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THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA

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

24 JUNE 2010

REPORT BY THE EXECUTIVE DIRECTOR FOR HOUSING, HEALTH AND ADULT SOCIAL CARE AND THE HEAD OF HOUSING

REPORT ON TMO PERFORMANCE 2009/10 AND TMO PERFORMANCE AGREEMENT 2010/11

The purpose of this report is to introduce two documents; the TMO Performance Review 2009/10 considers RBKC Tenant Management Organisation's (TMO) performance against a range of indicators and audits for 2009/10 and the TMO Performance Agreement for 2010/11 which sets out the performance expectation for the coming year.

FOR INFORMATION

1 INTRODUCTION

- 1.1 The Council has a significant role in monitoring the performance of the TMO in delivering services to our tenants and leaseholders in line with our corporate priorities, government policy and residents' wishes.
- 1.2 The framework for formalising the monitoring and reporting of the TMO's performance are the Annual Review; which is a look back on the previous year, and the Performance Agreement which details the monitoring of service areas for the forthcoming year and the performance targets that the TMO are expected to achieve during the year.

- 1.3 The Annual Review paper has been written to summarise performance for 2009/10 detailing actions achieved as part of the TMO's Improvement Plan, the performance against key performance indicators and the outcomes from the Council audit programme. The paper has been agreed with the Cabinet Member for Housing and the Chairman of the TMO Board.
- 1.4 The Performance Agreement for 2010/2011 which the Council will utilise in monitoring the TMO has now been agreed with the TMO.

2 TMO PERFORMANCE 2009/10

- 2.1 This paper forms Appendix 1 of this report. It describes the TMO's compliance with the terms of the Improvement Plan put in place in March 2009 and completed in January 2010, plus performance against key indicators and the Audit Plan for 2009/10. The overall picture of performance by the TMO is very encouraging.
- 2.2 The direction of travel for performance indicators is good. Of the ten PIs, five achieved the target; the four leasehold collection PIs and energy efficiency PI. Three missed the target by one per cent or less; decent homes, rent collection and urgent repairs, and the remaining two PIs (re-let times and rent collection – seven weeks arrears) have seen improvement since the previous year.
- 2.3 The decent homes PI is top quartile compared to other London ALMOs, and the TMO aims to achieve top quartile across the performance suite by 2014 with the introduction of specialist teams and smarter working practices.

3. CONCLUSION FOR 2009/10

- 3.1 The TMO has had a positive year with tangible performance improvements. Since the completion of the Improvement Plan in early January the TMO has been implementing the key strategies and working practices developed as part of the Improvement Plan and embedded in the new Business Plan; this will lead to continuing improvement in service delivery and further organisational benefits.

4. THE PERFORMANCE AGREEMENT FOR 2010/11

- 4.1 Since 2004 the annual HRA Performance Plan approach, the forerunner of the Performance Agreement, has been in operation as an attempt to bring together performance indicators and action plans that the Council as the client would use to monitor the TMO. With conclusion of the Improvement Plan in early 2010 the TMO has

developed its Business Plan which aligns with the Cabinet Business Plan and local and national drivers for social housing providers.

- 4.2 The Performance Agreement for 2010/11, attached at Appendix 2, is designed to meet the Council's housing priorities, both in the local and national context. The TMO's contribution is fundamental to the Council achieving delivery on balancing the HRA, the Housing Stock Finance and Development programme and the Tenants Services Authority requirement on Local Standards. The Agreement also focuses on improved service delivery on repairs, resident engagement, governance and meeting top quartile performance in relation to performance indicators which form part of the Council's Housing PI Suite, and the overarching Comprehensive Area Assessment.

5. CONCLUSION FOR 2010/11

- 5.1 Monitoring of the Performance Agreement will take place quarterly and will be reported to regular meetings with the Head of Housing and TMO Executive. The Performance Indicators will be reported to the Cabinet Member for Housing and this Scrutiny Committee as part of the wider monitoring of the Business Group activity, whilst progress against the Performance Agreement will be reported at the end of quarter two to the Cabinet Member and Scrutiny.
- 5.2 The projects on Housing Stock Finance and Development, resident engagement, governance and improvement in performance indicators will be high priority for the year.
- 5.3 It is anticipated that the mid year review of performance in October 2010 will identify improvement issues for the TMO that come up in year, and they will be incorporated into the Performance Agreement at this point.

FOR INFORMATION

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Appendix 1

REPORT ON TENANT MANAGEMENT ORGANISATION PERFORMANCE 2009/10

1. Executive Summary

- 1.1 After a challenging year the TMO has made considerable improvements in its services, demonstrated by performance information and audit outcomes. The Improvement Plan was signed off at the beginning of 2010, and the improvement work continues through the TMO's new Business Plan and other key strategies now in place, plus new management and governance frameworks. Performance this year overall has generally seen a marked improvement from the previous year and this is set to continue. Audit reports undertaken by the Council also show a very good result; of the thirteen audits undertaken eleven show satisfactory assurance and medium risk, with one substantial assurance and one limited assurance. Given the number and range of audits this is a significant achievement.

2. Purpose of the Report

- 2.1 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 through performance information, audits, and the completion of the Improvement Plan which was in place for most of 2009.

3. Improvement Plan

- 3.1 The TMO Improvement Plan was presented to 16 March 2009 Scrutiny Committee following the Variation of the TMO Management Agreement agreed by Key Decision Report (02918/08/H/A).
- 3.2 The Improvement Plan was monitored through a number of regular meetings with the TMO Chairman and Executive Team and the Cabinet Member for Housing, Executive Director of Housing, Health and Adult Social Care and the Housing Department. The last TMO Improvement Plan meeting was held on 6 January as the project team considered the terms of the plan had been complied with and the Breach Notice was withdrawn.
- 3.3 In compliance with the plan:

- The TMO implemented new Governance arrangements including an induction programme for board members, with structured and focussed meetings, regularly reporting of operational performance. In support of the new arrangement Council appointees have remained on the Board following the AGM and election of a new Chairman.
- Strategic and business planning with a new Business Plan and Risk Management Framework. The new Business Plan forms the main body of the new Performance Agreement for 2010/11.
- A Performance Indicator Scorecard reported on a quarterly basis to the TMO Board, Scrutiny Committee and Housing, Health and Adult Social Care Senior Management Group.
- The new repairs contract was let to Morrisons in December 2009.
- A finalised staffing structure is in place with staff training ongoing to ensure the embedding of a customer service culture. Training was also held with the new repairs contractors. A number of meetings have been held between the Housing Department and the new directors of services by way of an induction to the Council.
- A new customer feedback system called TP tracker to measure customer satisfaction monthly and a new customer complaint procedure were introduced early in the year. The systems will need at least another two quarters to bed in before meaningful data will be produced.
- An initial Resident Engagement Strategy was reported to the TMO Board in December 09. Although the strategy has not yet been finalised steps towards increasing involvement have started with the re-introduction of the Resident Engagement Committee approved at the TMO board in March 10. The Resident Engagement Strategy and the Council's Tenant Consultative Committee will be aligned and complimentary.

4. Performance Information

- 4.1 As part of the Improvement Plan the TMO has developed a dashboard of PIs that it is using for monitoring and reporting purposes. Included in the dashboard are the PIs that form part of the Council's Housing PI Suite. The table below shows the TMO PIs the Council reports on, full details of the outturn report for 2009/10 including the changes in performance from 2008/09 and the commentaries are shown on page 8.

- 4.2 Performance this year overall has seen considerable improvement from the previous year. The SAP ratings and four of the leasehold PI met or exceeded their targets. Two of the PIs have narrowly missed the target; rent collection (1%) and urgent repairs (0.4%). Of the PIs that did not meet their target Decent Homes was also 1% out and this was due to properties that have fallen out of decency in the year; the figure is still a top quartile performance. Rent collection for 7 weeks arrears missed the target but the collection rate has improved from 9.44% at the start of the year down to 7.71% with the expectation that this rate will continue to fall as the Rent Income Team continues to embed and works at full capacity. Similarly relet times have dropped from 37 days at the start of the year to 32.9 at the end of Q4. Void turn times around were affected by the poor performance of the previous repairs contractor. Morrisons, the current contractor, is meeting its targets but there is a backlog and issue with viewings and refusals, which is currently being looked at jointly with the TMO and Council.

5. Audits

- 5.1 The table below shows all the audits that have been carried out by the Council on the TMO in 09/10 financial year.

Kensington and Chelsea Tenant Management Organisation	Stage	Quarter	Assurance	Risk
Leaseholder Services - Consultation	Completed	Q1	Satisfactory	Medium
TMO UNIX Server/Security	Completed	Q1	Satisfactory	Medium
Gas Team	Completed	Q2	Satisfactory	Medium
Corporate Governance	Completed	Q2	Satisfactory	Medium
Leaseholder Services – Debt Recovery	Completed	Q3	Satisfactory	Medium
Financial Systems - Managed	Completed	Q4	Satisfactory	Medium
Financial Systems – Company	Completed	Q4	Substantial	Medium
Rents / Rents Restructuring	Completed	Q4	Satisfactory	Medium
Health and Safety	Completed	Q4	Satisfactory	Medium
Payroll, Personnel and Recruitment	Completed	Q4	Satisfactory	Medium
Responsive Repairs – Contract procurement	Completed	Q4	Satisfactory	Medium
TMO Use of Spreadsheets	Completed	Q4	Limited	Medium
Business Continuity- Consultancy	Ongoing	N/A	N/A	N/A
Lancaster West Management Arrangements	Cancelled	N/A	N/A	N/A

Only one audit was limited (Use of spreadsheets) and the TMO also received a substantial assurance which is very good (Financial Systems – Company. The Lancaster West Managements

Arrangements has been cancelled whilst negotiations with the EMB are on going.

6. Changes to the Modular Management Agreement (MMA)

- 6.1 A Key Decision Report on the Proposed Transfer of the TMO Housing Allocation Service to the Council (KDR 03269/10/H/A) was implemented on 24 February 2010. The KDR sought to transfer the Allocations service operated by the TMO to the Council. This involved a range of functions: shortlisting of applicants bidding for social housing; arrangements for viewings; tenant transfer medical assessment processes; the registering of tenant transfer applications; and updating and maintenance of applicant records. The management of void properties and lettings functions remained with the TMO.
- 6.2 As a result of the transfer a Deed of Variation was also sought through the KDR to amend the MMA to reflect the new arrangement. The Deed of Variation has been implemented but this now needs to be incorporated in the MMA. A review of the MMA will be instituted in 2010/11 which will include this variation and changes to other TMO and Council policies.

7. Conclusion

The TMO's performance based on the business indicators (PIs and audits) shows a significant improvement from when the Improvement Plan was put in place in early 2009. This improvement is set to continue as it supported by range of strategies, planning processes and business improvement tools developed by the TMO Board and Executive as part of Business Plan for 2010/11. The Council will continue to work in close partnership with the TMO on the forthcoming challenges, particularly on the Housing Finance and Stock Development project and the introduction of local standards for tenants.

Indicator Details				2007/08	2008/09 Data		2009/10	2009/10 Data						2009/10 End of Year Analysis			Future Targets		Commentary			
PI Reference	Business Group	PI Context	Title	Goalset?	2007/08 Actual	2008/09 Target	2008/09 Actual	Vital Sign	2009/10 Target	Q1 2009/10	Q2 2009/10	Q3 2009/10	Q4 2009/10 Actual	2009/10 Outturn	Upper quartile	Target met?	Trend	Future prospects		2009/11	2011/12	
			Housing National Indicators																			
NI158	HHASC TMO	Celia Calskan	% non-decent council homes. Data producer: John Parsons	Low	19.6%	13.0%	0.0%	Y	0.0%				1%	1%	1.4%	🟡	⬆️	Medium	1.0%	0.0%	There are 61 properties that are currently being reported as non decent. These are the result of those that are potentially non decent at the completion of the original decent home programme (December 2010) and have become non decent since and up to the deadline. Furthermore there are 612 properties where the resident has refused the Decent homes improvements. Once these properties become void they are then made decent. Performance is too variable.	
NI160	HHASC TMO	Celia Calskan	Local authority/tenants' satisfaction with landlord services. Data producer: Sandip Sodha	High	72.00%	72.00%	66.00%	N	72.00%								A			72.00%	Not set	A bi-annual requirement. This was taken from the 2008 status survey and we are currently working on the 2010 survey.
			RSP%																			
L4101	HHASC TMO	Celia Calskan	Energy efficiency of housing stock. Data producer: John Parsons	High	71	73	71	N	72					72	72		🟢	⬆️	Medium	72	72	The average energy rating achieved for 2009/10 was 71.33. This falls short of the projected SAP of 71.50 and this is attributed to the inclement bad weather during Quarter 4 of 2009/10 which slowed down the progress of planned energy efficiency improvement works. The TMO is currently undertaking a £3.2 million cavity wall insulation project funded under the Carbon Emissions Reduction Target (CERT) scheme and this is projected to result in an average SAP rating of 71.65 for 1300 properties by the end of Quarter 3. A new energy survey targeted for completion in Quarter 1 is also expected to provide a more accurate overview of SAP for the TMO property database. In view of this, the TMO may need to review the current projected SAP ratings to match the new database.
L4103	HHASC TMO	Celia Calskan	Rent collection and arrears recovery: rent collected. Data producer: Sandip Sodha	High	97.80%	97.50%	96.02%	Y	97.60%	94.47%	94.80%	98.18	96.60%	96.60%	98.25%		🟡	⬆️	Low	97.70%	TBC	The last two quarters have seen excellent performance from the Rent Income Team. In Quarter 2 the current tenant arrears were £1.85M but at the end of Quarter 4 they are £1.37M, a reduction of £281,000. In the same period the collection rate has improved from 94.8% to 96.65%.
L4104	HHASC TMO	Celia Calskan	Rent collection and arrears recovery: seven weeks arrears. Data producer: Sandip Sodha	Low	8.38%	6.25%	9.43%	N	6.60%	9.44%	9.40%	8.90	7.71%	7.71%	6.00%		🟡	⬇️	Medium	7.00%	TBC	The quantity of tenants in arrears of seven weeks or more has reduced from 9.3% to 7.71%, the best performance since 2005/6.
L4108	HHASC TMO	Celia Calskan	Average time to re-let local authority housing (days). Data producer: Sandip Sodha	Low	20	20	28	Y	28	37	38	33	32.9	32.9	24.0		🟡	⬆️	Medium	28	TBC	Void relet time increased during the last Quarter of 2009/10. The voids contractor is meeting the void target however, it is considered that multiple viewings are a contributory factor to this increase.
L4124	HHASC TMO	Celia Calskan	Percentage of urgent repairs completed within time limits. Data producer: Sandip Sodha	High	90.1%	98.0%	96.6%	Y	98.00%	97.00%	97.50%	98.40%	97.6%	97.6%	98.0%		🟡	⬆️	Low	97.00%	98.00%	Recent data on repairs has been obtained from Morrison. However there are still some issues concerning the incompatibility of the Morrison IT system which are being resolved. Although these figures have been subject to validation, further work is needed in the new financial year to ensure that this validation is robust.
L4125	HHASC	Celia Calskan	Commission for racial equality's code of practice in rented housing [Previously BV164]	N/A	Yes	Yes	Yes	N	Yes											Yes	Yes	
L4146	HHASC TMO	Celia Calskan	Collection rates - Leaseholder Service Charges. Data Producer: Daniel Wood	High	101.1%	110.0%	125.0%	N	110.00%	118.00%	120.23%	114.90%	112.8%	112.8%			🟢	⬇️	Low	TBC	TBC	The collection targets for day to day service charges were exceeded. The overall debt for service charges is now below £1 million for the first time in 7 years. At the end 2009-10 the total service charge debt was £384,846.36. A total of £37,272 is being recovered under repayment plans; £154,991 is currently in dispute.
L4147	HHASC TMO	Celia Calskan	Collection rates - Leaseholder Major Works. Data Producer: Daniel Wood	High	N/A	115.0%	129.0%	N	110.00%	136.00%	126.00%	128.90%	136.8%	136.8%			🟢	⬆️	Low	TBC	TBC	Despite a number of High Profile LVTs (Trellick Tower & Warrick Road Estate) collection target was achieved, and the overall debt for Major Works is at a record low. At the end of 2009-10 the total major works debt was £6,227,350.36. A total of £387,604 is being recovered under repayment plans; £1,216,277 is currently in dispute.
L4148	HHASC TMO	Celia Calskan	Arrears collection - Leaseholder Service Charges. Data Producer: Daniel Wood	High	N/A	549,040	649,186	N	351,299	£118,889.11	£141,903.01	£98,317.87	£23,887.88	£382,997.87			🟢	⬇️	Low	TBC	TBC	See L4146 above
L4149	HHASC TMO	Celia Calskan	Arrears collection - Leaseholder Major Works. Data Producer: Daniel Wood	High	N/A	190,686	587,566	N	589,614	£63,066.96	£121,446.35	£256,286.13	£163,810.64	£604,609.08			🟢	⬇️	Low	TBC	TBC	See L4147 above
Notes				Smiley faces shows performance against target. Trend shows performance against previous year. Upper quartile data taken from Housemark London ALMOs benchmarking club.																		
🟢	It is anticipated that future targets will be met. Any risks that may impact on future performance are well controlled																					
🟡	There is some chance future targets will not be met. There are risks / external factors which may impact negatively on future performance																					
🟡	There is a high likelihood future targets will not be met. There are risks which are likely to have a significant, detrimental effect on future performance - requires attention of the PSB and SMG																					
A	Annual return																					

Appendix 2

TMO PERFORMANCE AGREEMENT 2010/11

1. Executive Summary

- 1.1 Following the completion of the Improvement Plan in early 2010, this document together with the TMO's Business Plan (Appendix 1.A) and Performance Indicator Scorecard form the performance monitoring framework between the TMO and the Royal Borough from January 2010 to October 2012. It will be subject to review on a 6 monthly basis depending on the performance improvement forecast.
- 1.2 The TMO's Business Plan (BP) sets out the areas that the TMO will be focussing on for the next 18 months, this was agreed by the TMO Board on 25 March 2010. The use of a business planning process by the TMO is welcomed by the Council who have been encouraging the introduction of this approach for some years. The Council has been consulted on the BP and we have sought alignment with the Cabinet Business Plan. The Council has identified several key service areas on which it wishes to place greater emphasis to ensure that the TMO's performance improves in line with both expectation and local and national drivers.

These are:

Customer Satisfaction
Performance Indicators
Repairs
Resident Engagement
Efficiency and income generation to support the HRA through Stock Options
Financial Management
Governance

2. Purpose of the Report

- 2.1 The TMO Improvement Plan and monitoring arrangements introduced under the Variation of the TMO Management Agreement agreed by Key Decision Report (02918/08/H/A) on 10 July 2008, monitored the TMO's performance for the financial year 2008/09 and from April to December 2009. During this period the TMO complied with the terms of the Improvement Plan, and following successful completion of the Plan early in 2010 it was agreed by Councillor Mills, Cabinet Member for Housing, Health and Adult Social Care that a performance framework based on the TMO's

Business Plan should be adopted. This report sets out how the TMO's Business Plan will be monitored and what, from the range of services and activities included in the Plan, the Council considers key to enable it to meet both local and national priorities.

3. Key Areas of Performance

3.1 Looking in detail at the TMO's Business Plan strategic priorities there are several specific areas that the Council would like to see improve to ensure the TMO achieves excellent performance ratings when compared to other ALMOs and social housing providers in London. There has to be considerable emphasis on the use and provision of timely, high quality, accurate performance information. The Council will be working with the TMO to develop benchmarking tools and audit processes and expects the TMO to achieve top quartile performance against other London wide comparators.

3.2 It is important that the TMO is also equipped to meet the demands of the new social housing regulator, the Tenant Services Authority (TSA), particularly being prepared for a short notice inspection. The TSA has developed six overarching standards that focus on outcomes for tenants and not just processes. Working to achieve the standards will subject social housing providers to new methods of scrutiny informed by the residents' perspective, and ensure the standard of service delivery is raised making residents and customers the centre of the TMO's business.

3.3 The TSA's new standards for social housing providers are as follows:

1. Tenant involvement and empowerment
 - Customer service, choice and complaints
 - Involvement and empowerment
 - Understanding and responding to diverse needs of tenants
2. Home
 - Quality of accommodation
 - Repairs and maintenance
3. Tenancy
 - Allocations
 - Rents*
 - Tenure
4. Neighbourhood and community
 - Neighbourhood management
 - Local area co-operation
 - Anti-social behaviour
5. Value of for money
6. Governance and financial viability*

- Governance
- Financial viability

*This standard or part of standard does not apply to local authorities

- 3.4 The Council is charged with developing the TSA standards as local standards in consultation with tenants and in accordance with the guidelines from the TSA. The TMO is well placed to assist the Council in developing and delivering on the standards, which the Council can then roll out as a local standard to other social housing providers in the borough. The Business Plan and the Council's key service areas align well with the TSA standards as there is emphasis on top quartile service delivery in repairs, rent collection, relet times. The TMO's consultation framework will meet the expectation of tenant involvement and empowerment with a new emphasis on the analysis and implementation of suggestions and feedback from customer satisfaction data collected through a specialist system called TP tracker. Neighbourhood management will also be a key area for monitoring; the TMO's role in worklessness, ASB, sub-letting and partnership working will be discussed through the regular quarterly meetings with the Head of Housing and estates will be inspected on a periodic basis, frequency of this has still to be agreed with the TMO.
- 3.5 The TMO will need to play a pivotal role in delivery of the Housing Stock Options. Primarily this will involve the investigation, analysis and delivery of workable financial solutions to defer or prevent the HRA deficit, currently forecast for 2012/13. This is likely to include structural changes to the HRA budget, which may come from cuts to current expenditure, efficiency savings and income generation through increases to existing income streams and the creation of new income sources. The TMO will be required to continue to work in partnership with the Council to achieve outcomes within the set timeframe and according to the agreed project methodology. The project will also involve resident consultation.
- 3.6 In addition, the TMO will be required to act as a key partner to deliver the regeneration schemes which are being progressed under the Housing Stock Options programme. The schemes will be led by the Council but the TMO will be a necessary part of the planning and consultation process.

3.7 Key areas from the TMO Business Plan 2009-2014:

- a. Keeping our customers and residents centre stage

Improve customer satisfaction with our overall service by 10%

This is a National Indicator that is used to judge the Council against other boroughs by the Audit Commission, and is dependant on other objectives in this key area being met.

Deliver top quartile service standards for our residents measured against peer group of housing providers within the Royal Borough

This will ensure our residents enjoy high standards. Measurement/benchmarking will be undertaken through joint working between the Housing Performance and Partnerships team and members of the TMO's Business Improvement team, using existing frameworks (RBKC corporate reporting, data quality, Housemark, West London benchmarking club, the Guide to Managing Social Housing) and developing new tools (audits and local standards).

Delivering an estate and repairs service through partnering contracts that will delight residents and adopt best practice for appointments and customer care in residents' homes.

The partnering contract with Morrisons will provide a "state of the art" repairs services that focuses on quality, customer satisfaction and utilises the latest IT to ensure high standards and, improved customer satisfaction, leading to cost savings through efficient practices.

Review our resident engagement arrangements, develop better feed-back loops and widen the choice of participation options available to residents.

This will provide a more detailed picture of the resident's views and opinions, hopefully broadening participation out to people not already engaged. This will enable better targeted services and increased engagement, and aligns with the objectives of the regulator, the TSA.

b. Being competitive and increasing our income

Continue to deliver efficiency and plan our service costs to achieve a balanced Housing Revenue Account.

This will assist the Council with achieving its targets in relation to providing a balanced HRA. The current partnership approach is providing financial benefits to both organisations.

Maximise income by reviewing options for the use of parking spaces and methods of payment.

A project has already been started looking at the use of parking spaces. The Council and TMO will be working together to look at other innovative ways of maximising income; Stock Options work in particular is likely to result in the creation of new income streams.

c. Developing organisational competence

Continue to enhance governance by developing board skills.

The TMO Board has benefited from the experience of Council appointed nominees, and the TMO's intention is to build on this experience by developing the skills of board members.

- 3.8 The TMO has noted the risks and challenges to the business in the Business Plan; these include finances, business continuity, governance and effective business management. Strategies to manage these risks exist for each service activity area and together they make up the TMO's risk management framework. The Council will focus on two areas of the risk management framework:

Governance - Council nominees will remain on the TMO Board to provide support and direction for the forthcoming year.

Finance - The TMO will provide a 3 year financial plan and risk assessment which will be shared with the Council. It has been agreed that comments from the Executive Director of Finance and Property will be sought on the contents of the financial plan once it has been drafted.

- 3.9 As part of the Council's risk management strategy the TMO will continue to be audited by the Council's Internal Audit. Appendix 2.A shows the programme of audits for 2010/11. The results of the audits will be reported as part of the Performance Agreement.

4. Monitoring and Reporting

- 4.1 The TMO will provide regular updates on the Performance Agreement to the TMO Board. The Agreement will also become a standard agenda item at the quarterly TMO performance meeting held with the Council. The TMO will be expected to provide the same detailed information to the HRA/TMO performance meeting that it provides to the TMO Board, plus additional information requested by the Council in relation to any exception reporting with particular focus on performance indicators. There are a range of meetings between the TMO and the Council at which performance will be discussed. Details of these are shown at Appendix 3.A.

- 4.2 Appendix 4.A pulls together the key service areas of the TMO Business Plan detailed at paragraph 3. above and the selected performance indicators reported on a quarterly basis to the Housing, Health and Adult Social Care Scrutiny Committee, as they form the Housing PI suite and Vital Signs reporting. The TMO is committed to achieving the targets as stated in the appendix, which have been agreed by the TMO Board.
- 4.3 A mid year update and the end of financial year outturn on the Performance Agreement, including the PIs and the Audit Plan, will be reported to the Housing, Health and Adult Social Care Scrutiny Committee following Performance Agreement Review meetings with the TMO.

Appendix 1.A



Kensington & Chelsea Tenant Management Organisation

Business Plan Year 2

2009 - 2014

March 2010

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SECTION ONE

Introduction and background

The 2009 Kensington & Chelsea Tenant Management Organisation's (K&CTMO) Business Plan, sets out the aims, values and strategic objectives for the period 2009 – 2014 and builds upon our first plan, which was written in 2006 and up-dated during 2008.

K&CTMO was set-up in 1996 and the Arms Length Management Organisation (ALMO) was established in 2002. K&CTMO manages 9,440 properties of which 73%, 6,920 are tenanted and 27%, 2,548 are leasehold dwellings. 98% of our properties are flats, of which 25% are in blocks of 10 storeys or more. 66% of the rented tenants rely on housing benefit and 50% of rented households have a person with a long term illness or disability living in the home. Half of tenants have their origins within the many Black and Minority Ethnic (BME) communities that live in the Royal Borough.

47% of leasehold properties are occupied by original Right to Buy (RTB) applicants and 53% by people who have bought on the open market, mostly at very high average prices. 26% of the total leasehold stock is let on a commercial basis with the leaseholder not actually residing in the property.

Although operating as an ALMO, the strategies of the K&CTMO are inter-linked with those of the Council and therefore K&CTMO's Business Plan is strongly influenced by the Council's Business Plan and strategies for managing the Housing Revenue Account in the current changing economic climate (Appendix 1 – Strategic Links to RBKC - RBKC Business Plan 2008/9 – 2010/11).

The K&CTMO's Business Plan has been developed with the full involvement of staff, management and the Board, and in consultation with residents, key stakeholders, and partners, of which the Royal Borough is paramount.

The plan includes a business commitment to achieve the best service quality and meet published local service standards. These accompany ambitious strategic objectives for the growth of business turn-over as one option to contributing to the long term sustainability of K&CTMO. The Business Plan assesses the business risks faced, and the barriers to K&CTMO emerging as a thriving business that is fully able to partner the Royal Borough. A key aim of the new plan is to both lever new resources into the Council and introduce commercial and community partnerships for the wider benefit of residents of the Royal Borough.

Linked to the business plan are detailed annual service improvement plans and annual service risk assessments. The business performance is monitored within a performance framework with agreed key PIs that are cascaded down to inform team and individual performance and appraisal which is scrutinised

quarterly by the Board (Appendix 2 – Performance Indicators – Monthly KPI Reports).

Executive Summary

K&CTMO has faced difficult challenges in the three years since the Audit Commission inspection, particularly with regard to governance issues and in some areas of service performance and these are being worked through jointly by the Board and the Executive Team. The original Decent Homes Programme is on target to finish during 2009/2010. Performance on some of the BVPIs remains good and K&CTMO continues to implement a cost reduction programme, assisting the Council to defer a potential deficit on the HRA during the next five years. To date this has reduced real service costs by some £1.5M.

K&CTMO's service achievements continue to be verified externally by a combination of gaining the Equality Standard for Local Government Level 3, the renewal of our Investors in People accreditation, and the successful transition from Charter Mark to the Customer Excellence Award in June 2009. Recent changes and improvements in delivery and service ethos will be consolidated as plans to restructure further and relocate from Charles House to Network Hub, and an extended office at World's End, are fully implemented in the spring of 2010. We are committed to drive efficiency and service improvement across the entire organisation with the aim of attaining top quartile performance at lowest cost.

The revised Business Plan seeks to address several corporate risks to the business such as:

- mitigating the financial risks of ongoing reductions in the Council's annual revenue funding reduced management and maintenance allowances;
- reputational risks from changes to local priorities brought about by new regulation and standards for social housing providers as influenced by the Tenant Services Agency;
- at a local level, the completion of the Decent Homes programme with reduced reinvestment funding in future years
- active partnerships with RBK&C to deliver wider community strategy objectives for housing providers.

Our key driver for change remains to secure more, and better, quality housing, enhanced service delivery, and to facilitate, to the extent that they wish to, residents to take control of their lives through the governance and other opportunities made available to residents as part of K&CTMO engagement structures. Engagement has influenced the roll-out of the Council's stock options review, which aims to find the best way of continuing investment in council homes in the Royal Borough and as an active and full partner, K&CTMO, is pleased to support RBK&C's preference to retain the council housing stock within the Housing Revenue Account and to seek alternative options to address future HRA funding deficits and to explore regeneration options on selected estates.

SECTION TWO

Our Mission:

Delivering excellent housing services through resident-led management

Our core purpose is:-

- Keeping residents and customers at the centre of everything we do
- Raising housing service standards and expectations by delivering quality and accessible services
- Confidently growing our business to meet the needs of residents

K&CTMO has four core values:-

- Delighting residents and customers by exceeding expectations
- Being open and accountable for all we do
- Valuing the individuality and culture of residents, staff and communities
- Inspiring change for the better by improving homes and communities.

SECTION THREE

Our strategy is to develop K&CTMO as a long term partnership with the Royal Borough, one that delivers the best service and creates both an investment vehicle and an agent to draw new investment into social housing.

Our plans are founded on three key strategic priorities:

- 1 Keeping our customers and residents centre stage**
- 2 Being competitive and increasing our income**
- 3 Developing organisational competence**

Each of our corporate goals and objectives feed into these three strategic priorities and help provide a measure of how all the parts of the business contribute collectively to delivering our business strategy. Some of our key goals for the next five years are listed below and in Appendix 3 – Corporate Service Plan Goals, is a more detailed summary for the next eighteen months. These are supported by individual service plans which are owned by SMT.

Keeping our customers and residents centre stage

- Improve customer satisfaction with our overall service by 10%
- Deliver top quartile service standards for our residents, measured against a peer group of housing providers within the Royal Borough.
- Deliver an estate and repairs services through our partnering contracts that will delight residents and adopt best practice for appointments and customer care in resident homes.
- Review our resident engagement arrangements, develop better feedback loops and widen the choice of participation options available to residents. Develop the customer service centre to be the first point of contact between residents and K&CTMO. As such we will enhance IT software and develop specialist capabilities to respond to housing management and repair requests effectively at the first call for more than 70% of contacts.

Being Competitive and increasing our income

- Continue to deliver efficiency and plan our service cost to achieve a balanced Housing Revenue Account
- Maximise income by reviewing the options for the use of parking spaces and methods of payment

- Seek additional income by forming partnerships to manage more housing and develop new, converted or refurbished homes by better utilising existing assets
- Actively seek innovative roles for K&CTMO as a partner in the regeneration of estates. Review and update our IT strategy to assure that investments support an enhanced service standard and aid competitiveness objectives
- Develop our first new homes by implementing a “Hidden Homes” strategy, either alone or in partnership with an RSL, and by seeking Social Housing Grant where opportunities exist for new development on existing sites
- Widen the Community Alarm Service and develop options around further extending the service into the community.
- Develop options around private sector leasing and the reoccupation of long term void properties
- Grow the income from third parties using K&CTMO assets, and fee income from sponsorship and other social or commercial enterprises

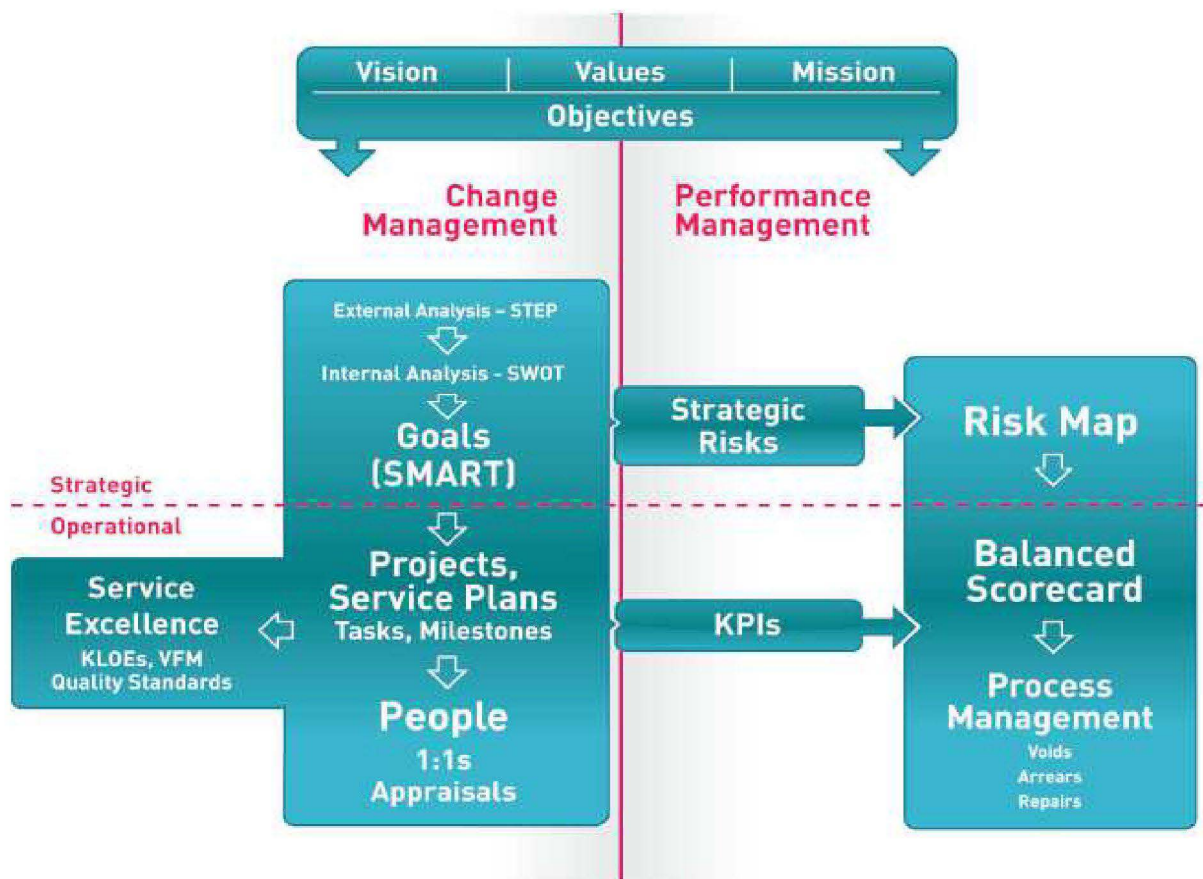
Developing organisational competence

- Continue to enhance governance by developing board skills via a structured programme of skill development and induction
- Resident Board members will be supported and encouraged to enhance their skills and where appropriate seek vocational and other qualifications
- The CEO will introduce new top management arrangements with clear service accountabilities developed for Heads of Service and their management teams
- New office arrangements will be implemented in 2010 and both senior management and staff from Charles House relocated to Network Hub, in the north of the Royal Borough, and within a new office at World’s End, Chelsea. A smaller central office at Kensington High Street will accommodate CEO teams, some corporate HR and Finance staff and the Community Alarm Service.
- All managers will be offered management development and all staff will attend annually both in-depth customer service practice and refresher skill programmes. A structured corporate and professional skill development programme will be implemented to complement the business plan objectives.

- K&CTMO will seek external accreditation of its services as a measure of its performance.
- The Customer Service Centre and access arrangements for residents will be enhanced, roles clarified to address corporate inconsistency, and service plans implemented to address technology and people resource issues.
- The resident involvement strategy will be reviewed to address concerns about decline in registered groups and align TMO practices with the 2008 RBK&C procedures for resident groups moving towards attaining the gold standard award.

Our plans for the next 18 months are detailed within service plans developed for each activity that is managed by K&CTMO , an illustration of the framework we are using for business planning and performance management is shown below:-

Performance Framework



SECTION FOUR

Your Home, Your Future

In March 2009 RBK&C undertook a survey of tenants as a prelude to its stock options initiative and concluded that most tenants, 73%, think it is important that RBK&C remains as the landlord and would prefer not to see an alternative social landlord own and manage their stock. Only 22% agreed that they supported a change in landlord to an alternative social landlord. However, half of the tenants who agreed with a transfer wanted a transfer to K&CTMO. A significant minority, some 24%, were undecided and a similar proportion disagreed, preferring an alternative landlord. Leaseholders are more likely to disagree, nearly half not wanting a transfer to K&CTMO.

When asked about rebuilding council estates, whilst 42% of residents agreed they would benefit from remodelling, 27% did not, with the rest undecided. Importantly, when analysed by tenure only 31% of tenants agreed and over 40% were undecided, or did not know. Overall, residents have no appetite for a change in landlord and prefer to see the council make representations to the government that will make the Royal Borough's position better for the future. Residents of all tenures think it is important to maintain estates in good condition and seek to improve the environment. (91% & 84% respectively) and over 90% wanting to see rents and charges remain affordable.

What our residents say about K&CTMO

Commissioned by K&CTMO, our most recent surveys have confirmed that residents generally are satisfied with their neighbourhood (79%) as a place to live and consider litter, car parking and disruptive young people as their main concerns. Most residents (81%), made contact with K&CTMO during the previous 12 months with two thirds of these contacting via the Customer Service Centre (CSC).

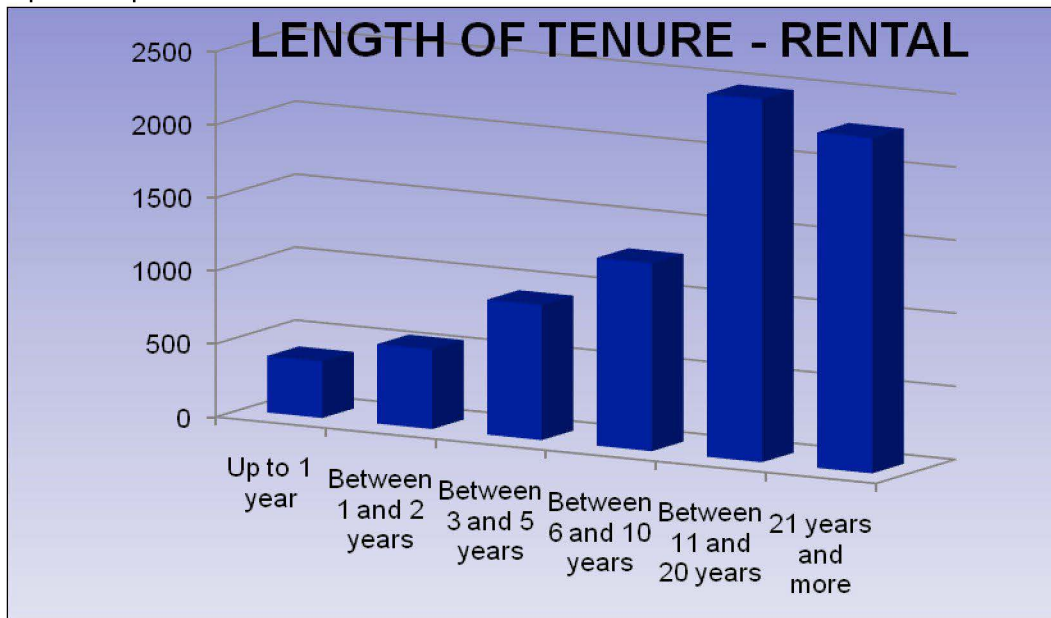
A significant proportion of residents know, and directly contact, their local staff member (24%). It is essential that future business arrangements support and strengthen access via both the CSC and by personal contact to named staff when enquiries are likely to be ongoing.

Since 2006, residents have found it more difficult to get hold of the right person who can deal with their enquiry and found staff less able to deal with their problem. Overall 68% of tenants were satisfied with the services they received from K&CTMO, with repairs and maintenance the priority service for continued attention.

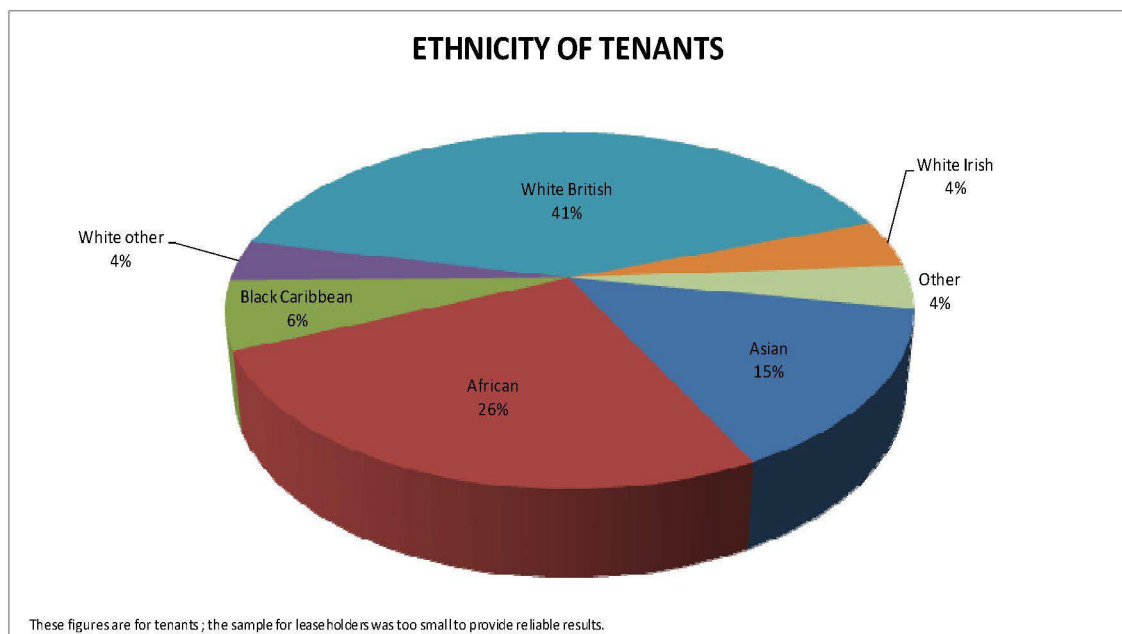
Further independent research concluded that customers have a varied experience of access and quality of services. The role of the CSC has been unclear for both staff and customers and performance variable.

The plan acknowledges shortcomings, reaffirms commitment to a service centre delivery approach supported by neighbourhood services, and agrees to re-engineer processes and standards. A start has already been made to improve this situation with the CSC transferred and managed within a new Customer Services Directorate, alongside other housing and neighbourhood management activities and within new office arrangements at the Hub and a planned new office at World's End.

A top-level profile of our customers is illustrated below.

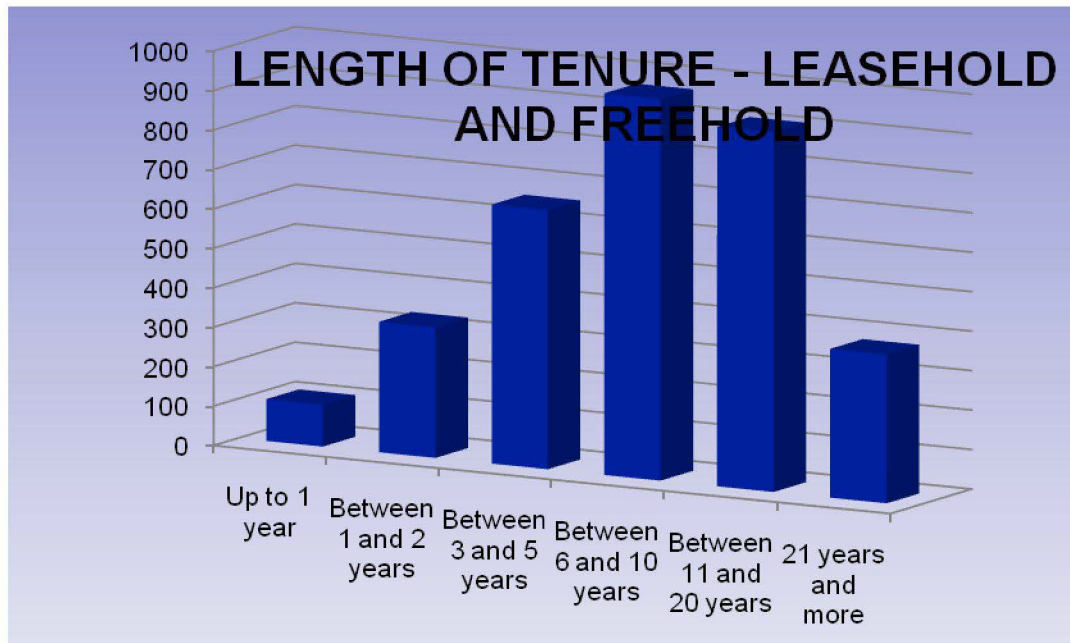


Over 60% of tenants have lived in their property for over 10 years:

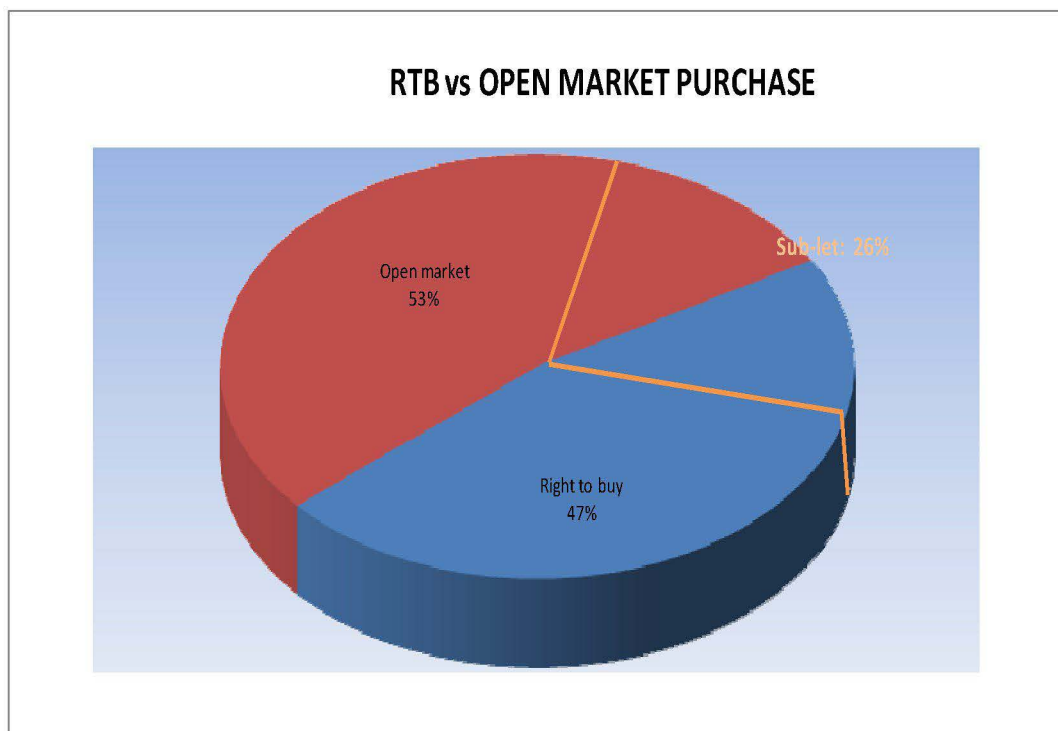


The chart above shows the wide range of ethnicity in K&CTMO housing stock. (The leasehold data sample is currently too small to analyse.)

Similarly to tenants, there is a high percentage of leaseholders who have lived in their property for over 10 years (58%)



Residents who bought on the open market are now outnumbering original right-to-buy residents. The chart also shows that 26% of leasehold property is sub-let.



Challenges and risks to the business

The last year is characterised by the difficult economic scene, falling house values, low interest rates and difficulties faced by people and businesses in accessing loans. The cost of borrowing has increased nationally and contractors and suppliers have sought to achieve competitive advantage by reducing margins and managing cash-flow tightly.

The government introduced quantitative easing and in the first quarter of 2010 there are signs of a recovery as house prices stabilise and confidence is gradually restored to the market. The “Footsie” 100 has increased by some 30% and costs, although stable, are set to rise as the additional costs of energy and borrowing costs and commodity shortages take hold.

K&CTMO is largely a mono income business reliant on income from RBK&C through an administrative fee for management agency services and the delivery of a capital programme to reinvest in the housing stock. The reliance on one partner, the council, is a key risk to manage. Delivering against the requirements of the Management & Maintenance Agreement and achieving performance targets remain fundamental requirements if the risk environment is to be effectively managed.

K&CTMO corporate risks are managed by the Board and Executive and embedded within the K&CTMO business plan and annual service plans. The key corporate business risks are detailed in Appendix 4 Corporate Risk Framework and summarised as:-

- Managing, jointly with RBK&C, the risk of an HRA deficit, maximising VFM, and planning new ways of reinvesting in the existing stock.
- Reliance upon a single income stream, winning new business would achieve growth, business diversity and additional income
- Assuring business continuity management and disaster recovery
- Assuring excellent governance and effective business management to secure long term business viability as the RBKC partner of choice
- Delivering the best service by achieving top quartile performance at lowest cost
- Adequately investing in our staff to achieve excellence and a values driven can-do culture and providing modern offices and infrastructure
- Protecting the corporate reputation, image, and brand of the K&CTMO

Detailed risk schedules exist for each service activity area and together make up the risk management framework for the K&CTMO.

Governance

The last year has been challenging for K&CTMO with regard to governance arrangements. The service of a breach notice during the summer of 2009, and the agreement to an improvement plan which was fully delivered by the end of 2009 are key milestones in the recovery of K&CTMO and its reputation as a service provider of choice.

This business plan is further evidence of change and a commitment to adopting effective business management and control to deliver service quality

An assessment of the corporate risks managed by K&CTMO is included within Appendix 4.

A financial plan for K&CTMO business has been projected and included within Appendix 5 – TMO Financial Business Plan.

SECTION FIVE

POLICY AREAS AFFECTING K&CTMO BUSINESS PLANS

Tenant Services Authority

The Tenant Services Authority, the new regulator for social housing, was launched on 1 December 2008, having taken over the regulatory powers of the Housing Corporation. Although it will scrutinise K&CTMO services through the Council after 2010, a National Conversation has been consulted with tenants about standards. K&CTMO was one of the pilot 'trailblazers' and held its own 'local conversation' in early March 2009.

The TSA will be the champion for tenants, and expects housing managers and providers to publish local standards by October 2010, and be answerable for delivery and to fully understand their customer base profile with services tailored accordingly. Short notice inspections remain the high impact response where housing organisations fail to deliver the published quality or have a lapse in governance. The six standards currently being consulted about will require some specific outcomes to be delivered and agreement reached with residents about what constitutes 'local' for the application of local agreed standards.

The TSA's approach to regulation is co-regulatory, with Boards taking responsibility for meeting standards and engaging in honest and robust self assessment aided by tenant scrutiny and transparent performance information.

Balancing the Housing Revenue Account

Value for money and efficient and effective delivery of services has long been a K&CTMO objective.

The introduction of rent restructuring has led to an income reduction in real terms for the Council, as the convergence of actual rents and those assumed by Government as part of the housing subsidy calculation (known as the Guideline Rent) are applied. The CLG's target allowance for management and maintenance is around £2.2M lower than the allowance that is allocated through the subsidy system. Around £2M of this relates to the management element which has been adversely affected by recent changes which were not favourable to councils with high proportions of flats and apartments. At best the Government will cash freeze the subsidy until convergence, a one-off adjustment, although unlikely, remains a possibility. RBK&C is the second worst affected in the country by these changes.

Decent Homes and stock options

Although the Decent Homes Programme is completed during 2009/10, K&CTMO and the Council face the challenge of maintaining reinvestment in the existing stock. Currently K&CTMO has around £6.5M to invest, derived from the major repairs and capital allowances which are components of the Government's management and maintenance allowances for council managed stock. This compares with an investment need of £18.5M and illustrates the magnitude of the shortfall.

Meeting the shortfall involves looking carefully at a range of other options to help secure long-term investment in the Council stock whilst continuing to deliver good services. This review is known as stock options. Initially five options were considered and these were subsequently reduced to three.

1. Retention of the stock within the Housing Revenue Account, with plans put in place to bridge the HRA deficit which is projected to occur in 2013/14. This would involve rents rising and some reductions in services, offset by any increased income or new business from other sources.
2. Seek to position the Council's housing to favourably achieve support for the Royal Borough to be self funded outside of the HRA. As yet the conditions attached to this option are uncertain although it is thought unlikely that the overall effect will differ from that referred to in option 3 below.
3. Transfer the stock to an existing or newly set up RSL to manage and own. Recent national policy changes have made this option less attractive and the likelihood is that the Council would be left with outstanding debt after the transfer.

After consultation and independent advice, the Council has determined to retain the stock within the HRA and plan to manage the projected 2013/14 deficit, in partnership with K&CTMO. To this end both RBK&C and K&CTMO will seek to reduce both costs and debt, and increase income.

K&CTMO & Value for Money (VFM)

K&CTMO has sought to reduce costs throughout the last five years and during this period has successfully managed to reduce both costs and overheads at a time of static turn-over year on year. This has been achieved by reducing administration costs and predominately headcount and staff numbers in full time equivalents (FTE) have fallen from 206 to 161 during this period. In real terms efficiency savings of some £1.5M have been delivered by K&CTMO. A summary of K&CTMO VFM strategy is attached as Appendix 6.

	2009 £	2008 £	2007 £	2006 £	2005 £
	k	k	k	k	k
Turn-over	12,224	13,328	12,862	12,694	12,349
Admin costs	11,527	12,789	13,059	12,471	12,104
Profit before tax	494	615	(224)	123	124
Profit after tax	69	436	(168)	129	125
Profit/Loss reserve	2,171	1,729	1,413	1,425	1,006
Staff No's	161	186	200	186	206

Conclusion

Whilst the HRA has healthy balances at present these are forecast to decline in the future as a cash freeze on allowances bites and operational costs rise. Additionally, the reduced capital programme will see earned income from leaseholders also fall. Significant year on year savings will be required to bring expenditure in line with funding. Alternatively, significant rent increases could be considered, but could be subject to subsidy withdrawal of 60p in the pound where these exceed rent restructuring guidance. Rent increases would have to be explored alongside savings and the increased generation of other income. Finally the removal of longer term liabilities from the HRA and dealing with some of the capital deficits by way of estate regeneration via partnerships with RSLs and developers could in the medium term assist address the £49M projected capital funding gap.

Appendix 1

Strategic links to RBK&C

K&CTMO's Business Plan reflects the Council's strategy contributing to the economic and social agenda for the borough. The Business Plan is one link in a strategic chain



Cabinet Business Plan 2008 – 2010/11

The Royal Borough of Kensington & Chelsea's ambition is to create a **Better City Life**. The Council's core values to achieve this ambition are expressed in three aims:

- **Really Good Services**
Setting high standards for ourselves and for others
- **Responding to our residents**
Listening to and leading our diverse population. Using public money wisely.
- **Renewing the legacy**
Investing in the public buildings and places that make the Royal Borough special.

The Council wants the Royal Borough, 'to be a place where people of all ages and backgrounds wish to live and from where they can contribute to London's success:

- A developing, safe diverse and welcoming area for residents and visitors.
- A smart area, creative and vital, with committed local residents, self-reliant and public spirited, who make a go of their lives and respect their neighbours.

As a Council we want to be recognised as amongst the best in England – effective, efficient, trusted; caring for our residents and defending their interests.

The Council also works with other organisations, through the Kensington and Chelsea Partnership (KCP), to make the Royal Borough a good place to live. This partnership sets out its shared goals in The **Future of our Community 2005-2015**, a Community Strategy for the Royal Borough.

The eight shared goals that the Council and its partners will all work to achieve are:

- A borough with an environment and amenities that enhance the quality of life for the whole community.
- A borough where everyone has the opportunity to enjoy its public parks and open spaces and a wide variety of high quality cultural artistic and leisure activities.
- A borough where people live their lives free from crime and the fear of crime. Supporting the most vulnerable people
- A borough where everyone has the opportunity to lead a healthy and independent life and can access good quality health and social care services when they need them.
- A borough with good quality housing that is well managed and put to the best possible use to meet people's needs.
- A borough where all local people feel confident of their place in the wider community and where everyone can access the services that they need.
- A borough where everyone is a learner with high aspirations and achieves high standard whether for employability or personal development and where barriers to learning are removed.
- A borough which enjoys high and stable levels of economic growth and employment with the benefits of increasing prosperity enjoyed across the borough.

The Partnership regularly reviews its Community Strategy to ensure that it is up-to-date.

West London Housing Strategy

This is an agreement between seven boroughs: Brent, Ealing, Hammersmith and Fulham, Harrow, Hillingdon, Hounslow and the RB Kensington and Chelsea. It provides a framework of co-operation and collaboration between for the boroughs and their partners and a focus for meeting housing needs and providing quality and choice in housing options for West London.

There are four key aims

- Increasing the supply of housing to meet the projected growth in population and employment
- Increasing the supply of affordable homes
- Improving the quality of housing and housing services across the public and private sector
- Creating sustainable communities and promoting well being

The overarching strategic direction provided by the seven aims of the Cabinet Business Plan and the West London Housing Strategy translate into housing related priorities reflected in the housing strategy, the HRA Business Plan and K&CTMO 's Business Plan

The Local Area Agreement

The Council and other members of the Kensington and Chelsea Partnership negotiated a Local Area Agreement (LAA) with the Government, which came into force in April 2006. The Agreement consists of a number of agreed performance targets relating to outcomes that, when fulfilled, will have improved propriety service in the Royal Borough.

RBKC's HRA Business Plan and the Housing strategy




K&CTMO manages and maintains the housing stock on behalf of the Council and therefore they are our main customer.





















- The HRA Business Plan and the Housing Strategy are key documents that impact upon the plans of K&CTMO. The former is produced in accordance with the resource accounting framework for investment in local authority housing stock. The plan examines the required investment, the programme of capital and revenue works and places it within the context of the housing strategy and wider policy framework. The Housing Strategy is the Council's five-year plan for housing in all sectors including council tenants and leaseholders, and focuses upon the shortage of new housing supply within









the Royal Borough and the challenges of homelessness and wider housing need.





MONTHLY KPI REPORT - JANUARY 2010

DASHBOARD LEGEND		
S (status)	Comparison of the most recent value of the PI against the target	
F (forecast)	Director's forecast for year-end outturn	
UQB	Upper quartile benchmark. In most cases this is obtained from the HouseMark report for London 2009/10. For ASB it is obtained from the HouseMark ASB report	
	Status	Forecast
	PI within target range	On target
	PI outside target range	Target likely to be met
	PI significantly at variance from target	Target likely to be missed

	Outturn 08/09	Apr	May	Jun	Q1	Jul	Aug	Sept	Q2	Oct	Nov	Dec	Q3	Jan	YTD	S	F	Target	Provisional UoB
Responsive repairs																			
Emergency jobs completed on time	96.1%	100.0%	99.3%	97.2%	98.8%	98.9%	98.2%	98.1%	98.4%	99.0%	97.8%	99.3%	98.7%	94.9%	98.3%	 		99.0%	97.7%
Urgent jobs completed on time	91.2%	96.0%	97.3%	98.3%	97.2%	98.3%	97.5%	96.6%	97.5%	99.1%	96.7%	99.3%	98.4%	91.2%	97.0%	 		97.0%	95.9%
Routine jobs completed on time	89.3%	86.8%	96.8%	94.8%	92.8%	98.0%	96.4%	96.8%	97.1%	90.6%	96.1%	100.0%	96.6%	97.1%	95.3%	 		97.0%	97.1%
Post inspection failure rate	35.9%	28.9%	25.9%	28.7%	27.8%	29.1%	28.3%	31.6%	29.7%	33.3%	36.0%	n/a		4.1%					
Overall satisfaction															77%	(based on survey of 170 te			
Gas servicing																			
Properties with valid CP12	99.74%	99.95%	99.82%	99.79%	99.85%	99.86%	99.82%	99.80%	99.80%	99.86%	99.51%	99.15%	99.15%	98.79%	98.79%	 		99%	99.85%
Properties without CP12	11	2	8	9	9	6	8	9	9	6	22	37	37	53	53	 		42	
Without CP12 more than 3 months		0	2	0	0	0	2	0	0	0	0	1	1	1	1	 		0	
Call Centre																			
Calls answered	4954	4688	4797	4942	4809	5298	4574	5790	5221	6239	6138	5939	6105	5626	5375				
Calls lost (%)	11.3%	4.7%	4.9%	5.6%	5.6%	5.7%	5.5%	7.0%	7.0%	7.0%	7.0%	9.0%	9.0%	10.0%	10.0%	 		10.0%	
Average waiting time (secs)	47	22	25	25	25	25	24	27	27	28	30	34	34	41	41	 		40	
Voids																			
Number of re-lets	15	4	16	17	12	6	19	26	17	14	29	15	19	31	18				
Re-let time (calendar days)	27.3	8.8	21.9	56.0	36.2	72.3	31.5	31.4	36.3	24.9	31.6	26.9	28.8	28.7	33.3	 		28.0	25.0
% rental loss	0.81%	0.62%	1.35%	1.59%	1.19%	1.53%	1.63%	1.60%	1.59%	1.25%	1.54%	1.34%	1.39%	1.43%	1.43%	 		1.14%	
Units vacant (routine and major works)	82	101	110	114	108	122	122	110	118	96	100	94	97	79	105				
Units unavailable for letting	13	13	12	14	13	14	13	18	15	16	17	17	17	17	15				
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	Outturn 08/09	Apr	May	Jun	Q1	Jul	Aug	Sept	Q2	Oct	Nov	Dec	Q3	Jan	YTD	S	F	Target	Provisional UGB
Rent collection																			
Collection including arrears	96.02%	92.41%	93.15%	94.47%	94.47%	94.17%	94.81%	94.80%	94.80%	95.05%	98.22%	96.18%	96.18%	96.09%	96.09%			97.50%	98.49%
Collection excluding arrears	99.02%	95.53%	96.78%	98.12%	98.12%	97.82%	98.49%	98.44%	98.44%	98.72%	102.02%	99.91%	99.91%	99.82%	99.82%				
Current arrears (£million)	1.503	1.569	1.597	1.599	1.599	1.646	1.631	1.659	1.659	1.604	1.325	1.508	1.508	1.491	1.491				
Arrears as % rent roll	4.06%	4.12%	4.17%	4.20%	4.20%	4.32%	4.28%	4.30%	4.30%	4.14%	3.4%	3.9%	3.9%	3.9%	3.9%				2.37%
% of arrears over 7 weeks	9.3%	9.4%	9.7%	9.4%	9.5%	9.3%	9.2%	9.5%	9.3%	9.2%	8.1%	8.9%	8.9%	8.6%	8.6%				
Former Tenant Arrears																			
Rent account (£million)		0.573	0.584	0.597	0.597	0.619	0.634	0.632	0.632	0.670	0.690	0.705	0.705	0.717	0.717				
Other accts (legal, recharge etc; £m)								0.160	0.160	0.160	0.159	0.149	0.149	0.162	0.162				
Leasehold																			
Service Charges (£million)		0.368	0.266	0.313	0.947	0.414	0.209	0.193	1.762	0.332	0.304	0.227	2.624	0.325	2.949			2.790	
%										118.7%	108.7%	81.2%	102.9%	104.1%	105.7%				
Major Works (£million)		0.220	0.214	0.185	0.619	0.224	0.200	0.146	1.189	0.184	0.191	0.162	1.726	0.226	1.952			1.880	
%										97.8%	101.6%	86.4%	95.2%	105.8%	103.8%				
Customer satisfaction																			
Tenants	68%																		
Leaseholders	38%																		
TP Tracker - tenants															87%	(Based on a survey of 285 tenants)			
Asset Management		Decent Homes initiative completed. New PI required.																	
% non-Decent Homes	0%											1%	1%					0%	6.3%
Average SAP rating	71														71			72	
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Page 2																			

	Outturn 08/09	Apr	May	Jun	Q1	Jul	Aug	Sept	Q2	Oct	Nov	Dec	Q3	Jan	YTD	S	F	Target	Provisional UGB
Grounds maintenance																			
Failed inspections		2.9%	3.6%	3.7%	3.4%	5.9%	6.1%	4.7%	5.6%	4.4%	3.8%	4.0%	4.1%	3.1%	4.3%			10.0%	
Tenant satisfaction															86%	(based on survey of 329 tenants)			
Leaseholder satisfaction																			
Cleaning																			
Callbacks		73	79	85	79	113	161	130	135	144	131	48	108	69	103				
Joint inspections %		100	94	86	92	86	87	96	90	90	92	91	91	90	91				
QA failures		1	1	2	1	3	2	4	3	3	5	1	3	0	2				
Satisfaction w/cleaning															83%	(based on survey of 332 tenants)			
ASB																			
New cases		67	34	21	41	50	18	58	42	47	29	32	36	38	39				
Live cases											190	183	187	198	190				
Closed cases											87	29	58	74	63				
Community Alarms Service																			
Average number alarm calls handled									3677										
Answered within 60 seconds									95%									90%	
Visits attended within 45 mins									94%									90%	
Customer satisfaction									100%										
Resident involvement		To be revised as part of RI strategy																	
Satisfaction with opportunities																			
Satisfaction with communication	61%																		

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	Outturn 08/09	Apr	May	Jun	Q1	Jul	Aug	Sept	Q2	Oct	Nov	Dec	Q3	Jan	YTD	F	Target	Provisio nal 08/08
Human resources (quarterly)																		
Total establishment					226				213	213			201		201			
Agency staff (%)					20%				21%	18%			21%		21%			
Turnover (%)					2.2%				2.0%	5.0%			6.4%		6.4%			
Sickness days absence per employee					2.7				1.9	5.0			9.3		9.3			
Sickness days absence less long-term					0.9				0.3	1.2			2.2		2.2			
Governance (quarterly)																		
Percentage attendance					88%				74%				67%		77%			

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Corporate Service Plan Goals 20010/11

Lead	Strategic Priority	Business Plan Objective	Service Plan	Target date	Risk	Comments/ Progress
	1 Keeping our customers and residents centre stage					
CEO	Improve customer satisfaction by 10%	Implement customer care programme & review standards	POD & CEO	Mar 2010	High	Breach notice action
DirPOD		Review and update communications strategy and corporate branding, newsletters etc	POD	Summer 2010	Low	
Dir CS	Improve access for residents	Review access arrangements and implement strategy that places CSC as first point of contact	All plans	Phase 1 July 2010	High	Breach notice item
ADir Ptning		Procure new repairs contract	C Services	Dec 2009	High	Breach notice item
HoE&P	Enhance resident engagement	Review and update resident involvement strategy and practice,	All Plans	May 2010	High	Breach notice item Implement TP Tracker

Lead	Strategic Priority	Business Plan Objective	Service Plan	Target date	Risk	Comments/ Progress
		feedback loops, and impact assessment. Incl. ARB & TCC jointly with council				
Dir POD		Update K&CTMO web-site to introduce greater functionality for e-service development	All plans	2010	Low	
Dir CS	Improve partnering arrangements for service delivery	Align capital programme priorities with customer preferences and HRA deficit requirements	Asset Management	Jun 2010		Stock options review
HHO		Vary service charge arrangements to calculate on the basis of actual costs, widen payment options for customers and improve written communication standards	Home Ownership Fin & IT	Phase 1 April 2010 Phase 2 April 2011	High	K&C Priority
ADir NS		Determine strategy for future agency management arrangements with Lancs West EMB	C Services	April 2010	Med	Breach notice item

Lead	Strategic Priority	Business Plan Objective	Service Plan	Target date	Risk	Comments/ Progress
	2 Being Competitive and increasing our income					
CEO DirPOD	Deliver efficiency and service costs that achieve a balanced HRA	Implement a new performance management framework linked to individual and team appraisal and business planning	All plans	April 2010	High	Breach notice item
CEO	Deliver top quartile performance at lowest cost	Benchmark services and trigger best value reviews where services fail to achieve top quartile when compared to RSL's operating in K&C and London ALMO's	BIT	Phase 1 April 2010	High	Breach notice
CEO	Maximise income from existing assets and by generating new business income	Review parking and other uses and recommend options to increase income.	BIT	April 2010	Med	HRA deficit project
CEO		Develop hidden homes as a pilot to the development of new housing	BIT	Phase 1 Apr 2010	Med	HRA workstream scheduled Board in New

Lead	Strategic Priority	Business Plan Objective	Service Plan	Target date	Risk	Comments/ Progress
		opportunities for K&CTMO				Year
Dir Fin		Review TMO payment mechanisms for all activities	Fin	April 2010	Low	
HHSS		Review the options for increasing CAS income and services to the wider community	Supported Housing	July 2011	low	
HIT		Review the IT strategy and implementation plan to assure that priorities fit with business needs	IT	Dec 2009	High	
CEO		Fully participate in the stock options review as an active partner to RBK&C	BIT Tech Fin	Dec 2010	Med	Workstream and stock options full engagement ongoing ref detailed plans
	3 Developing organisational competence					
CEO	Develop TMO governance	Implement a governance improvement plan	CEO Team	March 2010	High	Breach notice

Lead	Strategic Priority	Business Plan Objective	Service Plan	Target date	Risk	Comments/ Progress
DirPOD		Review and implement top management arrangements	HR & Org Dev	March 2010	High	Strategy agreed Board awayday Oct 2009
CEO	Complete a move to new offices for staff at Charles House	Implement new office arrangements which reflect the needs of the customer base and contact arrangements	BIT	June 2010	High	Procurement for move to Hub, Blantyre & High St Offices implemented
Dir POD	Implement staff development programme	Implement management development programme for all managers	HR & Org Dev	April 10	Med	Staff development programme 2009 being implemented
Dir POD		Implement the current and review and implement a new staff development plan for K&CTMO based upon the outcomes of a staff survey to be conducted 6 months after the move into new offices	HR & Bus Dev	Dec 2010	Med	
DirCS DirPOD	Accredit key services and processes externally.	Achieve and retain the external accreditation of business processes and outcomes	All Plans	Annually	Med	Service excellence Award (Chartermark) retained for 2009

Lead	Strategic Priority	Business Plan Objective	Service Plan	Target date	Risk	Comments/ Progress
Exec	Implement Equality Action Plans ensuring Equality and Diversity is full embedded in service action plans, appraisals, 1 to 1 and all team meetings	Deliver equality actions and fully develop role profiling & service assessments for K&CTMO customer base and service areas. Develop corporate diversity targets and review practices in the light of the self assessed impact assessments	SMT & EXEC	Annually	High	

Appendix 4 Corporate Risk Register

Risk No.	Business Plan Objective	Risk Identified	Like liho od	Imp act	Risk Ratin g	Existing Control Measures	Con fide nce	Residual Risk	Pr ob ab ility	Impac t	Risk Ratin g	Owne r
1	HRA Deficit management & VFM	total reliance upon Admin fee from HRA, any reductions limit service development and customer satisfaction, the business may not be financially viable.	5	5	25	Tighter and closer working with RBK&C, performance management framework central to control, active VFM strategy and search for new income & business.	Med	Insufficient income to meet business objectives and long term financial viability	2	5	10	Execu tives
2	Stock options for reinvestment	Inadequate capital to achieve a fully funded reinvestment programme to maintain and exceed decent homes. RBK&C address by seeking new funding vehicles resulting in stock loss to TMO via partial transfers, PFI and RSL competition.	4	3	12	Asset management priorities aligned with RBK&C, new stock condition software and surveys planned and executed to review investment options.	Med	Insufficient capital to meet business objectives and long term stock reinvestment needs	4	3	12	Execu tives
3	Procurement of Partnering contract for reactive repairs etc	New repairs contract procurement and mobilisation is the largest single major activity risk facing K&CTMO in the next 12 months. It is central to delivery of customer satisfaction and compliance with the beach notice.	5	5	25	Procurement programme and mobilisation plan with clear assigned responsibilities	Med	Insufficient time to effectively mobilise the new contract fully including putting in place control and assurance procedures and developing climate of trust and mutual working with the new contractor. New PIs not delivered. Low satisfaction	3	5	15	Execu tives
4	Winning new business to achieve growth in business and income	No track record of business diversification, may not have the skills and initial decisions carry higher risk. Commercial; risk management not embedded at TMO. Financial loss would adversely impact on financial viability	3	3	9	Recruit expertise, establish risk & project management procedures for new business and agree bid criteria.	High	TMO fails to deliver new income streams from diversification or suffers real losses. Breach and penalty provisions adversely affect reputation and trading	2	2	4	Execu tives

Risk No.	Business Plan Objective	Risk Identified	Like liho od	Imp act	Risk Rati ng	Existing Control Measures	Con fide nce	Residual Risk	Pr ob ab ilit y	Impac t	Risk Ratin g	Owne r
5	Continuity management & disaster recovery	Inadequate consideration and arrangements leave TMO susceptible to catastrophic business failure and loss of service to residents and council .	2	5	10	Active disaster recovery plan owned by SMT, Operational and IT procedures tested annually.	High	Minimised by recovery plans being in place within hours of disaster.	2	4	8	CEO & Head IT
6	Governance improvement	A failure in governance usually preludes a business failure, poor governance may lead to ineffective leadership & clashes with the Executive and loss of direction and group thinking weakening the business viability	4	5	20	Governance improvement plan includes succession, review delegations, induction and greater accountability and control	High	Board unable to sustain changes and elections bring new members not in tune with requirements.	3	4	12	CEO & Co Sec
7	Quality of Services - top quartile at lowest cost	TMO performance falls short of PI requirements triggering breach events and in the future both regulatory and RBK&C clientside action. New business opportunities compromised by service standard failure.	4	5	20	Performance management framework robust and reviewed by Executive and Board	High	likelihood of undetected service failure diminished	2	5	10	Execu tive & BIT
8	TMO as the K & C partner of choice	Loss of confidence in relationship resulting in conflict and breach events becoming routine, Formal actions leave little trust between parties, TMO vulnerable to competition and loss of management contract & national reputation, if PI's not delivered.	3	5	15	Effective joint working arrangements and PI review effectively monitor and challenge the relationship	High	Poor PI's could undermine the relationship. Non delivery of improvement plan would lead to breach event and loss of trust	2	4	8	Execu tive
9	A value driven & can do culture putting customers at the heart of what K&CTMO delivers	Customer satisfaction rating are unacceptably low and trigger regulatory action and breach provisions. Staff responses to customers do not reflect K&CTMO values and complaints are ineffectively managed	4	4	16	Customer evaluation procedures surveying and feedback loops effectively monitor progress	High	Customer responses managed and monitored and corrective actions followed through by management. Satisfaction used as a trigger for service reviews.	3	3	9	Dir Custo mer S

Risk No.	Business Plan Objective	Risk Identified	Like liho od	Imp act	Risk Rati ng	Existing Control Measures	Con fide nce	Residual Risk	Pr ob ab ilit y	Impac t	Risk Ratin g	Owne r
10	Investing in our staff for excellence	Inadequately developed and trained staff deliver poor services, management and staff structure not aligned to business plans effectively.	3	4	12	Full training and corporate development plans in place and monitored by HR, and structures reviewed annually	High	Staff training fails to address business needs and customer care requirements	2	3	6	Head HR
11	Delivery of an IT Strategy for a modern business	Inadequate IT systems and strategy adversely impact upon business control and development	3	3	9	Well project managed IT strategy and systems supported and aligned to business plan	Med	Service failure and efficiencies not realised from IT investment	2	3	6	Head IT
12	Reputation & Image	Adverse publicity poor performance undermine the image and delivery reputation of K&CTMO	3	3	9	Performance management framework robust and reviewed by Executive and Board	High	Poor publicity from performance outcomes	2	3	6	CEO
13	Legal and regulatory compliance	Claims for non performance, breach events result formal action and the TSA triggers short notice inspection	3	3	9	Performance management framework robust and reviewed by Executive and Board. Business plans for June Inspection	Med	mandatory requirement for service improvements	2	3	6	Execu tive
14	Providing modern offices and infrastructure	TMO office base to be demolished 2010	3	3	9	Full project plan in place to move staff to Hub & Blantyre	High	Missing key milestone dates for moving out by June 2010	2	3	6	Execu tive

Appendix 5 TMO Financial Business Plan

TMO Company Budget Projections

		2009/10 Forecast	2010/11 Budget	2011/12 Projected Budget	2012/13 Projected Budget	2013/14 Projected Budget	2014/15 Projected Budget
Income	Management Fee	(10,880,000)	(10,294,048)	(10,294,048)	(10,294,048)	(10,294,048)	(10,448,458)
	Other Income	(1,425,676)	(1,272,924)	(1,280,801)	(1,288,795)	(1,296,909)	(1,305,144)
	Total Income	(12,305,676)	(11,566,972)	(11,574,849)	(11,582,843)	(11,590,957)	(11,753,602)
New Income Streams							
Admin fee on digital television project				(15,000)	(30,000)	(30,000)	(30,000)
Lettings Agency (Net Income)				(5,000)	(10,000)	(10,000)	(10,000)
Total New Income Streams		0	0	(20,000)	(40,000)	(40,000)	(40,000)
Revised Total Income		(12,305,676)	(11,566,972)	(11,594,849)	(11,622,843)	(11,630,957)	(11,793,602)
Oncosted							
Salaries Cost		8,349,082	7,952,268	7,861,164	7,769,963	7,676,155	7,851,579
Non-Pay Costs	Accommodation	1,219,934	855,157	875,361	812,650	817,918	799,763
	Administration Costs	202,468	169,851	172,402	174,985	177,611	180,276
	Corporate Governance & Legal Costs	329,852	680,267	690,470	700,828	711,340	722,009
	IT Costs	656,367	825,366	852,673	910,462	969,117	1,018,656
	Other Staff Costs	828,131	601,096	610,642	620,386	630,335	640,491
	Security	138,080	0	0	0	0	0
	Services to Residents	500,974	457,967	464,836	471,809	478,886	486,071
Total Non-Pay Costs		3,875,806	3,589,704	3,666,384	3,691,120	3,785,207	3,847,266
Total Costs	Total Expenses	12,224,888	11,541,972	11,527,548	11,461,083	11,461,362	11,698,845
	Profit/Loss	(80,788)	(25,000)	(47,301)	(121,760)	(129,595)	(54,757)

Summary of Assumptions made for Company Five-Year Plan 2010-11 to 2015-16

Financial Year	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Management Fee increase	1.5%	0.0%	0.0%	0.0%	1.5%	1.5%
Inflation increase (excluding staff costs)	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Total number of staff	189	185	181	177	177	177
Total number of staff in Executive team	7	7	7	7	7	7
Total number of staff in Lancaster West	10	8	8	8	8	8
Average Executive Team pay increase	5.0%	1.0%	1.0%	1.0%	5.0%	5.0%
Average staff pay increase	2.0%	1.0%	1.0%	1.0%	2.0%	2.0%
Company pension employer's contribution	23.5%	23.5%	23.5%	23.5%	23.5%	23.5%

Appendix 6 VFM Strategy and Outcomes

K&CTMO & Value for Money (VFM)

K&CTMO is committed to providing services that represent the best possible value for money for our residents. Demand for our services is constantly increasing yet resources are limited, hence there is a constant search for savings for reinvestment into front-line services. To meet this challenge, efficient management of resources continues to be one of K&CTMO's highest priorities.

The strategic priorities of K&CTMO include the delivery of efficiency, maximising income and enhancing skills to improve services. The objectives of our VFM Strategy flowing from these objectives are:

- Value for money to maximise the resources available to K&CTMO working within agreed guidelines
- Deliver the best price/quality for the procurement of capital works
- Provide full decent homes by 2012 and beyond that give high levels of resident satisfaction
- Deliver a cost effective housing management service that gives high levels of resident satisfaction
- Maintain all homes economically and efficiently
- Deliver the best price/quality on management and maintenance
- Deliver the best price/quality for the procurement of goods and services
- Compare our price and quality with others

Value for money is not about achieving the cheapest price for our services, but about getting the best service for our residents at the best price.

Surveying residents on a regular basis forms one of the key elements of testing the outcomes of our VFM and Strategy.

K&CTMO's approach to delivering value for money

There are two principal drivers in assessing value for money at K&CTMO:

- Understanding where we are currently (through benchmarking, inspection and internal audit).
- Reviewing what we do – i.e. constantly analysing the above and reshaping the service so as to achieve the best outcomes for our tenants.

K&CTMO does this by developing the following:

- Service Plans and performance management tools and techniques
- Policies, procedures and organisational structures
- Procurement arrangements
- VFM partnerships
- Constantly looking for ways to improve and generate new efficiencies
- Training our staff to meet the challenge

Challenges to K&CTMO delivery of value for money

The following factors need to be taken into account while value for money is delivered:

- Pressures on supporting people funding;
- Increasing pressures on the HRA through which K&CTMO 's management fee is funded;
- Increased pension and job evaluation costs;
- Responding to the customer access and care review within the resources available;
- Levels of relative deprivation in a number of RBKC wards where TMO residents live;
- Rising inflation and local economic downturn.

Appendix 7 Schedule of Targets and Benchmarking

Introduction

One of the recommendations at the Business Planning Away Day on 13th October, 2010 was that benchmarking with comparable organisations would be brought back to the Board.


The details of benchmarking will be discussed further at the Board Member induction on 24th April.

Benchmarking


The proposed benchmarking for the high profile performance indicators comprises:

1. % of residents satisfied with the repairs and maintenance service
2. % of properties without a valid CP 12
3. average time in days to re-let empty properties
4. %of tenants satisfied with overall services
5. current tenants rent arrears as % of rent due
6. % of dwellings failing to meet the Decent Homes Standard


1. % of residents satisfied with the repairs and maintenance service

Upper quartile	73	Source: London ALMOs and West London Housing Associations.	
Median	70		
KCTMO	77		
Number in benchmarking group	23	K&CTMO sample is based on TP Tracker telephone surveys and door-knocking exercise of 296 tenants. The 2008 status survey showed a satisfaction rate of 62%	


2. % of properties without a valid CP 12

Upper quartile	0.06	Source: HouseMark London Benchmarking	
HQN Performance Club median	0.30		
KCTMO	0.85		
Number in sample	21		


3. average time in days to re-let empty properties

Upper quartile	24	Source: London ALMOs and West London Housing Associations. Turnaround time has reduced considerably since the beginning of 09/10 but upper quartile will not be reached in 10/11.	
HQN Performance Club median	26		
KCTMO	28.7		
Number in sample	15		


4. %of tenants satisfied with overall services

Upper quartile	75	Source: London ALMOs and West London Housing Associations. The K&CTMO figure is a sample based on the 2008 status survey. The recent TP Tracker telephone surveys and door-knocking exercises have shown a satisfaction rate of 87% although the samples are too small for valid analysis. A further status survey will be undertaken later this year.	
HQN Performance Club median	69		
KCTMO	68		
Number in benchmarking group	23		

5. Current tenants rent arrears as % of rent due

Upper quartile	3.46	Source: HouseMark London The rate of collection has increased considerably since the beginning of 09/10 but upper quartile will not be reached in 10/11.	
Median	4.88		
KCTMO	3.9		
Number in sample	12		

6. % of dwellings failing to meet the Decent Homes Standard

Upper quartile	1.4	Source: HouseMark National Benchmarking Club.	
Median	5.7		
KCTMO	1		
Number in sample	311		

TARGETS 2010-11

	Outturn 08/09	Target 09/10	YTD (to Jan)	Projected	Target 10/11	Upper quartile benchmark	
Grounds maintenance							
Failed inspections		10%	4.3%		5%		
Tenant satisfaction			86%		85%		
Leaseholder satisfaction					85%		
Cleaning							
Call-backs			103				
Joint inspections %			91				
QA failures			2				
Tenant satisfaction w/cleaning			83%		85%		
Leaseholder satisfaction w/cleaning					85%		
ASB							
New cases			39				Targets to be agreed at May Board
Live cases			190				
Closed cases			63				
Community Alarms Service							
Calls handled			3677				Local targets
Answered within 60 seconds		90%	95%		90%		95%
Visits within 45 mins		90%	94%		90%		95%
Customer satisfaction			100%		90%		95%
Resident involvement							
Satisfaction with opportunities					66%		
Satisfaction with communications	61%				73%		
Complaints							
First stage – number			11				
First stage – turnaround	86%	70%	90%	90%	90%		
Stage 2 number			5				
Stage 2 turnaround	76%	70%	73%	75%	75%		
Stage 3 number			2				
Stage 3 turnaround	67%	70%	100%	100%	90%		
Enquiries number			12				
Enquiries turnaround	79%	70%	82%	80%	85%		
Correspondence							
Number	139		196				
Turnaround	71%	83%	89%	90%	90%		
Charles House phone stats							
Total calls			7856				
Unanswered	10.2%	10%	6.8%	6.6%	10.0%		
Average waiting time	9	40	8	8	40		
Human resources							
Establishment			201	201			
Establishment vs. complement					95%		
Agency staff %			21%		15%		
Turnover %			6.4%				
Sickness days			9.3	9.3	7.0		
Governance							
Attendance			77%		80%		
Health & Safety							
(under construction, to be reported to May Board)					95%		

TARGETS 2010-11

	Outturn 08/09	Target 09/10	YTD (to Jan)	Projected	Target 10/11	Upper quartile benchmark	
Responsive repairs							
Emergency jobs completed on time	96.1%	99.0%	98.3%	98.0%	99.0%		
Urgent jobs completed on time	91.2%	97.0%	97.0%	96.0%	97.0%		
Routine jobs completed on time	89.3%	97.0%	95.3%	96.0%	97.0%		
Post inspection failure rate	35.9%		n/a	n/a			
Overall satisfaction			77%			73%	
Gas servicing							
Properties without valid CP12	99.74%	99%	98.79%	99.0%	100%	99.94%	
Properties without CP12	11	42	53	30	20		
Without CP12 more than 3 months		0	1	1	0		
Call Centre							
Calls answered	4954		5375				
Calls lost (%)	11.3%	10%	10.0%	9.5%	<10.0%		
Average waiting time (secs)	47	40	41	39	40		
Voids							
Number of re-lets	15		18				
Re-let time	27.3	28	33.3	32.7	28	24	
% rental loss	0.81%	1.14%	1.43%	1.4%	1.0%		
Units undergoing work	82		105				
Units unavailable for letting	13		15				
Rent collection							
Collection including arrears	96.02%	97.5%	96.09%	96.2%	97.0%		
Collection excluding arrears	99.02%		99.82%	99.9%	100%		
Current arrears (£million)	1.503		1.491		1.200		
Arrears as % rent roll	4.06%		3.9%	3.8%	3.5%	3.46%	
% arrears over 7 weeks	9.3%		8.6%	8.4%	7%		
Former tenant arrears							
Rent account (£million)			0.717	0.720	0.650		
Sub-accounts (£million)			0.162	0.165	0.145		
Leasehold							
Service Charge collection (£m)		3.350	2.949	3.350	3.350		
Service Charge %			105.7%	103%			
Major Works collection (£m)		2.260	1.952	2.260	2.260		
Major Works %			103.8%	102%			
Customer satisfaction							
Customer satisfaction – tenants	68%				72%	75%	
Customer satisfaction – leaseholders	38%						
TP Tracker – tenants			87%				
Asset Management							
% non-Decent Homes	0%	0%	1%	2%	1%	1.4%	
Average SAP rating	71	72		71	72		

INTERNAL AUDIT PLAN 2010/11

**Kensington and Chelsea TMO
2010/11 Audit Programme**

Audit	Section	Client	Manager	Quart .	Scope of Audit
Accounts Payable	Finance	Anthony Parkes	Rupa Bhola	Q3	High level review: follow up of previous audit, test key controls and full review of any changes. Also to include a data analysis and duplicate payment review.
Payroll	HR&OD	Lornette Pemberton	Human Resources	Q3	A full review of the key controls operating in relation to the new payroll and HR system
Recruitment & Personnel	HR&OD	Lornette Pemberton	Human Resources	Q4	A full review of the key controls operating in relation to Human Resources recruitment and personnel functions, such as: sickness management, annual leave recording; CRB checks and disciplinary procedures
Complaints Management	HR&OD	Lornette Pemberton	HR	Q2	A full review of the key controls over the receipt of complaints or comments, their dissemination and response and the associated performance management

Responsive Repairs	CS&P	Sacha Jevons	Andrea Johnson	Q2	A full review: follow up of previous audit and review of arrangements under the new 2009 repairs contract.
Voids Management	CS&P	Sacha Jevons	Andrea Johnson	Q2	A full review of the key controls involved in the management of voids and the associated maintenance work including an extended follow up to the audit undertaken in 2008/09.
CAS (Community Alarm)	CS&P	Sacha Jevons	Hash Chamchoun	Q1	A full review of the key controls involved in the marketing and management of the system and the associated billing and receipt of associated income and performance and budgetary management.
Housing Management (Neighbourhood Services)	CS&P	Sacha Jevons	Head of NS	Q4	Full Review of the teams work including: Service Objectives; Tenant/Estate Management; Contract management Performance and Budgetary Control, Management Information
Cleaning Contracts	CS&P	Sacha Jevons	Head of NS	Q1/2	Full review of the procurement and management of this area of contracts.

Home Ownership Leaseholder- Income Recovery	Finance	Anthony Parkes	Daniel Wood	Q3	High Level Review including: Analytical Review; Collection and arrears; Management information and IT
Lift Team	AIE	Simon Throp	David Steppel	Q2	Full Review of the teams work including: Service Objectives; Procurement and Contract management; Safety Checks and Asset Management; Performance and Budgetary Control.
Insulation Programme	AIE	Simon Throp	Head of Asset and Investment	Q3/4	Full review of the procurement and management of this area of contracts.
Asset Management (Keystone)	AIE	Simon Throp	Head of Asset and Investment	Q4	A full review of the new asset management system including the key system and IT and data controls in place; management information and maintenance planning.
Strategic Property Management	AIE	Simon Throp	Head of Asset and Investment	Q2/3	A high level review to determine how TMO management are taking forward the information arising from the in-year Stock Condition survey.
Lancaster West (Management Arrangements)	CS&P	Sacha Jevons	Tony O'Hara	Q1/2	To monitor any contingency management arrangements arising from a decision to wind up the existing organisation to ensure their adequacy and that controls systems are not compromised during any dissolution process.

IT Reviews					
Academy – Housing / Service Charges / Rents	IT	Anthony Parkes	Head of ICT	Q1/2	Review carried forward from 2009/10, due to postponement of Academy system upgrade.
IT Strategic Plan	IT	Anthony Parkes	Head of ICT	Q3	To review the strength and appropriateness of the plan and its dissemination within the organisation
Disaster Recovery Arrangements	IT	Anthony Parkes	Head of ICT	Q3	Review arrangements in place, their robustness and whether subjected to formal and appropriate testing

TMO and Council Performance Meetings

	Meeting	Frequency	Council Attendees	TMO Attendees
1	Councillor's Digest High level discussion of policy, strategy and performance	Monthly	Cabinet Member for Housing, Head of Housing	Chief Executive, Director of Customer Services and Head of Strategy and Engagement
2	TMO/Executive Director One to One One to one discussion of policy, strategy and performance	Monthly	Executive Director for Housing, Health and Adult Social Care	Chief Executive
3	TMO / Head of Housing One to one discussion of policy, strategy and performance	Monthly	Head of Housing	Chief Executive
4	Housing Stock Finance and Development – Regeneration Team Project group	Monthly	Senior Management Team members	Director of Customer Services
5	Housing Stock Finance and Development – Finance Team Project group	Monthly	Group Accountant, Senior Management Team members	Chief Executive, Director of Customer Services, Projects Manager and Coordinator
6	Multi-agency ASB meeting Operational group	Monthly	Noise and Nuisance Service	Neighbourhood Manager (South)
7	Complaints meeting Operational group	6 weekly	Cabinet Member for Housing	Complaints Team
8	Health and Safety Main Coordinating Committee Operational group	6 weekly	Safety Liaison Officers from each Business Group	Health and Safety Advisor
9	TMO/RBKC Voids and Allocations liaison Operational group	8 weekly	Housing Needs Group and Performance and Partnerships Team	Assistant Director of Neighbourhood Service, Head of Repairs and Customer Service and Voids Officer

10	TMO/HRA Performance meeting Strategic and performance discussion	Quarterly	Head of Housing, Head of Performance and Partnerships, Performance Improvement Manager	Chief Executive, Head of Strategy and Engagement, Director of Customer Services and Director of Finance
11	Senior Management Group – Quarterly performance Strategic and performance discussion	Quarterly	Executive Director for Housing, Health and Adult Social Care and Senior Management Team	Head of Strategy and Engagement
12	Capital Programme Operational group	Quarterly	Head of Performance and Partnerships, Group Accountant	Capital Programme Team
13	Homeownership Performance Operational group	Quarterly	Performance Improvement Manager	Head of Home Ownership
14	Housing Benefits Operational group	Quarterly	Customer Services Group Leader	Rent Income Manager
15	Housing Stock Finance and Development Cabinet Working Group Strategic group	Quarterly	Leader, Deputy Leader, Cabinet Member for Housing, other Cabinet Members, Town Clerk, Executive Director for Housing, Health and Adult Social Care, and Senior Management	Nominated TMO Board Members, Chief Executive, Director of Finance, and Director of Customer Services
16	Housing Stock Finance and Development – Project Board Strategic and performance project group	Quarterly	Town Clerk, Executive Director for Housing, Health and Adult Social Care, and Senior Management	Director of Customer Services and Director of Finance
17	Housing Stock Finance and Development – Housing Working Party Operational Group	Quarterly	Group Accountant, Senior Management Team members	Director of Customer Services, Director of Finance and Projects Manager and Coordinator
18	Legal Services meeting Operational group	Quarterly	Senior Solicitor (Litigation) and the Business Manager	Projects Manager and Coordinator
19	Legal Services Annual meeting	Annually	Director of Legal Services, Chief Solicitor, Senior Solicitor (Litigation)	To be agreed

	Strategic and performance group – SLA		and the Business Manager	
20	Tenants Consultative Committee Strategic meeting	Bi-annually	Cabinet Member for Housing, Head of Housing	Chief Executive, Director of Customer Services and Head of Strategy and Engagement
21	Annual Review Strategic and performance group – past year's performance	Annually	Cabinet Member for Housing, Head of Housing, Performance and Partnerships, Performance Improvement Manager	Chairman of the TMO Board, Chief Executive, Director of Customer Services, Head of Strategy and Engagement Director of Finance

MONITORING FOR KEY SERVICE AREAS

Strategic Priority	Objective	What success will look like	Target	Comments/ Progress
1 Our customer goals				
Improve customer satisfaction by 10%	Implement customer care programme & review standards	NI 161 increased by 4% - 72%	Q mon & Out turn for 2010/11	
Deliver top quartile performance at lowest cost	Benchmark services and trigger best value reviews where services fail to achieve top quartile when compared to RSL's operating in K&C and London ALMO's	Local Housing Pls deliver top quartile See Appendix B	Q mon & Outturn for 2010/11	
Improve partnering arrangements for service delivery	Delivering an estate and repairs service through partnering contracts	Responsive repairs satisfaction—73% Emergency jobs completed	Q mon & Outturn for 2010/11	

		<p>on time – 99%</p> <p>Urgent and Routine jobs completed on time - 97%</p> <p>Post inspection failure rate reduced by XXX%</p>		
Enhance resident engagement	Review and update resident involvement strategy and practice, feedback loops, and impact assessment. Incl. ARB & TCC jointly with council	<p>Satisfaction with opportunities – 66%</p> <p>Satisfaction with communication – 73%</p>	Q mon & Outturn 2010/11	
Local standards	Play an active role in the development of local standards with the Council and other local social housing providers	Sign up to local standards	October 2010	
2 Our competitive goals				

Deliver efficiency and service costs that achieve a balanced HRA	Implement a new performance management framework linked to individual and team appraisal and business planning	Financial plan and risk developed. Agreed by Director of Financial Services. Adherence to Financial Regulations	Date? On going	
Maximise income from existing assets and by generating new business income	Review parking and other uses and recommend options to increase income.	Income from increased by XX	April 2010	
	Fully participate in the stock options review as an active partner to RBK&C	Attendance at the Finance and Development Cabinet Working Group and Project Board	On going	
Our organisational capacity goals				

Develop TMO governance	Implement a governance improvement plan	Board members attend in year training	On going	
	Retain Council nominees	2 Council nominees remain on the Board	March 2011	

TMO Pls as part of Housing PI suite

Indicator Details					2007/08	2008/09 Data		2009/10	2009/10 Data						2009/10 End of Year Analysis			Future Targets		Commentary	
PI Reference	Business Group	PI Context	Title	Goal Set?	2007/08 Actual	2008/09 Target	2008/09 Actual	Vital Sign	2009/10 Target	Q1 2009/10	Q2 2009/10	Q3 2009/10	Q4 2009/10 Actual	2009/10 Outcome	Upper quartile	Target?	Trend	Future prospects	2009/11		2011/12
			Housing National Indicators																		
N158	HHASC TMO	Cella Caliskan	% non-decent council homes. Data producer: John Parsons	Low	19.6%	13.0%	0.0%	Y	0.0%				1%	1%	1.4%	⬇️	⬆️	Medium	1.0%	0.0%	There are 91 properties that are currently being reported as non-decent. These are the result of those that are potentially non-decent at the completion of the original decent home programme (December 2010) and have become non-decent since and up to the deadline. Furthermore there are 642 properties where the resident has refused the Decent Homes improvements. Once these properties become void they are then made decent. Performance is top quartile.
N160	HHASC TMO	Cella Caliskan	Local authority tenants' satisfaction with landlord services. Data producer: Sandip Sodha	High	72.00%	72.00%	66.00%	N	72.00%							A			72.00%	Not set	A biannual requirement. This was taken from the 2008 status survey and we are currently working on the 2010 survey.
			RBP's																		
L4101	HHASC TMO	Cella Caliskan	Energy efficiency of housing stock. Data producer: John Parsons	High	71	73	71	N	72				72	72		⬆️	⬆️	Medium	72	72	The average energy rating achieved for 2009/10 was 71.33. This falls short of the projected SAP of 71.50 and this is attributed to the increase in bad weather during Quarter 4 of 2009/10 which slowed down the progress of planned energy efficiency improvement works. The TMO is currently undertaking a £3.2 million cavity wall insulation project funded under the Carbon Emissions Reduction Target (CERT) scheme and this is projected to result in an average SAP rating of 71.65 for 1,500 properties by the end of Quarter 3. A new energy survey targeted for completion in Quarter 1 is also expected to provide a more accurate overview of SAP for the TMO property database. In view of this, the TMO may need to review the current projected SAP ratings to match the new database.
L4103	HHASC IMO	Cella Caliskan	Rent collection and arrears recovery: rent collected. Data producer: Sandip Sodha	High	97.80%	97.50%	96.02%	Y	97.60%	94.47%	94.80%	96.18	96.60%	96.60%	96.25%	⬆️	⬆️	Low	97.70%	TBC	The last two quarters have seen excellent performance from the Rent Income Team. In Quarter 2 the current tenant arrears were £1,659M but at the end of Quarter 4 they are £1,378M, a reduction of £281,000. In the same period the collection rate has improved from 94.8% to 96.65%.
L4104	HHASC IMO	Cella Caliskan	Rent collection and arrears recovery: seven weeks arrears. Data producer: Sandip Sodha	Low	8.38%	6.25%	9.43%	N	6.60%	9.44%	9.40%	8.90	7.71%	7.71%	6.00%	⬇️	⬇️	Medium	7.00%	TBC	The quantity of tenants in arrears of seven weeks or more has reduced from 9.3% to 7.71%, the best performance since 2006/6.
L4108	HHASC TMO	Cella Caliskan	Average time to re-let local authority housing (days). Data producer: Sandip Sodha	Low	20	20	26	Y	28	37	38	33	32.9	32.9	24.0	⬇️	⬆️	Medium	28	TBC	Void relet time increased during the last Quarter of 2009/10. The voids contractor is meeting the void target however, it is considered that multiple viewings are a contributory factor to this increase.
L4124	HHASC TMO	Cella Caliskan	Percentage of urgent repairs completed within time limits. Data producer: Sandip Sodha	High	90.1%	98.0%	96.6%	Y	98.00%	97.00%	97.50%	98.40%	97.6%	97.6%	98.0%	⬆️	⬆️	Low	97.00%	98.00%	Recent data on repairs has been obtained from Morrison. However there are still some issues concerning the incompatibility of the Morrison IT system which are being resolved. Although these figures have been subject to validation, further work is needed in the new financial year to ensure that this validation is robust.
L4125	HHASC	Cella Caliskan	Commission for racial equality's code of practice in rented housing (previously LVT104)	N/A	Yes	Yes	Yes	N	Yes										Yes	Yes	
L4146	HHASC TMO	Cella Caliskan	Collection rates - Leaseholder Service charges. Data Producer: Daniel Wood	High	101.1%	110.0%	125.0%	N	110.00%	118.00%	120.23%	114.90%	112.8%	112.8%		⬆️	⬇️	Low	TBC	TBC	The collection targets for day to day service charges were exceeded. The overall debt for service charges is now below £1 million for the first time in 7 years. At the end 2009/10 the total service charge debt was £584,848.39. A total of £37,272 is being recovered under repayment plans. £154,901 is currently in dispute.
L4147	HHASC TMO	Cella Caliskan	Collection rates - Leaseholder Major Works. Data Producer: Daniel Wood	High	N/A	115.0%	120.0%	N	110.00%	136.00%	126.00%	128.90%	136.8%	136.8%		⬆️	⬆️	Low	TBC	TBC	Despite a number of High Profile LVT's (Trellick Tower & Vauxhall Road Estate) collection target was achieved, and the overall debt for Major Works is at a record low. At the end of 2008/10 the total major works debt was £4,227,380.35. A total of £287,504 is being recovered under repayment plans. £1,219,277 is currently in dispute.
L4148	HHASC TMO	Cella Caliskan	Arrears collection - Leaseholder Service Charges. Data Producer: Daniel Wood	High	N/A	549,040	649,166	N	351,299	£119,899.11	£141,903.01	£98,317.87	£23,887.88	£392,997.87		⬆️	⬇️	Low	TBC	TBC	See L4146 above
L4149	HHASC TMO	Cella Caliskan	Arrears collection - Leaseholder Major Works. Data Producer: Daniel Wood	High	N/A	190,696	587,566	N	588,614	£63,066.98	£121,445.35	£256,286.13	£163,810.64	£604,609.08		⬆️	⬇️	Low	TBC	TBC	See L4147 above
Notes					Smiley faces shows performance against target. Trend shows performance against previous year. Upper quartile data taken from Housemark London ALMOs benchmarking club.																
⬆️	It is anticipated that future targets will be met. Any risks that may impact on future performance are well controlled																				
⬆️	There is some chance future targets will not be met. There are risks / external factors which may impact negatively on future performance																				
⬇️	There is a high likelihood future targets will not be met. There are risks which are likely to have a significant, detrimental effect on future performance - requires attention of the POB and SMG																				
A	Annual return																				