

**THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA TENANT
MANAGEMENT ORGANISATION LIMITED**

OPERATIONS COMMITTEE MEETING

Thursday, 28 July 2016, 6.30pm

Board Room, 3rd Floor, 346 Kensington High Street, W14 8NS

THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA
TENANT MANAGEMENT ORGANISATION LIMITED
(the "Company")

OPERATIONS COMMITTEE
(the "Committee")

AGENDA

A meeting of the Committee of the Board of the Company
to be held on 28 July 2016 from 6.30pm
at 346 Kensington High Street, London, W14 8NS

Agenda Item	Report Name	Presenter	Time	Action	Enclosure
1.	Notice, Apologies and Quorum	Company Secretary	2mins	-	-
2.	Minutes of the meeting held on 5 May 2016	Chair	10mins	Decision	√
3.	Declarations of Interest*	Company Secretary	-	-	√
4.	Performance Report – 2016-17 - Q1	Executive Director of People & Performance	30mins	For Information	√
5.	Neighbourhood Management Update	Director of Housing	15mins	For Information	√
6.	Home Ownership Update	Assistant Director, Home Ownership	15mins	For Information	√
7.	Capital Programme Update Report	Director of Asset & Regeneration	20mins	For Information	√
8.	AOB	Chair		-	-
9.	Date of the next meeting - 27 October 2016	-		-	-

Notes:

- (1) Committee Members can send in their apologies to the Company Secretary by email or by calling on [REDACTED]
- (2) * Every member of the Committee has a duty under Section 182 of the Companies Act 2006 to declare any interest in any transactions or arrangements with the Company under consideration, or section 177 of the Companies Act 2006 to declare any interest in any proposed transactions or arrangements with the Company under consideration in accordance with the Company's Articles of Association. Any interests should be declared to the Company Secretary on, or before the meeting.
- (3) * A person who has declared an interest will neither attend the discussion leading to a decision on the conflicted matter nor vote on it.

ITEM 2

**THE ROYAL BOROUGH OF KENSINGTON & CHELSEA
TENANT MANAGEMENT ORGANISATION LIMITED**
(the 'Company')

OPERATIONS COMMITTEE
(the 'Committee')

Minutes of a meeting of the Committee of the Company
held on 5 May 2016 at 6.30 pm
at 346 Kensington High Street, London, W14 8NS

PRESENT:

Resident Board Members	Brendan Tracey	- Chair
	Fay Edwards	
	Kush Kanodia	
	Mary Benjamin	
	Tony Annis	
Independent Board Members	Peter Chapman	
Council-Nominated Board Members	Paula Fance	

APOLOGIES

Cllr. Judith Blakeman
Maria Escudero-Barbaza

IN ATTENDANCE:

Sacha Jevans	Executive Director of Operations
Yvonne Birch	Executive Director People and Performance
Teresa Brown	Director of Housing
Peter Maddison (PM)	Director of Assets and Regeneration
David Ward	Assistant Director Home Ownership
Siobhan Bowman	Performance Manager - Business Improvement
Fola Kafidiya-Oke	Head of Governance & Company Secretary

1. NOTICE, APOLOGIES AND QUORUM

- 1.1 The members of the Committee present noted that the meeting was not quorate in accordance with the Terms of Reference of the Committee. It was noted that the decision items were to be deferred to the next meeting of the Committee.
- 1.2 The Committee agreed that notice had been given to the members entitled to receive notice and attend the meeting.
- 1.3 The Committee noted that apologies have been received from Maria Escudero-Barbaza and Cllr. Judith Blakeman.

2 ELECTION OF CHAIR AND VICE CHAIR

- 2.1 The Committee **RESOLVED TO** elect Brendan Tracey as the Chair of the Committee and Kush Kanodia as the Vice-Chair of the Committee.

3. MINUTES OF THE MEETING HELD ON 1 OCTOBER 2015 AND 28 JANUARY 2016

- 3.1 The Committee **RESOLVED TO** agree and approve the minutes of the meetings held on 1 October 2015 and 28 January 2016 as a true and accurate record of the meetings.

4. MATTERS ARISING

- 4.1 The Committee noted the following updates on the matters arising at previous meetings:
- 4.2 Implications on Capital Programme for 2018- 2019
The Committee noted that the implications as requested was set out in the Capital Programme Update report which was circulated in the meeting pack.
- 4.3 Implications of Trellick Tower Development Works on the Capital Programme for 2018- 2019
The Committee noted that the implications as requested was set out in the Capital Programme Update report which was circulated in the meeting pack.
- 4.4 Satisfaction surveys post telephone calls
Sacha Jevans confirmed to the Committee that a pilot introducing satisfaction surveys at the end of a sampling of calls taken at the Customer Contact Centre had commenced and it was intended to roll out to all calls taken if successful.

5. DECLARATIONS OF INTEREST

- 5.1 The members of the Committee present confirmed that they had no interests which they were under a duty to disclose.

6. PERFORMANCE REPORT – Q4 2015/16

- 6.1 Siobhan Bowman presented the quarterly performance report to the Committee. She gave a verbal summary of the contents of the report and invited questions from the Committee. The Committee discussed the trend in customer satisfaction and the difficulty in having a consistent trend comparison. It was clarified that the lifts contract had a four-hour response time and Peter Maddison agreed to provide an updated performance breakdown for the lifts' contractor.
- 6.2 Peter Chapman suggested that the target for the percentage of calls answered within 30seconds should be increased.
- 6.3 The Committee **NOTED** the contents of the report.

7. HOUSING REGENERATION PROGRAMME 2016/17 – PROJECT BIDS

- 7.1 Dominic Davies presented six project bids submitted for funding under the Housing Regeneration Programme (HRP) by residents of certain housing blocks or estates. The Committee noted that budget for the HRP Bid for 2016/17 was £125,000. The Committee

discussed the proposed scoring process and it was agreed that each Committee member should vote, in hierarchical order, for their preferred project bid.

- 7.2 The Committee stated that future bids should highlight the following:
- (i) the number of dwellings in the bidding estate;
 - (ii) the cost per household per scheme; and
 - (iii) the predominant demographic of residents residing in the bidding estate.

The Committee also agreed the bids should be circulated to the Committee members with more time for consideration than currently given.

- 7.3 Paula Fance questioned why CCTV was not considered to be a solution for the schemes which were expressing security of the residents as a need for the improvements suggested. It was clarified that the residents did not feel that CCTV was the right option for their schemes and preferred exploring the improvements they submitted in their bids.
- 7.4 Brendan Tracey sought clarity on why the types of improvements proposed by the bidding estates were not routinely covered by the Capital Programme. Peter Maddison explained that the Capital Programme budget was unable to cover all environmental improvements desired by residents and as a result, the HRP funding helped to respond to needs identified by residents.
- 7.5 The Committee voted on each of the bids and upon the counting of the votes, it was **RESOLVED TO** agree and approve the allocation of the HRP funding for 2016/17 to the bids for 60 Slaidburn Street, Corbett House, and Penzance Street.

8. NEIGHBOURHOOD MANAGEMENT UPDATE REPORT

- 8.1 Teresa Brown presented the neighbourhood management update report which covered the activities of the neighbourhood management team for the period of 1 January 2016 to 31 March 2016.
- 8.2 Kush Kanodia suggested that before and after pictures of HRP schemes should be published in the Link magazine to showcase the success of the schemes and the improvement to the lives of residents.
- 8.3 The Committee **NOTED** the contents of the report

9. HOME OWNERSHIP UPDATE REPORT

- 9.1 David Ward presented the home ownership update report highlighting the activities of the business area for the fourth quarter of the 2015/16 financial year.
- 9.2 Paula Fance questioned why the major works repayment option was for thirty-six (36) months interest-free. She questioned whether it would result in the budget being funded by RBKC, being reduced because it was losing money. Paula Fance requested that further information should be provided on the impact of this payment option on the major works charges recovery.
- 9.3 Peter Chapman requested some information on the comparison with other boroughs. Brendan Tracey also suggested that the number of leasehold properties under consideration should be stated in the applicable tables in the report.

13. DATE OF NEXT MEETING

- 13.1 The next meeting of the Company is scheduled for 28 July 2016.
- 13.2 The meeting closed at 8:50pm

ITEM 4

**THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA
TENANT MANAGEMENT ORGANISATION LIMITED**

Open	
For information	
Operations Committee Report 28 July 2016	
Report title:	Performance Report – Q1 2016/17
Authority for decision:	The Committee has been delegated the powers to review, challenge and monitor key performance indicators and benchmarking and make recommendations to the Board.
Recommendations:	That the Committee consider and note the contents of this report, and make any applicable recommendations to the Board.
Regulatory/legal requirements:	The Committee has a duty to ensure that the Company is performing according to the standard set by the Board.
Business Plan link:	Delivering excellent, good value services.
Equality Impact Assessment/comment:	There are no equality implications.
Resident consultation:	The KPI report is published on the internet and key indicators are reported in the Link.
Resource implications/VFM statement:	We are committed to achieving top quartile performance with value for money.
Risk:	A decline in organisational performance may result in a breach of the MMA and/or action from RBKC.
Appendices:	A: Monthly KPI Report (June 2016)
Total number of pages including appendices:	16
Name, position and contact details of author:	Siobhan Bowman Performance Manager [REDACTED]

Performance Report – Q1 2016/17

Purpose

This report presents the performance against a range of indicators for the period April to June 2016.

1 Introduction

- 1.1 The attached report gives an overview of the performance of the TMO in key business areas during the period April to June 2016.

2 Strategic performance indicators

- 2.1 The traffic light indicators use the usual colours to indicate the status of the year to date performance against target.
- 2.2 All the performance data is validated by an accountable manager and enables staff to monitor trends and make improvements, where necessary.

3 Repairs Direct

- 3.1 Repairs Direct has continued its focus on key performance measures and it is encouraging to end the first quarter with a full set of green results.
- 3.2 In particular, the percentage of emergency repairs completed in target has continued to increase and now stands at 99.54%, surpassing all quarterly performance for 2015-16. At 9.5 days, performance for the new KPI, 'Average days to complete a responsive repair' has also achieved the set target.
- 3.3 The team will continue to ensure attention is focused on continuing improvements in order to continue this pattern and create a robust and steady run of positive results.

4 Voids & lettings

- 4.1 The average time to re-let a general needs minor works void in quarter 1 was 22.0 days, meeting the target of ≤ 22.0 days.
- 4.2 Performance fell below target in May and June due to delays on a small number of voids. These delays relate to delays with applicant verification by RBKC Allocations and requirements for second viewing bookings following declined offers.
- 4.3 Void loss stands at 0.87%, above the target of $\leq 0.75\%$. This higher than expected void loss relates to an increase in the percentage of void requiring major works before letting. This has also subsequently impacted on the number of current voids.

- 4.4 The higher than average number of terminations during the quarter will have also had an impact.
- 4.5 Current voids progress will be closely monitored over the coming months to ensure that the drop in performance outcomes is addressed.

5 Mechanical & engineering

Communal heating & gas repairs

- 5.1 Performance for the percentage of communal heating jobs attended within target has been maintained at 100% throughout the first quarter. Performance for gas repairs attended also achieved 100% outturns in May and June.

Door entry systems

- 5.2 At 96.0%, the proportion of door entry jobs attended within set times remains steady, slightly below target but within tolerated limits.

Passenger Lifts

- 5.3 A verbal update will be provided at the meeting.

Estate lighting

- 5.4 No results have been provided by the outgoing contractor.

6 Compliance

Gas Servicing

- 6.1 At the end of June one TMO property was without a valid gas safety certificate (99.98%). A warrant has been issued for this property and a forced entry has been planned.
- 6.2 Warrants continue to be sought where access is unreasonably withheld and the No Access policy continues to operate effectively.

Water quality

- 6.3 100% compliancy has been achieved and maintained throughout quarter one after finishing the previous year at 94.7%.

Lifts

- 6.4 100% compliancy maintenance for lift inspections.

7 Investment standard & capital programme

- 7.1 Please refer to the Capital Programme progress report for more information.

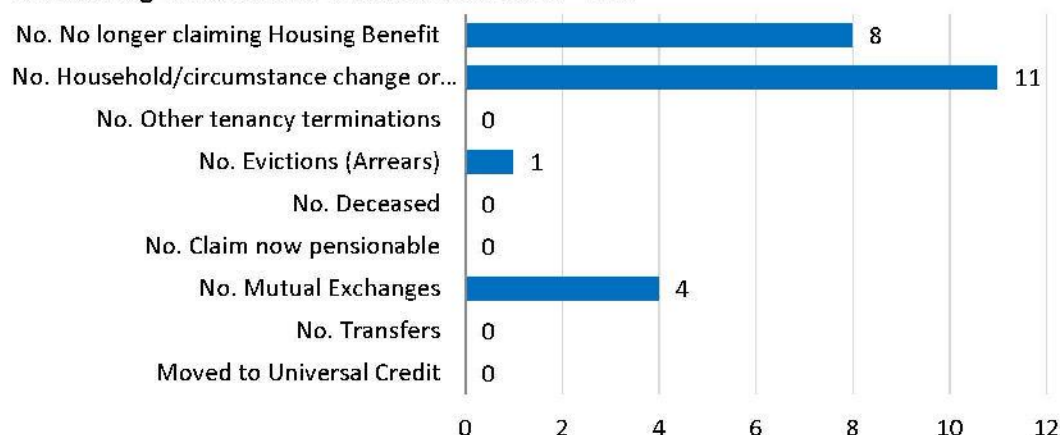
8 Rent collection

- 8.1 Current tenant rent arrears ended the quarter at £1,018,417 against a target of <=£1,035,082; a strong start to the year.
- 8.2 With arrears £17k ahead of target with arrears, our PI outputs for 'arrears as a percentage of rent roll' and the 'number of tenancies with arrears of over 7 weeks rent' are both meeting and exceeding set targets.
- 8.3 The result for 'rent collected as % of rent due' is showing as below target but we believe this is due to a large number of rent refunds processed at Lancaster West following the heating charge rebate. These refunds sent a number of accounts into credit, therefore resulting in no payments needing to be made until the credit is used.
- 8.3.1 The core information behind this PI result is currently under review to ensure that we fully understand the impact of the refunds.
- 8.4 We are reporting the number of households in receipt of Universal Credit (UC) for information, together with their combined arrears position. At this point our arrears levels have not been severely impacted due to the low number of live UC cases.

Social Sector Size Criteria

- 8.5 There are currently 287 households impacted by the social sector size criteria housing benefit deductions, a net decrease of one since the end of the 2015-16 year. The average deduction applied is £23.33 per week.
- 8.6 Overall, the combined arrears of the affected group have decreased since the end of the last financial year, reflecting the successful first quarter for rent collection. Of the 287 households, 62 have seen their rent arrears increase in the period, at an average of £172.74 per household.
- 8.7 A total of 24 households have ceased to have the deductions applied since 31st March 2016, with the reasons shown on the chart below.

No. moving out of social sector size criteria - YTD



Benefit cap

- 8.8 There are currently 15 households subject to the benefit cap, a net increase of two since the end of 2015-16, with an average weekly housing benefit shortfall of £65.95.
- 8.9 At present seven households (46.67%) are receiving financial assistance via discretionary housing payments, and this has aided in preventing arrears increasing, with this group also seeing an overall decrease in arrears since April.

9 Homeownership

- 9.1 Service charge arrears at the end of June did not meet the target of <=136,391. Although this is disappointing we fully expect to claw this back during the year.
- 9.2 We are currently reviewing where there may be blockages in order to resolve any issues and thus reduce arrears to within target.
- 9.3 As with the last financial year, the issues around RBKC's financial system (Agresso) remain unresolved and this is still causing a multitude of problems. We are continuing to ensure that measures are in place in order to try and minimise the impact.
- 9.4 Major works arrears have met and exceeded the target for June; this is extremely pleasing and a great start for the year. As with service charges the issues with the Agresso system remain.
- 9.5 For more information, please see the Homeownership report.

10 Estate Services

- 10.1 During quarter one 165 estate inspections were undertaken, with an average score achieved of 3.50 (0-5 range, with 5 being the highest score). Performance for the percentage of planned estate

inspections completed was 100%, an improvement on 2015-16 outturns.

10.2 During the same period, the Estate Services Assistants (ESAs) completed 2692 scheduled tasks. At 87.37% the percentage of scheduled tasks completed is just below the target of 90%. The Estate Services Team Leaders are reviewing performance with the relevant ESAs to ensure that performance improves and achieves set targets going forward.

10.3 Between April and June the ESAs reported 1613 repairs and cleaning orders. These orders include general repairs to communal areas as well as one off cleaning orders, bulk rubbish clearances, and pest control requests, etc.

11 Anti-social behaviour

11.1 During the first quarter 85 new ASB cases were reported to the TMO. The number of new ASB cases reported in the period is lower than in the same period in 2015-16, but an increase on the previous two quarters.

11.2 As with previous years the most common type of ASB reported is noise nuisance, currently accounting for 43% of live cases.

11.2.1 Following the launch of CRM in late May, there were more new cases reported in June than April and May combined. This is in part likely to be due to seasonal ASB but it is very pleasing to see this increase happen after launching the CRM ASB case management system as it confirms that the system is being well used.

11.2.2 For more information on ASB please refer to the Neighbourhood Management report.

12 Resident engagement

12.1 During Quarter 1 all targets for key resident engagement performance indicators were met aside from one.

12.2 The number of residents engaged via the Communities Outreach project was below the projected target; however, only one event took place in Quarter 1 so it is hoped that this will improve going forward.

12.3 Information on some of our key Resident Engagement activities from the quarter are summarised below.

Residents associations & compacts

12.4 Four new resident groups were established between April to June at the following locations.

- 63 Finborough Road
- Hereford House
- Redcliffe Square
- Chesterton & Broadwood Terrace

Youth Engagement Project

- 12.5 The Youth Engagement project engaged with 77 new young people during the first quarter, bringing the total number of young people engaged since the project launch to 327.
- 12.6 A number of initiatives were delivered during the period, including a Bikeability Level 1 training session, a residential trip to an activity centre, and a number of sports sessions.

Get on Board roadshow

- 12.7 The first of this year's roadshow events, under the banner of 'TMO Live', was held on Saturday 14th May at the green at Grenfell Tower on the Lancaster West estate.
- 12.8 This new series of roadshows, as well as continuing the focus on employment and training, welfare reform and money management, has an extended remit providing an opportunity for the TMO to showcase and promote service delivery.
- 12.9 The TMO continues to be supported at these events by local service providers and agencies, including two of our new health providers: Depression Alliance and Healthy Hearts.
- 12.10 A total of 287 residents and children attended the roadshow, making this the most well attended roadshow event to date.

13 Customer Service Centre

- 13.1 During the first quarter the Customer Service Centre answered 95.15% of 22,618 calls, of which 70.72% were answered within 30 seconds, meeting both key KPI targets for the period.
- 13.2 There was a marked increase in calls during June which we believe is linked to the switch off of all communal heating systems which traditionally generates increased customer contact. This coincided with unseasonably cold weather for the period.
- 13.3 During June there was also a drop in the percentage of calls answered within 30 seconds. This can be explained by the expected increase in call handling time since the introduction of CRM in late May.

13.4 In May we also launched a satisfaction survey for callers to the CSC. Quarter 1 results show that 66.31% of callers were satisfied with the overall service.

13.5 A review of the first quarter's feedback comments shows that some customers have reported that they were put through to the survey when they became disconnected from the customer service advisor before their call was completed.

13.5.1 We are currently analysing whether a system error caused customers to be disconnected whilst 'on hold' and we will be contacting dissatisfied customers directly about their call experience.

14 Complaints

14.1 During the first three months of the year 109 new complaints were logged by the TMO, comparative to the previous two quarters.

14.2 In the same period 110 complaints were closed, with 90% closed at Stage 1; below the target of $\geq 95\%$ but currently within tolerated limits and improving month by month.

14.3 Performance for the percentage of complaint responses sent out in target fell below target to 87.63%.

14.4 This fall in performance coincides with the launch of the new complaints process within CRM and is linked to staff learning how to generate responses in the new system as well as ensuring they continue to manage responses on older existing cases on the W2 system.

14.5 Work has been undertaken since the launch to develop and improve on the information available to managers via CRM system dashboards which provide managers with live information on complaints cases. This will ensure managers are fully able to take responsibility for ensuring response and action deadlines are met.

15 Membership

15.1 There has been a positive start to the year in terms of the recruitment of new TMO Members, with 134 signed up for the year so far. This compares to 80 for the same period in 2015 and 35 in 2014.

16 Recommendations

16.1 The Committee is invited to consider the recommendations on the first page of the report.



Performance Dashboard

June

2016-17

Performance Dashboard

Responsive Repairs, Voids & Engineering



Key Performance Indicator	Q1	Q2	Q3	Q4	2015-16	Apr	May	June	Q1	YTD	Target	Target for period	Upper Quartile
Responsive Repairs - Repairs Direct													
Emergency repairs completed in target	97.6%	97.6%	98.03%	98.48%	97.86%	99.36%	100.00%	99.28%	99.54%	99.54%	>=99%		NC
Average days to complete a responsive repair	-	-	-	-	New PI	9.6	8.1	10.8	9.5	9.5	<=12		
Void repairs completed in target	96.7%	97.7%	98.15%	98.77%	97.76%	100.00%	100.00%	100.00%	100.00%	100.00%	>=90%		NC
Recalls as a % of jobs completed	1.8%	0.8%	0.47%	0.71%	0.95%	0.70%	0.53%	0.78%	0.67%	0.67%	<=5%		NC
No. Post Inspections completed	282	174	200	177	833	35	38	28	101	101	info		-
Post Inspection pass rate (Quality)	89.8%	94.7%	96.41%	88.48%	92.25%	93.94%	94.29%	92.86%	93.75%	93.75%	>=90%		NC
Customer Satisfaction	96%	97.25%	99.09%	96.20%	97.14%	95.45%	91.18%	99.10%	95.88%	95.88%	>=95%	>=93.69%	>=93.69%
Voids & Lettings													
No. General Needs terminations	56	81	60	58	255	25	22	21	68	68	Info		-
No. HfOP terminations	5	4	2	6	17	5	1	3	9	9	Info		-
No. General Needs re-lets (major & minor)	60	52	41	46	199	13	20	12	45	45	Info		-
Average number of days to re-let a GN empty property where minor works have been undertaken (calendar days)	23.5	14.5	19.31	15.76	18.69	11.67	22.75	28.25	22.00	22.00	<=22.0		<=21.10
Year to date rent loss as a % rent roll (excl hostels)	0.79%	0.71%	0.73%	0.73%	0.73%	0.85%	0.86%	0.87%	0.87%	0.87%	0.75%		<=0.84%
No. Available voids at month end (GN, HfOP & TA)	43	41	43	50	50	52	44	58	58	58	<=40		<=40
No. Unavailable voids at month end (GN, HfOP & TA)	8	8	9	11	11	11	11	11	11	11			-
Mechanical & Engineering													
Communal heating - % of calls completed in target response time	100.0%	100.0%	99.63%	99.67%	99.8%	100.0%	100.0%	100.0%	100.0%	100.0%	>=98%		NC
No. blocks without service for more than 48 hours in period (comm heating)	0	0	3	0	3	1	0	0	1	1	0		NC
No. <u>unique</u> blocks without service for more than 48 hours (comm heating) - year to date	0	0	3	3	3	1	1	1	1	1	Info		-
Door entry systems - % of calls completed in target response time	95.6%	95.7%	92.70%	95.87%	95.0%	96.7%	95.9%	95.4%	96.0%	96.0%	>=98%		NC
Estate Lighting - % of calls completed in target response time	-	-	-	-	-	-	-	-	-	-	>=98%		NC
Lifts - % of calls completed in target response time	84.3%	87.7%	82.00%	83.00%	84.3%	87.0%	89.0%	79.0%	85.0%	85.0%	>=100%		NC
No of blocks without service for more than 48 hours in period (lifts)	16	9	10	10	45	4	4	3	11	11	0		NC
No of <u>unique</u> blocks without service for more than 48 hours in period (lifts) - year to date	13	19	24	29	29	5	3	9	9	9	Info		-
Gas repairs - % of calls completed in target response time	93.20%	95.78%	88.48%	91.50%	92.2%	93.6%	100.0%	100.0%	97.9%	97.9%	>=98%		NC

20/07/2016

Performance Dashboard

Capital Programme and Asset Management



Key Performance Indicator	Q1	Q2	Q3	Q4	2015-16	Apr	May	June	Q1	YTD	Target	Target for period	Upper Quartile
Compliance													
% Properties with valid Landlords Gas Safety Certificate (LGSR)	100.0%	99.94%	100.00%	100.00%	100.00%	100.00%	99.97%	99.98%	99.98%	99.97%	100.0%		100.0%
Number of properties without valid LGSR (1-4 amber)	0	3	0	0	0	0	2	1	1	2	0		N/C
Number without LGSR for >3 months	0	0	0	0	0	0	0	0	0	0	-		N/C
Customer Satisfaction	98%	98%	100.00%	99.90%	98.9%	98.8%	99.7%	99.4%	99.3%	99.3%	>=95.0%		N/C
Water Quality - compliancy rate (inspection & sampling)	96.8%	100.0%	87.00%	94.70%	94.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		N/C
Lifts - compliancy rate (statutory insurance inspections)	100.00%	100.00%	100.00%	100.00%	100.00%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		N/C
Electrical Testing - compliancy rate (homes with valid test certificate)	93.00%	94.20%	95.28%	95.50%	95.50%	95.5%	95.7%	95.6%	95.6%	95.7%	100.0%		N/C
Investment (annual PI)													
Number of homes internally brought up to KCTMO standard	-	-	-	-	933	-	-	-	-	0	>=1400		N/C
Number of homes externally brought up to KCTMO standard	-	-	-	-	120	-	-	-	-	0	>=1950		N/C
Number of homes where SAP rating has increased through planned works	-	-	-	-	120	-	-	-	-	0	>=300		N/C
Capital Programme													
Actual monthly capital spend £	-	-	-	-	£ 11,878,808	£ -	£ 344,178	£ 609,778	£ 953,956	£ 953,956	-	-	-
Projected spend £	-	-	-	-	£ 11,501,912	£ 1,114,331	£ 1,114,331	£ 1,114,331	£ 3,342,993	£ 3,342,993	11.5m		N/C
Actual capital programme delivery spend as a % total annual budget	-	-	-	-	103.3%	-	-	8.7%	8.7%	8.7%	>=99.0%	30.4%	N/C

20/07/2016

Performance Dashboard

Income - Rents, Home Ownership & Corporate Property



Key Performance Indicator	Q1	Q2	Q3	Q4	2015-16	Apr	May	June	Q1	YTD	Target	Target for period	Upper Quartile
Current Tenant Arrears													
Rent collected as a % rent due (excl arrears brought forward)	98.41%	98.73%	99.18%	101.07%	101.07%	99.18%	97.66%	97.37%	97.37%	97.37%	>=100.00%		99.54%
Gross Current Tenant Arrears (£millions)	£ 1,089,551	£ 1,187,209	£1,224,886	£1,035,802	£1,035,082	£1,019,491	£988,083	£1,018,417	£1,018,417	£1,018,417	<=£1,035,082	<=£1,035,082	N/C
Gross arrears as a % rent roll	2.10%	2.30%	2.38%	2.02%	2.02%	1.99%	1.94%	2.00%	2.00%	2.00%	<=2.02%		2.12%
Percentage of tenancies with arrears of more than 7 weeks rent	4.25%	5.02%	5.14%	4.38%	4.38%	4.31%	4.15%	4.38%	4.38%	4.38%	4.50%		N/C
Arrears - social sector size criteria households	£ 79,898	£ 84,629	£ 95,580	£ 76,318	£ 76,318	£ 64,631	£ 72,814	£ 63,912	£ 63,912	£ 63,912	Info.		-
No. households receiving Universal Credit (May onwards)	-	-	-	-	New PI	-	21	23	23	23	Info.		
Arrears - Universal Credit households (May onwards)	-	-	-	-	New PI	-	£ 21,431	£ 14,357	£ 14,357	£ 14,357	Info.		
No. Evictions (arrears)	-	-	-	-	12	1	0	0	1	1	Info.		
No. NOSP's served	-	-	-	-	698	36	57	40	133	133	Info.		
No. possession orders granted	-	-	-	-	New PI	1	0	2	3	3	Info.		
Former Tenant Arrears (FTA)													
FTA Cash collection	£ 16,809	£ 21,043	£ 23,602	£ 20,033	£81,487	£4,013	£7,710	£7,898	£19,621	£19,621	>=£85,000	£ 21,249	N/C
FTA Write Off	£ 297	£ 134	£ 330	£ 65	£ 696	-	-	-	-	-	Info.		-
FTA Housing Benefit collection	-£ 654	£ 6,745	£ 4,965	£ 3,465	£ 14,521	£ 3,369	£ 950	-£ 5,446	-£ 1,127	-£ 1,127	Info.		-
FTA as % rent due (bi-annual)	-	-	-	-	New PI	-	-	-	-	-	Info.		0.32%
Write off as % rent due (bi-annual)	-	-	-	-	New PI	-	-	-	-	-	Info.		1.44%
Home Ownership													
SC arrears	£ 260,633	£ 230,436	£ 196,065	£ 141,705	£ 141,705	£ 520,694	£ 305,966	£ 144,320	£ 144,320	£ 144,320	£ 120,449	£ 136,391	N/C
MW arrears	£ 881,887	£ 770,725	£ 1,116,178	£ 1,151,217	£ 1,151,217	£ 1,444,131	£ 1,378,493	£ 1,215,265	£ 1,215,265	£ 1,215,265	£ 1,715,516	£ 1,292,292	N/C
Corporate Property (Qtrly)													
No. Properties in portfolio	182	182	189	182	182	-	-	-	182	182	Info.		-
Total value of rent roll (£millions)	TBC	TBC	TBC	£ 3,003,333	£ 3,003,333	-	-	-	£ 3,003,333	£ 3,003,333	Info.		-
Total aged debt	TBC	TBC	TBC	£ 280,385	£ 280,385	-	-	-	£ 207,167	£ 207,167	Info.		-
As % portfolio rent roll	TBC	TBC	TBC	9.30%	9.3%	-	-	-	6.90%	6.90%	<=5%		N/C
No. Voids	3	7	TBC	6	6	-	-	-	3	3	Info.		-
As % portfolio	1.65%	3.85%	TBC	3.3%	3.3%	-	-	-	1.65%	1.65%	Info.		-
No. outstanding lease renewals (notice not yet served)	0	0	0	0	0	-	-	-	0	0	0		N/C
No. outstanding rent review (notice not yet served)	0	0	0	0	0	-	-	-	0	0	0		N/C

20/07/2016

Performance Dashboard

Neighbourhoods & Community



Key Performance Indicator	Q1	Q2	Q3	Q4	2015-16	Apr	May	June	Q1	YTD	Target	Target for period	Upper Quartile
Grounds Maintenance & Cleaning													
% Grounds maintenance inspections achieving required standards	98.2%	98.4%	98.54%	98.82%	98.5%	98.92%	98.95%	98.87%	98.91%	98.91%	>=97.0%		N/C
No. Cleaning callbacks	71	73	69	68	281	20	18	15	53	53	<30 p/m		N/C
No. Joint inspections undertaken	291	239	230	240	1000	80	71	92	243	243	Info.		-
No. Quality assurance failures	0	0	0	0	0	0	0	0	0	0	Info.		-
% Satisfaction with grounds maintenance service (gross)	89.5%	93.6%	92.5%	93.3%	92.7%	92.31%	90.91%	90.00%	91.02%	91.02%	>=90.0%		N/C
% Satisfaction with cleaning service (gross)	88.2%	93.6%	92.5%	92.6%	92.3%	94.23%	90.91%	90.00%	91.62%	91.62%	>=90.0%		N/C
Percentage of bulk refuse removed within 3 days	100.0%	100.0%	100.0%	100.0%	100.0%	100.00%	100.00%	100.00%	100.00%	100.00%	>=95.0%		N/C
Estate Services Team (quarterly)													
Scheduled quarterly estate inspections carried out, as a percentage of those due	-	63.4%	96.20%	-	TBC	-	-	-	100.00%	100.00%	>=90%		N/C
Average inspection score (0-5)	-	3.85	3.84	3.76	4	-	-	-	3.50	3.50	Info.		-
% H&S weekly/monthly scheduled tasks completed in target	-	-	-	-	New PI	-	-	-	87.37%	87.37%	>=90%		-
Number of communal repairs reported by ESAs	-	-	-	-	New PI	-	-	-	1613	1613	Info.		-
Anti-Social Behaviour (ASB)													
No. New ASB cases reported	100	93	42	66	301	24	17	44	85	85	Info.		-
No. Closed ASB cases	61	73	66	55	255	29	16	31	76	76	Info.		-
No. Live cases at end of period	124	144	120	125	125	124	120	137	137	137	Info.		-
% Complainants satisfied with handling of case (gross)	71.4%	67.6%	42.86%	65.52%	64.9%	80.00%	60.00%	66.67%	68.75%	68.75%	>=81.0%		>=68.7%
% Complainants satisfied with outcome of case (gross)	71.4%	67.6%	57.14%	62.07%	64.9%	60.00%	80.00%	50.00%	62.50%	62.50%	>=81.0%		>=79.9%
% Closed cases with satisfaction survey completed (YTD)	11.5%	30.6%	24.00%	30.20%	30.2%	17.24%	22.22%	21.05%	21.05%	21.05%	>=29.8%		N/C
No. surveys attempted	29	67	25	58	179	11	15	27	53	53	Info.		-
No. survey responses	7	34	7	29	77	5	5	6	16	16	Info.		-
ASB cases resolved as % of those closed	-	-	-	-	95.22%	96.55%	100.00%	93.55%	96.05%	96.05%	>=97.00%		97.00%
Enforcement actions – evictions	-	-	-	-	New PI	0	0	0	0	0	Info.		-
Enforcement actions – injunctions	-	-	-	-	New PI	0	0	0	0	0	Info.		-
Enforcement actions – NOSP	-	-	-	-	New PI	0	1	0	1	1	Info.		-
Preventative actions – mediation referrals	-	-	-	-	New PI	1	0	1	2	2	Info.		-
Preventative actions – other referrals	-	-	-	-	New PI	14	5	1	20	20	Info.		-
Preventative actions – ABAs	-	-	-	-	New PI	0	2	2	4	4	Info.		-
Preventative actions – warning letters	-	-	-	-	New PI	1	3	3	7	7	Info.		-
Neighbourhood Management													
No. mutual exchange applications completed	-	-	-	-	New PI	5	6	6	17	17	Info.		-
% decision letters sent in target	-	-	-	-	New PI	33.33%	0.00%	66.67%	37.50%	37.50%	100.0%		-
Flexible tenancies – number of 6 week and 9 month visits undertaken	-	-	-	-	New PI	54	45	0	99	99	Info.		-
Neighbourhood support officers (NSO) – new cases	-	-	-	-	New PI	9	2	0	11	11	Info.		-
Neighbourhood support officers (NSO) – closed cases	-	-	-	-	New PI	8	6	4	18	18	Info.		-
Neighbourhood support officers (NSO) – active cases	-	-	-	-	New PI	38	34	30	30	30	Info.		-
NSO - Satisfaction with service (bi-annual)	-	-	-	-	New PI	-	-	-	-	0	Info.		-
Resident Engagement													
No. new members joining the Children's TMO	98	30	7	4	139	23	10	23	56	56	>=35	8	N/C
No. new members joining the Youth TMO	33	11	13	3	60	6	5	11	22	22	>=45	9	N/C
No. new residents associations or compacts	4	3	1	2	10	0	1	3	4	4	>=10	2	N/C
Attendance at Residents' Conference	-	450	0	0	450	-	-	-	0	0	>=425	0	N/C
No. residents attending the 2016-17 road-shows	173	21	0	135	329	-	287	-	287	287	>=180	90	N/C
Communities Outreach Project - no. of new families engaged with	7700%	80	80	68	New PI	-	-	12	12	12	>=150	38	N/C
Community Alarms Service (Quarterly)													
Total calls handled	19828	20424	40610	23414	104276	-	-	-	21911	21911	Info.		-
% Answered within 60 seconds	96.8%	95.8%	97.81%	96.26%	96.9%	-	-	-	98.04%	98.04%	95.0%		-
% Emergency visits attended within 45 minutes	97.1%	96.1%	97.50%	97.00%	96.9%	-	-	-	98.50%	98.50%	95.0%		-
Customer satisfaction	99%	100%	93.94%	98.73%	98.4%	-	-	-	99.66%	99.66%	95.0%		-

01/01/1900

Performance Dashboard

Customer Contact



Key Performance Indicator	Q1	Q2	Q3	Q4	2015-16	Apr	May	June	Q1	YTD	Target	Target for period	Upper Quartile
Customer Contact Centre													
No. incoming calls received	20415	21091	23038	23411	87955	7449	6854	8315	22618	22618	Info.		-
% of incoming calls answered	89.97%	93.18%	96.79%	94.35%	93.69%	96.12%	96.24%	93.37%	95.15%	95.15%	>=90%		>=93.58%
% calls answered within 30 seconds	57.11%	66.60%	82.52%	77.01%	71.58%	75.31%	78.15%	60.16%	70.72%	70.72%	>=70%		N/C
No. reporting repairs emails actioned by the Contact Centre	2528	2811	3042	1960	10341	1043	1036	-	2079	2079	Info.		-
% customers satisfied with service overall (from May onwards)	-	-	-	-	New PI	-	66.99%	65.92%	66.31%	66.31%	Info.		-
No. of callback requests	-	-	-	-	New PI	428	484	953	1865	1865	Info.		-
Telephone Calls (excluding CCC & CAS) - incoming & internal													
No. calls received (All)	27189	27357	24704	21818	101068	9107	8413	9168	26688	26688	Info.		-
% of incoming calls answered	92.18%	91.91%	93.40%	92.57%	92.49%	92.40%	93.94%	93.46%	93.25%	93.25%	>=90%		N/A

20/07/2016

Performance Dashboard

Corporate: Complaints, Governance & Tenant Profiling



Key Performance Indicator	Q1	Q2	Q3	Q4	2015-16	Apr	May	June	Q1	YTD	Target	Target for period	Upper Quartile
Complaints													
No. Complaints received in month	87	117	111	112	427	29	37	43	109	109	Info.		-
No. Complaints closed In month	94	101	112	85	392	46	29	35	110	110	Info.		-
% Complaints closed at Stage 1	-	-	-	-	91.58%	86.96%	89.66%	94.29%	90.00%	90.00%	>=95.0%		-
No. Stage 1 complaint responses	88	99	111	84	382	38	33	26	97	97	Info.		-
% answered in target	93.18%	96.97%	85.59%	95.24%	92.41%	100.00%	84.85%	73.08%	87.63%	87.63%	>=90%		N/C
No. Stage 2 complaint responses	9	7	13	5	34	1	1	0	2	2	Info.		-
% answered in target	100.00%	85.71%	76.92%	80.00%	85.29%	100.0%	100.0%		100.0%	100.0%	>=90%		N/C
No. Appeals	3	1	1	1	5	0	0	0	0	0	Info.		-
% answered in target	66.67%	-	100.00%	0.00%	60.00%						>=90%		N/C
% Complaints upheld	59.57%	60.40%	67.86%	75.29%	65.56%	45.65%	75.86%	62.86%	59.09%	59.09%	<=70.6%		N/C
% complainants satisfied with handling of complaint					-	-	-	-		-	Info.		-
No. live complaints at month end	98	117	116	143	143	134	142	150	150	150	Info.		-
Governance													
Percentage attendance at Board meetings (Quarterly)	85.71%	85.71%	53.33%	76.67%	78.22%	-	-	-	73.33%	73.33%	Info.		-
No. New TMO Members signed up	80	194	111	115	500	10	47	77	134	134	>=550	136	N/C
No. Members voting in AGM	-	724	-	-	724	-	-	-	-	0	>=800		N/C
Tenancy Check Project(figures shown for project commencement to date)													
No. Tenancy Audits visits attempted	371	827	913	949	949	962	986	1007	1007	986	Info.		-
No. Tenancy Audits completed	186	569	688	735	735	804	828	849	849	828	Info.		N/C
No. Tenancies confirmed	161	528	672	718	718	735	759	780	780	759	Info.		-
Referrals to CIG	22	51	55	58	58	58	58	58	58	58	Info.		-
No. NOSP/NTQs served	1	2	7	8	8	8	8	8	8	8	Info.		-
No. Properties recovered	0	3	5	6	6	6	6	6	6	6	Info.		-
Tenant Profiling													
% Tenants with ethnicity data held	72.1%	73.1%	74.07%	74.42%	74.42%	74.51%	74.67%	74.80%	74.80%	74.80%	76.8%	0.00%	>=89.2%
% Prefer not to say (ethnicity)	1.6%	1.5%	1.5%	1.5%	1.46%	1.45%	1.44%	1.45%	1.45%	1.45%	Info.		-
% Tenants with age data held	97.5%	97.6%	97.81%	97.91%	97.91%	97.91%	97.96%	97.96%	97.96%	97.96%	98.0%		>=99.7%

20/07/2016

Performance Dashboard

Human Resources (Quarterly)



Key Performance Indicator	Q1	Q2	Q3	Q4	2015-16	Q1	YTD	Target	Target for period	Upper Quartile
Human Resources										
Total staff (headcount)	215	212	205	206	205	217	217	info		-
Average number of sickness absence for FTE (rolling 12 months)	5.17	TBC	6.70	6.44	6.44	5.3	5.3	<=5.5		<=6.17
Bradford Factor - overall score	78.02	TBC	102.94	102.67	102.94	59.46	59.46	info		-
Staff Turnover (annual)	-	-	-	-	18%	-	-	info		<=8.7%
Performance Review										
% of Year End PDRs completed and returned to HR in target	97% (83%)	-	-		97% (83%)	97.4%	97.40%	90.0%		N/C
Percentage complete - Operations	97% (78%)	-	-		97% (78%)	98.0%	98.00%	90.0%		N/C
Percentage complete - Financial Services	96% (92%)	-	-		96% (92%)	100.0%	100.00%	90.0%		N/C
Percentage complete - People & Performance	100% (78%)	-	-		100% (78%)	100.0%	100.00%	90.0%		N/C
% of Mid Year PDRs completed and returned to HR by November End	-	-	41.00%	-	41.0%	-	-	>=80%		N/C
Percentage complete - Operations	-	-	31.00%	-	31.0%	-	-	>=80%		N/C
Percentage complete - Financial Services	-	-	80.00%	-	80.0%	-	-	>=80%		N/C
Percentage complete - People & Performance	-	-	56.00%	-	56.0%	-	-	>=80%		N/C
Staff Survey (Best Companies)										
Percentage of staff participating in survey	-	-	-	-	83.61%	-	-	>=67%		N/C
Best Companies accreditation score	-	-	-	-	642.2	-	-	>=659.5		N/C
Best Companies accreditation level	-	-	-	-	OTW	-	-	>=1		N/C

20/07/2016

ITEM 5

**THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA
TENANT MANAGEMENT ORGANISATION LIMITED (the "Company")**

OPERATIONS COMMITTEE (the "Committee")

Open	
For Information	
Committee Report 28 July 2016	
Report title:	Neighbourhood Management Update Report.
Authority for decision:	The Committee has the delegated authority to monitor the operational performance of the Company.
Recommendations:	It is recommended that the Committee consider the contents of this report, and upon due consideration, note the contents of this report.
Regulatory/legal requirements:	The Committee members have a duty to promote the success of the Company as a committee of the Board.
Business Plan link:	Providing excellent customer service.
Equality Impact Assessment/comment:	N/A.
Resident consultation:	N/A.
Resource implications/VFM statement:	None.
Risk:	The risks associated with departmental processes/projects are detailed within the report.
Appendices:	N/A
Total number of pages including appendices:	8
Name, position and contact details of author:	Teresa Brown Director of Housing, tebrown@kctmo.org.uk

1. PURPOSE

- 1.1 The purpose of this report is to advise the TMO Board/Committee of progress in key Neighbourhood Management service areas including Anti-Social Behaviour (ASB), Welfare Reform, Rent Income collection, Housing Regeneration Projects and service/project updates for Quarter 1 2016.

2 ANTI-SOCIAL BEHAVIOUR (ASB) UPDATE]

- 2.1 This report provides information on ASB reported between 1st April 2016 and 30th June 2016 and the results of the satisfaction surveys responded to in the same period.
- 2.2 The table below shows the number of cases opened in Quarter 1 2016/17, the number closed and the number of live cases. In addition, the table provides comparative information for the previous quarter.

Measure	Q4 15/16	Q1 16/17
New cases	66	85
Closed cases	55	76
Live cases	125	127

- 2.3 There has been an increase in the number of ASB cases reported this quarter following the launch of the CRM system in May. All new ASB cases are now recorded in the system.
- 2.4 A detailed breakdown of the type of new cases reported to the TMO is shown in the table below. The table shows a comparison between the Q1 2016/17 and the preceding two quarters.

Anti-Social Behaviour Cases by Case Type:

ASB type reported	Number of new cases			Percentage of total (Q1)
	Q3 1516	Q4 1516	Q1 1617	
Noise Nuisance	22	28	31	36.5%
Harassment	2	8	12	14.1%
Drugs	7	4	2	2.4%
Environmental nuisance	1	7	5	5.9%
Animals	4	1	2	2.4%
Youth ASB	1	3	0	0.0%
Misuse of communal areas	3	3	14	16.5%
Domestic violence	1	9	1	1.2%
Filthy and verminous	0	1	6	7.1%
Other Criminal Behaviour	1	3	1	1.2%

Vehicle Nuisance	0	0	0	0.0%
Likelihood of injury	0	0	1	1.2%
Acts of violence	0	0	2	2.4%
Intentional damage to property	0	0	2	2.4%
Illegal use of property or communal area	0	0	3	3.5%
Garden maintenance	0	0	1	1.2%
Obstruction of balcony or communal area	0	0	1	1.2%
Rough sleepers	0	0	1	1.2%
Total	42	66	85	100%

- 2.5 Quarter one has again seen an increase in harassment cases following a drop in quarters two and three last year. Harassment cases are typically the second highest type of ASB reported behind noise nuisance so this rise is consistent with what we would usually expect. Noise nuisance cases increased again this quarter. It is typical for this to be the highest proportion of ASB cases so this is in line with expectations.
- 2.6 The most notable change this month is in the number of cases relating to misuse of communal areas and from filthy and verminous properties. Misuse of Communal areas ranges from common issues like inappropriate storage of items, to damage to common parts of the building and children accessing roof areas. Filthy and verminous properties are a particular concern as they can present health risks to other residents and any hoarding cases generally require a lot of intensive support to resolve.

Results of Satisfaction Survey Quarter 1

- 2.7 In Quarter 1, of the 53 attempted satisfaction surveys, 16 surveys were successfully completed marking a 30% return rate which is a small drop in the number attempted and a larger drop in the percentage completed from the previous quarter.
- 2.8 All surveys are attempted by telephone call first, followed by a postal survey with a return envelope.
- 2.9 The Table below shows the breakdown of 16 satisfaction responses for the completed surveys in 2015/16:

Response	Satisfied with being kept up to date	Satisfied with support given	Overall satisfaction with outcome	Willingness to report ASB in future	Response
Very satisfied	6	8	8	9	Very willing
Satisfied	4	3	2	2	Fairly willing
Neither satisfied nor dissatisfied	1	1	0	0	Neither willing nor reluctant
Dissatisfied	3	2	4	1	Fairly reluctant

Very dissatisfied	2	2	2	3	Very reluctant

- 2.10 Overall satisfaction with the outcome of the ASB case is 62.5% with 37.5% dissatisfied. Satisfaction on being kept up to date during the life of a case was also 62.5% with a further 6.25% being neither satisfied nor dissatisfied. Satisfaction with support given was 69% with 6.25% being neither satisfied nor dissatisfied. 69% of respondents were willing to report further issues in the future.

ASB Actions within Quarter 1 2016/17

- 2.11 Between April and June a number of actions have been undertaken to address ASB reports to try and resolve issues quickly to avoid further escalation. These include:
- 4 signed Acceptable Behaviour Agreements.
 - 20 referrals to agencies which include the Police, Environmental Health, Tenancy Support Services and Social services.
 - 2 referrals to Mediation Services.
 - 3 cases requiring further enforcement action.
- 2.12 Of these 3 cases requiring enforcement action, one required the service of a Notice of Seeking Possession. We have been working jointly with police on two further cases and supporting them with applications for closure orders. One of these applications has been successful and evidence we provided to police following investigative work by the Neighbourhood team was vital in achieving this. We will now be seeking possession of this property and serving notice on mandatory grounds.

3 NEIGHBOURHOOD SUPPORT SERVICE

- 3.1 Below is an update on the numbers of referrals the Neighbourhood Support Service has received in this quarter and the previous quarter and a breakdown per quarter of current live and closed cases by level of support.

	Q4 15/16	Q1 16/17
New cases	15	11
<i>Low level</i>	6	3
<i>Medium level</i>	6	6
<i>High level</i>	3	2
Closed cases	15	18
<i>Low level</i>	7	5
<i>Medium level</i>	6	8
<i>High level</i>	2	5
<i>Average days to close</i>	78	84
Live cases	38	30

- 3.2 The figures show that on average cases are closed within 84 days of being open which is an increase from quarter 4 last year.

- 3.3 Of the 18 closed cases, only 4 cases were resolved with unsatisfactory outcomes where the service users did not engage. 12 cases were resolved with positive outcomes. This included one case where arrears of over £4k were reduced through support with a HB claim and an eviction prevented and another case where the NSO successfully supported a domestic abuse victim make an application for a transfer using Serious risk of harm priority. This resident has now moved away.

4 RENT INCOME UPDATE

- 4.1 There has been a strong start to the year in terms of arrears performance, with the overall arrears level being almost £17k ahead of target at the end of Q1.
- 4.2 Arrears as a percentage of total rent roll and percentage of tenants with more than seven weeks arrears are both ahead of target at the end of Q1.
- 4.3 We are behind target on collection rate for Q1 with the figure standing at 97.37% against a target of 100%; however this is due to refunds on accounts in credit. We have processed a lot of refunds from Lancaster West residents who went into credit as a result of heating charge rebates or who alternatively will not need to make payment until the credit is used.
- 4.4 Former tenant arrears cash collection is slightly behind target (by £1,629) at the end of Q1, however it should be noted that it has been ahead of target in both May and June, following the Sundry Debts Officer starting in post at the beginning of May.

5 WELFARE REFORM UPDATE

- 5.1 The table below illustrates the impact of the Social Size Criteria for the TMO. The number of people impacted fluctuates due to changes in circumstances.

Social size criteria	2015-16	2016-17 Q1
No households impacted by social sector size criteria HB reductions at March end	288	287
No transfers	5	0
No mutual exchanges	11	4
No claim now pensionable	7	0
No deceased	2	0
No evictions for arrears	1	1
No other tenancy terminations	3	0
No household and/or circumstance change	38	11
Moved to Universal Credit	2	0
No longer claiming housing benefit	52	8

- 5.2 From the table above, a total of 251 residents have been impacted by a 14% reduction in their Housing Benefit amount and a further 36 by a 25% reduction.
- 5.3 KCTMO have fifteen households who are currently affected by the Benefit Cap, seven of whom are in receipt of Discretionary Housing Payment (DHP) which has mitigated the impact on their rent accounts.

- 5.4 Welfare Reform Officers continue to work closely with families affected by the 'bedroom tax' to promote mutual exchanges as a solution. This has led to eleven families successfully exchanging to a smaller property allowing overcrowded families to move into suitable accommodation.
- 5.5 The Welfare Reform Officers have been working closely with claimants of Universal Credit (UC) within the Borough which went live in RBKC on 9th November 2015. This includes reviewing single claimants who may be affected by UC, and contacting them to raise awareness of UC and how it will impact them financially.
- 5.6 At present we only have 23 UC claimants within our stock that we are aware of. We have worked with the DWP to put systems in place for them to notify us of new claimants. This number is likely to increase significantly as it is rolled out to further job centres that serve our residents. This has already happened at the Hammersmith job centre which serves a very small number of our residents. It is expected later this year in other areas, but dates are still to be confirmed.
- 5.7 Up to March 2016 only 21 residents are in receipt of Universal Credit so the Welfare Reform Officers are able to work closely with these claimants. We will continue to monitor the impact as the numbers increase. The TMO has strong links with RBKC Revenues Department and meet regularly with them to consider the impact of the changes. Training for staff will be rolled out by our Welfare Reform officers as the numbers affected by UC increase and we are looking to bring in a DWP representative to assist with training.

6 HOUSING REGENERATION PROJECTS 2016 – 2017

- 6.1 The 2016/17 HRP bids were reviewed and prioritised at the May 2016 Operations Committee. The following schemes have been successful in gaining funding:
 - Penzance Street- The project is to re-design the bin rooms. Bin rooms will be redesigned and will be accessible from ground level. The current landscaped areas will be redesigned to improve greenery, and kitchen gardens will also be installed to encourage social cohesion between residents. Railings and a pedestrian gate will be fitted at the entrance to the estate to mitigate incidents of fly tipping.
 - 60 Slaidburn Street- The project is to install a gate at the vehicle entrance to the car park area at the rear of the block. The gate would provide much needed security to residents of the block, as well as mitigate incidents of fly tipping. Furthermore, the scheme also includes the installation of lighting at the entrance to the block, at the moment there is no lighting provided, again this will improve the sense of security for residents.
 - Corbett House- The project is to install kitchen gardens, furthermore a vehicle and pedestrian gate has been proposed at the estate entrance from Hollywood Road to improve security for residents. To improve the overall aesthetic and greenery of the estate, the current landscaped areas will be redesigned.
- 6.2 The plans for all three schemes are currently being drafted at present. The plans will be presented to all residents as part of consultation events during

August and September. Once consultation has been completed, the tendering process will commence, with works commencing in late autumn.

7 HOUSING REGENERATION PROJECT 2015 – 2016

All four schemes for HRP 2015/16 are now complete.

8 CRM

8.1 We have successfully launched our new Customer Relation Management (CRM) system on 25th May 2016 to transform the customer experience across the organization and develop a more joined-up, proactive service. We have developed automated process flows for major areas such as ASB, Complaints, Repairs in order to record monitor and process enquiries more effectively and efficiently.

8.2 The introduction of CRM has enabled our service areas to evaluate and improve their business processes.

8.3 The ongoing usage of CRM and further development of business process flows due to take place in the next couple of months such as voids, leaseholder consultation, mutual exchange, fixed term tenancies, right to buy and disrepair will create:

- A better joined up service
- increased business intelligence
- improved internal communication and cooperation
- improved business continuity
- develop enhanced relationships

8.4 The use of CRM dashboards and reporting functions are helping service area managers :-

- To monitor enquiries resolved first time
- To review the length of time a particular type of enquiry is taken to resolve
- To review the number and types of enquiries received per area
- To monitor and manage officer workload and any absences.

9 NEIGHBOURHOOD MANAGEMENT RESTRUCTURE

9.1 A review of Neighbourhood Service Team has recently been carried out. The most significant changes are in respect of our Lancaster West office. We are going to be increasing the number of staff and services based from this office to improve the service to customers. The geographical remit will be extended to include Silchester and Henry Dickens estates. The office will be refurbished to provide an improved layout and a reception area that is more consistent with the Hub and Blantyre. Office opening hours will be extended in line with those in other offices. In order to achieve this we will be transferring two Neighbourhood Officers currently based at the Hub to the Lancaster West Office. The Rent Income Officer currently based at Lancaster West will report to the Rent Income Team Leader North. The Rent Income Officer will offer surgeries at the Lancaster West Office

according to demand. Welfare Reform surgeries will also be held. The Handyman service will be extended to cover Sheltered Housing units, Silchester and Henry Dickens estates. The Lancaster West Estate Inspectors job will be aligned with the Estate Services Assistant role and these staff will report directly into the Estate Services Team Leader North. The Stable Way Site Manager will report directly to the Lancaster West Team Leader instead of the Head of Neighbourhood North. This site is closer geographically to the Lancaster West office and closer working with the Neighbourhood team will ensure cover is provided in times of absence.

- 9.2 In terms of other changes, an additional new Neighbourhood Officer role will be created in the South Team. The Hostels Officer post in the South will be deleted and the post-holder will be assimilated into the new Neighbourhood Officer role within the North team. The post-holder will be responsible for the management of temporary accommodation in the North as well as some general needs properties. Any new temporary accommodation properties that are created across the borough will be managed as part of the relevant Neighbourhood Officer post. It is anticipated that the numbers will be small. The changes above will see the average Neighbourhood Officer patch size, including leaseholders, reduce by an average of 238 across the borough.
- 9.3 One hostel cleaning post will be deleted and the remaining two Hostel Caretaking posts will report to the Estate Services Team Leader North. The communal area cleaning functions carried out by the deleted post will be transferred into the HRA cleaning contract.
- 9.4 There are a number of other line management reporting changes as follows, the line management of the Welfare Reform Officers North and South will move to the respective Rent Income Team Leaders creating important links in line with Welfare reform changes.
- 9.5 The line management of the Neighbourhood Support Officers (NSO) North and South will move to the respective Neighbourhood Team Leaders creating closer alignment of NSO's' with Neighbourhood teams.
- 9.6 Staff have been consulted formally in respect of these proposals. There will be a phased implementation. Most of the changes will be going live from 1st August, with some other elements to follow pending recruitment to Neighbourhood Officer roles.
- 9.7 Through successful implementation of the new structure we will provide a greater range of services from the Lancaster West office to a wider number of residents. There will be additional capacity created in the Neighbourhood teams, and there will be greater resilience in the management of our Temporary Accommodation units and the Travellers site.

10 CONCLUSION

- 10.1 The Committee is requested to consider the recommendation on the first page of the report.

ITEM 6

**THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA
TENANT MANAGEMENT ORGANISATION LIMITED (the “Company”)**

OPERATIONS COMMITTEE (the “Committee”)

Open	
For information	
Committee Report 28th July 2016	
Report title:	Home Ownership Update Report
Authority for decision:	The Committee has been delegated the powers to review, challenge and monitor key performance indicators and benchmarking and make recommendations to the Board.
Recommendations:	That the Committee consider the contents of the report and upon due consideration, note the report.
Regulatory/legal requirements:	The members of the Committee have a duty to promote the success of the Company as a committee of the Board.
Business Plan link:	Being Competitive and increasing our income.
Equality Impact Assessment/comment:	There are no Equality Implications.
Resident consultation:	None.
Resource implications/VFM statement:	We are committed to achieving top quartile performance with value for money.
Risk:	A decline in the services provided by the Home Ownership team could result in reputational damage of the Company and/or action by RBKC.
Appendices:	1 - Detail of collection progress
Total number of pages including appendices:	8
Name, position and contact details of author:	Daniel Wood Assistant Director, Home Ownership Ext [REDACTED]

1.0 Purpose

This report is to inform the Committee of the performance of the Home Ownership department for the 1st quarter of 16/17.

2.0 Collection – 2016/17 Targets

- 2.1 The target for service charges is to collect the amount that is being billed plus a reduction in the arrears of £21,255;

Service Charges

Billing	Arrears at start of year	Arrears Target
£4,104,508	£141,704	£120,449

- 2.2 The target set is a 15% reduction of the arrears. Analysis shows that service charge arrears will not drop significantly from where they are now due the nature of payment plans, direct debits and disputes. The level of arrears is now such that we would reasonably expect the total arrears to reduce slightly over the course of the financial year.

- 2.3 As at the 1st April 2016, the arrears sum actively being pursued was £70,492. Please refer to the appendix for a detailed breakdown of the categories that the arrears fall under.

- 2.4 The target for major works is for the arrears to increase by no more than £564,229;

Major Works

Billing	Arrears at start of year	Arrears Target
£1,472,444	£1,151,217	£1,715,516

- 2.5 Please find below a summary of the quarterly targets;

Major Works Arrears Target by Quarter

Quarter	Arrears Target	Variance
End of Q1	£1,292,292	+£141,074
End of Q2	£1,433,366	+£141,074
End of Q3	£1,574,441	+£141,074
End of Q4	£1,715,516	+£141,074
TOTAL		+£564,229

7.2 Major Works Accounts

487 arrears letters were sent out in Q1, please see below;

Letter Type	Q1
First Reminder	214
Final Reminder	182
Legal Referral	91
Total	487

8.0 Legal Referrals Q1

8.1 There were 15 legal referrals in Q1, please see below;

Breakdown	No. in Q1	Value in Q1
Service Charges	12	£12,552
Major Works	0	£0.00
Total	12	£12,552

9.0 Complaints Q1

9.1 We received no formal complaints relating to the Home Ownership Service

10. First Tier Tribunal (FTT)

10.1 RBKC have received an application to the FTT from a number of homeowners from Swinbrook Estate. The nature of the application focuses on the following;

- Cost of works
- Necessity of works
- Double glazing
- Demise of windows

10.2 The hearing has been set for Monday 24th October, starting with an inspection of the blocks.

APPENDIX

KEY	DETAIL
PP	Payment Plan
DP	Disputed
DR	Disrepair
VC	Voluntary Charge
PB	Probate
LA	Legal Action
Arrears Excluding	Amount of pursuable debt
Number of Homeowners	2603

Service Charges	24-March-16	23-June-16	Variance March 16 To Date
	Including 4th Quarter Charges 15-16	Including 1st Quarter Charges 16-17	
Arrears Balance	£141,704.80	£144,320.29	£2,615.49
Number Of Properties In Arrears	533	563	30
Average Arrears Per Property	£265.86	£256.34	-£9.52
Payment Plans Arrears	£15,097.01	£10,128.13	-£4,968.88
Number Of Properties On Payment Plans	327	329	2
Dispute Arrears	£1,081.61	£4,332.57	£3,250.96
Number Of Properties In Dispute	4	13	9
Disrepair Arrears	£0.00	£0.00	£0.00
Number Of Properties In Disrepair	0	0	0
Voluntary Charges Arrears	£0.00	£0.00	£0.00
Number of Properties In Voluntary Charges	0	0	0
In Legal Action Arrears	£37,002.40	£33,736.73	-£3,266
Number of Properties In Legal Action	18	20	2
Awaiting Probate	£1,370.87	£2,800.38	£1,429.51
Number Of Properties Awaiting Probate	2	4	2
Arrears Excluding (PP,DP,DR,VC,LA,PB)	£72,365.41	£85,660.72	£13,295.31
Number of Properties In Arrears Excluding (PP,DP,DR,VC,LA,PB)	153	180	27

Major Works	24-March-16	23-June-16	Variance March 16 To Date
	Including 4th Quarter Charges 15-16	Including 1st Quarter Charges 16-17	
Arrears Balance	£1,151,217.22	£1,215,264.79	£64,047.57
Number Of Properties In Arrears	422	501	79
Average Arrears Per Property	£2,728.00	£2,425.68	-£302.32
Payment Plans Arrears	£555,358.35	£532,979.77	-£22,378.58
Number Of Properties On Payment Plans	154	200	46
Dispute Arrears	£107,215.92	£209,602.94	£102,387.02
Number Of Properties In Dispute	23	92	69
Disrepair Arrears	£0.00	£0.00	£0.00
Number Of Properties In Disrepair	0	0	0
Voluntary Charges Arrears	£0.00	£0.00	£0.00
Number of Properties In Voluntary Charges	0	0	0
In Legal Action Arrears	£18,863.11	£33,384.54	£14,521
Number of Properties In Legal Action	5	6	1
Awaiting Probate	£464.00	£100.00	-£364
Number Of Properties Awaiting Probate	1	1	0
Arrears Excluding (PP,DP,DR,VC,LA,PB)	£467,346.96	£432,615.37	-£34,731.59
Number of Properties In Arrears Excluding (PP,DP,DR,VC,LA,PB)	233	195	-38
Service Charge & Major Works Total	24-March-16	23-June-16	Variance March 16 To Date
	Including 4th Quarter Charges 15-16	Including 1st Quarter Charges 16-17	
Arrears Balance	£1,292,922.02	£1,359,585.08	£66,663.06
Number Of Properties In Arrears	955	1064	109
Average Arrears Per Property	£2,993.87	£2,682.02	-£311.85
Payment Plans Arrears	£570,455.36	£543,107.90	-£27,347.46
Number Of Properties On Payment Plans	481	529	48
Dispute Arrears	£108,297.53	£213,935.51	£105,637.98
Number Of Properties In Dispute	27	105	78
Disrepair Arrears	£0.00	£0.00	£0.00
Number Of Properties In Disrepair	0	0	0
Voluntary Charges Arrears	£0.00	£0.00	£0.00
Number of Properties In Voluntary Charges	0	0	0
In Legal Action Arrears	£55,865.51	£67,121.27	£11,255.76
Number of Properties In Legal Action	23	26	3
Awaiting Probate	£1,834.87	£2,900.38	£1,065.51
Number Of Properties Awaiting Probate	3	5	2
Arrears Excluding (PP,DP,DR,VC,LA,PB)	£539,712.37	£518,276.09	-£21,436.28
Number of Properties In Arrears Excluding (PP,DP,DR,VC,LA,PB)	386	375	-11

Summary of Service Charge Arrears Balances

Amount From	Amount To	Number Of Properties	Percentage
£350.00	£400.00	11	9.48%
£400.01	£500.00	16	13.79%
£500.01	£600.00	12	10.34%
£600.01	£700.00	14	12.07%
£700.01	£800.00	9	7.76%
£800.01	£900.00	8	6.90%
£900.01	£1,000.00	10	8.62%
£1,000.01	£1,500.00	21	18.10%
£1,500.01	£2,000.00	8	6.90%
£2,000.01	£3,000.00	5	4.31%
£3,000.01	£4,000.00	0	0.00%
£4,000.01	£5,000.00	1	0.86%
£5,000.01	£6,000.00	0	0.00%
£6,000.01	£10,000.00	0	0.00%
£10,000.01	£20,000.00	1	0.86%
£20,000.01	£30,000.00	0	0.00%
£30,000.01	£50,000.00	0	0.00%
£50,000.01	£100,000.00	0	0.00%
Total		116	100.00%
£0.01	£349.99	447	-
Grand Total		563	

Summary of Major Works Arrears Balances

Amount From	Amount To	Number Of Properties	Percentage
£350.00	£400.00	4	0.94%
£400.01	£500.00	27	6.34%
£500.01	£600.00	7	1.64%
£600.01	£700.00	16	3.76%
£700.01	£800.00	6	1.41%
£800.01	£900.00	18	4.23%
£900.01	£1,000.00	14	3.29%
£1,000.01	£1,500.00	80	18.78%
£1,500.01	£2,000.00	74	17.37%
£2,000.01	£3,000.00	74	17.37%
£3,000.01	£4,000.00	25	5.87%
£4,000.01	£5,000.00	16	3.76%
£5,000.01	£6,000.00	15	3.52%
£6,000.01	£10,000.00	29	6.81%
£10,000.01	£20,000.00	20	4.69%
£20,000.01	£30,000.00	1	0.23%
£30,000.01	£50,000.00	0	0.00%
£50,000.01	£100,000.00	0	0.00%
Total		426	100.00%
£0.01	£349.99	75	-
Grand Total		501	

ITEM 7

**THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA
TENANT MANAGEMENT ORGANISATION LIMITED ("KCTMO")**

OPERATIONS COMMITTEE ("Committee")

Confidential	
For Decision	
Committee Report 20 July 2016	
Report title:	Capital Programme Update
Authority for decision:	The Committee has the delegated authority to monitor the operational progress and performance in relation to the delivery of the capital works programme.
Recommendations:	<p>It is recommended that the Committee consider the contents of the report and upon due consideration note:</p> <ul style="list-style-type: none"> • the updated Capital Budget and Programme position; • the challenges facing the delivery of the lift renewal and External Works contracts in 2016/17; • the potential revised approach to window renewal; • the risk associated with the recovery of leasehold costs relating to these works; and • the potential reduced level of capital and revenue spend in 2016/17 as a result of these potential changes.
Regulatory/legal requirements:	The Committee has the duty to promote the success of the Company as a committee of the Board.
Business Plan link:	<p>In line with the 2014 -2017 business plan, the effective procurement and delivery of the Capital and Planned Maintenance programmes respond to the Business Plan priorities to:</p> <ul style="list-style-type: none"> • Invest to make great homes and communities • Deliver excellent, good value services
Equality Impact Assessment/comment:	The individual needs of residents are considered in the consultation and delivery of the capital programme.
Resident consultation:	Incorporated in the project plan and the project communication group.

Resource implications/VFM statement:	The Capital budget have been approved by the RBKC Cabinet and will be funded by RBKC.
Risk:	<p>There is a risk that full spend of the capital budget will not be achieved in 2016/17. The options for addressing this are being considered and an update will be reported to Board in September.</p> <p>Spend against programme is monitored on an ongoing basis and risks assessed. The works delivered through the Capital programme help ensure that statutory obligations are met.</p>
Appendices:	1 – Capital Programme Summary.
Total number of pages including appendices:	8
Name, position and contact details of author:	Peter Maddison Director of Assets and Regeneration

1. PURPOSE

The purpose of this report is to advise the Operations Committee of progress in the Capital Programme. The report highlights some risks in the current programme relating to the Lift Renewal contract and the External Works programme and details the action being taken in mitigation.

2. Capital Programme 2016-17

- 2.1 The current draft budget for 2016-17 is £16.13m. Spend to the end of June 2016 was £1m.
- 2.2 The contracts for the 2016-17 Capital programme have been procured and are ready to mobilise, subject to completion of the statutory Section 20 leasehold consultation.
As part of the preparation of these notices and from the responses received from leaseholders, some significant issues have been raised in relation to two elements of the programme, namely:
 - The Lift Renewal Programme, and
 - The External Works Programmes (Framework North and South)
- 2.3 This report details the current issues relating to these programmes and considers the options going forward.

3. Lift Renewal Programme

- 3.1 On 31st March 2016, KCTMO Board agreed to let the 2016/17 and 2017/18 Lift Renewal contract to Guideline Lift Services Limited with a contract sum of £3,490,813 and a total estimated commitment of 4,108,686 (inclusive of fees), subject to completion of the statutory Section 20 leasehold consultation.
- 3.2 The report to Board noted that "KCTMO proposes to deliver a programme of lift replacement works in various properties across the borough between 2016 and 2018. Overall 35 lifts will be replaced. These lifts have been selected based on their age, difficulty in obtaining spare parts of history and breakdowns". Calford Seadon are the consultants that carried out the condition survey and assessment of lift condition. The 35 lifts identified for renewal represent 26% of the borough's 137 lifts and includes those which are the oldest, in poorest repair, have the worst record of breakdown, are most difficult to bring back into service when a fault occurs.
- 3.3 It was anticipated that the contract would be let in June 2016, on completion of the Section 20 consultation, and spend in the region of £1m would be achieved by the end of 2016/17 and the balance of £3.1m would be spent in 2017-18.
- 3.4 The RBKC's legal department was instructed to draft Section 20 notices. In considering the issues, the solicitors have questioned whether the costs of replacement can be recovered under the terms of the leases (which only allow

costs to be recovered for works of repair, and not “improvements”). This has caused considerable delay in issuing the Stage 2 Section 20 notice, which was eventually issued in June 16. However, a third stage consultation will need to run following satisfactory completion of Stage 2.

- 3.5 It is important that lifts are serviceable and kept in working order, particularly given the vulnerable nature of many of our residents. Renewal of these lifts is the only practical way of ensuring that we maintain these key services. However, there is a risk that some leaseholders could challenge the charge based on an argument that the lift is repairable, albeit that the cost of ongoing maintenance and the frequency of breakdowns could be high.
- 3.6 Our consultants have prepared further, detailed analysis of the repair issues relating to each lift which has been issued to RBKC’s solicitors. This will be presented to the QC to review and assess whether the report gives the required level of detail and to comment on the business case for the renewal of each lift and the implications for leaseholder recharges in the context of the lease. It is expected that the advice from the QC will be available in August. The outcome and the risk relating to recovery of leasehold costs will be considered as part of the sign off of task orders relating to the works.
- 3.7 The lead-in time for the renewal of a lift is considerable and the ongoing delay in completing the formal leasehold consultation will mean that the contract will not be let until the autumn. Given the delay, it is now anticipated that spend in the current financial year will be limited, reducing from £1m to around £250k.

4. External Works Programme: Window Repair or Renewal?

- 4.1 The majority of RBKC leases leave RBKC exposed to challenge from leaseholders relating to works that may be considered to be “improvements”, as opposed to “repairs”. In this context, our Asset Management Strategy states that we will repair windows until they reach the end of their useful life, at which point they will be replaced.
- 4.2 In the 2016/17 External Repair and Redecoration Programme, will be delivered through the Framework. The work has been scoped and specified on this basis and we have consulted residents and served Section 20 notices for the repair and redecoration.
- 4.3 At St Ervan’s Road, for example strong feedback has been received from a significant number of leaseholders in response to the Section 20 consultation. Officers met the residents in June 16 to discuss their concerns and it was agreed that we would consider their views and come back with a response. In the meantime some residents have submitted an application to the First Tier Tribunal challenging the proposal on a range of grounds including:
- The estimated cost of the proposed works is excessive
 - The proposed works are not necessary
 - Residents want new windows, not the repair of their existing windows
 - Some residents want the windows to be demised to them, so they can renew their own windows (although this is contrary to the terms of their leases).
 - Challenging the procurement approach

- 4.4 The challenge from St Ervan's residents has led us to reconsider our approach to window repair. When considering the costs of repair against replacement it is possible that, in some cases, renewal will improve the financial performance of the asset over a 30 year period. In these circumstances it is worth considering renewal, however, there is a risk of challenge from leaseholders on the grounds that the windows that can still be feasibly repaired.
- 4.5 We have taken legal advice from Counsel on whether the cost of the renewal of windows that could be repaired, can be recovered from leaseholders. Counsel quoted the case of Griffin and Wandsworth in which case the Council wanted to replace critical windows which had an anticipated remaining life of 2 cycles. The outcome of this case was that the replacement was considered an "act of repair" (not an improvement) and the costs could be recharged to leaseholders. However, it is important to note that the Wandsworth decision does not set a "precedent".
- 4.6 There is a risk of challenge from leaseholders at the First Tier Tribunal, and there is a possibility that a First Tier Tribunal will rule in favour of the leaseholder. Counsel advises that our approach should be supported by "soft" resident consultation that explains the rationale for our proposals (i.e. life cycle benefits, quality, risk, etc.).
- 4.7 As there is a risk of challenge, we are reviewing the proposed approach with RBKC to ensure that the risk of not recovering all, or part of the leaseholder contribution is clearly flagged and quantified. The decision will consider the implications on the HRA in the short term should the leasehold costs not be recovered, and also consider the long term benefits to the HRA as renewal would significantly reduce future repair and maintenance liabilities.

5. Implications for the Capital Programme 2016-17 and beyond

- 5.1 The current Approved Capital budget for the three financial years 2016-19 is as follows:

2016-17	£16.22m
2017-18	£15.78m
2018-19	£10.00m
Total	£42m

- 5.2 The capital works framework has been set up to deliver a significant part of this programme with a key focus in the coming years being on external repair, maintenance and renewal. There will also be strands of investment that will be procured separately to the framework in relation to mechanical and electrical works, such as lift renewals and the upgrade and renewal of communal plant
- 5.3 Appendix 1 of this report gives a summary of the capital programme for 2016-17 and the current projection of £15.4m which is £1m below budget. The projected outturn has been reviewed in the context of current commitments and the following revised assumptions relating to the Lift renewal, communal plant and electrics and External Works programmes.

- 5.4 **Lift Renewal:** There has been significant delay in letting this contract, and it is likely that the contract will now be let in October 2016. Given the long lead-in relating to lift renewal works, it is likely that only limited spend will be achieved in the 2016/17 financial year – currently estimated at £250k against the previous projection of £1m. The balance of £3.1m will be spent in 2017/18.
- 5.5 **Communal Plant and Communal Electrics:** These budgets have been reduced to reflect the actual tendered priced received for the communal plant programme. Further feasibility work is underway to plan future phases of these programmes, however, this will not achieve significant further spend in the current financial year.
- 5.6 **External Works Contracts (Framework North and South):**
Spend of £6.265m is currently projected against the budget of £6.265m in 2016/16. However, there is a risk of slippage in this programme as further detailed resident consultation, revised Section 20 consultation, detailed design and planning of these works is required. A full review of this programme is underway and greater certainty of cost and likely spend will be available in September 2016.
- 5.7 It is proposed that the revised approach to window repair and renewal will be explored with RBKC in August 2016. A further report will be presented to KCTMO Board on the in September that will detail the proposed approach and the impact on the 2016/17 capital budget.

APPENDIX 1

PROJECT	Budget 2016-17	Projected Spend 2016-17	Variance
(FR) South Internal Works (Kitchens, Bathrooms, Electrics)	1,615,337	1,744,966	129,629
(FR) North Internal Works (Kitchens, Bathrooms, Electrics)	2,460,298	2,534,125	73,827
Externals (Roofs, Windows, External Repair and Redecoration)	6,265,365	6,265,365	0
(FR) Major Aids and Adaptations	200,000	200,000	0
Aids and Adaptations (Non Framework)	300,000	300,000	0
Trellick Tower - phase 7 - External Fabric	1,730,000	1,730,000	0
Communal Electrics	450,000	250,000	-200,000
Lift Renewal Programme	1,000,000	250,000	-750,000
Communal Plant Renewal	650,000	400,000	-250,000
Environmental Improvements	500,000	500,000	0
Capitalised Repairs	150,000	150,000	0
Capitalised Voids	450,000	450,000	0
Commercial Properties	100,000	100,000	0
Professional Fees	350,000	350,000	0
Adair Tower & Hazelwood	206,000	206,000	0
	16,427,000	15,430,456	-996,544