

THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA

HOUSING AND PROPERTY SCRUTINY COMMITTEE

9th JULY 2015

**REPORT BY THE DIRECTOR OF HOUSING AND TOWN CLERK AND
EXECUTIVE DIRECTOR OF FINANCE**

**REPORT ON TENANT MANAGEMENT ORGANISATION'S
PERFORMANCE REVIEW 2014/15 AND TENANT MANAGEMENT
ORGANISATION'S PERFORMANCE AGREEMENT 2015/16**

The purpose of this report is to introduce two documents; the Tenant Management Organisation's (TMO) Performance Review 2014/15 considers RBKC TMO performance against a range of indicators and audits for 2014/15 and the TMO Performance Agreement for 2015/16 which sets out the performance expectation for the coming year.

FOR INFORMATION

1 INTRODUCTION

- 1.1 The management of the Council's housing stock is delegated to the TMO through the Modular Management Agreement. The activities undertaken through this delegated authority are monitored by the Housing Department on an ongoing basis through a performance management framework. The framework looks at the activity and achievements of the TMO through a suite of performance indicators (PIs) and programme of audits, and a higher level overview of projects and initiatives based on an annual, medium and longer term basis which meet both organisations' corporate priorities, government policy and residents' wishes.
- 1.2 In Appendix 1 of this report (page 4) the framework is used to look back at the performance of the last year in the Annual Review 2014/15 against the key priorities set out in the Performance Agreement for 2014/15 (and updated in the six month report to the Scrutiny Committee on 6 November 2014). The second part of the report, Appendix 2 (page 18), the Performance Agreement 2015/16, looks at the work programme and priorities for the coming year and sets out the performance targets that the TMO is expected to achieve during the year.

1.3 The Performance Agreement for 2015/2016, which the Council will use to monitor the TMO's performance, has now been agreed with the TMO. Monitoring of the Agreement will take place quarterly and will be reported to regular meetings with the Director of Housing and TMO Chief Executive. Progress against the Performance Agreement will be reported at the end of quarter two to the Cabinet Member for Housing and Property and to Scrutiny Committee.

2 TMO PERFORMANCE 2014/15

2.1 This paper forms Appendix 1 of this report. It describes the TMO's performance against the 2014/15 Performance Agreement that includes a range of housing activities, key performance indicators (PI's) and the Audit Plan for 2014/15.

2.2 Executive Summary

2.2.1 It has been another strong year for the TMO in terms of delivery of housing services. The key indicators from the performance management framework shows all but one indicator met or was within 10% of achieving the target. This PI not achieving the target was the post inspection pass rate, which was a new PI based on quality criteria and invoicing. This combination is affecting the results adversely and the methodology will be revisited. The audit programme achieved a satisfactory or substantial level of assurance for six out of the seven audits undertaken. The only audit to receive a limited assurance was the Personnel audit with the issue being around Disclosure and Barring monitoring. This issue has been resolved satisfactorily with the introduction of more robust monitoring.

2.2.2 The TMO continues the work on Welfare Reform and is working with residents to prepare for the introduction of Universal Credit, in terms of engagement, access to training and to IT.

2.2.3 Asset Management projects and the associated capital spend have progressed satisfactorily and Repairs Direct continues to embed and is achieving high satisfaction ratings from residents.

2.2.4 The many operational workstreams continue to provide opportunities to improve quality, value for money and health and safety in the borough.

2.2.5 Resident representation has grown again this year as the TMO works with the community to increase the levels of engagement

2.3 Further details of the performance can be found in Appendix 1

3. CONCLUSION FOR 2014/15

3.1 The TMO's performance across a range of housing services areas has been very good this year. Performance in respect of targets and

audits continues to be strong although there have been challenges in terms of increased numbers of voids and embedding the Repairs Direct service. Partnership working between the TMO and the Council has been productive particularly in relation to asset management projects, the commercial portfolio, the Travellers' site and the leaseholder firedoors. The TMO continues to build its resident engagement successes as shown by the increased attendance at the annual conference and the considerable work with the community through employment and training roadshows, youth engagement and the Community Outreach initiative.

4. THE PERFORMANCE AGREEMENT FOR 2015/16

- 4.1 The Performance Agreement for 2015/16, attached at Appendix 2, is designed to meet the Council's housing priorities, both in the local and national context over the next year. Many aspects of the work started last year will continue, particularly around welfare reform, asset management, regeneration, new business in relation to the HRA and commercial properties and digitalisation.
- 4.2 Another busy year is ahead for the TMO. There is much business as usual for the core services but also challenges and opportunities with the introduction of Universal Credit and use of the new Procurement Framework. The Council and TMO will be working closely together to ensure the priorities of both organisations are met. Key areas will be investment in the stock, utilising the TMO's knowledge and experience and engagement and communication with residents with on-going welfare reform and increased use of technology to deliver services.

FOR INFORMATION

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Background papers used in the preparation of this Report:

None

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TMO ANNUAL REVIEW 2014-15

1.	Executive Summary <ul style="list-style-type: none"> • Another strong year for the TMO's delivery of housing services • The key indicators from the performance management framework shows all but one indicator met or was within 10% of achieving the target • The audit programme achieved 6 out of 7 audits being given a satisfactory or substantial level of assurance • The TMO is working with residents to prepare for the introduction of Universal Credit, in terms of engagement, access to training and to IT • Asset Management projects and the associated capital spend have progressed satisfactorily • Repairs Direct continues to embed and is achieving high satisfaction ratings from residents • The many operational workstreams continue to provide opportunities to improve quality, value for money and health and safety in the borough • Resident representation has grown again this year as the TMO works with the community to increase the levels of engagement. 	
2.	Purpose of the Report 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 which contribute to the Council's strategic priorities	
3	Key Areas of Performance	
3.1	Performance Indicators – The PI suite reflects	<ul style="list-style-type: none"> • There are 13 PIs with set targets, this year 7 PIs met or exceeded the targets, 5 were within 10% of achieving the target and only one PI missed the target. • Collection rates for rents and arrears was within 10% of the target being affected by a number of tenant evictions for rent arrears and the arrears not being recovered. • Collection rates for leaseholder service charges and major works all remain good for a fifth year. • New PIs in respect of repairs and capital investment have

							<p>been introduced to better reflect the priorities for Repairs Direct and asset management. Further changes will be made to these as they are refined and embedded.</p> <ul style="list-style-type: none"> • Satisfaction with the repairs service narrowly missed the target, whilst the post inspection pass rate needs further work as the target was missed by a larger margin. • The capital programme spend and the number of homes achieving the internal investment standard met the target whilst the number of homes with improved SAP ratings missed the target narrowly (by 9 units) • Relet times were affected by a large number of voids mid-year but the performance has improved and the target was missed by 0.86 of a day.
Ref	Performance indicator (PI) title	Good is?	2013-14 Actual	2014-15 Target	2014-15 Actual	Achievement	Commentary
HS 1	Post inspection pass rate >=90%	HIGH	New	>=90.0%	63.49%	☹️	<p>It has been identified that the indicator is represents a combination of quality criteria and invoicing which affects the results adversely. Going forward there is a requirement to separate the two factors to give a clear indication of quality.</p> <p>Repairs Direct and the TMO Repairs Team are working to analyse, address and resolve performance issues. There is a requirement to develop a clear standard on post inspections so both staff teams are assessing and measuring the quality of works systematically. More joint inspections will be undertaken and the selection criteria for jobs to be post inspected is to be reviewed to ensure that a broad view of works is achieved.</p>
HS31	Satisfaction with responsive repairs (Repairs Direct)	HIGH	New	>=95%	93.69%	😊	<p>At 93.69%, customer satisfaction is positive, with improvements shown as the year has progressed. Following the recruitment of a Customer Complaints Officer within Repairs Direct, satisfaction surveys were undertaken for 1236 repairs from June 2014 onwards.</p>

HS 2	Local authority tenants satisfaction with landlord services. (Biennial)	HIGH	75.3%	Not collected	Not collected	-	Test of Opinion exercise was undertaken in 2013. Satisfaction with the overall service provided by the TMO for Tenants was reported as 78.9%, and for Tenants & Homeowners, 75.3%.
HS 20	Number of homes brought up to the internal Investment Standard	HIGH	New	231	327	😊	Target met
L4101	Number of homes where SAP rating has increased through planned works	HIGH	Revised PI	1350	1341	😊	Some works that were originally planned for 2014-15 and were predicted to have an impact on this PI, have been moved into 2015-16. There have been some delays in the external repairs and redecoration programme in 2014-15. This has been caused by poor contractor performance and delays while works are completed to a satisfactory standard. This has resulted in the contracts running into the 2015-16 financial year.
L4103	Rent collection and arrears recovery: rent collected. (YTD)	HIGH	98.68%	98.13%	97.69%	😊	<p>The Rent Income team have had a successful year with a continued drive to reduce current tenant arrears which in 2013-14 fell below one million pounds for the first time in the TMO's history.</p> <p>For 2014-15 a target was set to reduce arrears by a further £50,000. This was exceeded by over £2000 with the team achieving a final year end position of £932,145.</p> <p>The target for collection fell short of the anticipated rate. This is because some of the reduction in current tenant arrears was achieved through the eviction of a number of tenancies that had substantial arrears. This means that although current tenant arrears reduced these amounts were not collected.</p>
L4104	Rent collection and arrears recovery: seven weeks arrears. (YTD)	LOW	4.32%	<=4.5%	3.96%	😊	The percentage of tenancies with arrears equalling more than seven weeks rent also reduced during the year, dropping to 3.96% by March. This is a clear indication that the TMO is successfully addressing and managing tenant arrears cases before they reach high levels.

L4108	Average number of days to re-let local authority housing. (YTD)	LOW	21.10	>=23.0	23.86	😬	<p>Following a period of below target performance at the mid-year point, the average re-let time successfully reduced to 18.39 calendar days in quarter four. This brought the average re-let for the whole year to 23.86 days, against a target of <=23.0 days.</p> <p>A peak in the number of current voids mid-year had an impact on resources. This increase was addressed by the TMO and improved re-let averages can be seen in the monthly performance figures from January onwards, together with a reduction in the number of current voids, finishing the year with 46 available voids (compared to a peak of 74 in November.)</p>
HS 11	Proportion of approved housing capital investment programme spent. (YTD)	HIGH	103.00%	>=99.0%	99.8%	😊	Total spend £9.728 million against budget of £9.748 million.
HS 6	Collection rates – leaseholder service charges. (YTD)	HIGH	105.42%	100.207%	104.681%	😊	Service charge arrears reduced by £33k during the year.
HS 7	Collection rates – leaseholder major works. (YTD)	HIGH	185.37%	77.871%	129.884%	😊	Major works arrears reduced by £240k during the year.
HS 12	Complaints – No. of TMO Stage One complaints answered within target	HIGH	87.9%	>=90%	93.95%	😊	Target met.
L5154	Collection rates and arrears: Travellers Site	HIGH	98.88%	>=100%	103.40%	😊	Collection target met. Arrears ended the year at £12,455, compared to £18,068 at the end of 2013-14.
L5157	Percentage of Units Available for Letting but Vacant	LOW	0.63%	Not set	0.67%	-	Equates to 46 available voids at year end.
L5258	Percentage Rent Collected Excluding Arrears	HIGH	100.84%	>=100.1%	99.65%	😬	See commentary for L4103 & L4104

3.2	Audits	Excellent results achieved in terms of audits with 4 given substantial assurance. The Personnel audit was given a limited assurance because of concerns about DBS checking. This has now been addressed.																																						
	The audits for 2014/15 were as follows:	<table><tr><th>Service Area</th><th>Audit</th><th>Progress</th></tr><tr><td>Operations</td><td></td><td></td></tr><tr><td>Community Alarm Service</td><td>High Level Review</td><td>Reported December 2014 (Substantial)</td></tr><tr><td>Asset Investment and Engineering</td><td></td><td></td></tr><tr><td>Gas Servicing Arrangements</td><td>Full Review</td><td>Reported December 2014 (Substantial)</td></tr><tr><td>CEO</td><td></td><td></td></tr><tr><td>Service Charges</td><td>Full Review</td><td>Reported December 2014 (Substantial)</td></tr><tr><td>Major Works</td><td>Full Review</td><td>Reported December 2014 (Substantial)</td></tr><tr><td>Payroll/Personnel</td><td>Full Review</td><td>Reported April 2015 (Satisfactory/Limited)</td></tr><tr><td>IT</td><td></td><td></td></tr><tr><td>Academy</td><td>Follow Up review</td><td>Reported December 2014</td></tr><tr><td>IT Disaster Recovery</td><td>Full Review</td><td>Reported April 2015 (Satisfactory)</td></tr></table>			Service Area	Audit	Progress	Operations			Community Alarm Service	High Level Review	Reported December 2014 (Substantial)	Asset Investment and Engineering			Gas Servicing Arrangements	Full Review	Reported December 2014 (Substantial)	CEO			Service Charges	Full Review	Reported December 2014 (Substantial)	Major Works	Full Review	Reported December 2014 (Substantial)	Payroll/Personnel	Full Review	Reported April 2015 (Satisfactory/Limited)	IT			Academy	Follow Up review	Reported December 2014	IT Disaster Recovery	Full Review	Reported April 2015 (Satisfactory)
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3.3	Understand and respond to the impact of welfare reform	
3.3.1	Universal credit being paid directly to tenants.	<p>The TMO continues to work with RBKC on the steering group and the Heads of Neighbourhoods attend the Welfare Reform Benchmarking Sub Group.</p> <p>The TMO has commenced profiling tenants with the view to better understand residents' needs to help shape their services going forward. By the end of March 2015, 189 profiling visits were completed which included questions around budgeting, access to the internet and vulnerabilities which will all feed into preparation for Universal Credit (UC).</p> <p>It is anticipated that UC will be introduced within the borough later in the year, so further work is being undertaken, including raising awareness through a publicity drive and maintaining strong links with DWP, JCP and RBKC Revenues Team to ensure communication between all organisations is effective.</p>
3.3.2	Work will need to continue on long-term solutions around households that may need to consider moving to smaller accommodation or cheaper areas because their current housing is no longer affordable.	<p>The TMO continues to work with RBKC on long-term solutions for households who need to move to smaller accommodation due to the welfare reforms. These include:</p> <ul style="list-style-type: none"> • Mutual exchange (for which there are financial incentives); • Transfer to smaller accommodation (for which there are financial incentives and priority points are given); • Employment opportunities through Pathways to Work; • Advice obtainable at road shows, this year entitled, 'Your Route to Success' (see 3.3). <p>The TMO has conducted four mutual exchange events for all households affected by welfare reform. These were successful and over 200 residents attended. They will continue with another two planned in the 2015/16 financial year.</p>

		The TMO will continue to employ the two Welfare Reform Officers.
3.3.3	The TMO will continue to work with the Council on the delivery of support for workless tenants and households	<p>The TMO delivered a second series of Employment & Training roadshows which commenced on 5 June 2014 under the banner – ‘Your Route to Success’. This second series of events had a refreshed format and featured workshops on CV writing/job applications, money management and basic computer skills/IT.</p> <p>217 residents attended across the four roadshows. Some of these roadshows were joint events with other local housing providers, thus widening the reach of the events.</p> <p>A number of local agencies and businesses continue to support the TMO at the roadshows, the TMO also welcomed new partners, including Sew Portobello (offering paid sewing work to local residents); Wates (construction apprenticeships); Al-Hasaniya Moroccan Women’s Centre (offering support in health, welfare, education and cultural needs of Moroccan and Arabic-speaking women and their families); and, FACES (offering support to families and parents to help them move into work).</p> <p>The last in the current series of roadshows under the ‘Your route to success’ banner was held on the 16 April 2015. Over 70 residents and children attended the day, held at the Henry Dickens Court Community Centre to obtain advice on employment and training opportunities and discuss housing issues with TMO officers. Mayor Maighread Condon-Simmonds made a further and special final visit as one of her last engagements as Mayor.</p> <p>A new series of roadshows will begin on 18 June 2016, at Henry Dickens Community Centre, under the banner of ‘Get Wise’. The roadshows will continue to focus on training & employment, but the remit of this new series of events have been expanded to include provision and advice on health and wellbeing.</p> <p>The TMO will continue its integral involvement in the RBKC Housing and Worklessness project and its obligations under the Pathways to Work Charter.</p>

		The TMO is also a member of the RBKC Worklessness Network.
3.4	Investing in the Borough's Stock	
3.4.1	The TMO will continue to work with the Council on the HRA business planning	<p>As part of the business planning for the Asset Management Strategy and the HRA business plan the TMO has provided the outline forecast costs for planned works for 5 years, as well as identifying generic and specific risks.</p> <p>Work is still being undertaken on a Kensington & Chelsea Investment Standard (Decent Homes replacement) and consulting with residents on the priorities.</p> <p>Work continues on establishing a procurement framework of contractors.</p>
3.4.2	The TMO will continue to work with the Council on asset investment projects.	<p>Grenfell Tower Regeneration The contractor, Rydon, is on site. The work is currently seven weeks behind the original programme. Nine new flats, a nursery and boxing club facilities have been started on the lower ground floors. New boilers have been installed, installation of windows, cladding and new heat exchange units is underway.</p> <p>Trellick Tower The TMO is working with RBKC on a long term asset management strategy for Trellick Tower. A Conservation Management Plan is being produced to aid with this and inspection works are being undertaken to clarify the scope of the works to the concrete and the windows.</p> <p>Hidden Homes The TMO is progressing with Whistler Walk where planning has been obtained and the contractor has started on site, and at Holmefield House it is awaiting planning approval and contractor procurement. Pre-feasibility studies have been completed on Henry Dickens Court, Elm Park House and Longlands Court.</p>
3.4.3	Working with the Council to	The Council has been looking at the existing use of TA that the TMO manages

	improve the quality and supply of TA	and identifying further units to add to the supply. Following the decision to suspend lettings at the Balfour of Burleigh and Warwick Road Estates a service level agreement is now in place for units that become void. Work is also on-going identifying opportunities for investment in the commercial portfolio.
3.5	Repairs Direct (RD)	
		<p>The end of year position at 2013/14 was mixed with high levels of satisfaction but quality of work and productivity were an issue which is now being addressed. The advantage is that the TMO can identify the issues and take action swiftly. Since RD was set up, they have replaced 34% of the staff.</p> <p>The turnover is now just over £5m and there are 45 staff. The expectation is that real progress will be achieved in 2015-16 with improved services, a reduction in sub-contracting, increased productivity of the workforce and delivering a surplus which can be reinvested in the company and community.</p> <p>In terms of cost, the company is delivering the service at the same cost levels as the private company and the TMO is looking to move to Price Per Property (PPP).</p> <p>In looking forward the TMO will explore opportunities to grow the company through reducing sub-contracting, doing the void work and works in the Capital programme internally and, in the longer term, offering a leasehold service and looking to see if the market offers partnership or joint venture opportunities.</p>
3.6	Digitalisation	
3.6.1	Tackling the digital divide by considering how to address barriers that are preventing tenants benefiting from these technologies.	<p>The TMO continues to be involved in the development of the Tri-borough Project looking at the issue of digital inclusion for social housing tenants.</p> <p>A digital map has been produced of digital services that housing providers and others provide for the borough's residents. The intention will be that the map will be displayed at bus stops, on residents' notice boards, and on the council's website when it is produced.</p>

		The TMO has been gathering information about the access to digital services as part of the tenancy profiling and this information will be used to inform the next steps of the project.
3.7	Health and Safety	
3.7.1	Health and safety issues in the social housing sector that have arisen during this year include: window safety, fire safety and cleanliness at supported housing schemes.	<p>A Health & Safety Action Plan has been introduced to facilitate monitoring of compliance with legislation and good practice by the KCTMO H&S Committee. Progress has been noted with –</p> <ul style="list-style-type: none"> • The Health & Safety Inspection & Property Risk Assessment programme continues within the communal areas of the blocks. • The programme of Fire Risk Assessments & reviews required by the Regulatory Reform (Fire Safety Order) is ongoing. (The recommendations of the best practice guidance have been adopted with regard to frequency.) • The closer scrutiny of fire safety issues on the estates – investigation of fires, false fire alarm activations in sheltered schemes etc. – facilitated by regular London Fire Brigade (LFB) liaison meetings. • LFB have prioritised familiarisation visits to the high rise blocks and where possible Home Fire Safety Visits have been offered to residents as part of the exercise. • Close liaison with LFB with regard to works at Grenfell Tower - local operational crews regularly attend the block and liaise with the contractors, Rydons, on progress of works, impact on fire fighting etc. • Work activity and workplace risk assessments have been reviewed and updated. • Safety devices ("Identicom") have been issued to staff who are required to work alone and unsupervised. Lone working policies and procedures and work activity risk assessments have been reviewed to reflect this. This should reduce risks to staff. • Work to install hard-wired automatic smoke alarms in dwellings as part of electrical inspection programme has been undertaken resulting in a significant increase in flats with detection. • Working at Height policies and procedures have been reviewed to ensure

		<p>compliance. Training provided and further work is being undertaken to create a central database with details of roof access arrangements and the corresponding risk.</p> <ul style="list-style-type: none"> • A review has been undertaken of Network Hub reception in order to create a more welcoming experience for the customer and a safer environment for the staff. • The Asbestos Policy and Management Plan has been reviewed and redrafted. This is to better reflect our efforts to ensure that all asbestos containing material in RBKC residential buildings is managed, maintained in good condition (so that it presents a very low risk) and removed using licenced contractors as per the legislative requirements in locations where it has started to deteriorate, become damaged or could foreseeably be damaged by planned works. Information leaflet for residents is currently being drafted. • Continued work with Ofcom and the Police to ensure that pirate radio operatives do not gain access to set up their aerials and transmission equipment on our roofs. • Water Quality – procurement of new contractors to ensure a more comprehensive, compliant service.
3.7.2	Leaseholder Fire Doors	<ul style="list-style-type: none"> • Further work with leaseholders has reduced the number of non-compliant front entrance doors to two and works are now in hand to replace one of these. Home Ownership is now considering legal action against the remaining leaseholder. Additionally, required standards are regularly publicised in the Home Ownership Newsletter.
3.8	HRA commercial portfolio	<p>The TMO and RBKC are working together to improve the performance of the portfolio and achieve better outcomes for the HRA. The focus is currently on HRA properties let to voluntary organisations who are sponsored by Adult Social Care (ASC) and Children and Families (FCS). ASC and FCS are currently reviewing arrangements that they have with a number of voluntary sector organisations. Work is underway to ensure that these activities do not impact negatively on the HRA.</p>

3.9	Travellers site	<ul style="list-style-type: none"> • A needs assessment exercise was carried out in January. The Planning Department is now working on collecting the secondary data required to make the document sound in planning terms. • Plans are underway to share the needs data with the Travellers before the end of June, the final document that includes the secondary data will not be ready till late summer. Going forward, Planning will be leading on this project. • Recent improvements on the site have led to upgraded communal facilities and a new office for the site manager.
3.10	Resident Engagement	<p>The Residents' Conference is an annual event which is open to all TMO Residents as an opportunity for residents to give feedback on service delivery and to help shape the TMO's housing services. Last year's event took place on 13 September 2014, included a Q&A session with RBKC Leader Cllr Nicholas Paget-Brown. More than 350 residents attended the conference.</p> <p>Resident representation has been getting stronger, nearly 100 members attended the AGM (which followed on from the conference). Including the online votes, a record 1,089 participated in the voting – a 37.8% increase on last year (in 2009, only 91 members took part). Much of this success can be attributed to the fact that over 1000 members were telephoned in the days leading up to the conference and this personal approach paid huge dividends.</p> <p>Under a new initiative called KCTMO Communities Outreach, the TMO has teamed up with an organisation called MIDAYE which works to meet the needs of ethnic minorities. This joint venture started in April and will run for twelve months. A multi-lingual project co-ordinator has been appointed, responsible for recruiting bilingual volunteers to do outreach work. The pilot project has proved to be a great success, engaging with a total of 352 BAME residents. The project has been so successful that its geographic remit had to be changed from borough-wide to cover the Kensal area only because of the high level of engagement which produced a large amount of follow up work.</p>

		<p>Due to its success, the project has been extended for a further year, with the aim of resolving issues raised in the pilot project and to encourage residents to engage in existing TMO events and services. Arrangements are also being made to hold two Communities Outreach surgery events.</p> <p>Two of the TMO's Residents' Associations have won the Gold Standard in this year's Borough Awards. They were judged on their robust management, commitment to seeking out a wide range of residents' needs and views and their procedures to ensure that these views are heard.</p> <p>A football project called 'Up Your Game' has been successfully run in Kensal New Town by the TMO Youth Engagement Officer. The project is run in association with Chelsea Football foundation. It has a capacity of 50 young people each Sunday session and attracted 100 applications. There are plans to extend the project. The Youth Engagement Project has also signed up more than 200 young residents for TMO youth initiatives. Due to the success of the pilot sports project, three new multi-games projects have been arranged for 2015/16 in partnership with Chelsea Football Club.</p>
3.11	Parking Review	<p>The review was introduced by the TMO to:</p> <ul style="list-style-type: none"> • generate new revenues via changing the use of derelict and under-used sites • improve existing parking operations and safeguard existing revenues and generate new revenue streams • enable effective enforcement to protect resident parking following the Protection of Freedoms Act 2012. <p>Walnut Tree House (Tregunter Estate) The site is now leased to Fortbox Ltd. on a deal worth more than £3m over the lease term. Fortbox is converting the entire site for self-storage, less 10 bays retained for resident parking (which will generate a further £7k pa).</p> <p>Acklam Road (Swinbrook Estate) The c.30,000 sq ft. basement car park will be redeveloped in 2015, following</p>

	<p>Cabinet approval of the TMO's plan to lease the majority of the site to Chelsea South for conversion into a 'business hub' providing flexible office facilities for start-up businesses. This lease is worth almost £5m over the term. Consultants have been appointed by the TMO to redesign the retained residents parking area, which will continue to provide 31 spaces for residents parking (generating further £15k pa).</p> <p>Holmefield House (Kensal New Town) This 43,000 sq ft. basement car park has been derelict for more than 20 years. Cabinet approval is being sought for leasing the majority of the space to Iridium Assets, for conversion to self-store, on a lease worth around £2.5m. The remaining space is being leased to carnival bands on short-term, non-commercial rates (residents parking is not required, since there is an over-supply elsewhere in the surrounding area).</p> <p>Parking Policy & Enforcement Services The TMO has also approved a new parking policy so that management arrangements can be standardised and it can provide a consistent and transparent service. This operational improvement is essential following recent legislation banning the clamping and towing of vehicles on private land.</p>
4.	<p>Conclusion The TMO's performance across a range of housing services areas has been very good this year. Performance in respect of targets and audits continues to be strong although there have been challenges in terms of increased numbers of voids and embedding the Repairs Direct service. Partnership working between the TMO and the Council has been productive particularly in relation to asset management projects, the commercial portfolio, the Travellers' site and the leaseholder firedoors.</p> <p>The TMO continues to build its resident engagement successes as shown by the increased attendance at the annual conference and the considerable work with the community through employment and training roadshows, youth engagement and the Community Outreach initiative.</p>

TMO PERFORMANCE AGREEMENT 2015-16

1.	<p>Executive Summary</p> <ul style="list-style-type: none"> • Many aspects of the Performance Agreement for 2014-15 are to be continued or maintained • PIs and targets have been refreshed, with the expectation that performance is maintained or improved • There is a full range of audits planned across Operations, Finance and IT, People and Performance and the Executive • As well as managing the changes brought in by Welfare Reform, the TMO will manage the impact of the introduction of Universal Credit in the autumn • Capital spend will be subject to scrutiny given requirements for extensive investment to improve the quality and broaden the use of the stock and deliver value for money • The Council is working with the TMO to implement new monitoring arrangements for major capital programmes i.e. Hidden Homes • Health and safety remains a high priority as does the need to ensure residents can access advice, training and IT services.
2.	<p>Purpose of the Report</p> <p>This report sets out how the performance of the TMO will be monitored over the next year in accordance with the Council's priorities and national and local drivers.</p> <p>This agreement will be reviewed mid-year and a progress report will be produced for Scrutiny Committee following the end of the second quarter.</p> <p>The following tables show the different workstreams that form the service delivery plan for the Council and the TMO, designed to deliver the Performance Agreement. More detail on the project work that can be provided if required.</p>
3	<p>Key Areas of Performance</p>

3.1	Performance Indicators – The PI suite reflects the aim for continuous improvement especially in those areas affected by changes such as repairs and collection rates		<ul style="list-style-type: none"> Many of the PIs were changed last year. This year they are refined and embedded with the addition of a new PI for the number of homes brought up the external Investment Standard, to complement the existing internal Investment Standard PI. 			
Ref	Performance indicator (PI) title	Good is?	2014-15 Target	2014-15 Actual	2015-16 Target	Commentary
HS1	% Post Inspections passed (Repairs Direct)	HIGH	>=90%	63.49%	>=90%	Target remains, as per the contract framework.
	Satisfaction with repairs (Repairs Direct)	HIGH	>=95%	96.69%	>=95%	Target remains, as per the contract framework.
HS 2	Local authority tenants satisfaction with landlord services. (Biennial)	HIGH	-	-	-	The next proposed survey is 2016. Results from the Test of Opinion undertaken in Autumn 2013 showed tenant satisfaction at 78.9% and tenant and leaseholder satisfaction at 75.3%
HS 5a	Number of homes brought up to the internal Investment Standard	HIGH	231	327	TBC	Targets to be confirmed.
HS 5b	Number of homes brought up to the external Investment Standard	HIGH	1933	1420	TBC	Targets to be confirmed.
HS 3	Number of homes where SAP rating has increased through planned works	HIGH	1350	1341	TBC	Targets to be confirmed.
HS 4	Average number of days to re-let local authority housing. (YTD)	LOW	<=23	23.86	<=23.0	<p>This PI definition has been amended to match the current HouseMark benchmarked performance indicator.</p> <p>The PI has previously been based on the former Best Value indicator BV 212 which is no longer in general use. It has been replaced by two simplified indicators; KP 01: Average time to re-</p>

						let a general needs minor works void (gross days), and KPI 02: Average time to re-let a general needs major works void (gross days).
HS 6	Collection rates - leaseholder service charges. (YTD)	HIGH	>=100.207%	104.681%	100.172%	
HS 7	Collection rates - leaseholder major works. (YTD)	HIGH	>=77.871%	129.884%	69.689%	
HS 8	Rent collection and arrears recovery: seven weeks arrears. (YTD)	LOW	<=4.5%	3.96%	<=4.5%	See comments for HS9.
HS 9	Rent collection and arrears recovery: rent collected. (YTD)	HIGH	<=100.10%	99.65%	99.96%	It is estimated that with the introduction of Universal Credit in Quarter 2, there will be an increase in arrears. The aim is to limit this increase so that the year end current tenant arrears do not exceed £984,493 (the year end position for 2013-14)
HS 11	Proportion of approved housing capital investment programme spent. (YTD)	HIGH	100.00%	>=99.8%	>=99%	
HS 10	Collection rates and arrears: Travellers Site	HIGH	100%	103.40%	>=100%	

3.2	Audits	The audits programmed for 2015/16 as follows:	Service Area		Audit	Timing
			Finance and IT			
			Accounts Payable - Managed Accounts		Full Review	Q3/4
			Accounts Receivable - Managed Accounts		Full Review	Q3/4

		General Ledger – TMO Managed Accounts System	Full Review	Q3/4
		Accounting Systems - TMO Company Great Plains	Full Review	Q3/4
		Leasehold Service Charges- Consultation	Full Review	Q1/2
		Major Works Charges: Consultation	Full Review	Q1/2
		IT Network Security	Full Review	Q3
		IT Server Infrastructure	Full Review	Q4
		Operations:		
		Rents/Income Team	Full Review	Q2
		Housing Management	Full Review	Q2
		Lifts Contracts - Management	Full Review	Q2/3
		Property Data and Standards Team – Asset Management	Full Review	Q3
		Cleaning Contract - Management	Full Review	Q1
		People and Performance:		
		Health and Safety	Full Review	Q1
		Executive:		
		Risk Management	Full Review	Q2
		Corporate Governance	Full Review	Q3/4
3.3	Respond to the impact of welfare reform			
3.3.1	Universal credit being paid directly	The TMO continue to work with residents affected by welfare reform changes		

	to tenants.	<p>introduced from April 2013. It is anticipated that Universal Credit will be introduced within the Borough later in 2015 however the number of residents affected will initially be small.</p> <p>The TMO is currently updating welfare reform material on its website to offer better advice to residents. There will also be a campaign in the LINK magazine and a leaflet developed to be displayed in reception areas.</p> <p>The Heads of Neighbourhoods continue to attend the Welfare Reform Benchmarking Sub Group. This group gives the TMO an opportunity to benchmark against other providers and see what they are doing in preparation for Universal Credit.</p>
3.3.2	Work will need to continue on long-term solutions around households that may need to consider moving to smaller accommodation or cheaper areas because their current housing is no longer affordable.	<p>The TMO will continue to work with RBKC on long-term solutions for households who need to move to smaller accommodation due to the welfare reforms. These include:</p> <ul style="list-style-type: none"> • Mutual exchange (for which there are financial incentives); • Transfer to smaller accommodation (for which there are financial incentives and priority points are given); • Employment opportunities through Pathways to Work; • Advice obtainable at Map Out Your Future Road Shows.
3.3.3	The TMO will continue to work with the Council on the delivery of support for workless tenants and households	<p>The latest series of Employment and Training Roadshows are being planned for 2015/16, and will consist of two roadshows, one in the North and one in the South. Venues are still being finalised, but the events will take place in June and February. These roadshows will be badged as 'Get Wise', following on from 'Your Route to Success'. They will have three key themes; money & finance, employment & training and health & wellbeing, with workshops and external agencies and other local housing providers supporting this work.</p> <p>As part of the TMO's delivery of major works, a new Procurement Framework has been agreed. As part of this Framework Agreement, the TMO has ensured that the suppliers (initially Wates and Keepmoat) will be providing a range of</p>

		<p>employment and training related projects through the course of the contract. These include:</p> <ul style="list-style-type: none"> • Work placements (mainly 16+, but also work experience) • Curriculum Support • Apprenticeships • Graduate development • Paid internships • Health and Safety, Leadership and Supervisor training <p>The TMO will continue its integral involvement in the RBKC Housing and Worklessness project and its obligations under the Pathways to Work Charter.</p> <p>The TMO is also a member of the RBKC Worklessness Network, which allows effective exchange of relevant course, training and funding opportunities between partners.</p>
3.4	Investing in the Borough's Stock	
3.4.1	The TMO will continue to work with the Council on the HRA business planning and asset management	<p>The HRA Business Plan sets out the priorities for the coming year. This includes:</p> <p>Working to the rolling 5 year programme of investment Programming and spend against a Kensington & Chelsea Investment Standard (Decent Homes replacement) and consulting with residents on the priorities. Utilising the newly established procurement framework of contractors</p> <p>Working to identify a small number of disposals</p> <p>Further opportunities for Hidden Homes</p> <p>Further opportunities to generate income within the HRA stock and the commercial portfolio</p>
3.4.2	The TMO will continue to work with the Council on asset management projects.	<p>The TMO will work to implement the Asset Management Strategy and will support the Council as it develops its regeneration strategy.</p> <p>Grenfell Tower will complete within budget by the end of October</p>

		<p>Trellick Tower The TMO is working with RBKC on a long term asset management strategy for Trellick Tower. Following the production of the Conservation Management Plan some of the essential concrete repairs have been scheduled to be completed as part of the ongoing programme</p> <p>Hidden Homes Whistler Walk and Holmefield House will be completed within budget by the end of September 2015.</p> <p>The Housing Regeneration Programme The TMO has taken over the operation of the programme from the Council and it will be monitored on a regular basis. The programme for this year is £250,000.</p>
3.4.3	Capital Programme monitoring	The Council and TMO will be working closely together to monitor the progress of the programme. Reports prepared for the TMO's Operations Committee will be shared with the Council and council officers will join the TMO when meeting contractors of the asset management projects.
3.4.4	The Procurement framework	<p>The procurement framework for contractors providing capital works is complete and the arrangements to engage the successful contractors, KeepMoat and Wates and consultants JRP and Baily Garner are on-going. The Council is establishing, with the assistance of the TMO, if the framework is a Qualifying Long Term Agreement. A hearing of the Upper Tier of the Leasehold Valuation Tribunal will be held at the end of June.</p> <p>The TMO will start to use the framework for the delivery of the internal works until the LVT delivers its verdict.</p>
3.4.5	Working with the Council to improve the quality and supply of TA	The Council is looking at the existing use of TA that the TMO manages. The TMO and Council will work to improve the quality and supply through investment opportunities.

3.5	Digitalisation	
3.5.1	Tackling the digital divide by considering how to address barriers that are preventing tenants benefiting from these technologies.	<p>The Tri-borough Digital Inclusion project has developed its pilot phase, and the TMO has been an integral part of this development process. As part of this project, uptake of the TMO's See My Data service (a web based service to allow residents to view their accounts) will be monitored to understand the most effective engagement model to take future work in this area forward.</p> <p>The TMO has a new Community Investment Strategy which includes a commitment to continue to develop its digital inclusion work.</p> <p>The TMO is providing financial support for the RBKC led IT Hub at the Chelsea Theatre.</p> <p>The TMO will continue to investigate the most effective methods training staff and residents to become digital champions and roll out across our stock as part of our Digital Inclusion Strategy.</p>
3.6	Health and Safety	
	Health and safety issues in the social housing sector that have arisen during this year include: window safety, fire safety and cleanliness at supported housing schemes.	<p>Health & Safety Action Plan will be reviewed and extended to incorporate any new areas where monitoring of compliance with legislation and good practice is required. Specifically –</p> <ul style="list-style-type: none"> • Annual H&S report to be produced • The programme of Fire Risk Assessments & reviews to continue and more work to ensure actions and recommendations from these are consistently completed in a timely manner • Regular LFB liaison meetings. Extend fire safety approach adopted at Grenfell Tower to all major works projects - proactive involvement of LFB etc. • Work with LFB to ensure remaining high rise blocks are prioritised for familiarisation visits and where possible Home Fire Safety Visits are offered • Ongoing publicity etc. to ensure leaseholders continue to ensure any door

		<p>replacement is with compliant door</p> <ul style="list-style-type: none"> • Investigate introduction of on-line DSE training & self-assessment • Aim to complete installation programme of hard-wired automatic smoke alarms in tenanted dwellings • Working at Height - complete central database with comprehensive details of roof access arrangements and the corresponding risk and make available to all technical and neighbourhood staff. • Asbestos – finalise & publish information leaflet for residents for reception areas etc.
3.7	HRA commercial portfolio	<p>Priorities over next 12 months are to:</p> <ul style="list-style-type: none"> • Continue to work on generating new income streams and review 'non-core' current commercial lettings • Address longstanding issues with properties occupied by RBKC departments without formal leases, by completing Memorandum's of Occupation and moving all occupiers to market rental. • Maintain exceptionally low void levels • Consistently maintain debt levels below 5% throughout the year • Identify parts of the portfolio that could be used to achieve wider housing objectives (e.g converted into residential accommodation.)
3.8	Travellers site	<ul style="list-style-type: none"> • Communicate the needs assessment results to residents. • Review building control and health and safety issues on the site.
4.	<p>Conclusion</p> <p>Another busy year is ahead for the TMO. There is much business as usual for the core services but also challenges and opportunities with the introduction of Universal Credit and use of the new Procurement Framework. The Council and TMO will be working closely together to ensure the priorities of both organisations are met. Key areas will be investment in the stock, utilising the TMO's knowledge and experience and engagement and communication with residents with on-going welfare reform and increased use of technology to deliver services.</p>	

