- With all bidders, the GLA capped its allocation of funding so as to only fund works above a 10% non-Decency level.
- The result was an allocation of £13.2m, against a target yield of 917 homes made Decent.
- The GLA have also published new audit and eligibility guidelines for all boroughs, which are currently being discussed by THH and LBTH to ensure that they are effected in full.
- LBTH internally audited the Decent Home Programme and gave substantial assurance to our financial management practices.

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# 11

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## Payment options and 2014/15 Charges

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### For all Leaseholders

- 5% discount full payment within 28 days of invoice
- 12 months interest free repayment options

### Resident Leaseholders only

- £1k – £6k = 5 years to pay including 2 interest free
- £6k+ 5 years to pay including 3 interest free, 10 years under consideration by Council
- £10K cap for exceptional hardship
- Charges on property in extreme hardship cases
- Service charge loans – subject to mortgage interest rate and lease term

### 1014/15 DH major works charges – Average £17,050

Under £10K	24 Leaseholders
£10K-£15K	485 Leaseholders
£15K-£20K	355 Leaseholders
£20K-£25K	173 Leaseholders
£25K-£30K	98 Leaseholders
£30K-£35K	35 Leaseholders

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# 12

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## **Tower Hamlets Homes** THH/Mears - Responsive Repairs Contract

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- **Responsive Repairs contract with Mears - £12m annual budget**
  - Covers repairs in tenanted properties, communal areas of blocks and estates, gas breakdowns and works to empty properties prior to re-let
- **Entered into Partnering Contract in 2011**
  - Currently in 4th year of a 5 year contract, extendable from April 2016 up to a maximum of five additional years.
- **Volume of repairs - 56,400 works orders in 2013/14**
  - 34,000 repairs within properties, including 7,000 emergency call-outs
  - 12,000 repairs in communal areas
  - 9,600 gas repairs
  - 800 repairs within empty properties

# 13

## Tower Hamlets Homes Contract Performance

- **Performance monitoring**

- 3 Business Critical Indicators (BCI's) and 14 Service Critical Indicators (SCI's) to monitor performance, which is improving:

Performance indicator	2014 result	2013 result	Trend
% of repairs completed in target	97.9%	95.7%	▲
% of repairs right first time	94.3%	93.4%	▲
% of appointments made and kept.	98.2%	97.9%	▲
% of tenants satisfied with the repair	80.4%	82.3%	▼

- **Benchmarking**

- We regularly benchmark performance against other housing providers within the borough. During Q2 2014/15:
  - % of properties with gas safety certificate (THH = 100.0%, 1<sup>st</sup>)
  - routine repairs completed within target (THH = 98.8%, 2<sup>nd</sup> best)

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# 14

## Tower Hamlets Homes Improvement Project

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### **Joint project between THH and Mears**

- increase customer satisfaction and improve quality of the service.

### **Keep it simple**

- Easy to access & simple to understand
- Repair right first time

### **Tailoring the service**

- Meeting the needs of different groups of residents:
  - Different residents are looking for different things from the service
  - To try to reduce the volume of repairs in some cases
  - Look at low repair demand properties and any impact on the long term condition of the housing stock

### **Making it happen**

- Re-launch the universal repairs service
  - Introduce Property MOT and 'Here to Help' visits
  - Carrying out more planned maintenance work to increase value for money and prevent problems arising in the first place