

THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA**HOUSING AND PROPERTY SCRUTINY COMMITTEE****10 JULY 2014****REPORT BY THE DIRECTOR OF HOUSING AND TOWN CLERK AND
EXECUTIVE DIRECTOR OF FINANCE****REPORT ON TENANT MANAGEMENT ORGANISATION'S
PERFORMANCE REVIEW 2013/14 AND TENANT MANAGEMENT
ORGANISATION'S PERFORMANCE AGREEMENT 2014/15**

The purpose of this report is to introduce two documents; the Tenant Management Organisation's (TMO) Performance Review 2013/14 considers RBKC TMO performance against a range of indicators and audits for 2013/14 and the TMO Performance Agreement for 2014/15 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 5) the framework is used to look back at the performance of the last year in the Annual Review 2013/14 against the key priorities set out in the Performance Agreement for 2013/14 (and updated in the six month report to the Scrutiny Committee on 7 November 2013). The second part of the report, Appendix 2 (page 19), the Performance Agreement 2014/15,

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 2014/2015 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 2013/14

- 2.1 This paper forms Appendix 1 of this report. It describes the TMO's performance against the 2013/14 Performance Agreement that includes a range of housing activities, key performance indicators (PI's) and the Audit Plan for 2013/14.

2.2 Executive Summary

Another good year for the TMO given that it was a year of change when new initiatives and agendas were being embedded. The key indicators from the performance management framework show a robust operational performance with 7 of 9 PIs on target, one within the 5% threshold (complaints) and one missing the target but with clear reasons (Decent Homes).

The audit programme achieved 2 substantial (Risk Management and Corporate Governance) and 4 satisfactory audits.

Welfare Reform measures are embedding and the perceived impact on rent collection rates has been mitigated and managed with positive outcomes for the Council and residents. Rent arrears now stand at below £ 1m (£984,492) the lowest for 18 years.

The support for the TMO as managing agents has been tested through the Test of Opinion in September 2013, with 86% of residents wanting the TMO to continue to manage their homes and the highest turnout at 32%, with 3,420 residents voting.

Targets from the Business Plan are being achieved including Repairs Direct going live in September and a new robust parking policy being developed. The partnership approach with the Council to the project work around investment in the stock continues with the development of a mid-term HRA Business Plan and asset management strategy as well as continued work around fire safety, worklessness and

digitalisation. This strong performance will enable the Council to meet its priorities through this key strategic partnership.

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

3. CONCLUSION FOR 2013/14

- 3.1 A challenging and rewarding year for the TMO. Performance against key indicators and audits has achieved good results and it has delivered in terms of setting up Repairs Direct, increasing resident engagement and resident satisfaction, reducing rent arrears to the lowest ever level as well as delivering new homes, improving the management of commercial opportunities and parking and spending the capital programme to maintain and improve the stock. All of which have ensured that the TMO has met the terms set out in the 2013/14 Performance Agreement.

4. THE PERFORMANCE AGREEMENT FOR 2014/15

- 4.1 The Performance Agreement for 2014/15, 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 The TMO will be consolidating and building on its achievements from 2013/14 and will continue to play a key partnership role in enabling the Council to meet its ambitions to meet housing need, maintain and improve the stock and to ensure residents are satisfied with the services being provided. The PIs, audits and project work set out in this document will demonstrate how and when the TMO will work with the Council to achieve these ambitions.

FOR INFORMATION

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Background papers used in the preparation of this Report: None

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TMO ANNUAL REVIEW 2013-14

1.	<p>Executive Summary</p> <ul style="list-style-type: none"> • Another good year for the TMO given that it was a year of change when new initiatives and agendas were being embedded. • The key indicators from the performance management framework show a robust operational performance with 7 of 9 PIs on target, one within the 5% threshold (complaints) and one missing the target but with clear reasons (Decent Homes). • The audit programme achieved 2 substantial and 4 satisfactory audits Welfare Reform measures are embedding and the perceived impact on rent collection rates has been mitigated and managed with positive outcomes for the Council and residents. • The support for the TMO as managing agents has been tested through the Test of Opinion in September 2013, with 86% of residents wanting the TMO to continue to manage their homes. • Targets from the Business Plan are being achieved including Repairs Direct going live in September and a new robust parking policy being developed. • The partnership approach with the Council to the project work around investment in the stock continues with the development of a mid-term HRA Business Plan and asset management strategy as well as continued work around fire safety, worklessness and digitalisation. This strong performance will enable the Council to meet its priorities through this key strategic partnership. 	
2.	<p>Purpose of the Report</p> <p>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</p>	
3	<p>Key Areas of Performance</p>	
3.1	<p>Performance Indicators – The PI suite reflects the continued themes this year. The targets set have taken account of the potential implications the welfare reform</p>	<ul style="list-style-type: none"> • Of the nine PIs seven achieved or exceeded their target, one PI was within the 5% threshold and one did not achieve the target. • A very good performance in what has been a difficult year with the introduction of welfare reform, which was expected to hit rent collection rates and the start of Repairs Direct which was a new initiative for the TMO

	legislation might have, particularly in relation to rent arrears.	<p>and had the potential to impact on performance whilst bedding in.</p> <ul style="list-style-type: none"> • The TMO has mitigated any drop in rent collection performance by taking proactive measures with residents and tight control of the process, which have resulted in arrears being below £1m for the first time in the history of the TMO. Leasehold collection rates remain above target for a fifth consecutive year and re-let times have fallen for a 4th consecutive year. • The Test of Opinion undertaken as part of the MMA shows the satisfaction ratings amongst tenants and leaseholders has increased from 66% previously in 2006 to 75%. • The complaints PI appears to have been affected by the change from the old repairs contract and the start of Repairs Direct but this is being managed through an action plan. • The reduction of the Decent Homes PI against target will be addressed through the Council's HRA Business Plan 2014-19 and the TMO's asset management strategy which will start to address the investment in the stock in a more coherent and targeted way now that the Council can prioritise its capital spend. 					
Ref	Performance indicator (PI) title	Good is?	2012-13 Actual	2013-14 Target	2013-14 Actual	Achievement	Commentary
HS 1	Repairs appointments kept as a percentage of repairs appointments made. (YTD)	HIGH	99.0%	>=98.0%	99.06%	😊	<p>PI information shown for period April to August 2013. Repairs Direct was launched in September 2013 and this PI does not form part of the agreed PI suite. It will be replaced in 2014/15 with 'Satisfaction with repairs service' and '% Passed Post Inspections'.</p> <p>To date '% Satisfaction with repairs service' stands at 94.0% against a target of 95%.</p>
HS 2	Local authority tenants satisfaction with landlord services. (Biennial)	HIGH	-	-	78.9%		Test of Opinion exercise 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 3	Average energy efficiency rating of housing stock. (Annual, quarter four)	HIGH	67	>=65	66.5	😊	Performance within target.

HS 4	Average number of days to re-let local authority housing. (YTD)	LOW	23	>=24	21.10	😊	<p>Following the launch of Repairs Direct we have seen significant improvements in the numbers of void works orders being completed in target. This, together with new procedures for sign ups, has enabled the void process to become more structured leading to shorter re-let periods.</p> <p>This is the 4th year of improvement for the KPI.</p>
HS 5	Percentage non-decent council homes. (Annual, quarter four)	LOW	6.5%	<= <=15%	17%	😊	<p>The non-decency figure increase reflects the change in the Council's priorities to investing in the housing stock. Previously the investment was focussed on decent homes (kitchens and bathrooms), but with the new freedoms of self financing the Council is prioritising works so that they meet the K&C investment standards, health and safety, keeping homes wind and water tight, improvements inside the homes, to the communal areas and to the neighbourhood. This looks to invest in the structures and different elements of the buildings i.e. rooves, lifts, boilers and heating etc.</p> <p>Investment in the components that met the decent homes standard is taking place but on an asset management based approach and funding (£61m over 5 years) will be prioritised on a block by block or category basis.</p> <p>The change in priorities now means the non-decency PI is no longer a good measure of investment and the replacement PI to measure the performance of the TMO is:</p> <p>The number of homes reaching the Investment Standard</p>
HS 6	Collection rates – leaseholder service charges. (YTD)	HIGH	102.27%	97.46%	105.42%	😊	<p>All targets have been surpassed, with reductions in combined service charge and major works arrears for the fifth consecutive year.</p>
HS 7	Collection rates – leaseholder major works. (YTD)	HIGH	170.04%	60.78%	185.37%	😊	<p>Collection rates for major works better than anticipated as some planned rechargeable works were moved to 2014/15.</p>

HS 8	Rent collection and arrears recovery: seven weeks arrears. (YTD)	LOW	5.23%	6.00%	4.32%	😊	The reduction from 5.23% (12/13) to 4.32% equates to a reduction of 59 secure tenancies with high level arrears.
HS 9	Rent collection and arrears recovery: rent collected. (YTD)	HIGH	97.3%	97.7%	98.68%	😊	The Rent Income Team reached an important milestone during 2013-14, with current secure tenant rent arrears reducing to below one million pounds for the first time in the TMO's 18 year history.
HS 11	Proportion of approved housing capital investment programme spent. (YTD)	HIGH	91.99%	100.00%	103.0%	😊	Capital budget of £7.56 million.
HS 12	Complaints – No. of TMO Stage One complaints answered within target	HIGH		90%	87.9%	😐	<p>A drop in performance during the latter half of the year has been linked to issues connected to repairs generally, the launch of Repairs Direct and the arrangements for winding down the previous contractor.</p> <p>A short term action plan was put in place to address performance issues, and outturns are now improving.</p>
3.2	Audits The audits for 2013/14 were as follows:			Audit Title	Scope	Assurance Status	
				Rents / Income Team	High Level Review	Satisfactory	
				Repairs including Voids Management and Larger Repairs / Decants	Full Review	Ongoing and findings will be combined with an additional review of the new TMO Direct operation in Q3/4 - see below TMO Direct	
				Capital	Full Review	Satisfactory - final draft to be	

		<table> <tr> <td>Programme</td><td></td><td>agreed in July</td></tr> <tr> <td>Business Continuity</td><td>Full Review</td><td>Satisfactory</td></tr> <tr> <td>Risk Management</td><td>High Level Review</td><td>Substantial</td></tr> <tr> <td>Repairs Direct</td><td>Specific Review</td><td>Satisfactory - final draft to be agreed in July</td></tr> <tr> <td>Corporate Governance</td><td>High Level Review</td><td>Substantial</td></tr> </table>	Programme		agreed in July	Business Continuity	Full Review	Satisfactory	Risk Management	High Level Review	Substantial	Repairs Direct	Specific Review	Satisfactory - final draft to be agreed in July	Corporate Governance	High Level Review	Substantial
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Corporate Governance	High Level Review	Substantial															
3.3	Understand and respond to the impact of welfare reform	<p>The TMO has been managing the impact of Welfare Reform by</p> <ul style="list-style-type: none"> • Extending the Welfare Reform Officers contract by a further year so they can continue to deal with the changes • Offering home visits to all residents affected by Welfare Reform • Directly referring customers to Pathways to Work agencies • Assisting customers to apply for Discretionary Housing Payments (DHP) and reminding those to reapply at the end of their term • Assisting residents to move via mutual exchanges or transfers. <p>At the year end the TMO has 339 residents affected by the Social Sector Size Criteria and 17 affected by the Benefit Cap.</p> <p>The welfare officers have made contact with all those affected by the 14% and 25% reduction in their Housing Benefit entitlement and all those affected by the Benefit Cap.</p> <p>At present, 16 of the benefit cap households (94.1%), and 111 of the social sector size criteria households (33.6%) are in receipt of Discretionary Housing Payment (DHP) and some have stated they are able to pay the shortfall.</p>															
3.3.1	The Rent Assurance project is working with every tenant impacted by welfare reforms.	The Rent Assurance Project that was set-up to enable the TMO to manage the risk associated with welfare reform came to an end in May 2013 when the welfare officers took-up their posts. The welfare officers are now the main															

		<p>front line staff providing advice and supporting residents and staff.</p> <p>Currently, the welfare reform changes have had minimal effect on the TMO's overall rent arrears. The collection rate for all households subject to the Social Sector Size Criteria in 2013/14 was 103.39%. This can be attributed to:</p> <ul style="list-style-type: none"> • Tenants being encouraged and supported to apply for payments of DHP, paid to over 60% of affected households at some point during the year • The welfare officers and rent income officers working closely with households to manage their rent, including visiting outside of office hours at evenings and weekends. • Refunds paid to over 80 households, relating to the legal loophole for pre-1996 HB claims. <p>At the end of March 15.63% of households impacted by the social sector size criteria had seen their arrears increase during the year, much lower than previously anticipated.</p>
3.3.2	Universal credit being paid directly to tenants.	<p>The TMO is part of the RBKC steering group which meets regularly to discuss the implications of Universal Credit. Potentially Universal Credit could be implemented in March or April 2016 but there is a strong indication that it could be delayed.</p> <p>The Heads of Neighbourhoods 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>
3.3.3	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 is working 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.

		There have been 12 transfers and 16 mutual exchanges completed since February 2013 when confirmation was received of the households likely to be affected by welfare reform. This includes 1 transfer and 2 mutual exchanges carried out so far in 2014-15.
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>The Council developed its HRA Business Plan which covers the mid-term priorities for investment in the stock from 2014-19. The TMO has worked closely with the Council to develop this:</p> <ul style="list-style-type: none"> • Through asset management work identifying the priorities and areas of expenditure required • Developing the standard for maintaining the stock • Delivering an effective procurement strategy • Planning resident consultation around the works programmes
3.4.2	The TMO will continue to work with the Council on asset investment projects.	<p>This has been a significant year on asset investment with substantial work being completed by the TMO in partnership with RBKC.</p> <ul style="list-style-type: none"> • The TMO worked with Savill's to develop initial assessment of stock and then the Investment Standard and Asset Investment Strategy • Work on the energy investment is currently being developed with the Board and RBKC. • The above work has then fed into the HRA business plan which has resulted in projected increased investment of £25m over the next five years. This will enable the TMO to plan capital investment better over a two to three year programme. • To deliver this the TMO is developing a procurement framework which will result in 4 main contractors being chosen to deliver this increased programme. The TMO is currently out to consultation with leaseholders to ensure it is compliant with legislation.

		<ul style="list-style-type: none"> The Asset Management Strategy, based on the principle of investing in stock that has the greatest financial return, is currently being drafted and will be published in September 2014.
3.5	Digitalisation	
3.5.1	Tackling the digital divide by considering how to address barriers that are preventing tenants benefiting from these technologies.	<ul style="list-style-type: none"> The TMO is working with RBKC to identify ways that tenants, particularly older and vulnerable tenants, can benefit from this work. They are in the process of identifying tenants who would be suitable to pilot using specific pieces of digital equipment. For example, one piece of equipment they have been asked to pilot is one to enable relatives and carers of older people to monitor them remotely. The project will be part of the TMO's new road shows. The TMO has bid for funds to recruit and train 30 digital champions over three years to support TMO tenants to get online and is waiting to hear the results. The TMO will also be utilising the new IT Hub set up by the housing and worklessness project on the Dalgarno estate where residents can access one to one support to develop their IT skills. The IT Hub launches on 12th June 2014. Mutual Exchange and Housing and Worklessness are working together to train one of the digital champions with the Dalgarno IT Hub to support residents to use the mutual exchange site.
3.6	Implementation of the Internal Service Provider – Repairs Direct	
		<p>Repairs Direct became operational on the 2nd September 2013. It is a subsidiary company of KCTMO, undertaking all the repairs, void property works, aids and adaptations and some elements of capital repairs previously undertaken by external contractors.</p> <p>Repairs Direct has used the last six months to consolidate its position by:</p> <ul style="list-style-type: none"> Making staff changes to 28% of its workforce in order to employ people with the right skills and attributes to deliver the business and improve

		<p>our service to residents</p> <ul style="list-style-type: none"> • Working to reduce 'no access' appointments and complaints • Reducing reliance on sub contractors <p>An audit has been carried out and received a final draft result of 'satisfactory'.</p> <p>All performance indicators were either on or just below target as follows:</p> <p>Emergency repairs completed in target = 98.91% with a target of 99% Non-emergency repairs completed in target = 97.19 with a target of 98% Void repairs completed in target = 99.10% with a target of 90% Post Inspection pass rate = 97.7% with a target of 90%</p> <p>At the end of the year, customer satisfaction levels were at 94%.(40% of telephone satisfaction surveys completed).</p> <p>Repairs Direct has its own Board which has a legal responsibility for ensuring the organisation's resources are used in accordance with the budget and the business plan.</p> <p>From May 2014, for three months, Repairs Direct are using three methods to collect data and combine the information to measure the organisation's performance:</p> <ul style="list-style-type: none"> • door step survey sheets collected following job completions by post and by operatives • customer telephone surveys • post inspection surveys carried out by supervisors • joint post inspections with client team <p>Repairs Direct are also looking at SMS customer satisfaction surveys</p>
3.7	Hidden Homes	
	Greaves Tower and Holmefield House	Greaves Tower, World's End Estate – the scheme completed on time and has resulted in three 2 bedroom residential units for general use which meet the

	Grenfell Tower	<p>Life Time for Homes requirements.</p> <p>Holmefield House, Hazelwood Crescent W10 – three 3 bedroom general need flats build to Life Time for Homes standards. Completed in December 2013.</p> <p>These two developments are the first Council housing to be developed since the early 1980s.</p> <p>A further development is programmed at Whistler Walk which is now at the planning application stage.</p> <p>Grenfell Tower regeneration options are being progressed The tender process has been concluded resulting in the appointment of the contractor, Rydon Construction in April 2014 and will be on site soon.</p> <p>A pipeline of future Hidden Homes has been identified.</p>								
3.8	Key areas from the TMO Business Plan 2009-2014	<table><tr><th>Achievements in 13-14</th><th></th><th>Examples</th></tr><tr><td>1. Increase resident satisfaction and put customers at the heart of everything we do</td><td>Achieved</td><td><ul style="list-style-type: none">Repairs Direct established.Credit Union set-up469 residents were signed-up as members against an annual target of 460.A residents conference was held on 21st SeptemberIn total 240 residents attended the conference, an increase in attendance figures of 32% on 2012.A total of 681 residents voted in the AGM, an increase of 45% on 2012.Under a new initiative KCTMO Communities, the Resident Engagement team has teamed up with a Somali group (Midaye) which aims to meet the needs of ethnic</td></tr></table>			Achievements in 13-14		Examples	1. Increase resident satisfaction and put customers at the heart of everything we do	Achieved	<ul style="list-style-type: none">Repairs Direct established.Credit Union set-up469 residents were signed-up as members against an annual target of 460.A residents conference was held on 21st SeptemberIn total 240 residents attended the conference, an increase in attendance figures of 32% on 2012.A total of 681 residents voted in the AGM, an increase of 45% on 2012.Under a new initiative KCTMO Communities, the Resident Engagement team has teamed up with a Somali group (Midaye) which aims to meet the needs of ethnic
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				<p>minorities and will help the TMO to access the Somali community.</p> <ul style="list-style-type: none"> • 80 residents took part in resident capacity training in May. • The TMO on-line service was launched on 14th October. • The TMO held four 'Map Out Your Future' road shows around the borough attended by over 350 residents, in addition to the welfare reform officers referring over 60 residents to Pathways to Work agencies helping them to secure work and training
		2. Raise housing standards by delivering quality and accessible services:	Achieved	<ul style="list-style-type: none"> • Rent Assurance project completed • W2 Workflows launched this year for a range of services • Work has started with business areas on developing call scripts for the W2 CRM module. Implementation will also include a wide-ranging training plan for CSC involving all front-line depts.
		3. Grow our Business and Protect our assets	Achieved	<ul style="list-style-type: none"> • Completed reorganisation of the Asset management team and an Asset Management Strategy has been agreed by the Board and Scrutiny Committee. • Repairs Direct went live on 2nd September. • A standardised parking policy has been produced and agreed in principle so that the Council can use its legal powers to create a statutory traffic order. • The first commercial leases have

				<p>been set-up and agreed by Cabinet with a value of £7.6m over 25 years however, implementation has been delayed until 2014/15. Other sites have been identified and are being investigated</p> <ul style="list-style-type: none"> • A community centre officer has been appointed to conduct a survey of estate community rooms.
		4.Maintain financial viability	Achieved	<p>Rent and Service Charge collection rates are above target.</p> <p>Operating with a small surplus.</p>
		5.Improve organisational capability	Achieved	<p>Effective governance and a strong Board maintained after the Board elections with a new and representative intake of Board Members. 1874 voted for 13 candidates which was an increase in voting on last year of 601.</p> <ul style="list-style-type: none"> • The Test of Opinion was successfully carried out in September. • A New Business Plan being developed, on target to be agreed by the TMO Board in July 2014. <p>Companion strategies are also being developed</p>
3.9	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>The TMO continues to work with the London Fire Brigade (LFB) and RBKC to ensure that residents are safe and the risk of fire in blocks is minimised. The programme of communal area Fire Risk Assessments (FRAs) and their reviews continue. Further significant progress has been made to address the recommendations made by these FRAs.</p>		

	<p>There are obvious benefits for residents to have early warning of fire within their home. It is the TMO's intention to significantly increase the number of dwellings which have hard-wired automatic fire detection installed.</p>	<p>The programme to replace non-fire-rated tenants' flat entrance doors has been successfully concluded.</p> <p>The TMO has worked with RBKC's Legal Services Team to address the issue of potentially non-compliant leasehold flat entrance doors. As a result, the original one hundred and seven potentially non-compliant lessee doors have been reduced to ten. The majority of the remaining ten have advised that they intend to carry out works to ensure that their doors are able to be fire-rated.</p> <p>The TMO continues to meet with the LFB on a bi-monthly basis to discuss fire safety issues and reduce the likelihood and severity of any fires that occur. In particular some of the actions that have been instigated as a result of these meetings are 'privacy boxes'. These have now been installed at all sheltered schemes to provide LFB operational crews with information on which tenants will require assistance to evacuate and LFB have given us a 6-month charging amnesty in relation to their attendance at TMO lifts to release residents who are shut-in.</p> <p>The major electrical inspection programme which commenced in the previous reporting period continued in the last twelve months. This programme covers wiring inspections in communal areas, dwellings, any necessary rewiring highlighted by the inspections and installation of hard-wired smoke alarms within the dwellings. This work is improving the fire safety of the blocks and significantly increasing the proportion of TMO dwellings with automatic fire detection.</p>
3.10	HRA commercial portfolio	<ul style="list-style-type: none"> • The TMO and RBKC Corporate Property introduced a Service Level Agreement (SLA) for management of commercial property • An internal audit was completed, enabling resolution of a backlog of lease renewals and rent reviews • £2.9m rental income was produced from the current portfolio • Project work by the TMO and Corporate Property on new opportunities, including derelict car parks and telecoms sites, generated new lease

		income of c.£500k for 2014-15
3.11	Travellers site	<ul style="list-style-type: none"> • Electrical rewiring remedial work to bring all pitches up to standard and all have Landlord's certificate • Drains to be inspected and flushed out twice a year to prevent long-standing backing -up problems • Fire Safety equipment up-graded • Seven kitchens refurbished • Residents Association Committee supported with 'train the trainer' courses • Site manager assists younger residents to join common housing register • Neighbourhood Management and Repairs Direct implemented a shadowing system where youths living on the site could gain insight into various trades • Site manager and another member of staff have been on a mediation course to provide a professional mediation service.
4.	Conclusion	<p>A challenging and rewarding year for the TMO. Performance against key indicators and audits has achieved good results and it has delivered in terms of setting up Repairs Direct, increasing resident engagement and resident satisfaction, reducing rent arrears to the lowest ever level as well as delivering new homes, improving the management of commercial opportunities and parking and spending the capital programme to maintain and improve the stock. All of which have ensured that the TMO has met the terms set out in the 2013/14 Performance Agreement.</p>

TMO PERFORMANCE AGREEMENT 2014-15

1.	Executive Summary Many aspects of the work started as part of the 2013/14 Performance Agreement will continue in 2014/15, particularly around welfare reform, asset management, regeneration, new business in relation to the HRA and commercial properties and digitalisation. It will be a busy year as the TMO consolidate and build on their achievements in 2013/14. It will continue to play a key partnership role in enabling the Council to meet its ambitions to meet housing need, maintain and improve the stock and to ensure residents are satisfied with the services being provided. The PIs, audits and project work set out in this document will demonstrate how and when the TMO will work with the Council to achieve these ambitions.	
2.	Purpose of the Report 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. This agreement will be reviewed mid-year and a progress report will be produced for Scrutiny Committee following the end of the second quarter. 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.	
3	Key Areas of Performance	
3.1	Performance Indicators – The PI suite reflects the aim for continuous improvement	New PIs are:

	especially in those areas affected by changes such as repairs and collection rates	<ul style="list-style-type: none"> Residents satisfaction with repairs % of post inspections passed Number of homes achieving the investment standard (which replaces the non-decent homes PIs as a better reflection of the investment priorities) 				
Ref	Performance indicator (PI) title	Good is?	2013-14 Target	2013-14 Actual	2014-15 Target	Commentary
HS 1a	% Residents satisfied with repairs service (Repairs Direct)	HIGH	New PI	New PI	>=95%	New PI as included in the Repairs Direct suite of KPIs. To date '% satisfaction with repairs service' stands at 94.0% against a target of 95%.
HS1b	% Post Inspections passed	HIGH	New PI	New PI	>=90%	New PI as included in the Repairs Direct suite of KPIs.
HS 2	Local authority tenants satisfaction with landlord services. (Biennial)	HIGH	-	78.9%	-	Test of Opinion exercise undertaken in 2013. Satisfaction with the overall service provided by the TMO for tenants was reported at 78.9%, and for both Tenants & Leaseholders, 75.3%.
HS 3	% of homes with Energy Performance Certificate (EPC)	HIGH	New PI	New PI	TBC	New PI. Target to be confirmed.
HS 4	Average number of days to re-let local authority housing. (YTD)	LOW	<=24	21.10	<=23.0	Target allows for the new procedures for voids and sign ups to become fully embedded.
HS 5	Number of homes reaching the Investment Standard	HIGH	New PI	New PI	New PI for 14/15	New PI. Target to be confirmed.
HS 6	Collection rates - leaseholder service charges. (YTD)	HIGH	>=97.46%	105.42%	100.207%	Projected reduction of arrears of £8,000.
HS 7	Collection rates - leaseholder major works. (YTD)	HIGH	>=60.78%	185.37%	77.781%	Target allows for an increase in arrears due to level of major works charges anticipated in 14/15.

HS 8	Rent collection and arrears recovery: seven weeks arrears. (YTD)	LOW	<=6.00%	4.32%	<=4.50%	
HS 9	Rent collection and arrears recovery: rent collected. (YTD)	HIGH	>=97.7%	98.68%	98.13%	Target based on a projected arrears reduction of £50,000.
HS 11	Proportion of approved housing capital investment programme spent. (YTD)	HIGH	100.00%	103.0%	100%	Capital budget of £9.95 million.
HS 12	Complaints - No. of TMO Stage One complaints answered within target	HIGH	>=90%	87.9%	>=90%	

3.2	Audits The audits programmed for 2014/15 as follows:			
		Audit Title	Scope	Assurance Status
		Leaseholder charges Estimates and Recovery	Full Review	Q2
		Major Works Estimates and Recovery	Full Review	Q2
		TMO Direct	Full Review	Q3/4
		Payroll/Personnel		Q2
		CAS	High level review	Q2
		Gas Team	Specific	Q3/4
		Procurement Arrangements	Full Review	Q3/4
		Capital contract review	Specific Audit	Q3/4
		It Strategy	Full Review	Q2
		Disaster Recovery	Full Review	Q3/4
		Data Security	Full Review	Q2

3.3	Respond to the impact of welfare reform	
3.3.1	Universal credit being paid directly to tenants.	<p>The TMO is part of the RBKC steering group which meets regularly to discuss the implications of Universal Credit. Potentially Universal Credit could be implemented in March or April 2016 but there is a strong indication that it could be delayed.</p> <p>The Heads of Neighbourhoods attend 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>Following the success of the 'Map Out Your Future' roadshows in 2013-14, where over 350 residents attended, the TMO has planned 4 more employment support roadshows on estates, in its third year of roadshow events. Entitled 'Your Route To Success', they are open to all TMO residents and target at those in receipt of benefits. The roadshows will feature workshops on</p> <ul style="list-style-type: none"> • CV writing / Job applications. • Money Management. • Basic Computer Skills / IT. <p>Some of these roadshows will be joint events with other local housing providers, thus widening the reach of the events.</p> <p>The TMO will continue its integral involvement in the RBKC Housing and</p>

		<p>Worklessness project and its obligations under the Pathways to Work Charter. The TMO is also a member of the RBKC Worklessness Network.</p> <p>The TMO's welfare officers will continue to support residents affected by welfare reform by helping them connect with local employment support services through the Pathways to Work referral process.</p> <p>The TMO is also investigating employment support programmes from other providers to identify potential suitable delivery methods within the TMO managed stock.</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 TMO will work closely with RBKC implementing the HRA Business Plan and Asset Management strategy.</p> <p>This will include: Programming and spend against a Kensington & Chelsea Investment Standard (Decent Homes replacement) and consulting with residents on the priorities. Devolving a rolling 5 year programme of investment to develop aspect of the standard. Establishing a procurement framework of contractors Working to identify a small number of disposals Further opportunities for Hidden Homes 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 investment 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 be on site soon and delivering over the next 18 months. Regeneration options are being progressed. The contract is currently out to OJEU, planning issues are being discussed and further resident consultation is taking place</p>

		Feasibility studies on other blocks will be completed by September
3.4.3	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>A Tri-borough Project is looking at the issue of digital inclusion for social housing tenants to identify if there is scope for the three boroughs to work on the issue together.</p> <p>Work is starting on the follow up to the digitalisation conference which the TMO were part of. This may include establishing a digitalisation group where social landlords can share and work together on digital strategies.</p> <p>The TMO is developing its own Digital Inclusion strategy which will set the framework for the TMO's work in this area going forward. This will include how we can help residents get on-line.</p> <p>The Strategy will also look at the TMO's digital presence, from its website to social media and how we can better use them to engage with residents.</p> <p>The TMO is included within the national e-Street Big Lottery bid which supports the identification, training and development of Digital Champions, both staff and residents, who will help train other residents with basic internet and IT skills.</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	The Annual Health & Safety Inspection process has been reviewed to incorporate a more robust Property Risk Assessment element and enable better monitoring of progress with recommendations. This inspection and assessment programme is now underway and we aim to complete comprehensive inspections / assessments on the communal areas of each block within the

	schemes.	<p>coming twelve months.</p> <p>Intensive work in the area of fire safety will continue. Specifically –</p> <ul style="list-style-type: none"> • Continue with ongoing programme of Fire Risk Assessments & reviews • Continue to liaise closely with the LFB • Continue work with leaseholders to address all remaining non-compliant flat entrance doors and to regularly publicise required standards so that lessees remain aware of their obligations in this area <p>Work to install hard-wired automatic smoke alarms in dwellings as part of electrical inspection and rewire programme will continue.</p> <p>Continue to work with Ofcom and the Police to ensure that pirate radio operatives do not gain access to the roof of any tower blocks to set up their aerials and transmission equipment.</p>
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	<p>Priorities over next 12 months are to:</p> <ul style="list-style-type: none"> • Supporting the completion of needs assessments on the site. • Implementing any actions plans that result from the contract review that was undertaken in 2013/14.

4.	<p>Conclusion</p> <p>The TMO will be building on its successes from last year, with the aim of sustaining and improving operational targets and workstreams such as Repairs Direct, rent collection and asset management. The TMO is in a good position to help the Council to achieve its aims and ambitions as it has the support of the majority of residents as demonstrated by the Test of Opinion. Further work around digitalisation, investing in the stock and looking for new opportunities are all part of the joint work plan and we expect to be able to report the same positive outcomes at the end of the 2014/15 Performance Agreement</p>
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