

Agenda Item 2

THE ROYAL BOROUGH OF KENSINGTON & CHELSEA TENANT MANAGEMENT ORGANISATION

TMO Board

Meeting held on 15th November 2012

Present:

Ms Fay Edwards, Borough wide Board Member (Chair)
Mr Tony Annis, Borough wide Board Member
Ms Mary Benjamin, Borough wide Board Member
Mrs Celine Green, Borough wide Board Member
Mr Reg Kerr-Bell, Borough wide Board Member
Mr Iain Smith, Borough wide Board Member
Mr Roy Turner, Borough wide Board Member
Mr Tony Ward, Borough wide Board Member
Councillor Judith Blakeman, Council appointed Board Member
Councillor Maighread Condon-Simmonds, Council appointed Board Member
Mr Peter Molyneux, Council appointed Board Member
Mr Peter Chapman, Appointed Board Member
Mr Anthony Preiskel, Appointed Board Member

In Attendance:

Mr Robert Black, Chief Executive
Mr Mark Anderson, Director of Assets and Regeneration
Ms Yvonne Birch, Executive Director of People and Performance
Mrs Angela Bosnjak-Szekeres, Governance Manager and Company Secretary
Ms Sacha Jevans, Executive Director of Operations
Mr Andy Marshall, Assistant Director of Partnering
Mr Anthony Parkes, Executive Director of Financial Services and ICT
Ms Amanda Johnson, Head of Housing Commissioning, RBKC
Mr Peter Dunne, Consultant
Ms Jane Clifton, Executive Office Manager

Apologies:

Mr Jeff Zitron, Council appointed Board Member
Mr Jon Dee, Appointed Board Member

**Action
by**

1. Introduction

The Chair welcomed Board members to the meeting, and apologies were given.

There were no declarations of interest.

Andy Marshall, Assistant Director of Partnering, was introduced to the meeting, who was managing the Willmott Dixon contract.

2. Minutes of meeting held on 6th September

The minutes of the meeting held on 6th September were agreed and signed as a correct record.

3. Chief Executive's report

The Chief Executive confirmed that the next Board meeting would be held on Tuesday, 8 January, which seemed to be a more convenient date for everybody than 3 January. Questions were invited on the report:

1. **Fire Risk Assessments:** it was queried what action would be taken if leaseholders did not ensure that they had an entrance door that was fire risk compliant. Clarification was given that the letter was sent out by RBKC, but queries have been dealt with by the Home Ownership team. A letter had also been sent to the Fire Brigade about their responsibilities on this matter, and a subsequent meeting held.
2. There was concern that the letter which had been sent out had upset some leaseholders because of the requirement to replace their doors if they did not comply with fire risk requirements. Further clarification had been given to all leaseholders who had contacted the TMO in response to the letter, and Board members were asked to pass on the details of any leaseholders who were concerned, and had not contacted the TMO direct.
3. It was pointed out that the letter sent out did not explain how to establish whether a door was compliant or not. Clarification was given that the requirement for doors to be fire compliant was under FD30S, and it was not possible to say whether the doors were compliant or not without a physical inspection. The London Fire Brigade required us to work with RBKC under the Fire Protection Act on this

issue.

It was queried whether leaseholders could assume that their doors were compliant if they had the same type of door as their tenant neighbours. There had been an inspection of all tenant doors, and in cases of non-compliance, a note had been made of leaseholder addresses, and the leases checked to establish whether responsibility for doors had been demised to the leaseholder. However, the letter had confirmed that it was the leaseholder's responsibility to establish that their door was compliant. This responsibility only applied to external doors which opened on to external/communal areas. It was agreed that Janice Wray, Health & Safety Advisor, prepare an explanatory note on this issue.

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The Board noted the contents of the Chief Executive's report.

4. Mid Year Report on TMO Performance Agreement 2012/13

Amanda Johnson, RBKC, was welcomed to the meeting, and she presented the Mid Year Report on TMO Performance, which had been presented to the Scrutiny Committee on 8 November. The TMO had continued to perform well, and where there had been slippage on PI targets, action was in hand. Internal audit reports had all been satisfactory. There had been some slippage on complaints' targets which may be related to the withdrawal of the Morrison repairs' contract.

There were a number of challenges for RBKC in connection with Localism, and the TMO was working positively with RBKC on the way forward. Both RBKC and the TMO were facing challenges from Welfare Reform and Universal Credit, and were working closely on how we could assist those affected by this legislation.

On investment in, and regeneration of the housing stock, RBKC was working closely with the TMO. This included the Hidden Homes' developments.

The work being done on resident engagement had resulted in more residents being involved with their residents association, and attending the AGM. On older persons' housing, RBKC and the TMO were working up options to deliver improvements across the sheltered schemes. Very positive feedback was being received on the TMO's management of the travellers' site.

Board members asked the following questions:

1. Regarding Welfare Reform, concern was expressed about

- elderly tenants who were under-occupying, and whether they would be affected by these changes. Confirmation was given that they would not be affected, and where we had other vulnerable residents, RBKC would work closely with the TMO to assist them.
2. The impact of Welfare Reform on tenants who were under-occupying was raised, and confirmation was given that they would receive a reduction in housing benefit. Those affected could talk to RBKC and the TMO about the option of moving to smaller accommodation if they could not afford the additional rent. A scheme in Westminster was raised which offered a high financial incentive to tenants to consider moving to a smaller property. Amanda Johnson confirmed that RBKC already had a number of schemes in place to encourage people to move.
 3. It was queried whether the changes on under-occupation would affect tenants who were working. Clarification was given that there would be no impact if they were not on benefits, as rents would stay the same. Although there was a scheme in place encouraging people to consider downsizing, it had not previously been very successful but this situation may change.
 4. Downsizing incentives were welcomed as it would also help those with overcrowding problems. Amanda Johnson undertook to bring a paper back to Board on what was being done in this area. Work was also being done with the 500 people affected by the legislative changes as it would not be possible to offer them all alternative accommodation because of the limited supply of housing.
 5. At present, those affected could apply for discretionary housing benefit payments, and a number of people had taken up this option, but it was not sustainable in the long term. Further consideration would be given to what support could be provided, as well as the impact on the HRA.
 6. Lack of progress on the revised MMA for Lancaster West EMB was raised, and confirmation was given by Amanda Johnson that she had attended the September EMB meeting and apologised for the delay in revising the MMA which was due to a delay in completing the revision of the MMA with the TMO which had to be concluded first. The EMB board would be kept informed.
 7. Confirmation was given that RBKC were working with the TMO on revising the MMA as it was out of date, and did not fully reflect present services. Any significant changes would be presented to the Board once this exercise had been completed.
 8. Public documents concerning a review of sheltered housing within the borough would be sent to Tony Annis. An offer to

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provide an overview report was made, and this was welcomed.

9. It was queried whether the TMO's performance on applying for energy efficiency grants could be monitored. However, although the Council worked in partnership with the TMO on green issues, it was felt that it would not be appropriate for the Council to monitor the TMO's performance in this area.

Board Members and the Chief Executive welcomed this positive report on the performance of the company by RBKC, the TMO's regulator. The report had also been presented to Cllr Coleridge, Cabinet Member for Housing, and welcomed by the Scrutiny Committee as very positive. **The Board noted the Mid Year Report on TMO Performance Agreement 2012/13.**

5. RBKC Property Services' Update

This item was deferred due to the unavailability of RBKC staff to present the report.

6. Re-appointment of Independent Board Members

At the meeting on 26 July, the Board had agreed a process for the re-appointment of Independent Board Members. The Company Secretary advised the Board that two Independent Board Members were eligible for re-appointment. Jon Dee had decided to stand down from the Board, and his post would be advertised in the New Year. Peter Chapman had expressed his willingness to continue on the Board. In line with the procedure, Peter Chapman had completed his appraisal satisfactorily, and his re-appointment had been considered by the Appointments Panel on 14 November, and a recommendation was being made to the Board that he be re-appointed. **The Board approved the re-appointment of Peter Chapman as an Independent Board Member for a further term of three years in line with the process agreed by the Board on 26 July.** Peter Chapman thanked the Board for their support.

7. Performance Update 2012/13: Quarter 2

This report gave an update on TMO performance until the end of September 2012, and now included a report on expenditure on the capital programme. Board members asked the following questions:

1. It was queried why gas servicing was shown as red in two areas when it had almost reached its target. However, this was a very sensitive target, and 20 properties were still without an up to date certificate. For most of these cases,

we were in the process of applying for a court date to gain access.

2. It was queried why we did not carry out gas servicing during the summer months when heating was not required. An explanation was given that T. Brown worked to a 10 month cycle for servicing, and planned maintenance and forced entries were carried out during the remaining two months. This pattern was the norm, and if we moved to a servicing cycle of 3 – 4 months, the contract would be more expensive.
3. It was asked whether the communal heating systems could be thermostat controlled so that they responded to weather conditions. However, we had set times for turning the systems on and off, and people had different requirements for when they wanted the heating on. It was acknowledged that it was a difficult problem as about 3,500 properties were dependent on communal heating systems, and the majority of these were 40 – 50 years of age. There was no individual resident control over the systems, and only investment in the systems could address all the problems. The capital programme for 2013/14 would target 70% of the resources towards building services, which would only address 50% of the requirements. It was recognised that heating was a major issue for residents, and systems operated for 18 out of 24 hours from 1 October to May.
4. With reference to heating problems, it was commented that not all the communal heating systems were old, and there were still problems with regular breakdowns. It was queried whether consideration could be given to requests from leaseholders to have an individual system installed. An explanation was given that systems were prone to breakdown due to historical poor management as systems had been on all the time, and maintenance regimes had been poor. Confirmation was given that any request from a leaseholder to have their own system installed would be given consideration, but it was not always possible. However, the leasehold may still be liable to pay for the communal system in their service charge.
5. With reference to para 13.2, further information was requested on the complaints which had been dealt with by the Ombudsman. Clarification was given that residents went to the Ombudsman when they had been through the TMO process.
6. Concern was expressed about the post inspection failure rate for repairs, and how this could be addressed. An explanation was given that many of these failures had been during the Morrison contract, and now we were 15 weeks into the Willmott Dixon contract, it was anticipated that an

- improvement would be seen. Willmott Dixon had drawn up a detailed action plan to address this issue.
7. It was asked what the projected year end position was on post inspections. It was anticipated that we would see a significant improvement in a month's time, and we wanted Willmott Dixon to leave the contract in good shape for the handover to the ISP if the Board decided to set one up.
 8. Progress on signing up new TMO members was raised, and confirmation was given that a membership strategy had been drawn up, and consideration would be given to how to deliver the strategy to achieve the target. It was queried why new residents were not signed up automatically. However, although new tenants were encouraged to take up membership by the voids officer, the tenant could choose whether to become a member. At present, membership could only be promoted under the constitution.
 9. The high level of staff sickness was raised, and confirmation was given that this was being addressed, and the policy was being looked at i.e. return to work interviews. There had also been a few cases of long term sickness which had to work their way through the system.
 10. It was asked whether the completed stock condition survey would be reported to Board, and confirmation was given that a high level report from Rand on investment need had been circulated with the background papers for the Board away days. It was proposed that a 30 minute session on the report be arranged before a Board meeting (in March).

SJ/MA

The Board noted the TMO's performance for the period April – September 2012, and progress on the Business Plan strategic priorities.

8. Budget Monitoring April – September 2012

The budget monitoring report for the period to the end of September had been presented to the Finance, Audit and Risk Committee. A surplus of £28k was still forecast for the year end. The costs for Assets and Investment were still high but were offset by savings in other areas. The HRA managed budgets were being re-forecast for the next quarter with RBKC. We were forecasting £1m savings on planned maintenance mainly for redecorations due to a delay caused by the procurement of a long term contract. This could not be achieved this year because of leaseholder consultation, but it was hoped to have it in place for 2013/14. The underspending from this year would be transferred to next year so there would be no underspending overall for the two year period.

We had received financial information for the first quarter of the

Willmott Dixon contract, and their year end position was now more in line with the original budget, but not all information was yet available. We were still negotiating the costs of coming out of the Morrison contract, and had yet to reach a final settlement.

The following questions were asked:

1. Leaseholder surgeries/meetings on redecorations were raised. Confirmation was given that consultation was carried out on an estate basis when a programme was scheduled, and consultation with leaseholders followed legislative requirements. Historically we held a leaseholder forum which was poorly attended, and was either borough wide, or north and south. However, these forums had been replaced by smaller meetings on estates to resolve issues.
2. It was confirmed that there had been no leaseholder consultation at Manchester Drive when redecorations were carried out last year. It was agreed to discuss this issue further outside the meeting to establish what consultation had been carried out. It was proposed that a separate meeting be arranged for those who were interested on leaseholder issues.
3. It was queried why costs were high for agency staff/ consultants, but for Lancaster West only £1k. It was explained that these costs were for interim staff covering vacancies for permanent staff, and the costs were offset against savings on salaries. It was recognised that the percentage of agency staff was high at 25%, and was mostly due to ongoing reorganisation. Recruitment for permanent staff was currently ongoing, so these costs would reduce over the next few months. On consultant costs, we were £8k over budget (£256k compared to £248k). The use of agency staff was to ensure efficient delivery of services, and although the aim was to recruit permanent staff, it was still difficult to recruit staff with the right skills in some areas. An explanation was given that agency costs for Lancaster West EMB were low because there had been a sustained recruitment drive last year in order to improve the service.

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The Board noted the budget monitoring report for the period April to September 2012.

9. Feedback from Committees

Feedback was given from recent meetings in October of the Finance, Audit and Risk Committee, and Operations Committee. The Finance, Audit and Risk Committee had reviewed the budget

