

THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA

OVERVIEW AND SCRUTINY COMMITTEE ON HOUSING, ENVIRONMENTAL HEALTH AND ADULT SOCIAL CARE - 12 JULY 2006

REPORT BY THE EXECUTIVE DIRECTOR FOR HOUSING, HEALTH AND ADULT SOCIAL CARE AND THE CHIEF HOUSING OFFICER

REPORT ON TMO PERFORMANCE 2005/6 AND NEW HRA PERFORMANCE FRAMEWORK 2006/7

The purpose of this report is to introduce two documents. The first, TMO Performance 2005/2006 considers RBKC Tenant Management Organisation's (TMO) performance against a range of indicators set out in the HRA Performance Plan 2005/2006.

RBKC TMO HRA Performance Framework 2006/2007 is the next annual plan with existing and new indicators, and objectives to reflect new national and local priorities.

FOR INFORMATION

1. INTRODUCTION

- 1.1 The Council has a significant role in monitoring the performance of the TMO in delivering services to our tenants and leaseholders in line with our corporate priorities, government policy and residents' wishes.
- 1.2 The HRA Performance Plan 2004/2005 was the first attempt at drawing together a range of indicators on which the TMO were expected to report regularly and the HRA performance plan 2005/06 developed this further.
- 1.3 A review paper has been written to summarise performance against this plan and agreed with the Cabinet Member for Housing Services and the Chairman of the TMO Board.
- 1.4 The Performance Framework for 2006/2007 which the Council will utilise in monitoring the TMO has now been agreed with the TMO and will be agreed by the TMO's Board shortly.

2. TMO PERFORMANCE 2005/2006

- 2.1 This paper forms Appendix 1 of this report. It describes the TMO's performance on key indicators and their work in support of the Council's and their own objectives. The overall picture of performance by the TMO is encouraging.
- 2.2 The direction of travel for performance indicators is generally good. Issues that remain are around management costs, tenant satisfaction, and although some improvements are evident, with respect to leaseholder charges indicators.
- 2.3 Notable achievements through the last year include consistent delivery of the decent homes programme; further developments in combating anti-social behaviour; identifying and achieving considerable efficiency savings; jointly with the Council reviewed the Management Agreement and contributed to the Council's review of the Management Agreement with Lancaster West Estate Management Board; and last but not least, developed and started to implement a Leaseholder Service Action Plan to improve performance in that area.
- 2.4 Other areas on which the TMO has significantly moved forward are E-government, now meeting the Government's e-government expectations, and joint procurement development with other ALMO's and some housing associations.

3. CONCLUSION FOR 2005/2006

- 3.1 The TMO has had a positive year with several tangible performance improvements and many pieces of work undertaken or underway which will lead to continuing service delivery and organisational benefits.
- 3.2 The year also saw several long term strategic projects commence by the Council which are reflected in the new framework for 2006/07.

4. THE NEW PERFORMANCE FRAMEWORK FOR 2006/2007

- 4.1 This will be the third year of an agreed performance framework between the Council and TMO.
- 4.2 The HRA Performance Plan approach has been in operation since 2004 and was an attempt at bringing together a set of indicators and action plans on which the Council as client would monitor the TMO. Overall the approach has allowed the Council to gain a better understanding of the TMO's overall performance and development of service and organisational improvements.

4.3 The Performance Plan for 2006/07, attached at Appendix 2, is designed to continue delivery of the Council's housing priorities, both in the local and national context. The TMO is being inspected by the Audit Commission, and the outcome of the inspection will impact on the Council's Comprehensive Performance Assessment (CPA). The Council will be looking at stock options, estate renewal and capacity in respect of council homes and the TMO will have a key role in this work. Decent Homes delivery is ongoing, so too is tackling anti-social behaviour and prevention of homelessness. The drive for efficiency and value for money continues, and includes a review of the leasehold services. The plan also sets out the CPA Best Value Performance Indicators for the coming year.

5. CONCLUSION FOR 2006/2007

5.1 The data collection will take place quarterly and will be reported to regular meetings of the Chief Housing Officer and Chief Executive Officer of the TMO. It will also be reported to the Cabinet Member for Housing and it is proposed that this OSC should receive a report once data for quarters one and two is verified at the half-year stage.

5.2 The projects on stock options, decent homes delivery, asb and homelessness will be high priority for the year.

5.3 Following the forthcoming inspection by the Audit Commission in July 2006, it is anticipated that the mid year review of performance in October 2006 will be able to identify development issues for the TMO from the Audit Commission's report, and incorporate them into the Performance Plan at this point.

FOR INFORMATION

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Background Papers used in the Preparation of this Report

None

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Appendix 1

TMO (HRA) Performance 2005/06

1. Executive Summary

- 1.1 This report describes the TMO's performance on key indicators and their work in support of the Council's and their own objectives.
- 1.2 The direction of travel for performance indicators is generally good. Issues that remain are around management costs, tenant satisfaction, and although some improvements are evident, with respect to leaseholder charges indicators.
- 1.3 Notable achievements through the last year include consistent delivery of the decent homes programme; further developments in combating anti-social behaviour; identifying and achieving considerable efficiency savings; jointly with the Council reviewed the Management Agreement and contributed to the Council's review of the Management Agreement with Lancaster West Estate Management Board; and last but not least developed and started to implement a Leaseholder Service Action Plan to improve performance in that area.
- 1.4 Other areas on which the TMO has significantly moved forward are E-government, now meeting the Government's e-government expectations, and joint procurement development with other ALMO's and some housing associations.

2. Purpose of the Report

- 2.1 The HRA Performance Plan Framework 2005/06, reported to the Overview and Scrutiny Committee on 14 July 2005, detailed the expected activity from the Tenant Management Organisation for the financial year 2005/06. The purpose of this report is to assess the TMO's performance over the last year, commenting on the various aspects of their activity in the borough with particular focus on performance indicators and working with the Council providing services to borough residents. The activity report is a continuation of the mid year monitoring reported to the OSC on 9 November 2005.

3. Annual Review 2005/06 – Performance against Key Best Value Performance Indicators (BVPI's), Local Performance Indicators and CPA thresholds

- 3.1 Appendix 1.1 shows performance in 2005/06 against the targets and the outturn for 2002/03-2004/05 as a comparator. Performance has improved and targets have been met in respect of the SAP energy efficiency rating, time taken to complete non-urgent repairs, void rent loss and average re-let time. For the proportion of rent collected and urgent repairs completion performance has improved against the previous year although the targets were not quite met. There were four new BVPIs, 66b, 66c, 66d and 221a, only one of which, 66b, the percentage of tenants with more than 7 weeks arrears, had a target set. 66c and d are waiting for this year's outturns before a target can be set. The Service Charges were well below the target, whilst the Major Works charges were well above the target. Shown as a consolidated figure, the target of 93.57% was surpassed with an actual collection rate of 101.73%. The disparity in the figures is partly due to the way the charges are paid in to the accounts and continuing problems with the Academy IT system. The recent introduction of swipe cards and online payments this year for leaseholders should alleviate this problem as the money is paid in to the correct accounts. The Leasehold Management Strategic Action plan is in place and Royal Borough Review of Leaseholder Services which will be under taken in 2006/07 will further address the performance issues. The target for the number of homes made decent has been met following an extensive review of the Decent Homes Programme delivery, financial expenditure and Decent Homes Standards. Overspend challenges have been identified, current standards and the delivery programme, reviewed to ensure satisfactory completion and achievement by 2008.
- 3.2 The TMO's performance against the CPA thresholds shows five PIs at or above the upper threshold, only one, management cost is currently below the lower threshold, and four are between thresholds. The remainder have no threshold set because they are local PIs, or new PIs so there is no comparable data or they are PIs being deleted from next year. The new tenant satisfaction performance will be known following the survey in July. It is thought that the satisfaction score will be below the lower threshold, as in previous years, particularly as the performance is now being judged against national comparators not just London organisations. Although the satisfaction following the Decent Homes work should improve satisfaction this year, because the Borough is in inner London it is much harder to meet the thresholds because urban conditions such as noise levels and pollution are, in our view, not factored in sufficiently to the Audit Commission's calculations. The TMO and the Council has made comments again on this matter to

the Audit Commission in relation to their latest round of consultation on the 06/07 PIs.

4. HRA Performance Plan Framework Review

4.1 The HRA Performance Plan Framework presented to the OSC in July 2005 set out the Council's performance expectations from the TMO for 2005/06. The Performance Plan consisted of two elements, the context and drivers for the TMO activity and the Monitoring Framework looking at individual areas of performance. An update on the activity and the outcomes is detailed below.

4.2 Supporting the Borough's Strategies

The Performance Plan Framework detailed those strategies that inform the work of the TMO, helping the Council achieve its aims in the context of implementing national and local policies. The Community Strategy and the Housing Strategy set out a number of aims including promoting the creation of vibrant, balanced, inclusive communities; engaging these communities through resident and customer involvement; improving the physical condition of the housing stock and surroundings and promote greater energy efficiency; and improving and delivery and best value of all housing services.

The areas which the TMO support the Borough strategies are:

4.2.1 Decent Homes

4.2.1.1. Outcomes – Expenditure and Homes made decent

The TMO achieved the BVPI 184a target of 36%, percentage of non-decent homes. The number of homes made decent was 913, with a spend of £21,965,887.

4.2.1.2 Service Standards

Service Standards (KPI's) have been established and met for the Decent Homes Partnering Contracts. A 100% target was set for Quality and Defects which is now being achieved by both partnering contractors.

4.2.1.3 Asset Management, including Decent Neighbourhoods

The short and medium term stock investment programme is being updated linking option appraisal and the TMO's business planning. Additional funding of £2m has been obtained.

4.2.1.4 Procurement Strategy

Implementing the Procurement Strategy has been successful with the appointment of a Procurement manager and update reviews of procurement options. A long term agreement strategy and procedures are being developed. There has been a review of the current Gas servicing and successful re-negotiation of the contracts. Partnering and Open Book Accounting strategies are being developed for existing contracts and programmed works, significantly, linked to London ALMO Procurement Network options. The overall approach has been to link to efficiency measures and HRA challenges.

4.2.1.5 Savings on Repairs and Maintenance Services

The TMO is to identify a strategy for savings on the Repairs and Maintenance Services. Review and implementation of investment programme works has reduced responsive works for individual heating, and internal elements. The Annual Efficiency Statements has identified significant savings for Ground Maintenance contracts. The strategic approach is to achieve 60/40% between planned and responsive repairs within 2-3 years. There has also been no uplift on the schedule of rates for the last 2 years.

4.2.1.6 Review of Grounds maintenance contract

The new Grounds Maintenance Contract is to commence July 2006 through a Long Term Partnering Option and has proceeded through successful Leasehold Consultation stages. Procedures have been developed for Procurement of Partnering Maintenance Contracts including Leaseholder obligations.

4.2.1.7 Repairs Service Review

An extensive review of the Repairs service (both service delivery of Contractor and TMO), culminated in a detailed report and recommendations being submitted to July TMO Board with 4 key strategic objectives. The key success has been delivering a one team, one service approach across organisations improving morale and performance, customer satisfaction and staff incentives.

As a result of this change in emphasis emergency orders have reduced from 2003 levels of 45% to 18% of all orders raised. Combined emergency and urgent orders have reduced from 85% to 35%. In April 2005 926 Emergency and Urgent orders were raised and in April 2006, 295 such orders were raised, a reduction of over 76%.

The average days to complete non urgent repairs is around 11 days which means all tenants are benefiting from a quicker response repairs service and compares favourably in working towards the target of 10 days. The urgent repairs completion has improved this year to 94.28% of the repairs completed within the Government time limits, just short of top quartile target of 95%.

4.2.1.8 Resident Involvement in the Decent Homes Programme

There has been continued development of resident involvement in shaping and reviewing the repairs and maintenance service including Asset and Procurement strategies. Residents have been involved in Repairs Service review, Grounds Maintenance and Cleaning Procurement process, Investment strategic objectives and performance development through Working Groups, Focus Groups, Property Management Advisory Group, Area Review Boards and Neighbourhood Conferences. There has also been very positive development of consultation and service links with Lancaster West EMB.

4.2.2 Anti Social Behaviour

The TMO has enhanced the reporting of asb incidents, which are monitored bi-annually by their Audit and Performance review committee. Reporting now includes an analysis on case closure and how many cases are dealt with within target response times.

The TMO continue to work closely with the Police and the Council in resolving anti-social behaviour both at an operational and strategic level, as a result there have been only 2 crackhouses recorded during 2005-6, and both of these were shut down by applying closure orders. In total there were 4 evictions for anti-social behaviour and 1 ASBO obtained during the year.

There was a 3% reduction in the number of cases recorded compared to 2004-5, which has also helped towards reductions in the legal costs budget. A number of local initiatives contributed towards this success. In particular closer working with Police Community Support Officers during the summer months reduced the incidence of low level asb on larger estates. The housing management staff also participated in a number of Safer

Neighbourhood operations with the Police and other enforcement agencies across the borough, which helped to reassure the community and reinforce the zero tolerance message to those who cause problems for their neighbours or who break the law. On the World's End estate the 'Bingo Spit' project brought together local youngsters and the elderly to share social events and experiences and build a bridge between the age gaps. A new joint working protocol has been developed for the Golborne area.

4.2.3 The Audit Commission – Inspection, Self Assessment and Previous Recommendations

The Audit Inspection accounts for 15% of the score towards the Council's CPA Housing block, and can make a significant difference to the overall CPA score depending on the outcome. The date for the ALMO re-inspection has been confirmed as the two weeks commencing 17th July 2006. In preparation for this inspection, the TMO has set itself a number of external challenges to ensure the robustness of its processes, including a Peer Review by IdEA/Housemark which was generally very positive. The TMO has carried out self-assessments against the relevant KLOES and these have been reviewed by senior managers within the Audit Commission's Housing Inspectorate. Very useful feedback has been received. Following the gap analysis carried out against the KLOEs, actions have been incorporated into the TMO's Service Plan for 2006/07. Health checks have been undertaken by Housing Quality Network into three service areas - leasehold management, rent income collection and allocations - in order to identify any gaps in action plans. The HQN consultants continue to work with the TMO to achieve objectives.

The Audit Commission report from the previous TMO inspection, published in July 2003, identified areas where improvements could be expected. Since 2003 the TMO and the Council have been working to implement these proposals. All of the recommendations have been reviewed or implemented.

4.2.4 Efficiency Measures

The one BVPI indicator that the TMO is unlikely to achieve is BVPI 65a, weekly management costs. Although the TMO will not get within the thresholds it can still demonstrate its action to bring these costs down. The TMO has produced its own Annual Efficiency statement, using the consultants Housemark to independently verify the data that is fed into the overall statements of the Council. The key messages are as follows:

- **2005/06 backward looking efficiency gains of +£1,414,112 (of which +£879,912 are attributable directly to the TMO, whilst +£534,200 are attributable to budgets that are managed by the TMO on behalf of the Borough)**
- **2006/07 forward looking efficiency gains of +£1,866,296 (of which +£610,673 will be attributable directly to the TMO, whilst +£1,255,623 will be attributable to budgets that are managed by the TMO on behalf of the Borough)**

Backward looking efficiency gains of +£2,650,000 for 2004/05 were also identified.

The 2005/06 backward looking efficiency gains have been achieved by the TMO notwithstanding the need for it to make an additional £380,000 in superannuation contributions further to the requirement that the Borough's superannuation fund achieve an actuarial breakeven over a period of years. The additional expenditure (which will continue for a number of years) is outside the control of the TMO and the figures that are presented should be viewed in this context.

It is also noteworthy that the TMO's 2004/05 backward look indicated an efficiency gain of £414k (comparing actual spend in 2004/05 to the actual spend in 2003/04 [adjusted for inflation]). However this was not included in the 2004/05 backward look calculations because of uncertainty over the volume of works between the two years.

These points should be borne in mind when interpreting the 2005/06 backward look figures provided.

Important Note: The gains shown above are based on calculations using ODPM social housing inflation indices of 4.80% (for management and maintenance) and 10.60% (for capital works). Revised indices for use in the preparation of efficiency gain calculations for the 2005/06 backward look and 2006/07 forward look had not been published by the Department of Communities and Local Government at the time of publication of the Efficiency statements (10 April 2006).

4.2.5 Financial Controls and Monitoring

Wide ranging financial protocols were introduced in 2005/06. These protocols were monitored against a timetable that measured the

performance of both the Council and the TMO. Good performance was achieved in most areas during the last financial year and clearer targets and deadlines have been established for 2006/07 in the main area of weakness, which was the monitoring of the Capital Programme. With these in place performance across the board in 2006/07 can be measured and reported. These protocols will continue to be reviewed jointly against the timetable on a monthly basis.

A budget of £21,513,512 was allocated to the Capital Programme for 2005/2006. At the mid-year this budget was revised to £23,974,372 to allow for a level of over-programming. Reassessment of the projects later in the year reduced the six month forecast back in line with the original budget and a spend of £21,965,887 was achieved.

4.2.6 Review of HRA budgets

The Council and the TMO undertook a full review of all HRA budgets in 2004/2005 in conjunction with external consultants to identify potential longer-term savings and also to ensure that continuous improvement and value for money can be demonstrated. The initial modeling of the extent of the savings that are required to redress this position indicated that substantial cost savings and additional income generation were necessary. It also suggested that the sooner such actions were taken the better the consequence in the longer term. The 2005/2006 budget started the process and progress has been accelerated in the current budget review.

There will be a cumulative shortfall in HRA funding, reaching an in year deficit position on the HRA between £1.7 million and £3.5 million in 2008/2009, depending on the level of protection of Management and Maintenance (M&M) allowances. If all reserves and balances were used to offset these funding shortfalls without further savings, there would be an overall deficit in the HRA by 2010/2011 of £2.6 million (if there was no further protection for M&M allowances from 2008/2009). The Council is unable to budget for a deficit on their HRA (it is illegal) and must take all reasonable action to eliminate this possibility. This will be achieved by a combination of efficiency measures and a review of housing stock options and estate renewal during 2006/07.

4.3 Reviews

4.3.1 TMO Management Agreement

The Management Agreement that sets the relationship between the Council and TMO has been in place since 1996 when the TMO was

set up. In the 2003 the Audit Commission Inspection of the TMO there was a recommendation to review and update the Management Agreement so it accurately reflects the arrangements in place between the Council, the TMO and Lancaster West Estate Management Board.

The review was undertaken during 2005/06 by lead officers from the Council, TMO and LWEMB, with terms of reference to update the agreement in line with present operational practice and legislative changes. This included a new format using the new Modular Management Agreement (MMA) for Tenant Management Organisations from the former Office of the Deputy Prime Minister published in Summer 2005.

At the conclusion of the review the updated Management Agreement had changed very little strategically. Operationally there was the inclusion of schedules which reflect actual working practice, and the TMO having delegated authority to approve registration of residents' associations. The Agreement came into effect in April 2006, and was signed off in June by the Cabinet Member for Housing and the TMO Board. Work is being undertaken to complete the schedules that append to the Agreement, this is because many of the policies have been updated or are in the process of being updated, including the Housing Allocations policy, and TMO protocols for rent and service charge collection. This work has been timetabled to complete by November 2006.

4.3.2. Lancaster West Estate Management Board Management Agreement

The Lancaster West Estate Management Board Agreement review was also completed this year, and the new agreement in the Modular Management Agreement format was signed with effect from April 2006. The original agreement was signed in 1993 between the Council and the LWEMB, prior to the establishment of the TMO. The review of the LWMA Management Agreement involved a series of tripartite meetings to agree the services that the LWMA and BWTMO will deliver to each other as part of their delegated authority.

Agreement of the service levels has resulted in the drafting of Service Level Agreements to formalise the arrangements between the EMB, TMO and the Council. These have clarified and improved the relationship between the three parties. The Service Level Agreements are to be appended to the Management Agreements as part of the schedules when they are ready. The Service Level Agreements encompass Equalities, Technical Services, Human Resources, Board Training and Estate Management Service Standards, which include planned and responsive repairs, gas

services and rent collection. The timetable for completion of these is November 2006.

4.3.3 Service Level Agreements

With TMO moving out of the Town Hall to Charles House many of the SLAs are no longer applicable. The ones that remain in place are:

Legal Services
 Property Services
 Housing Benefit
 Housing Reception
 Health and Safety
 Adult Services Security
 Adult Services Disability team

The above SLAs have been agreed for the current year only. With the efficiency agenda as a high priority the TMO will be carrying out Value For Money reviews on all services with the aim to carry out market testing. Review of the Legal Services and Property Services SLA has already brought about a reduction in costs.

4.3.4 Leaseholder Review

An internal review by the TMO identified a number of structural and procedural improvements needed with Leaseholder services. The Director of Finance in the TMO developed the action plan (Appendix 1.2) to address the various issues in leasehold management. Progress of the tasks has been according to plan, with some areas completed and some in hand. The TMO provides updates on the progress on a regular basis through the Leaseholder Review meetings.

Current analysis of the Leasehold Service costs shows a positive downward trend with the average cost per property reducing steadily.

	Average cost per property proportioned by number of staff	Average cost per property proportioned by number of properties
04/05	277	726
05/06	273	724
06/07	261	688

The 06/07 figures are based on the budget that was prepared last November/December and approved by the TMO Board/TCC and the Council in January/February. The TMO is confident that performance on costs will be better than indicated, but it is too early to forecast the extent of the improvement. The average cost per property proportioned per property shows a reduction from £ 13.96 per week in 04/05 to £ 13.23 per week in 06/07, this is in excess of the Gershon efficiency target of 2.5%.

Overall the Leaseholder Service debt collection performance amounted to 101.73% (unaudited) against a target of 93%, when disaggregated the performance against collection of major works debt is disproportionately high at 74.14% against a target of 50%, but as stated previously this is due to amounts being credited to the wrong accounts. This matter is being addressed in the Leaseholder Action Plan.

Performance in handling queries and complaints has improved during the year. On average queries are dealt with within 10 working days. An average of 1,100 queries per month are received. Due to the complexity of the queries and the time they are sent many cannot be answered immediately, for example a query about the amount to be paid for repair works may not be answerable until after the defects period has ended. Formal complaints are generally handled within time limits, and where there is an exception the leaseholder is kept informed.

The continuing problems with the Leasehold Module of Academy have caused delays in the issuance of quarterly invoices. Additional difficulties have been caused by the changes in the bank standard requirements in respect of attaching Giro slips to the invoices. The TMO is working to resolve the IT issues with Capita and has also established a spreadsheet based system so that it can work around the problems. The Leasehold team is on schedule to produce invoices on time for the rest of the year.

The Leasehold team started a benchmarking club with a number of other London ALMOs, whose main purpose is to look at best practice and to establish performance indicators for leasehold management. The group has met four times and hopes to publish data in due course.

During 2006/07 the Borough is undertaking a Royal Borough Review of the service. The aim is to ensure improvement of the service in respect of quality and value for money and ensure that it is comparable with other service providers on quality, cost and leaseholder satisfaction. Currently the project is being scoped and

the intention is that the outcome will be reported in the last quarter of this year.

4.3.5 Review of Commercial Property Portfolio Strategy.

The Commercial Property Portfolio was reviewed by the TMO and Council's Property Services Group. This culminated in strategic report to TMO Board identifying short/long term objectives. Increase in the income figure of £100,000 per annum is anticipated as a consequence of these decisions for the next three years. A Housing Asset Strategy Group established to improved co-ordination with RBKC on these issues.

4.4 The Council's Strategic Issues that impact on the work of the TMO

4.4.1 Housing Stock Options, Estate Renewal and Capacity Study

Following the outcome of the HRA review the scoping has started to address stock options and estate renewal. These projects are part of the focus for the TMO and Council performance plan for 2006/07 and are discussed in greater detail in that report.

4.4.2 Supporting People

In January and February the Supporting People team carried out a review of the TMO's Community Alarm Service. The review looked at six areas in detail: Needs and Risk Assessment; Support Planning; Security, Health and Safety; Protection from Abuse; Fair Access, Diversity and Inclusion; Complaints.

The draft review report recommended a number of changes, which have to be agreed with the TMO. These recommendations are to increase the weekly funding cost to bring it in line with the West London region. To reduce the number of units under the contract; reconfigure the non-alarm support, redirecting funds from the Community Alarm Service to Floating Support Service; re-negotiate a new service level agreement to ensure there is equity in the charging across the service.

In the period October-December 2005 the Service carried out separate Satisfaction Surveys for Sheltered and Community Alarm Service customers, and the outcomes were as follows:

- 40% response rate for sheltered housing.
- 36% response rate for CAS.
- 91% of sheltered residents were satisfied with the overall sheltered housing service.

- 96% of BME sheltered residents were satisfied with the overall sheltered housing service.
- 97% of CAS customers were satisfied with the overall CAS service.

The service also achieved the highly coveted Chartermark Award in June 2005, and completed a successful Chartermark Action Plan Review in June 2006.

4.4.3 New Housing Allocation Scheme

A fundamental review of RBKC's Allocation Scheme was undertaken by the Council last year, in consultation with the TMO. The review focused on the following key issues:

- The need to achieve a more realistic prioritisation of applicants, given the very limited number of units becoming available for letting each year and the huge level of housing demand with which the Council is presented.
- The challenges involved in meeting the Government target to halve the number of homeless households placed in temporary accommodation by 2010.
- The new "harder test" Comprehensive Performance Assessment (CPA) introduced by the Audit Commission, with a sharper focus on housing and homelessness from April 2006.

The findings of the review were presented to the Tenants' Consultative Committee in October 2005, and then the proposals for a new Allocations scheme were developed further in partnership with the TMO's Allocations team. The new scheme has now to go out for the 12 week statutory consultation at the beginning of July, with implementation scheduled for January 2007. The aspects of the new scheme with particular relevance to the TMO will be as follows:

- Severely overcrowded households will receive much higher level of priority than under the current Allocation Scheme, with a major impact for overcrowded Council tenants, approximately 150 of whom are currently registered on the CHR.
- A New Generation Scheme, currently being piloted, will be formalised as an ongoing initiative, offering a new route to housing for households with dependent children who have been asked to leave overcrowded family homes.
- A new priority category of Supply Transfers will be created, as part of a drive to make best use of social housing stock in the Borough. The new category will include Council and RSL tenants who are under-occupying their current homes and Council tenants living in mobility/wheelchair standard accommodation

they do not require. Building on the success of the current under-occupation scheme for Council tenants, these changes will increase transfer activity whilst freeing up more units for larger households and those with mobility needs.

- The new scheme will give additional preference to applicants already awarded high priority on medical/welfare/overcrowding/supply transfer grounds if they are a *local resident* – defined as having lived in RBKC for at least three years continuously at the time of applying (or having an essential need to live here on medical or welfare grounds). Aimed at focusing local resources on local people, this change will benefit a high proportion of transfer applicants.

The new scheme will also formalise the changes arising from the 2002 Homelessness Act, creating a single system of assessment and prioritisation which applies in exactly the same way to Council tenants as to new applicants.

4.4.4 HRA Hostels

The TMO undertook a review of its hostels provision to improve service delivery with a specific focus on more tenancy support. The conclusion of the review was to make a number of changes to the hostels services, that have begun to have an impact.

The Council also undertook a review of the 7 RBKC-owned hostels managed by the TMO. The review focused on whether, from a strategic commissioning perspective, the current hostel service represents best use of resources, in terms of both buildings and revenue funding.

The main recommendations arising from the review are as follows:

- To re-model the accommodation to provide more family-sized accommodation, remove shared facilities and improve disabled access.
- To re-define the groups of single people for whom the service will cater.
- To specify and procure a support service to meet the needs of these clients which is unlikely to be provided by the TMO
- To develop a new SLA between the Council and the TMO relating to the housing management service to be provided.

4.5 Other Performance Areas included in Monitoring

4.5.1 Health and Safety

Regular performance meetings have been held between the Health and Safety advisers for the TMO and the Housing, Health and Adult Social Care Business Group. The TMO has been active in addressing the high priority areas of the Health and Safety Action Plan 05/06. The TMO has obtained 100% access for servicing council-owned individual gas appliances, the software to monitor asbestos has been purchased although awaiting up an upgrade before data can be entered, and health and safety vetting of contractors has been adopted. Many other high, medium and low priority areas of the action plan have been either completed or are on-going.

4.5.2 Environmental Health Issues

The protocol between the Environmental Health teams and the TMO has been working well. Responses have been quick and efficient and there are no major issues.

4.5.3 Complaints

In 2005/06, the TMO achieved its target of replying to complaints and members' enquiries within a target time of five days. A review of the complaints service has been completed which will make the service more accessible and transparent. The process included both a staff focus and residents' focus group. To analyse complaints and plan for the future the TMO holds a quarterly complaints conference that is chaired by the Chief Executive and attended by representatives from all divisions. The aim is to look at trends and identify areas for improvement or gaps in the service. Two examples of these are improvements in the way the TMO consults with leaseholders on major works schemes and improvements to the provision of temporary heating following estate-wide heating failures.

4.5.4 Governance

Over the past twelve months the TMO has been reviewing its governance processes with a view to strengthening the effectiveness of the Board. A plan is now being drawn up for the next 12 months. In particular the TMO will be looking to ensure that the Company's business plan and service objectives are reflected in the workings of the Board. A rolling work plan will be produced to monitor Board business. The TMO will also be looking at strengthening the induction process, considering the Board size and composition, revisiting the Code of Conduct and other Board procedures and looking at how Board interacts with its stakeholders,

and residents in particular. Internally, the aim will be strengthening business continuity through assessing the effectiveness of risk management, business continuity and disaster recovery processes. The TMO produced its Board Training and Development Good Practice Guide, which has been very highly regarded and has been placed on the Housing Corporation's website as a model of good practice for housing associations to follow.

4.5.5 E-government

The TMO has achieved the required E-government compliant tasks to the satisfaction of the Council's Computer and Communications Advisory Group. They have received £ 150k towards their E-government programme. The achievements include:

- Repairs and anti-social behaviour reporting
- Rent and service charge payments on line
- Relaunch of the website

4.5.6 Allocations

The TMO has worked closely with the Council's Allocations Team to improve on the previous year's performance against the Re-housing Plan. The target for non-transfer lettings to homeless households was set at 60%. The TMO achieved 57% of non-transfer lettings to homeless households compared to 40% for the previous year.

Additionally, the TMO participated in a pilot chain lettings scheme designed to create more opportunities for transfer tenants, and repaid an equivalent number of 10 properties, which were not counted towards the homelessness target. Had these been included in the homeless target they would have achieved 60%.

In terms of void management, the Council received 76% of total voids for bed-sits, one beds and two bed properties and 49% of 3 bed+ properties. Looking at the total number of lettings across bed-sizes, they have over-achieved on the global target of 67% of all lettings, with 71% overall.

The TMO Allocations team has this year put in place a revised set of service standards for tenants applying for a transfer application. They include setting out the timescale for responses, what advice will be offered around re-housing options and how the re-housing points are allocated. These service standards were produced in consultation with the tenants. The transfer policy has also been updated but this is subject to change following the outcome of the Council's Allocations Review later in the year.

4.5.7 Equality Standard for Local Government

Following a very challenging process the TMO has external validation from an expert in diversity and equality issues that they have reached level 2 of the Equality Standard, and have now been re-assessed as achieving level 3. The Council has confirmed this level 3 assessment. The Council has carried out a self-assessment and has assessed as level 4. The expectation is that both Organisations will have progressed on to level 5 by March 2007 so there is parity in the standard.

4.6.8 London Area Procurement Network

The TMO is part of the London Area Procurement Network, which comprises a number of ALMOs working together to achieve efficiencies in procurement of works. LAPN has recently produced a leaflet to go out to Leaseholders with the Section 20 notices, explaining LAPN's collaborative framework in respect of coordinating works, sharing resources and making savings. The leaflet is being circulated to leaseholders of 10 ALMOs across London.

5. Benchmarking

- 5.1 The Benchmarking report attached at Appendix 1.2 compares the TMO to other ALMOs and Borough in London. The figures show the data set for both 04/05 and 05/06. In comparison to last year the TMO has remained in the best performer in relation to percentage of rent loss through vacant dwellings and increased their ranking in respect of average re-let days. The rent collection performance (including and excluding arrears) has not changed greatly with performance close to or within the upper quartile. Urgent repairs and non-urgent repair times have improved but compared to other organisations' performance more work still needs to be done. Decent Homes targets have been met and the TMO remain within the median quartile. Unfortunately the comparison of management costs available last year was not included in the data set this year.
- 5.2 The areas for improvement have been identified and discussed above so it is expected that further improvement will be reported when the TMO is benchmarked again in next year's annual review.

Appendix 1.1

Annual PI performance 2005/06 against target and CPA thresholds

BVPI	CPA	Definition	02/03	03/04	04/05	05/06	Target CPA Threshold		Comments
							05/06 Lower	Upper	
63	H11	Average SAP (energy efficiency) rating (%)	61	64	66	68	68	57	65 Above upper threshold
65a	H9	Average weekly management costs				34.37		15.51	10.2 Below lower threshold
66a	H6	Proportion of rent collected (%)	94.6	96.1	96.2	96.52	96.4	96.18	98.2 Between thresholds
66b		More than 7 weeks arrears - % of tenants				8.17	8		New
66c		Notice of Seeking Possession - % of tenants				12.9			New
66d		Possession action - % of tenants				0.28			New
69		Void rent loss (%)	0.66	0.21	0.2	0.12	0.5		Not in CPA for 05/06 so no thresholds set.
72	H4	Urgent repairs completion (%)	89.4	88.9	93.8	94.28	95	88	97 At upper threshold
73	H5	Average time taken to complete non-urgent repairs (days)	13.2	13	11.3	11	11	24	11 At upper threshold
74	H12	Satisfaction of tenants with overall service (%)	n/a	70	n/a	n/a	n/a	84.1	92.5 Taking place July 06
75	H13	Satisfaction of tenants with opportunities for participation (%)	n/a	58	n/a	n/a	n/a	68.2	77.5 " "
164	H10	Follow CRE Code of Practice in rent housing	Yes	Yes	Yes	Yes	Yes	No	N/A Between thresholds
184a	H1	Non-decent homes (%)	58.72	56.93	43.22	36	36	53	21 Between thresholds
184b	H2	% change over the year	3.8	24.91	11.36	16.3	19.6	3.5	23.8 New
185	H3	Percentage repairs for which an appointment was both made and kept (%)	92	92	96.58	96.33	96	11.5	Above upper threshold Deleted from 06/07 Audit Commission decision made not to collect for 05/06
211		Housing repairs and maintenance							Above upper threshold - previously BV 68
212	H8	Average re-let time (%)	29.6	24.8	23.67	21	21	45	31.05
RBPI		Percentage Service Charges collected (%)	101	108	108.5	86.74	105		local indicator
RBPI		Percentage major works charges collected (%)	106	43.1	91	74.74	50		local indicator

Appendix 1.2

LEASEHOLD MANAGEMENT STRATEGIC ACTION PLAN

Task	Key dates	
Devise Quarterly reporting structures	Draft 31/01/06 Final 28/02/06	Done
Resolve Academy issues	Gap Analysis by 31/12/05 Academy negotiation by 28/02/06	Done In progress New target 31/07/06
Review Leases	Progressively to 31/03/07	In progress
Review Leasehold Policies	Progressively to 30/04/06	Main policies to Leasehold Services Committee mid June meeting
Review Leasehold Procedures and Handbook	Progressively to 30/06/06 Handbook reissue by 30/09/06	In hand
Review admin and management fee calculation methodology	Review by 31/08/06 Implement for budget 07/08	Consultant instructed and project underway
Finalise restructure	Recruit Head of Service by 31/08/06	Potential delay of a month due to appeal against assimilation/ring fence decision
Impose performance management structures	Progressively from 30/11/05 Finalise by 31/03/06	In place
Finalise communication protocol with Technical Services and Resident Involvement Teams	Complete by 28/02/06	Progress made Revised target to complete 30/06/06

Staff training programme	Progressively to 31/03/07	In Progress
Produce Leasehold Compact	Consultation completed and launch by 30/09/06	Target Launch date now in October to coincide with Leaseholders conference
Absorb Lancaster West Leasehold SLA duties	By 01/04/06	Done
Develop Benchmarking Club, 2007 Survey and mini-surveys	Benchmarking Club base statistics by 03/06 then ongoing Mini-survey by 30/04/06. Survey questions by 12/06	Done On hold Full Survey to be brought forward
Review Key Line Of Enquiry and compare to new version	30/04/06	In progress Target completion 30/06/06

Appendix 1.3

Benchmarking Report (Housemark)

2004/05 2005/06

Percentage of rent loss through vacant dwellings

Rank	1	1
Number in sample	21	12
Upper Quartile	1.36	1.07
Median	1.7	1.86
Lower Quartile	2.38	2
Kensington and Chelsea TMO	0.29	0.5

Average relet times (days)

Rank	4	2
Number in sample	23	15
Upper Quartile	28.205	27.25
Median	33.1	31.7
Lower Quartile	40.17	37.26
Kensington and Chelsea TMO	23.67	21

Proportion of rent collected (excl. arrears b/f)

Rank	3	3
Number in sample	16	11
Upper Quartile	100.5175	100.45
Median	99.715	100.05
Lower Quartile	99.1125	99.3
Kensington and Chelsea TMO	100.64	100.48

Proportion of homes which are non-decent

Rank	9	6
Number in sample	21	11
Upper Quartile	33.7	30.77
Median	38.34	36
Lower Quartile	51	58.3
Kensington and Chelsea TMO	35.74	36

Proportion of rent collected (incl arrears b/f)

Rank	13	12
Number in sample	23	25
Upper Quartile	97.295	97.29
Median	96.22	96.2
Lower Quartile	95.56	95.54
Kensington and Chelsea TMO	96.2	96.52

Average time taken to complete non-urgent repairs

Rank	11	13
Number in sample	23	17
Upper Quartile	9.75	7.8
Median	12.75	9.97
Lower Quartile	14.7	11
Kensington and Chelsea TMO	11.3	11

Percentage of urgent repairs completed within government time limits

Rank	15	14
Number in sample	22	16
Upper Quartile	97.5275	98.27
Median	94.69	97.72
Lower Quartile	93.34	95.28
Kensington and Chelsea TMO	93.8	94.28

Organisations included in this Comparison

Ascham Homes
Barnet Homes
Brent Housing Partnership
CityWest Homes
Corporation of London
Ealing Homes
Hammersmith and Fulham Housing Management Services
Hillingdon Homes
Homes for Islington
Hounslow Homes
LB of Barking and Dagenham
LB of Camden
LB of Haringey
LB of Harrow
LB of Merton
LB of Newham
LB of Tower Hamlets
LB of Redbridge
LB of Lewisham

Appendix 2

TMO (HRA) Performance Plan Framework 2006/07

1. Introduction

- 1.1 This year there are important issues for the TMO and Council to address. The TMO is to be inspected by the Audit Commission in July 2006, this will contribute towards the Council's Comprehensive Performance Assessment (CPA) annual assessment. In addition the Council is starting to look at the Housing Revenue Account's long-term viability and will be reviewing the options for the stock and for estate renewal over the coming year. Both of these projects may have long-term implications for the TMO. These issues will be discussed in more detail in the body of the report, but just as examples, they demonstrate the complexity of the working relationship between the Council and the TMO. This report will set out the priorities for the performance expected in 06/07, and reflects the activities and improvements required of both Organisations and the changes in Local and Central Government priorities that have occurred in the last twelve months.

2. Context and Drivers

- 2.1 Following on from the Performance Framework 2005/2006, the new plan seeks to refocus attention and action on to continuing, refreshed and new local and national priorities. The key drivers that are either new or reviewed since the last plan are :
- 2.2 Renewing the Legacy, Responding to Residents, and Really Good Services.

These are the refreshed Royal Borough Aims. The TMO and the Client side are engaged in a range of activities which further these aims, including delivering Decent Homes across the Council stock and identifying opportunities for renewal and regeneration of our housing. Service improvement has been, and continues to be, a priority for the TMO and improvements in Performance Indicators have been achieved in most areas. The TMO as a tenant-managed organisation can be seen to be at the cutting edge of approaches to involvement of residents in delivering services.

2.3 Respect

The Government has implemented a cross departmental Respect Action plan which includes the development of a "Respect Standard" for Housing Management. Responses to a consultation

paper on the proposed standard have been invited. This standard, and its position at the heart of the Government's response to Anti Social Behaviour (ASB) is recognition of the important role housing management can play in addressing ASB. The TMO has a good track record of innovative and timely responses to ASB issues in the properties it manages, this new approach is welcomed and the TMO will, in partnership with the Council, take this work further.

2.4 Inspection

The TMO is to be inspected by the Housing Inspectorate between 17th and 28th July 2006. The Inspection forms part of the ALMO inspection programme and follows on from an Inspection in 2003, after which the TMO was awarded 2 stars and "excellent prospects for improvement". As previously reported the Inspection recommendations made in 2003 have all been implemented. The TMO has completed a self assessment process in preparation for the Inspection that has allowed managers to examine their service plans and review their planned service developments. Findings from the 2006 Inspection will be reported in the mid year report on performance and the recommendations from the report produced will be incorporated into this Framework at an appropriate point.

2.4 Royal Borough Review of Leaseholder Services

This project commenced in June 2006. The review will consider amongst other things, service standards, charging, and service planning, and consider whether the TMO's strategy in relation to leaseholders is fit for purpose. One outcome from the review is expected to be a recommendation on whether or not a market testing exercise ought to be carried out on this service.

2.5 Efficiency

The TMO has undertaken a number of pieces of work relating to efficiency and the "Gershon agenda". The TMO is required to produce, because of its status as an ALMO, an Annual Efficiency Statement and has done so comprehensively in 2004/5 and 2005/6. Work continues on efficiency and reviews of services and policy incorporate the principles as a matter of course.

2.6 Prevention of Homelessness/ reduction in Temporary Accommodation use

The Government has imposed a target on all local authorities of reducing the use of Temporary Accommodation for homeless households by 50% by 2010. Coupled with this is a drive to improve prevention of homelessness work by all landlords and services

working in the housing field. The TMO as a landlord has a part to play in this. Its rigorous approach to terminating tenancies for breach, has to be balanced against a need to provide a service which can prevent eviction, and ultimately homelessness, by providing a service that responds in a timely way to those tenants experiencing problems with maintaining their tenancies and providing options for them in terms of advice and support.

3. Comprehensive Performance Assessment

- 3.1 The Council will be subject to a Corporate CPA Inspection this year and issues such as efficiency and use of resources, which are subject to the scrutiny of the Inspectors, are areas where the TMO contribute to the assessment. In terms of the Annual CPA assessment, the TMO Inspection and BVPI performance contribute to the Housing block. The Housing score is made up of 50% based on Community Housing PIs, 35% Housing Management PIs (TMO performance) and 15% on the inspection of the TMO services. Therefore both a positive Inspection report and score, and an improvement against some key BVPIs will be important in ensuring the Council retains its excellent status.
- 3.2 Appendix 2.1 shows the list of performance indicators, either CPA, Best Value Performance Indicators or local indicators that will be collected as the PI suite for 2006/07. There are relatively few changes for the Housing block. The CPA BVPI changes that affected the Managing council homes section include the deletion of BVPI 185, which deals with the percentage of repairs where appointments have been made a kept. A new PI comes in its place which measures the percentage of planned to responsive repairs funded from revenue expenditure.
- 3.3 05/06 Outturn figures indicate that for eight of the PIs the direction of travel is good and they seem likely to meet targets and be above or close to the upper thresholds. There are two new PIs they are the number of notices seeking possession served, and the percentage of tenants with more than seven weeks arrears. The thresholds for these PIs are as yet not set by the Audit Commission, however targets will be set or reviewed once they are known. These are areas of activity on which the TMO is focussing with its prevention of homeless measures, described in section 11 in greater detail. The number of urgent repairs completed on time needs to improve but this has been going in the right direction over the past three years. Improvement is also necessary in relation to tenant satisfaction and opportunities with participation. It is thought that work undertaken as part of Decent Homes delivery will increase the satisfaction ratings. Similarly, it is anticipated that the work undertaken as part of the Leaseholder Action Plan developed by the

TMO in 2005/6 will improve the PIs in respect of Service and Major Works charges. The Decent Homes targets should see further improvement following the review and update of the delivery programme in 05/06, and the internal targets have been set to achieve the overall programme by 2008. The Average SAP rating (BVPI 63) is likely to improve with proposed insulation and improvement works included in the investment programme.

- 3.4 The only target not expected to be achieved is that for the Management costs indicator. With the efficiency savings already identified there may be improvement in performance, and there is also an area adjustment being included in the way the indicator is calculated. However this is unlikely to be sufficient to improve the relative position as below lower threshold, and the Council and the TMO will be arguing in representations to the Audit Commission that a "London factor" should be taken into account within the block with regard to this PI and tenant satisfaction and participation.
- 3.5 Several of the wider BVPIs that were included last year, that the TMO contribute to will also be deleted by the Audit Commission, such as 156 on disability access, and 157 in respect of e-government for ALMOs working with tenants.
- 3.6 For 2007/08 the new PIs will be introduced in the Managing council homes block, these are:-

Emergency/urgent repairs

Gas servicing

Rent arrears

Council homes SAP ratings – the measurements are changing and will no longer be comparable with previous years.

Repairs and maintenance satisfaction

The TMO already collects much of this data so comparisons will be made with the likely thresholds and service improvement measures will be put in place as necessary.

4. Anti Social Behaviour

- 4.1 The TMO will introduce a new ASB recording system to assist in the provision of reporting on cases. By June 2006, the system will be live. It will help to generate better management information and provide useful intelligence about anti-social behaviour on a geographical basis. This will assist in directing resources to asb hotspots. The TMO will be able to share this information with their partners, particularly the Police, so that joint solutions can be considered.

- 4.2 The TMO will be taking an increasingly proactive approach in tackling youth anti-social behaviour with a move towards more preventative work and incentives to reinforce positive behaviour, rather than relying too heavily on sanctions such as ASBOs. This project will be focused initially on the Golborne ward and Worlds End will also be targeted. The aim will be to identify youth asb issues at an early stage and seek, through a multi agency intervention approach early resolution using non-statutory innovative engagement in preference to enforcement action.
- 4.3 There is an emerging problem with dog nuisance on social housing estates in the borough, and measures are being put in place to tackle this on some estates, however the TMO will review their approach to dealing with dog related nuisance and devise a borough wide approach that will address the problem.
- 4.4 The TMO will review its ASB policy statement this year to reflect the above changes in approach, and this will also include how they will adapt the joint policy to meet the Respect Agenda being introduced by the Government this year.

5. Test of opinion and Satisfaction survey

- 5.1 The TMO is legally obliged to carry out a test of opinion once every five years in order to determine whether residents wish the TMO to continue to manage their homes. The TMO normally carry out this exercise in tandem with a full residents' survey, which they are required to do once every three years. The TMO has obtained the agreement of the Cabinet Member for Housing to carry out the fieldwork for both in July 2006. This is earlier than originally intended because the Audit Commission has brought the completion date of the survey forward by approximately six months.

6. Housing Stock Options, Estate Renewal and Capacity Study

- 6.1 Various strands of activity are being undertaken around the housing stock to further address the HRA deficit caused by changes in the subsidy rules. The focus currently is on three pieces of work:

Housing Stock Options appraisal – looking at various ways of retaining and/or managing Borough owned housing.

Estate renewal – investigating options that will unlock high land values through renewal projects on Borough housing estates.

Housing Capacity Study – identifying housing blocks, estates or land holdings that can be used to unlock land values and produce affordable housing development.

Bringing together this work is a complex process so a project manager has been appointed and a timeline has been produced to identify the process of commissioning and reporting.

The key dates are:

30 June	Estate renewal consultants report on planning issues
14 Sept	Report on estate renewal for Leader's Group
30 Nov	Report on full stock options published – report to go to first Cabinet meeting in Jan 07
June 07	Report of housing capacity study – report to go to Cabinet in Sept 07

Although the Council are leading on these pieces of work, the TMO at Chief Officer and Board level will be consulted and involved in the process of developing solutions acceptable to tenants and leaseholders.

7. Efficiency

- 7.1 From backward looking efficiency gains from 04/05 and 05/06 a total of +£ 4,064,112 was identified by the TMO. For 2006/07 a further +£ 1,866,296 has been identified. The cumulative efficiency gain that the TMO is forecast to achieve by the end of 2006/07 is £ 5,930,408. The Annual Efficiency statement is based on the guidance from the Department of Communities and Local Government (formerly ODPM) and has been verified by the consultants Housemark.

8. Service Standards

- 8.1 Last year the Monitoring matrix was produced to pull together all the different strands of information collected. The document produced was an effective tool to ensure targets were achieved. This year the matrix will continue to be used to ensure the PIs are met, but will be refined and enhanced to include information on delivery of service standards. The standards monitored are currently being drawn out from the requirements of the Modular Management Agreement that was put in place in April.

9. Reviews

9.1 Royal Borough Review of Leaseholder Services

- 9.1.1 Leaseholder Services is to be the subject of a Royal Borough Review in the coming year. The review aims to support the borough aims of

commitment to quality and value for money by comparing the TMO services to other service providers in the sector.

9.1.2 The review will be informed by the Leaseholder Action Plan that was compiled by the TMO's Director of Finance, and the intention is to challenge the outputs of the plan, adding value to its implementation. The review team comprises Council and TMO officers and the TMO's Chair of Leaseholder Services Committee and will be sponsored by the Cabinet Member for Housing Services, Adult Social Care, Public Health and Environmental Health. Leaseholders or their representatives will also be a key part of the review.

The purpose of the review is to :-

- Challenge the improvement plan, leading to improved outcomes
- Consultation with Leaseholders
- Comparison of TMO service plans and strategies with other providers to identify service gaps, using the benchmarking process
- Challenge the TMO Charging Policy for Major Works and Service Charges and compare with other boroughs' approaches to collection.
- In light of the above exercises consider exposing leaseholder services to Competition, through a market testing exercise.

9.1.3 At the end of the review the Council will have developed a set of service standards for leasehold management, that the TMO will be tasked with implementing; there will be a clear view that the TMO's approach to charging is justifiable and transparent and there is comparison with other providers on quality, cost and leaseholder satisfaction. A view will also be taken on whether there would be any advantages to outsourcing Leasehold Management.

9.1.4 The review team will be meeting regularly from June 2006 and progress report will be available not before October. The final report and action plan will be available after February 2007.

9.2 Allocations

9.2.1 The TMO will review its Allocations service once the Council's review of the Allocations policy has been completed. An interim review of transfer policies has been carried out and this will be published in June 2006 and will be available on the Internet.

10. Decent Homes and Asset Management

- 10.1 The delivery of Decent Homes by 2008 and the final expenditure of the ALMO funding in 2006/7 is a key objective. To ensure completion the overall programme will be reviewed to ensure satisfactory compliance. Due to the high expectation of residents, and the complexity of and the need for compliance with, the Standards, the Communication Strategy will be reviewed to ensure appropriate information is issued to appropriate stakeholders and residents. The Asset Management Strategy will be reviewed and updated to ensure that short, medium and long term objectives will be achieved. An Asset Management delivery plan will be developed which will incorporate the Borough's strategic aims, including Commercial Properties, Car Parking and Non-Residential Asset Management requirements. A Hard Landscaping review will also be undertaken which will link to the Decent Neighbourhood Strategy.
- 10.2 The Procurement Strategy will be updated to incorporate the links to Collaborative Working and LAPN for procurement options. This will entail the establishment of Framework Agreements, longer term Partnering options and improved financial management through Open Book Accounting. Following the extensive review of the Repairs Service in 2005/6, the team will continue to deliver the implementation plan objectives one team, one service stage. The co-location of the Contractor with Repairs team and the formal Partnership arrangements.
- 10.3 Customer Satisfaction is key to service delivery and a review of resident involvement procedures will be undertaken. This will include further development of Customer Satisfaction feedback from both Contract Services and day to day issues. Linked to Customer Satisfaction will be the ongoing development of Performance Standards (KPI's) and Local Performance Standards for both Capital and Revenue contracts.
- 10.4 Risk Management Procedures will be updated to comply with the Corporate Risk Management requirements and local risk management techniques will be introduced for Capital and Revenue Services and embedded in the work of Property Services.

11. Prevention of Homelessness from eviction

- 11.1 The TMO is taking a proactive approach in preventing arrears and maximising benefit take up. During the 1st quarter of 2006, a pilot is being carried out at the letting stage in the Chelsea area, which will be rolled out borough wide in July. Within 2 working days of a property being accepted by a new tenant a tenancy sign up will take place where the tenant will be expected to bring in their ID and details of income, make their first rent payment, and assistance will be given in completing a housing benefit form. This information will

be dispatched by the housing officer to the Benefits division for assessment. This early intervention should prevent arrears arising at the start of the tenancy, and also instil a "payment culture" with the new tenant that the rent comes first.

- 11.2 The sign up will also provide the opportunity to ensure the new tenant has all the correct welfare advice and information from referral agencies, such as HASKC, the Tenancy Support officer and the TMO2YOU service that provides more intensive support to vulnerable residents. The housing officer will also carry out budget and income maximisation assessment with handheld information technology.
- 11.3 This process will help to identify those tenants who may have difficulties in making future payments and where assistance will need to be targeted. To complement this approach the TMO will aim to visit all new vulnerable tenants within 6 weeks of their tenancy commencement.
- 11.4 The TMO intends to take fewer possession actions for rent arrears this year. Greater emphasis will be placed on prevention at the Notice of Seeking Possession stage because the tenant will be given 3 options:
 - Vulnerable tenants will be referred to a tenancy support officer for guidance and assistance
 - Non vulnerable tenants will be given the opportunity to be referred to HASKC for welfare benefits and debt advice as an alternative to legal action
 - Legal action is pursued only after these options are considered and either rejected by the tenant or prove unsatisfactory in resolving the problem.
- 11.5 The TMO has introduced Acceptable Repayment Agreements (ARAs), an innovation similar to ABCs used to reduce legal costs in dealing with anti-social behaviour.
- 11.6 The outcomes of this new approach will be reviewed at the end of 2006/7.
- 11.7 An arrears write off policy is being discussed with the Council by the TMO, subject to Council approval implementation may be possible in 2006/7. The aim of this write off policy will be to target those tenants who have either experienced extreme hardship, or who, due to their personal circumstances, are considered to be vulnerable and

the write off of some or all of their arrears will help them maintain their home.

12. Conclusion

12.1 The Performance Framework, which includes the monitoring matrix and service specification aims to capture the core business functions, national and local priorities and organisational issues in one document, which can also be used as a reporting tool. The progress and activities monitored through the Performance Framework will be reported to Gerald Wild, Chief Housing Officer, Gordon Perry, TMO Chief Executive, the Cabinet Member for Housing Services and the OSC on Housing, Health and Adult Social Care.

12.2 It is the Housing Services view that the priority activities for the year are: -

- Test of opinion and satisfaction surveys
- Housing stock options, estate renewal and capacity study
- Decent Homes Delivery
- Leaseholder Services Review
- Anti Social Behaviour and the Respect Agenda
- Prevention of Homelessness from eviction
- Implementation of the MMA and service standards and BVPI's
- Efficiency and Value for money

All targets for PIs will be reviewed with the TMO at mid year, and future years targets will be amended as necessary in light of performance and any changes to thresholds for national indicators imposed by the Audit Commission.

Appendix 2.1

TMO Performance indicators for 06/07 – CPA thresholds, BVPI and local indicator targets

BVPI	CPA	Definition	Performance				Direction Target of travel	Targets			CPA Threshold		Comments
			03/04	04/05	05/06	05/06 Target		06/07	07/08	08/09	Lower	Upper	
63	H11	Average SAP (energy efficiency) rating (%)	64	66	68	68	✓	70	72	73	57	65	
65a	H9	Average weekly management costs			34.37		✗				15.51	10.2	New cost area adjustment figures to be published
66a	H6	Proportion of rent collected (%)	96.1	96.2	96.52	96.4	✓	96.64	97.02	97.31	96.18	98.2	
66b		More than 7 weeks arrears - % of tenants			8.17	8	?	7.75	7.25	6.75			
66c		Notice of Seeking Possession - % of tenants			12.97		?	12	11	10.5			
66d		Possession action - % of tenants			0.28		✓	0.3	0.25	0.2			
69		Void rent loss (%)	0.21	0.2	0.12	0.5	✓	0.5	0.5	0.5			
72	H4	Urgent repairs completion (%)	88.9	93.8	94.28	95	?	97	98	98	88	97	
73	H5	Average time taken to complete non-urgent repairs (days)	13	11.3	11	11	✓	10.5	10	10	24	11	
	H21	Percentage of planned to responsive repairs funded from revenue expenditure					?				26%	54%	New indicator
74	H12	Satisfaction of tenants with overall service (%)	70				?	75			84.1	92.5	
75	H13	Satisfaction of tenants with opportunities for participation (%)	58				?	65			68.2	77.5	
164	H10	Follow CRE Code of Practice in rent housing	Yes	Yes	Yes	Yes	✓	Yes	Yes	Yes	No	NA	
184a	H1	Non-decent homes (%)	56.93	43.22	36	36	?	29	17	6	53	21	
184b	H2	% change over the year	24.91	11.36	16.3	19.6	?	39.9	66.3	100	3.5	23.8	
211		Housing repairs and maintenance			54		✓	55	56	58			Now a local indicator
212	H8	Average re-let time (%)	24.8	23.67	21	21	✓	21	21	20	45	31.05	
RBPI		Percentage Service Charges collected (%)	108	108.5	86.74	105	?	95	98	99			

RBPI	Percentage major works charges collected (%)	43.1	91	74.74	50	?	67	70	80
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Deleted

185 H3 Percentage repairs for which an appointment was both made and kept (%)

Key

- ✓ - Target to be achieved or likely to show improvement
- ✘ - Difficulty in achieving target due to unknown factors
- ! - Improvement required to achieve target, but is achievable