

# The Royal Borough of Kensington and Chelsea Tenant Management Organisation Ltd

A Meeting of the **TMO Board** will be held on **Thursday 10 May 2012, 6.30pm – 8.30pm** in the 3<sup>rd</sup> Floor **Boardroom** at **346 Kensington High Street, London W14 8NS**

Apologies (phone XXXXXXXXXX)

*Refreshments available from 6pm*

Part A – For consideration / decision				
Agenda Item	Report Name	Presenter	Enclosure	Page No.
1	Welcome and apologies for absence	Chief Executive		
2	Appointment of newly elected Resident Board members	Chief Executive & Company Secretary		
3	Appointment of Council Board Members	Chief Executive & Company Secretary		
4	Election of the Board Chair and Vice Chairs and Committees and Panel Chairs	Chief Executive & Company Secretary		
5	Appointments to the Committees and Panel	Chief Executive & Company Secretary		
6	Minutes of Board meetings held on 29 March 2012 & matters arising	newly elected Chair	√	2
7	Chief Executive's Report	Chief Executive	√	18
	<b>DECISION ITEMS</b>			
8	Proposed changes to the Constitution	Company Secretary	√	23
9	Risk map 2012/13	Head of Strategy and Engagement	√	29
10	Repairs Contract	Director of Customer Services	√	32
11	Decent Homes Contract Update	Director of Assets and Investment	√	37
	<b>INFORMATION ITEMS</b>			
12	Performance –end of year 2011-2012	Head of Strategy and Engagement	√	41
13	Provisional Outturn Report (Revenue and Capital) for year end 2011/12	Assistant Director of Financial Services	√	74
14	Health and Safety Annual Report	Director of People and Organisational Development	√	94
15	<b>AOB</b>			

Date of next meeting: **26 July 2012**

## Agenda Item 6

### THE ROYAL BOROUGH OF KENSINGTON & CHELSEA TENANT MANAGEMENT ORGANISATION

#### TMO Board

#### Meeting held on 29<sup>th</sup> March 2012

Present: Mr Reg Kerr-Bell, Borough wide Board Member (Chair)  
Mrs Sylvia Collet, Borough wide Board Member  
Ms Fay Edwards, Borough wide Board Member  
Mrs Celine Green, 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 Maighread Condon-Simmonds, Council appointed Board Member (for part of meeting)  
Mr Jeff Zitron, Council appointed Board Member  
Mr Peter Chapman, Appointed Board Member  
Mr Jon Dee, Appointed Board Member  
Mr Anthony Preiskel, Appointed Board Member

In Attendance: Mr Robert Black, Chief Executive  
Mrs Rupa Bhola, Assistant Director of Financial Services  
Ms Yvonne Birch, Head of Strategy and Engagement  
Mrs Angela Bosnjak-Szekeres, Governance Manager and Company Secretary  
Ms Sacha Jevans, Director of Customer Services  
Mr Mark Anderson, Director of Assets & Regeneration  
Mr Anthony Parkes, Director of Financial Services  
Ms Lornette Pemberton, Director of People and Organisational Development  
Ms Jane Clifton, Executive Office Manager

Apologies: Ms Kathy Harris, Borough wide Board Member  
Councillor Emma Dent Coad, Council appointed Board Member  
Mr Peter Molyneux, Council appointed Board Member

#### 1. Minutes of meeting held on 5<sup>th</sup> January

The minutes of the meeting held on 5 January 2012 were agreed and signed as a correct record.

#### 2. Matters Arising

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2.1 Elm Park Gardens' basements - it was queried how many of the key worker lettings had been allocated to police officers. Roy Turner would be provided with a copy of the criteria for eligibility, but the details of the lettings would not be available from the Council.

RB

2.2 Commercial property lettings - on lease renewals, it was thought that the reference to 'no rent freeze period' should be 'no rent free period.'

2.3 Date of January Board meeting - it was queried whether the January Board meeting had been held too soon after the New Year holiday. However, the date for the January Board meeting was determined by the consultation timetable for the rent report.

### 3. Chief Executive's Report

The Board's attention was drawn to para 2 concerning the venue for the Residents' Conference and AGM on 15 September. It was recommended that the joint event be held at the Holiday Inn Kensington Forum which had been the venue in 2011. We had been offered a competitive price at £40 per head inclusive for the hiring of the venue. Last year, the venue had cost £8k overall which had included all the catering provided.

It was queried whether we should be considering how to reduce costs in a time of austerity. Confirmation was given that the above quotation was within the budget, and there had been good feedback from residents on last year's venue. Savings were already been made by combining the two events, and £40 per head was a very competitive price. A scaled down event at the Town Hall was put forward as an alternative. However, the Town Hall had not proved to be a venue that was attractive to members, and as we were legally required to hold an AGM, another venue would help to address declining attendance. Last year's combined event had encouraged new people to attend the AGM, and it was hoped to build on this trend at this year's event. The residents' conference had provided a more positive experience, and several newly signed up members had stayed on for the AGM. **The Board agreed that the residents' conference and AGM be held at the Holiday Inn Kensington Forum Hotel on 15 September 2012.**

The Board noted that the resident capacity training with an aim of encouraging members to stand for Board had been very successful with 80 people initially attending. The final training session was due to be held on 30 March. In addition to some attendees putting themselves forward for election, new members



had been signed up. Thanks were given to Fay Edwards for attending the first session.

In order to achieve the business plan objective on business growth, the hidden homes' initiative was being progressed with RBKC. The new Blantyre office had also been opened on 20 March, which had been developed in a previously wasted space on the World's End Estate. The office at 346 Kensington High Street would be retained with a small staff presence, but consideration could be made to closing this office in three years' time. Board members were invited to work with the Chief Executive on the growth objectives from the workshop held on 15 February.

Progress was queried on completing the Digital TV contract by the switchover on 4 April. 96% of the external work had been completed, and there were planning issues for the remaining estates, which included Acklam Road and St Quintin's. The Conservation Officer had confirmed that they were happy with the plans for Kensal House, which would continue to receive a service through Virgin. Over 82% had had face plates fitted, and the remaining 20% would probably continue to receive a TV connection from another source.

Front line staff had been briefed in readiness for calls arising from the switchovers on 4 and 18 April. Calls related to re-tuning would be referred to DigitalTV UK. Some residents had experienced difficulties in getting through to the call centre with queries about face plates because a large volume of calls had been received in response to the letters that had been sent out. Yvonne Birch confirmed that 55 Danvers Street had accidentally been deleted from the data file given to SCCI, but this was now being addressed. At present, work was being completed on street properties.

Attendance at meetings with the Local Government Ombudsman and the Housing Ombudsman Service by the Complaints Manager was queried. Feedback on the TMO and RBKC's performance on complaints had been very positive, and the overall number of cases referred to the Ombudsman had declined. **The Board noted the contents of the Chief Executive's report.**

#### 4. Resident Board Member Elections 2012

Members of the Board Elections working group were thanked for their contribution towards the preparation of this report. Board members retiring this year were Sylvia Collet who had now served for nine years, and Kathy Harris who was standing down, and was



eligible for re-election to the Board under the nine year rule. The working party had reviewed the criteria for standing for the Board elections, and it had been agreed by the Board. The criteria had previously been circulated to Board members for comments, and a majority of Board members had been in support of the proposals.

UKEngage had been appointed to act as returning officer in the elections, and the Board working group recommended that the returning officer has responsibility for checking that prospective candidates are eligible to stand for the Board under the criteria.

The Board were briefed on the resident capacity building training. 28 people had initially expressed interest in standing for Board, although it was not yet known how many would submit their papers by 2 April. If UKEngage had a query about a candidate's suitability under the criteria, they would approach Angela Bosnjak-Szekeres who would ask Board members for their views without giving any personal information about the candidates.

AB-S

Paras 3.4 and 3.5 of the report referred to the retirement rules in the constitution. Errors had previously been made in their application, and the nine year rule also clashed with another section in the constitution. It was recommended that a further working group meeting be held, to which all Board members would be invited, to agree transitional arrangements for retirements from the Board for currently serving Resident Board Members, which would be presented to the Board meeting on 10 May.

Regarding the voting process, members would return their votes by post to UKEngage. However, because of the low number of members voting in previous elections, the Board working group had asked the Company Secretary to consider whether there was any other method, permitted under the constitution, which could be used to encourage members to vote. It was proposed in the report that UKEngage hold local voting meetings where members could return their ballot papers as this was permitted under the constitution. A proposed list of dates and venues was contained in Appendix B. These meetings could boost the number of votes. The Board was reassured that no TMO officers would be present. Further consideration would be given by the Board working group to the introduction of electronic voting for the elections which was already allowed at the AGM under the constitution.

There would be a hustings' meeting on Wednesday, 18 April, at 6.00 pm in the Board Room at 346 Kensington High Street.

Board members asked the following questions:

1. Concern was expressed about the proposal for UKEngage to hold voting meetings as there was a previous history of ballot boxes being tampered with.
2. Concern was expressed about last year's elections when a vote had been taken on which of three Board members should stand down when Kathy Harris as the longest serving Board member should have stood for re-election. The Board working group had been advised that the process had been flawed for last year's elections, but blame could not be attributed to former members of staff and the Board because of the complexity of the constitutional guidance. The Board had also approved the process at the time, so any decision made about retirements from the Board was valid.
3. It was proposed by a Resident Board Member that ballot boxes be made available in the receptions at the Network Hub and Blantyre offices. However, it was not possible to do this as their security could not be guaranteed. The proposal was that voting meetings be held in local venues on the estates rather than offices. Assurances were given that security issues surrounding the proposal had been considered, and UKEngage, an independent organisation running the election, would be able to guarantee the security of the ballot boxes. Confirmation was given that UKEngage had previously been appointed to run last year's AGM.
4. Confirmation was given that transitional arrangements would be drawn up for retirements from the Board of currently serving Resident Board Members, in the event that the existing retirement rule under the constitution would be changed. These arrangements would be presented to the Board on 10 May together with other proposals for constitutional changes.
5. It was queried whether the Board Room would be a suitable venue for the hustings on 18 April taking into consideration that potentially 25 candidates may be standing. However, it was not certain at this stage how many of those expressing interest would be standing for Board, and they may also not attend the hustings. There was no suitable alternative venue available, including the Town Hall.
6. In addition to the security of the ballot boxes, there were concerns about the costs of holding the six meetings for the return of voting papers. However, we wanted to encourage more people to vote in the election, and the costs were already built into the contract with UKEngage.
7. It was queried whether the terms suitability and eligibility were being used interchangeably in paras 4.2 and 4.3, and it was confirmed that they were.



8. It was queried whether the capacity building training was optional for candidates. Confirmation was given that only four candidates had expressed interest in standing for Board who were not attending the training. However, the training was not compulsory as we had not wanted to exclude any experienced candidates. The process would be reviewed on an annual basis.
9. It was proposed that we do not go ahead with the voting meetings for members as it was thought that it was not very likely that members would attend them if they could not be bothered to go to a post box.

AB-S

**The Board agreed the process for administering the suitability criteria under the Election Rules as recommended by the Board elections working group. It was agreed not to go ahead with the meetings for the return of ballot papers as proposed in Appendix B.**

5. Morrison

A confidential paper had been circulated to Board members on the way forward with the Morrison responsive repairs' contract, and a record of the Board's discussion has been included in Part B of the minutes.

6. ICT strategy

The ICT strategy had been prepared for the next two years, and had been considered by both Executive Team and SMT. The strategy was one of consolidation following considerable investment in both major and smaller systems. The aim of the strategy was to embed them and ensure that we get value for money. On EDMS, workflows would be established in order to achieve efficiencies. The work programme for the year was attached so it could be seen how the strategy would be actioned. With the opening of the Blantyre office, we now had triangulation between the three TMO offices, and the transition had gone very smoothly without any disruption in IT services.

Board members raised the following points:

1. With reference to data security, it was asked whether information could be given to a third party since we already gave information about residents to third parties i.e. the Police had been gathering intelligence on World's End Estate. Confirmation was given that the TMO had to assist the Police if approached. Clarification was given that the reference to data security concerned the security of the IT



- systems which supported the TMO's Data Protection policy. Any data going out from the systems would be controlled.
2. It was asked whether the strategy addressed the key ICT risks on the risk register. Confirmation was given that triangulation covered data protection issues, and moving to triangulation had been an audit requirement.
  3. An explanation was asked of the term 'virtual battle box' in para 5.28 in connection with the ICT disaster recovery plan. Data was kept off-site so that it could be recovered in the event of a disaster through microsoft technology.
  4. It was queried whether Board member lap tops were due for an upgrade. It was proposed that this be looked at after the Board member election. Confirmation was given that all IT equipment supplied to Board members was TMO property, and would be updated which may require Board members to bring in their lap tops as not all this work could be done remotely.

#### **The Board approved the ICT Strategy for 2012 – 14.**

#### **7. Revised Business Plan**

The business plan had been updated as there had been a lot of legislative and regulatory changes since the publication of the 2009 business plan. The business plan had been discussed at the Board away day on 4/5 November, and there had been a Board working group on 15 March. The business plan outlined what would be done during the remaining life of the 2009 business plan.

The main changes included the expansion of the three priorities to five in order to provide clarification. The values and the mission statement remained the same, and a vision statement had been added. The vision statement had previously been circulated for comments: 'Your community, a great place to be.' An action plan was included to show how the business plan would be delivered.

The following questions were asked:

1. It was queried whether there was a forecast loss for the next five years. An explanation was given that the wording followed RBKC protocol in order to ensure consistency.
2. The statement about growing the business was queried on page 41. It was confirmed that this objective had been in the business plan for the past three years, and we were already achieving things under this objective i.e. the hidden homes' programme, the Blantyre office, and the management contract for Stable Way.
3. The redundancy of the Energy Officer was queried as

energy efficiency should be an objective. However, this function would be covered by the Asset, Investment and Engineering team. It was also pointed out that there were no resources for the implementation of a green agenda because all our resources were required for keeping properties decent, compliant with health & safety requirements, and wind and water-tight. It was proposed that greater energy efficiency be a long term objective. However, we only had the capacity to do what we were legally required to do, although consideration could be given to how we could get additional funding.

4. It was proposed that a Board working group be set up on business growth. This would be open to any Board member who was interested in being involved in this area.
5. Reference to the Morrison contract on page 37 to be updated.

**The Board agreed the revised Business Plan with one abstention.**

8. Budget monitoring 2011/12

The budget monitoring report for the period ended February 2012 was noted for information by the Board members.

9. Performance Indicators for quarter 3, 2011/12

The TMO's performance for the period April to December 2011 was noted for information by the Board members.

10 Any other business

- 1.1 Deceased tenants - an information note had been sent to Operations Committee members by the Company Secretary on the recovery of monies when a tenant died.
- 1.2 Leaseholder service charges/major works' charges - a request had previously been made for major works to be spread out in order to assist leaseholders, but this had not happened at Manchester Drive. Cyclical work should be done every five years, and leaseholders be given 12 months to pay, but in this instance further work had been done after three months, which had resulted in some leaseholders having monthly payments of several hundred pounds. It was asked that works be programmed so that leaseholders were aware when works would be carried out. However, leaseholders could make interest-free payments for major works' charges

over a three year period. It was pointed out that leaseholders were being advised that payments had to be made over a 12 month period although there was an option to have a three year payment plan. Anthony Parkes would discuss this issue further with Celine Green outside the meeting.

11 Date of next meeting

The next meeting would be held on Thursday, 10 May, at 6.30 pm.

CEO/JDC  
11.4.12



# THE ROYAL BOROUGH OF KENSINGTON & CHELSEA TENANT MANAGEMENT ORGANISATION

## TMO Board

### Meeting held on 29<sup>th</sup> March 2012 - Part B

Present: Mr Reg Kerr-Bell, Borough wide Board Member (Chair)  
Mrs Sylvia Collet, Borough wide Board Member  
Ms Fay Edwards, Borough wide Board Member  
Mrs Celine Green, 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  
Mr Jeff Zitron, Council appointed Board Member  
Mr Peter Chapman, Appointed Board Member  
Mr Jon Dee, Appointed Board Member  
Mr Anthony Preiskel, Appointed Board Member

In Attendance: Mr Robert Black, Chief Executive  
Mrs Rupa Bhola, Assistant Director of Financial Services  
Ms Yvonne Birch, Head of Strategy and Engagement  
Mrs Angela Bosnjak-Szekeres, Governance Manager and Company Secretary  
Ms Sacha Jevans, Director of Customer Services  
Mr Mark Anderson, Director of Assets & Regeneration  
Mr Anthony Parkes, Director of Financial Services  
Ms Lornette Pemberton, Director of People and Organisational Development  
Ms Jane Clifton, Executive Office Manager

Apologies: Ms Kathy Harris, Borough wide Board Member  
Councillor Emma Dent Coad, Council appointed Board Member  
Mr Peter Molyneux, Council appointed Board Member

#### 12 Grenfell Tower

This confidential report on Grenfell Tower, Lancaster West Estate, would be subject to an RBKC Cabinet decision if the proposal was approved by the Board. The proposals had already been discussed at the Operations Committee in January, and a verbal update had been given to the March committee meeting. The background was that the TMO had been advised that there was an opportunity to bid for HRA regeneration money. The project would not be part of the capital programme as the funding was being

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provided from the proceeds of the sale of basements at Elm Park Gardens, as RBKC wanted the TMO to use this money. Opportunities for investment had been looked at across the stock, and Grenfell Tower had best met the criteria, and was also located adjacent to the KALC development. The project would include a hidden homes' element, and the reception facilities for the EMB office would be part of the work. The opportunity to address problems with the communal heating at Grenfell Tower would also be taken, which could not be switched off whilst at the same time there were problems with opening the windows. An outline proposal had been worked up for a £6m regeneration bid for Grenfell Tower and its surroundings. The proposals were in line with the Board's aspirations for growth, and would address the investment needs on the estate.

The following points were made by Board members:

1. It was queried who would be responsible for paying the design team if the bid was unsuccessful. Assurances were given that there would be no risk to the TMO on this payment although we would incur costs on surveys, but this cost would be less than £5k. With reference to the design team, we were seeking dispensation from the TMO's contract regulations, as RBKC's procurement had been through an OJEU process. Because of the relationship between the two projects, there was an advantage in using this team appointed for the KALC project.
2. It was commented that the Board working group on business growth would be able to check our liabilities. Clarification was given that the TMO's sole liability would be the cost of the surveys, and these would cost less than £5k.
3. It was queried whether Lancaster West EMB had been consulted. Confirmation was given that the EMB Board had been informed of the project, but had not yet been given this level of detail.
4. With reference to paras 5.2 and 5.7 on the joint procurement for the Grenfell Tower and KALC projects, it was queried whether any members of the design team would have an ongoing role when on site. It was also queried whether we wanted four separately appointed consultants to work on the project, because if there were any problems, they could blame each other. KALC were responsible for the commissioning arrangements, and the architectural consultant would be the lead consultant, and responsible for liaison between the parties.
5. There were still concerns about liability for the project. Although the four consultants would be responsible for different aspects of the project, the lead consultant would



- not be responsible for the other three, and if there was a dispute, it was queried how the situation would be resolved. It was agreed that these issues be raised with RBKC, and a report back would be made to the Board.
6. It was asked when the EMB residents would be consulted on the project when the planning permission was scheduled for May. However, although KALC's planning application would be made in May, the TMO's planning application would be made in June. This had been discussed with Laura Johnson, RBKC, that week, and the survey work with residents on the estate had been started with the 120 flats at Grenfell Tower. Over 50% of respondents were in favour of the cladding work. It was queried whether residents could be given details of the scheme before a submission had been made to Planning. Confirmation was given that resident consultation would be discussed with the EMB.
  7. The issue of excess heat at Grenfell Tower was raised, and a question asked about what action could be taken to address this. Clarification was given that the problem was due to the way that the infrastructure had been set up. There were no problems with the valves, and work had been done on the distributors in the flats, but the risers and returns continued to operate throughout the year, and hot water was circulated through the walls and floors.
  8. It was asked whether the funding for the work would result in a reduction to the management fee, and confirmation was given that this would not happen. The management costs would also be recovered within the bid.
  9. It was recognised that we would not want to turn down £6m for this work, but further reassurances were requested on our liabilities. Confirmation was given that the project would be done under the HRA, and the works would be commissioned by the TMO, but guaranteed by the Council. As the works would be charged to the HRA, they would not appear on the company accounts, which was the same process for all capital works. The liability and payments would be through the HRA in line with all other capital projects.

**The Board unanimously agreed to the submission of an HRA Regeneration Bid to RBKC for the external over-cladding, open area enclosure, hidden homes provision and communal and office area rationalisation to Grenfell Tower. The Board also agreed the appointment of the Kensington Academy & Leisure Centre (KALC) consultant project team, and agreed to dispense with the Contract Regulations' guidelines for this appointment.**



### 13 Morrison

A confidential paper had been circulated to Board members on the way forward with the Morrison responsive repairs' contract. The Board had since been advised that Morrison had served six months' notice on the contract. During the last few weeks, the TMO had been under pressure from Morrison to move to Price per Property, and Executive Team had decided to bring the proposal to the Board for a decision. In the circumstances, it had been no surprise that Morrison had served a six months' notice to terminate the contract. We were now looking at the options for the short and long term, and RBKC had been informed and were supportive of the TMO. There was press interest about the situation, and there had been an article in Inside Housing that day.

Under contract legislation, we would be able to negotiate an interim contract for a period of up to 12 months. We were seeking a legal opinion, and working on an interim arrangement with a consultant from Savills. In getting an interim contract in place, we would be aiming for a quality of service that had not been provided consistently by Morrison. It was anticipated that Morrison would probably want to withdraw from the contract sooner than six months, and it was thought that an interim contract could be set up within two months. A report would be brought back to the Board on the options for consideration.

Morrison staff would transfer to the new contract under tupe arrangements. Another consideration was that Morrison made late payments to their sub-contractors who therefore may withdraw, so it was necessary to retain their confidence during the transitional period. Although Morrison were committed to a further six months, the quality of work could further deteriorate during this period.

The following questions were raised by Board members:

1. The question of compensation was raised. However, under the terms of the contract, both parties had the right to serve six months' notice on the other party so there was no breach of contract. We would be aiming to minimise any deterioration in the service, but it would be in our interests to make an interim arrangement as quickly as possible.
2. It was queried whether it would be possible to provide incentives for a three month period, but it would not be possible to make any additional payments.
3. It was asked what the selection process would be for an interim contract. This would be negotiated by the consultant from Savills. It was queried whether the decision would come to the Board. However, any interim contractor would

be for the short term, and it would be a lot of work for them to set up the contract, but the recommendation would come to Board. At the same time, work would have to begin on a longer term solution.

4. It was asked that the Board be involved in the process, and this would be possible as long as Board members could be available at short notice.
5. It was asked whether payments could be refunded by Morrison for work which had not been done. Prompt payments for work was a contractual obligation. Clarification was given that leaseholder major works' charges did not cover work done under this contract although Morrison were responsible for communal repairs. It was queried what would happen about communal repairs which were not very good quality. Confirmation was given that there was a process in place for checking a percentage of these orders, and leaseholders not happy with any work carried out could contact the Home Ownership team with their concerns.
6. It was queried whether a high proportion of sub-contractors would continue to be used by Morrison during the six month notice period. Confirmation was given that during the notice period, we would be addressing the amount of sub-contracted work, and also outstanding work.
7. It was asked that local builders be considered for the work i.e. Pimlico Plumbers. However, it was thought that this company would not be interested as they did not operate in social housing, and would not have the capacity to do this type of contract.
8. It was thought that the timing of the end of the Morrison contract would have to be handled with care, and it would be in our interests to keep them on for the remaining six months. A contingency plan was also needed that could be put into place very quickly in the event of a Morrison insolvency or other eventuality. The process for getting an interim solution in place would be accelerated, and the Board would be kept closely informed. Although the Morrison contract had failed, the Board were reminded that £1.8m in savings had been made on the contract, and the contract would have failed much earlier if the TMO had not kept up the pressure on performance. One of the problems with the Morrison contract had been the frequent changes in their management arrangements, but their performance had been closely monitored from the beginning.
9. It was thought that an excellent job had been done by the TMO in managing the contract, but we had been given poor quality advice from Keegans when procuring the contract, who had thought that Morrison could deliver the contract at

the tendered price.

10. It was proposed that a Board working group be established as the Board needed to be involved in the process rather than just informed of progress. The working group would require assurances about the interim arrangements to be put in place, and to have an input into any long term options. It was noted that the Board had previously agreed to Morrison's appointment as the legal advice at the time had been that it was not possible to offer the contract to another contractor as Morrison had submitted the lowest tender, and Keegans had given assurances that they would be able to deliver the contract. It was recognised that the Board working party would not be doing the work, but would require assurances from the professionals.

**The Board agreed to set up a working group to oversee the interim arrangements for the repairs' contract while a long term solution was explored.** It was recognised that meetings were likely to have to be set up at short notice, so Board members would have to make every effort to attend. The following Board members would be involved:

Reg Kerr-Bell  
Peter Chapman  
Jon Dee  
Iain Smith  
Tony Ward  
Fay Edwards

CEO/JDC  
13.4.12



## Agenda item 6

### Appendix 1 BOARD ACTION RECORD / MATTERS ARISING

NO.	MEETING DATE	MINUTE NUMBER	ACTION	BY WHOM	BY WHEN	UPDATE
1	29/03/12	2.1	Elm Park Gardens' basements: RBKC key worker lettings criteria to be provided to Roy Turner	YB	As soon as possible	This has now been done
2	29/03/12	4	Board Member Elections: a further meeting of the working group would be held on transitional arrangements for retirements from the Board for consideration at Board on 10 May	AB-S	By Board on 10 May	Meeting scheduled for 26 April
3	29/03/12	5	Morrison contract: Board working party to be established on interim and long solutions	AB-S	As required	The working group met on 3 April, and another meeting had been arranged for 22 May.
4	29/03/12	6	ICT strategy: consideration to be given to the upgrade of Board member laptops post the election	AB-S	After 10 May	
5	29/03/12	10.2	Leaseholder service charges/major works' charges: to be discussed further with Celine Green	AP	As soon as possible	Has been followed up
6	29/03/12	12	Grenfell Tower: further updates on how the project would be managed would be provided.	MA/SJ	By Board on 10 May	

## Agenda Item 7

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

Open	
For information	
TMO Board 10 May 2012	
Report title:	Chief Executive's monthly update report
Authority for decision:	The Board has ultimate responsibility for monitoring the performance of the organisation.
Recommendations:	For information
Regulatory/legal requirements:	None
Business Plan link:	Keeping abreast of performance initiatives within the organisation, and external developments affecting social housing.
Equality Impact Assessment/comment:	Equality and diversity issues are taken into consideration.
Resident consultation:	Ongoing
Resource implications/VFM statement:	Keeping up to date on the latest developments in social housing is important for shaping the business. Improved performance within the organisation will help the TMO to achieve its VFM objectives.

<b>Risk:</b>	Failure to engage with the external housing sector could have an adverse effect on the TMO in keeping abreast of developments within the sector. There is also reputational risk if performance fails to improve across the TMO.
<b>Appendices:</b>	0
<b>Total number of pages including appendices:</b>	5
<b>Name, position and contact details of author:</b>	Robert Black, Chief Executive [REDACTED]



## **Chief Executive's Report**

### **1.0 Purpose**

It has been agreed with the Chair to provide Board Members with a monthly update. This will help to keep the Board informed of the company's progress on its business objectives, and work within the social housing sector.

### **2.0 Localism Act 2011**

The Council have provided the following progress report on work being done to ensure RBKC is compliant with the Localism Act:

- Allocation of housing to eligible and qualifying persons: this was being considered as part of the Choice Based Lettings' review which will decide which groups will no longer be able to be registered. Discussions have started on how this process would work, and how people would be removed from the list.
- Allocations scheme: legal advice is currently being obtained on whether fixed term tenancies can be issued, and then further revisions would be made. The Housing Allocation Scheme would be revised as part of the Choice Based Lettings' review. Statutory guidance was also awaited.
- Duties to homeless persons: a project group has been set up to look at how the private rented sector can be used, and whether RBKC's homeless duty can be discharged into the private rented sector, and for which groups. Consideration was also being given to communicating the changes, procurement of properties, including properties out of the borough, setting up a procedure for discharging the homeless duty into the private rented sector, and options for households already in temporary accommodation.
- Tenancy strategy: draft strategy out to consultation.
- Flexible tenancies: Councillor Coleridge and the Housing and Property Scrutiny Committee have asked that flexible tenancies be issued as soon as legislation and policies allow. The Housing Allocations Policy has to be in place so direct offers can be made to homeless households of fixed term tenancies. Legal advice currently being taken. There will be a joint project group between RBKC and the TMO to develop the Tenancy Policy in line with the Housing Allocations Policy.
- Secure and assured tenancies, and mutual exchanges: changes are being taken into consideration when mutual exchanges are discussed with residents. The new legislation is also taken into account in the national mutual exchange system (Home Swapper). RBKC also maintains its own mutual exchange list for the transfer of tenants.
- Succession of secure tenancies: changes to be introduced at the time of the new Tenancy Agreement. It will be very similar

- to existing tenancy agreements, but limits the succession to spouse/partner.
- Recovery of possession after tenant's death: TMO is amending its procedure so that it is consistent with the Localism Act.
- Repairing obligations: current procedure not affected as repairs already take place on all tenanted properties, which will also apply to flexible tenancies.
- Abolition of HRA subsidy account: changes to HRA currently being worked on.
- Standards facilitating exchange of tenancies: future of mutual exchange system will be covered by the Housing Allocation Scheme.
- Assisting tenants of social landlords to become home owners: details of new Right to Buy scheme have been announced, and the existing arrangements between the TMO and Council will continue. RBKC shared ownership list will be administered by First Steps from the summer of 2012.
- Housing Ombudsman and complaints: it has been agreed to use elected members and existing structures rather than set up a designated panel for complaints. This decision will be reviewed in 2013. Documentation has been changed to reflect Housing Ombudsman changes.

### **3.0 Self-financing and re-invigorating the Right to Buy**

Self-financing for council housing started on 1 April 2012 and councils are now in charge of their revenue accounts for council housing. The TMO will be working closely with RBKC and tenants with a focus on managing the business in the best interests of tenants and the local community. Although there will not be any easing of the debt caps in the immediate future, and there may even be some further tightening of central control in this area, in the long term it will be critical that the sector can show the positive difference that self-financing can make to the management and maintenance of council housing.

The government decided to raise the upper limit (cap) on the Right to Buy discount entitlement to £75k from the beginning of April to reinvigorate the scheme and encourage more council house sales. The government has made a commitment to re-provide one-for-one at a national level for any additional units lost through the Right to Buy. However, there are concerns that the government's proposed option for councils to enter into a local agreement for replacing affordable housing is over prescriptive, and contains a number of barriers for local authorities and ALMOs wishing to take up this option. These issues include the development timescale, the interest rate on unused receipts, and the exemption of any new build role for ALMOs.

### **4.0 Welfare Reform Act**

The NFA and other social housing organisations lobbied on areas of concern as the Welfare Reform Bill progressed through parliament. It was hoped that the government would introduce tenant choice over whether the housing element of Universal Credit is paid directly to their landlord or not. However, the government was committed to making a single universal credit payment per household wherever possible. The Act was passed in March without any significant amendments being accepted by the government, and local authorities are starting to plan for the changes which will start to come into force in April 2013. The TMO will begin to plan how the organisation can support residents who will be adversely affected by the changes.

In order to finalise the arrangements for the payment of housing benefit directly to working age tenants, the government has announced that it will commission a set of projects to be launched in June 2012 which will test some of the key elements of the changes.

## **5.0 Grenfell Tower and Hidden Homes**

Confirmation has now been received from RBKC that the Cabinet has approved the funding for the proposed regeneration works at Grenfell Tower, which were presented to the Board on 29 March. Funding for the Hidden Homes' developments at Holmefield House and Greaves Tower was also approved by the Cabinet.

## **6.0 Elm Park Gardens' final account**

The way forward on the final account for the capital programme works carried out at Elm Park Gardens between 2005 – 2010 has been discussed with RBKC, and is due to be considered by the Cabinet in June. The final account will then be issued to the home owners at Elm Park Gardens.



## Agenda Item 8

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

<b>Open</b>	
<b>For decision</b>	
<b>Board 10 May 2012</b>	
<b>Report title:</b>	Proposed changes to the Constitution
<b>Authority for decision:</b>	The retirement of <b>Resident Board Members</b> , voting at the elections and appointment of <b>Independent Board Members</b> falls within the remit of the Board and is carried out in accordance with <b>Articles 16.2, 17.2, and 19</b> of the <b>TMO's Constitution</b> .
<b>Recommendations:</b>	<p>The Board is asked to:</p> <ul style="list-style-type: none"> <li>• <b>Agree</b> the recommendations of the <b>Board Elections Working Group</b> to change <b>Articles 16.2, 17.2 and 19.3</b>.</li> <li>• <b>Note</b> the process for implementing the recommended constitutional changes</li> <li>• <b>Note</b> the plans for the future work of the <b>Board Working Group</b> on the re-appointment of <b>Independent Board members</b></li> </ul>
<b>Regulatory/legal requirements:</b>	The Board is bound by the Constitution and the Company's governance procedures and its own decisions.
<b>Business Plan link:</b>	Developing organisational competence through enhanced governance
<b>Equality Impact Assessment/comment:</b>	None identified.
<b>Resident consultation:</b>	None required on the contents of this report. Consultation will be carried out with <b>TMO Members</b> on the proposed changes to the Constitution.

<b>Resource implications/VFM statement:</b>	The budget for the 2012/13 Board and governance activities is already approved within the current year's budget.
<b>Risk:</b>	Failure to adhere to the Constitution and governance procedures could result in challenge from the Regulator and Members and the Board not following its own procedures.
<b>Appendices:</b>	1
<b>Total number of pages including appendices:</b>	6
<b>Name, position and contact details of author:</b>	Angela Bosnjak-Szekeres, Company Secretary and Governance Manager, abosnjakszekeres@kctmo.org.uk [REDACTED]

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

**TMO Board – 10 May 2012**

**REPORT BY COMPANY SECRETARY & GOVERNANCE MANAGER**

**1.0 Purpose**

The Board is asked to -

- Agree the recommendations of the Board Elections Working Group to change:

Article 16.2 (s.3.5 of the report),

Article 17.2 (s.4.2 of the report),

Article 19.3 (s.5.2 of the report)

and agree the transitional arrangements for the retirement of **Resident Board Members** currently serving on the Board (Appendix 1)

- Note the process for implementing the recommended changes to the Constitution
- Note the plans for the future work of the Board Working Group on the re-appointment of Independent Board Members

**2.0 Introduction**

2.1 The Board Elections Working Group met on the 26 April 2012 and considered changes to the Articles of the Constitution dealing with the retirement of **Resident Board Members** (Article 16.2), voting in the elections (Article 17.2), the length of tenure for **Independent Board Members** (Article 19.3). The Group also looked into the transitional arrangements for the retirement of the currently serving **Resident Board members** in the event that the new Article 16.2 is passed at the next Annual General Meeting (AGM) of the Company.

2.2 The Group meeting was attended by **Fay Edwards, Iain Smith, Tony Ward, Anthony Prieskel and Jon Dee**. Their contributions are greatly appreciated.



### **3.0 Retirement of Resident Board Members (Article 16.2)**

- 3.1 Article 16.2 of the Constitution prescribes the retirement process for Resident Board Members and they retire by rotation, with the two Resident Board Members who have served longest since their appointment retiring each year. In the event that more than two Resident Board Members have served the same amount of time on the Board since, the ones to retire are determined by the drawing of lots
- 3.2 Resident Board Members cannot serve longer than 9 calendar years as prescribed by section 15.9 of the Constitution.
- 3.3 At its meeting in March, the Board Elections Working Group discussed the application of section 16.2 and the retirement of Resident Board Members in the run up to the 2011 Election. Following an investigation of the relevant documents, the Company Secretary established that the retirement rule was incorrectly applied in that year. This resulted in Resident Board Members being chosen to retire by the drawing of lots, instead of the two Resident Board Members retiring that were longest in the office.
- 3.4 The working group at its previous meeting discussed how the application of Article 16.2 could lead to some Resident Board Members serving longer than a period of 3 years and the possible future errors in application of the retirement rule. In order to avoid such errors and to bring section 16.2 in line with section 16.8, the Board Elections working group agreed to recommend a change to Article 16.2.
- 3.5 Recommended changes were discussed to the effect that all Resident Board Members should retire after serving a 3 years term, with transitional arrangements for the Resident Board Members currently serving on the Board. The transitional arrangements proposed (Appendix 1) take into account the error in the application of the retirement rule in the past and aim to provide clarity for Board Members about future succession planning.
- 3.6 The working group recommends that the current wording of Article 16.2 be changed to read as follows:

*All Resident Board members shall retire from the Board after a 3 year term (such term expiring at the conclusion of the elections and/or Annual General Meeting or General meeting held to appoint the Resident Board Member's successor). Subject to Article 15.9, a retiring Resident Board member shall be eligible for re-election in accordance with this Article 16. The Board shall agree the arrangements for the retirement of Resident Board Members serving on the Board at the time of the implementation of changes to this Article (September 2012).*

- 3.7 Changes to the Constitution require consent from the Members of the TMO and the change would need to be put to the Members at the AGM in September. TMO Members would also be consulted about the proposed changes to the Constitution during the summer. RBKC, as a regulator of the TMO, would also need to be consulted about the changes.

#### **4.0 Voting in the Resident Board Member elections (Article 17.2)**

- 4.1 Representatives from UK-Engage and My Voice held a short presentation for the Working Group about electronic voting and answered questions from the Board Members. The Working Group was also informed that over 1400 hits were recorded on the site featuring the election candidates' statements. Following the presentation, the Board Members reviewed Article 17.2 and agreed to recommend a change to the Article in order to bring the Members' voting rights in line with the rights for voting at the AGM, as prescribed under Article 12.1.

- 4.2 The Working Group agreed to propose to the Board a change to Article 17.2 and include electronic voting in the elections for Resident Board Members. The new Article 17.2 would read as follows:

*Each member shall vote by returning the ballot paper to the person appointed to act as a returning officer under Article 16.1 by post, Electronic means (if available) or by handing it to him at a meeting called by the Board for the purposes of receiving votes.*

#### **5.0 Re-appointment of Independent Board Members and length of tenure under Article 19.3**

- 5.1 The Working Group had a discussion about the re-appointment of Independent Board Members. It was agreed that this topic needs to be discussed in depth and it was agreed to have a meeting in June and present a paper to the July Board meeting on this matter.

- 5.2 The Working Group discussed the length of tenure for Independent Board Members as prescribed by Article 19.3. The maximum length of tenure is 9 calendar years under article 15.9. The Working Group agreed to make a proposal to the Board to change Article 19.3 and agree tenure of no longer than 9 calendar years for Independent Board members. The new article 19.3 would read as follows:

*An Appointed Board Member may serve as a Board Member for a period not exceeding 9 years.*

## Agenda Item 8 - Appendix 1

Proposal for the transitional arrangements for the retirement of Resident Board members serving on the Board in September 2012 in the event that the proposed changes to Article 16.2 are agreed by the AGM

	Reg Kerr-Bell	Iain Smith	Tony Ward	Roy Turner	Fay Edwards	Celine Green	Newly elected Resident Board members A and B
<b>First appointed</b>	May 2007 (after 3 years break prescribed by Constitution)	December 2008	December 2008	February 2010	February 2010	February 2010	May 2012
<b>Time served until next re-election</b>	1 year 7 months	2 years 2 months	4 years 7 months	3 years 5 months	3 years 5 months	3 years 5 months	3 years 1 month
<b>Re-elected/ To stand for re-election</b>	December 2008	March 2011	July 2013	July 2013	July 2013	July 2013	July 2015
<b>Time served until next re-election</b>	2 years 2 months	4 years 3 months	2 years	3 years	3 years	3 years	3 years 1 month
<b>Re-elected/ To stand for re-election</b>	March 2011 (retired voluntarily and offered to stand for re-election)	July 2015	July 2015	July 2016	July 2016	July 2016	July 2018
<b>Time served until next re-election</b>	3 years 3 months	2 years 3 months	2 years 3 months	2 years 7 months	2 years 7 months	2 years 7 months	3 years 1 month
<b>To stand for re-election</b>	July 2014	-	-	-	-	-	-
<b>Time served until retirement</b>	1 year 10 months	-	-	-	-	-	-
<b>Retirement from Board (based on 9 year rule)</b>	By May 2016	By December 2017	By December 2017	By February 2019	By February 2019	By February 2019	By May 2021



## Agenda Item 9

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

Open	
For Agreement and Comment	
Board 10 <sup>th</sup> May 2012	
Report title:	Corporate Risk Map 2012/13
Authority for decision:	The Board has a responsibility to be aware of the risks to the organisation.
Recommendations:	For Agreement and Comment.
Regulatory/legal requirements:	Agreeing the organisation's Corporate Risk Map is essential to the business and is good practice.
Business Plan link:	All parts of the Business Plan apply
Equality Impact Assessment/comment:	No adverse effect to any group
Resident consultation:	The TMO's Business Plan has been developed with the full involvement of staff, management and the Board, and in consultation with residents, key stakeholders, and partners, of which the Royal Borough is paramount.
Resource implications/VFM statement:	Existing resources.
Risk:	Risk management is essential to the efficient running of the organisation.
Appendices:	1
Total number of pages including appendices:	3
Name, position and contact details of author:	Janet Seward Policy & Improvement Manager [REDACTED]

## **CORPORATE RISK MAP 2012/13**

### **1. PURPOSE**

1.1 The purpose of this report is to introduce the Corporate Risk Map 2012/13

1.2 The Board is recommended to agree the Corporate Risk Map for 2012/13

### **FOR AGREEMENT AND DECISION**

### **2. THE CORPORATE RISK MAP 2012/13**

2.1. A Corporate Risk Map has formed part of the TMO's Business Plan 2009 – 2014 for each year of its life.

2.2. The Executive Team is always looking at ways to improve the calculation and review of risk and this year, the insurance company [REDACTED] was invited to discuss the draft corporate risk map for 2012/13 with them. (A similar training session was also carried out with the Senior Management Team.) As a result of discussions with [REDACTED], this year's Corporate Risk Map (attached) is a higher-level pared down map compared to previous years, as the emphasis is on the risks that could affect the organisation at a strategic level. Other non-strategic risks appear in each team's risk map.

### **3. FINANCE AND AUDIT COMMITTEE MEETING**

3.1. Finance and Audit commented on the Corporate Risk Map at its meeting on 19<sup>th</sup> April and agreed its referral to the Board.

3.2. Finance and Audit will monitor the Corporate Risk Map at each of its meetings.

### **4. EQUALITY IMPACT ASSESSMENT**

4.1. There are no particular equality impacts in terms of ethnicity, religion, gender and other equality issues although we aim to provide a fair service for all residents.

### **5. RECOMMENDATION**

5.1. The Board is requested to agree the Corporate Risk Map for 2012/13.

**Janet Seward**  
**Policy & Improvement Manager** [REDACTED]

**TMO Risk Assessment Proforma 2012/13**

Department:	Corporate
Date:	19th March 2012
Owner:	Executive Team

Owner key Yvonne Birch

Likelihood (L)		
Level	Description	Degree
1	Very Unlikely	Low
2	Unlikely	Low
3	Likely	Medium
4	Very Likely	High
5	Almost Certain	High

Impact (I)		
Level	Description	Degree
1	Minor	Low
2	Disruptive	Low
3	Significant	Medium
4	Serious	High
5	Major	High

Risk Category (RC)					
Likelihood	Impact				
	1	2	3	4	5
1	1	2	3	4	5
2	2	4	6	8	10
3	3	6	9	12	15
4	4	8	12	16	20
5	5	10	15	20	25

Low Risks	0
Medium Risks	6
High Risks	8

BP Objective	Risk No.	Service Plan Objective	Risk Identified	Likelihood	Impact	Risk Rating	Existing Control Measures	Confidence in controls	Residual Risk	Probability	Impact	Risk Rating	Owner	Action
New Financial Arrangements	1		The organisation is unable to respond to the asset funding gap.	5	4	20	Work in conjunction with RBKC on options for HRA/TMO	H	The funding gap will remain for the next 3-5 years and long term there could be structure changes.	5	3	15	DFS	Treat with robust financial management and develop a growth strategy.
Develop a Strategy for Growth	2		The organisation has no track record of business diversification and may not be able to grow sufficiently over the next three years. This may mean that RBKC could get another strategic partner.	3	4	12	Agreed broad principles with the Board Set-up Board Working Group Strong ET developed Developed good track record with successful Stable Way contract Obtained external expertise Being consulted on RBKC Housing Strategy	M	There could still be a lack of expertise in the business to manage diversification.	3	4	12	CE	Treat with robust management at Executive Team and Board.
Raise housing standards by delivering quality and accessible services	3		Morrison has given the TMO notice that their contract with us will terminate in six months.	5	3	15	Commence search for a well-resourced alternative contractor Work closely with Morrison staff to ensure that residents do not suffer	M	Unable to find a suitable contractor in time which results in reputational damage.	3	4	12	DCS	Tolerate with confidence in existing processes.
Governance	4		Our governance structure is not up-to-date.	2	4	8	The Board is made up of three constituent parts - residents, Council nominees and independents. The Board is well-trained. The constitution and other governance processes are kept under review. RBKC audit the processes with a Full Review and High Level Review alternating every other year.	H	Progress of review is not in line with the progress of the Business Plan.	2	3	6	CO SEC	Tolerate with confidence in on-going work on the governance review.
Ensure that services are accessible across the borough	5		Business Continuity processes could fail to meet the needs of the organisation. This could leave the organisation susceptible to catastrophic business failure and loss of service to residents and RBKC.	1	3	3	A Business Continuity and active disaster recovery plan is owned by SMT Operational and IT procedures are tested annually Plans and procedures have been revised and rewritten and a Business Continuity exercise is carried out annually.	H	Plans do not work in an actual disaster.	1	3	3	HS&E	Tolerate with confidence in the Business Continuity Strategy.
Develop a People Strategy	6		Low engagement impacts on delivery of Business Plan objectives.	3	4	12	Strong Executive Team and Senior Management Team Leadership and staff behaviours rolled out across the organisation and publicised through Insider News, Quarterly Briefings and 121s New structures embedded	M	Low morale amongst existing staff and learning curve for any new staff may have an impact in the short-term.	2	2	4	DPOD	Tolerate with confidence based on the development of a People Strategy.
Maintain the health and safety of our residents and staff	7		Serious injury or death of a resident, staff member, contractor or customer	2	5	10	Health & Safety policy in place and associated guidance. H&S Committee regularly report to ET. All new staff receive mandatory H&S training, regular Fire Risk Assessment update to the Board, Annual H&S report to the Board.	M	Staff and residents do not follow guidance	2	5	10	DPOD	Tolerate with confidence based on the development of a People Strategy.



## Agenda Item 10

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

#### **TMO BOARD — 10<sup>th</sup> MAY 2012**

##### **1 PURPOSE**

- 1.1 To update the Board on the current position with the Morrison repairs contract.
- 1.2 To recommend the appointment of the interim repairs contractor.

**FOR DECISION**

##### **2 BACKGROUND**

- 2.1 Morrison served a no fault break notice on the 28<sup>th</sup> March 2012 to bring the contract with the TMO to an end at six months notice. At the Board meeting on 29<sup>th</sup> March the board agreed to form a Repairs Working Group that would:
  - I. Oversee the commissioning and implementation of the interim arrangements and review the effectiveness of risk management associated with this:-
  - II. Be involved in options for the long term future of the repairs service.
- 2.2 The full Board have been provided with update notes (attached Appendix 1) from the work of Working Group and these set out how the interim arrangements have been progressed.
- 2.3 The appropriate submissions, due diligence checks and references have now been completed and under the delegated powers from the Board's working group, it is recommended to appoint Willmott Dixon as the new interim repairs contractor.

##### **3.0 CONTRACT NEGOTIATION**

- 3.1 Legal advice has been sought on the type of contract that should be used for this interim period. It has been recommended that the TMO use a JCT Measured Term Contract on an 11 month term with a facility to extend for a further 6 months. This type of contract will provide assurance to the TMO in terms of risk against cost and performance.
- 3.2 The detailed negotiations regarding cost are currently being undertaken and will be concluded on 16<sup>th</sup> May. The contractor has agreed that there will be a

maximum cap on cost as set by the **HRA** responsive repairs and voids budget limit.

#### **4.0 HANDOVER ARRANGEMENTS**

- 4.1 An early end date with **Morrison** has been agreed as the 25<sup>th</sup> June 2012. This provides an 8 week period for the new contractor to mobilize in order to take over the service on the 26<sup>th</sup> June.
- 4.2 Both contractors have now met and will be working together on the handover arrangements.
- 4.3 A full mobilization plan has been agreed and work with all parties has now started.

#### **5.0 WORKING GROUP**

- 5.3 The next **Repairs Working Group** has been arranged for the 22<sup>nd</sup> May. The group will have the opportunity to meet the new contractor and their operational team.
- 5.4 The full details of the contract terms, costs, and legal advice will be provided to the Working Group at the next meeting on the 22<sup>nd</sup> May.

#### **6.0 RECOMMENDATION**

- 6.1 It is recommended to award the interim repairs contract to Willmott **Dixon** on terms as set out in 3.1 of this report.

**REPORT AUTHOR:**            **Sacha Jevans**  
  
   **Director of Customer Services**

## **Agenda Item 10**

### **Appendix 1**

## CONFIDENTIAL BOARD MEMBER UPDATE ON MORRISON

A meeting with Morrison took place on Tuesday 3<sup>rd</sup> April to discuss the ordered withdrawal from the contract and the arrangements over the six month notice period. Morrison stated their commitment to provide the full contracted service for the six month period; however they also indicated that they would be prepared to negotiate an earlier end date should this be what KCTMO required.

The Working Group met following this meeting and was introduced to the consultant Keiran Rainsford from Savills and the solicitor Mark London from Devonshires whom are in place to advise KCTMO on the contract and interim arrangements. It was felt that the role of the Working Group was twofold:

- I. To oversee the interim arrangements and review the effectiveness of risk management.
- II. To be involved in options for the long term future of the repairs service.

The legal advice sets out that in circumstances where Notice is given before the contract expiry the law allows for interim arrangements to be negotiated without a full procurement process up to a threshold of £4.2m. It is therefore proposed that an interim contract for a period of 12 months is negotiated with a contractor. Savills have advised that we approach three contractors with a good reputation, working in proximity to the Borough and who have experience of delivering similar responsive repairs services.

The Working Group agreed that the Executive proceed to work with the consultant and solicitor to negotiate the interim contractor over the next two weeks. The results of this negotiation will then be brought to Board for recommendation for contract approval. The appropriate checks, references and evaluations will be undertaken in order to minimise risk and provide the best arrangements possible during the interim period.

Following selection of the interim contractor further discussions will then need to take place with Morrison regarding the handover arrangements and a date for the end of contract should this be earlier than the six month notice period. All negotiations are confidential at this stage.

**SACHA JEVANS DIRECTOR OF CUSTOMER SERVICES**

**4<sup>th</sup> APRIL 2012**



## **Confidential Report**

### **CONFIDENTIAL BOARD MEMBER UPDATE ON MORRISON AND NEW INTERIM ARRANGEMENTS**

Following the last update, the Executive have worked with our consultants Savills to approach three suitable contractors to progress the work required to select an interim repairs contractor. The appropriate submissions, checks and references have now been completed and under the delegated powers from the Board's working group, we are pleased to recommend Wilmott Dixon as the new contractor.

A further meeting has also taken place with Morrison and an early exit date has been proposed for the end of June 2012. This allows a period of 8 weeks mobilisation for the interim contractor.

Work will now be undertaken to negotiate the costs and the contract terms. Following this, a more detailed update will be provided to the Board working group shortly. It is also proposed that a date for a meeting be be circulated shortly to enable the Board Working Group to meet the new interim contractor.

A paper to Board will be presented to the 10<sup>th</sup> May meeting with a recommendation to award the contract to Wilmott Dixon in the interim period. It is advised that the contract will be for 11 months with an option to extend for a further 6 months. Work will commence immediately with the new contractor on the mobilisation and handover arrangements with Morrison.

Alongside the interim arrangements the Executive will be undertaking further work to progress the options for the long term future of the repairs service to be discussed with the Board Working Group and Board.

**AUTHOR: SACHA JEVANS DIRECTOR OF CUSTOMER SERVICES**

**DATE: 25<sup>th</sup> APRIL 2012**

## Agenda Item 11

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

**TMO BOARD - 10 MAY 2012**

#### **PHASE 2 - KITCHEN AND BATHROOM RENEWALS, ELECTRICAL REWIRES, BOILER RENEWALS & INSULATION WORKS**

#### **ACCEPTANCE OF TENDER AND AWARD OF CONTRACT**

##### **1 PURPOSE**

- 1.1 This report recommends the acceptance of a Tender and the award of a Contract for Phase 2 - kitchen and bathroom replacements, electrical rewires, boiler renewals, insulations works and door replacements at various locations throughout the housing stock.
- 1.2 Financial provision for the project is contained within the 2012/13 Capital Programme and was previously approved by the Board in the sum of £4.25m.
- 1.3 The Board is recommended to approve the following:
  - 1.3.1 A formal contract under seal with Keepmoat Group PLC (incorporating Keepmoat Property Services Group, Keepmoat in Partnership, Bramall Construction, Keepmoat Homes, Keepmoat Limited, Frank Haslam Milan and Milnerbuild) in the sum of £2.5m excl. VAT. (Phase 2 - £1.5m, Phase 3 - £1m).
  - 1.3.2 The issuing of a Letter Of Intent in an approved format and wording allowing the Project Partnering Agreement to be signed.

**FOR DECISION**

##### **2 BACKGROUND**

- 2.1 In November 2011, following a mini tender using the CYNTRA Full Framework, Breyer Group was appointed to undertake works at Silchester Estate, Lancaster West Estate and other properties. The proposed scope of works included kitchen and bathroom refurbishment and electrical re-wires.
- 2.2 This project was included in the Capital Programme to address significant underspend at that time and was structured as a call-off contract under the CYNTRA Framework allowing for increases / reductions in expenditure depending upon progression of the remainder of the Capital Programme.
- 2.3 Breyer commenced work and have expended approximately £1.35m of the £4.25m project budget. There have been problems during the contract and Breyer has admitted that, on this particular project, they struggled to deliver works in accordance with the programme submitted at tender stage and at the agreed costs contained in the Contract Documents.

- 2.4 In February, Breyer indicated that it did not want to proceed with further contracted works as is permitted under the CYNTRA Framework and they have now left site.
- 2.5 Having completed 183 of the originally estimated 369 properties, this leaves a significant number (186) from the original scope of works that have been surveyed, designed and resident choices recorded available for inclusion in Phase 2 of the project as part of the 2012/13 Capital Programme.
- 2.6 On confirmation of Breyer's intention, CYNTRA and Rider Hunt (Cost Consultant and Client Representative) were requested to consider the options available to the TMO and make recommendations for the continuation of the project.

### 3.0 PROCUREMENT

- 3.1 Following a review of the options available to the TMO and taking account of the views of the resident groups and the Consultants. CYNTRA advises that the preference for the completion of the works is to appoint the contractor that submitted the second lowest tender in the original mini-tender under the Framework. The second lowest tenderer being Keepmoat Group PLC (now part of Keepmoat).
- 3.2 This option has the advantage of reduced set up costs (as a cost has already been obtained in competition so a further tender exercise is not required) and a speedy resumption of the works. There has been some concern expressed by residents regarding the interruption of the delivery of the original programme (with concern that they will not get the kitchen/ bathrooms indicated) so there is resident pressure to resume works as soon as possible.
- 3.3 If this option is not progressed a full re-procurement will be required and it is estimated that this would delay the start of works by 4 months and result in additional procurement costs of circa 25k.
- 3.4 The proposed change of contractor as well as avoiding these matters also presents a number of other advantages:
- The project team (including Keepmoat) has reviewed the works completed to date and has identified "lessons learned" which will be used to benefit the remainder of the programme.
  - There can be a comprehensive and focused programme of resident liaison and engagement. The original works were commenced mainly at Silchester Estate (the greater concentration of properties) with a very short programme due to the need to expend capital before the end of the financial year. The remainder of the works are more widely dispersed and the "break" in the programme will enable the Resident Liaison Officers to work with the project team and promote an enhanced liaison programme.
  - Additional quality controls will be introduced into the contract to restrict the number of properties which Keepmoat work in. Based on a three week cycle the properties due to be opened in the fourth week of this cycle will only be allowed if the properties opened in week one are fully completed, signed off by the Clerk of Works and the resident, and have a full operating handover pack and set of services test certificates.

- **Payment to Keepmoat will only be made on 'completed' properties meeting the criteria set out above and where the works are accepted by the resident and consultants.**

#### **4.0 THE TENDER PROCESS**

- 4.1 The option to go to the second lowest tenderer in this situation is in accordance with the rules of the **CYNTRA Framework** and this is the approach recommended by **CYNTRA**.
- 4.2 Keepmoat has confirmed that it will stand by its original tender. Keepmoat has had to make a number of minor revisions to its original tender solely to reflect the reduced scope of work (as some properties have already been undertaken by **Breyer**) and the revised programme.
- 4.3 These revisions have been carefully reviewed by the Cost Consultant and Client Representative to ensure that they are "in line" with the original tender and it has confirmed that they are in order.
- 4.4 It is also intended that the professional advisers appointed to support the TMO will remain on the team – these are the CDM Co-ordinator, Clerk of Works and the Cost Consultant and Client Representative. The professional team has worked well together and has an excellent understanding of the works required.

#### **4.5 CYNTRA Recommendation**

**Based on the original tender results as amended to take account of the works carried out by Breyer, CYNTRA recommends that Keepmoat Group PLC is engaged to undertake Phases 2 and 3 of the project.**

#### **5.0 HEALTH AND SAFETY**

- 5.1 The CDM Regulations 2007 apply to this project and the **HSE** will be notified.
- 5.2 The TMO's asbestos records were included in the tender documents. The successful contractor is required to undertake a minimum 10% **Asbestos Management Survey** in accordance with **HSG 264** to properties in the contract to establish the location type and condition of any **Asbestos Containing Materials** and 100% **Demolition and Refurbishment Survey** prior to commencing works.

#### **6.0 PROGRAMME**

- 6.1 Subject to approval, it is initially intended to appoint Keepmoat to complete the works at, and in the immediate vicinity of, **Silchester Estate (Phase 1)** approximately 100 kitchens and bathrooms. Depending on performance this may be increased to cover the remainder of the project programme (**Phase 2**).
- 6.2 The second phase of the works may be started in June with completion by **October 2012** with the option of extending the contract to complete the works to the remaining identified properties.



## **7.0 RESIDENT CONSULTATION**

- 7.1 All residents in the blocks affected by the works will receive regular updates on progress and be invited to attend estate and block meetings and drop in sessions.
- 7.2 Following approval a letter will be sent to all residents advising them of the revised project programme. A “Meet the Contractor” meeting will be held to introduce the Keepmoat team to residents at least two weeks prior to work commencing on site.
- 7.3 Tenants existing choices of colors, finishes, layout and fittings will be preserved.
- 7.4 The Contractor is required to provide Resident Liaison Officers (RLO) throughout the duration of the project and these will work closely with and be co-ordinated by the TMO Resident Liaison Co-ordinator.
- 7.5 Additionally, the TMO will be supported by three Clerk of Works employed by CYNTRA for the duration of the Contract.

## **8.0 CONCLUSION AND RECOMMENDATION**

- 8.1 A detailed and thorough EU and KCTMO compliant tender process has been applied to this project procurement.
- 8.2 Residents have been engaged throughout the project including product selection and wish the TMO to implement a new contract at the earliest opportunity.
- 8.3 CYNTRA considers the tender to be very competitive and represents good value for money and recommends it for acceptance.
- 8.4 Financial provision for the project is contained within the previously approved budget of £4.25m and the 2012/13 Capital Programme.
- 8.5 The Board is recommended to approve the following:
  - 8.5.1 A formal contract under seal with Keepmoat Group PLC in the sum of £2.5m excl. VAT. (Phase 2 - £1.5m, Phase 3 - £1m).
  - 8.5.2 The issuing of a Letter Of Intent in an approved format and wording allowing the Project Partnering Agreement to be signed and the recommencement of works.

Report written by:

Mike Hallimond  
Capital Programme and Investment Manager  
Assets & Regeneration

Report approved by:

Mark Anderson  
Director of Assets & Regeneration

## Agenda Item 12

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

Open	
For information	
Board	
Report title:	Performance <b>D</b> ashboard <b>R</b> eport 2011-12 & Business Plan <b>U</b> date
Authority for decision:	The Board has ultimate responsibility for the performance of the organisation.
Recommendations:	Noting
Regulatory/legal requirements:	Monitoring of the organisation's Performance Indicators is good practice
Business Plan link:	Keeping our resident and customers centre stage
Equality Impact Assessment/comment:	None required
Resident consultation:	The TMO's Performance Indicators have been developed with the full involvement of staff, management and the Board, and in consultation with residents, key stakeholders, and partners, of which the Royal Borough is paramount.
Resource implications/VFM statement:	Existing resources
Risk:	If the Performance Management targets are not met there is a high reputational risk and the TMO's core business could ultimately be affected.
Appendices:	2
Total number of pages including appendices:	34
Name, position and contact details of author:	Yvonne Birch Head of Strategy and Engagement [REDACTED]

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

**TMO BOARD**

**REPORT BY HEAD OF STRATEGY AND ENGAGEMENT**

**PERFORMANCE INDICATORS & BUSINESS PLAN UPDATE FOR  
QUARTER FOUR – 2011/12**

**1. PURPOSE**

- 1.1 The purpose of this report is to advise the TMO Board of the TMO's performance for the period April 2011 to March 2012.

**FOR INFORMATION**

**2. INTRODUCTION AND BACKGROUND**

- 2.1. This report and the attachments in Appendix A and B give an overview of the performance of the TMO in key business areas during the reporting period.

**3. PERFORMANCE INDICATORS**

- 3.1. The traffic light indicator uses the usual colours to indicate the status of the annual target.

**4. OVERVIEW OF KEY BUSINESS AREAS**

- 4.1. Detailed below are summaries from managers of the progress in their area during the last year.

**5. REPAIRS & MAINTENANCE**

**5.1. Responsive Repairs**

- 5.2. Following the notice of contract termination received from Morrison in February, performance in the final two months was better than anticipated; however, our year end outcomes for the percentage of repairs completed in time were below target for both urgent and routine repairs.

- 5.3. The average number of days to complete a responsive repair increased again in the final quarter, a consequence of overall poor performance in the contract plus the impact of Morrison's work on continuing to clear a backlog of outstanding orders.

- 5.4. Post Inspection failures increased again in Quarter 4. The TMO will be undertaking a greater number of post inspections in the final months of the Morrison contract to ensure payments are only made for work completed to a satisfactory standard.
- 5.5. Work continues on ensuring new arrangements are in place prior to September, and further information on these arrangements will be made available in the near future.

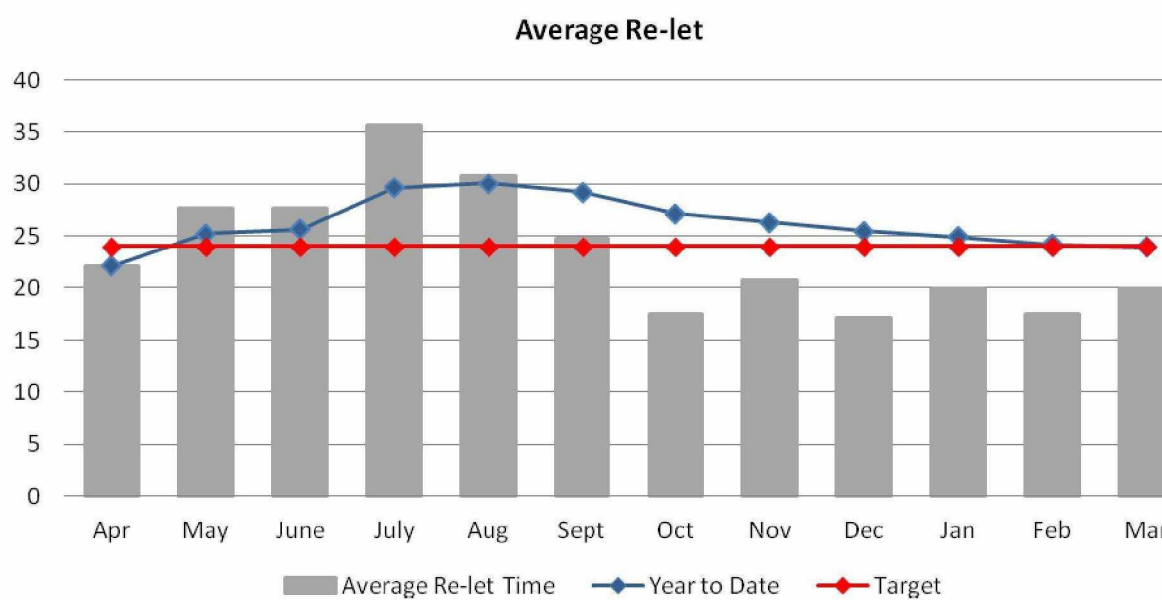
## **6. Capital Works & Gas Safety**

- 6.1. As previously confirmed, using data gathered from the 2009 Stock Condition Survey, together with additional condition surveys undertaken, continues to improve the available sample data and increase and better inform both our current and future programmes of work.
- 6.2. Again as previously reported, whilst the areas targeted have continued to show a higher proportion of non-decency related issues these are being offset by progressing programmes of work. The % of Non Decent Homes to be confirmed by the week ending 4<sup>th</sup> April 2012. Any percentage reduction of Non Decent Homes is dependent upon the availability and limit of capital funding investment.
- 6.3. The SAP rating has continued to remain fairly static since the last quarter. It is reiterated that although the SAP target figure of 69, (a target increase of 2.5), as at the end of 2011/12 is recorded, present funding constraints and the need to prioritise available capital investment on Health and Safety matters have resulted in no significant change to SAP value in 2011/12.
- 6.4. Gas compliance is at 99.8%, just slightly under the target of 100%, representing just 16 properties without a current Landlords Gas Safety Record (LGSR) certificate. Measures to gain access to undertake annual Gas Servicing and Gas Safety checks where access has been unreasonably withheld by a Tenant include evening/weekend cold calling by the Gas Contractor. Where there continues to be no response from the tenant, the agreed legal processes via the application and serving of a Warrant continue to be utilised to gain access.
- 6.5. The potential under-spend on the Capital Programme previously identified has been addressed. The 2011/12 Capital Programme will have an outturn in the region of £8.55m against an approved allocation of £9.1m. The projects brought forward from the 2012/13 programme to address the potential under-spend have included Kitchen and Bathroom replacements, electrical rewires, boiler renewals, insulation works and front entrance door replacement. The procurement process for the 2012/13 Capital Programme has already commenced.



## 7. Voids & Lettings

- 7.1. The average re-let for a general needs void for the period April to March was 23.59 days against the target of 24.0 days.
- 7.2. Following a drop in performance in the first quarter, outturn improved throughout the year, with performance for the final quarter at 19.0 days.



- 7.3. Consequently our void loss for the year decreased from 0.66% of the rent roll in 2010-11 to 0.57% for 2011-12, a reduction of over £17,000 in cash terms in a year that saw an average rent increase of 8.73%.
- 7.4. The performance of the Morrison contract has impacted on the progress of current voids over the past few months and as such the TMO's Voids Team, together with the Voids Surveyor, Performance Manager and representatives from the Neighbourhoods Team, continue to meet weekly to review each week's re-lets and the position of all current voids.

## 8. CUSTOMER SERVICES

- 8.1. All targets for the Customer Service Centre have been exceeded for the financial year 2011/2012; however, performance during the final quarter was challenging due to the significantly increased call volumes linked to both adverse weather conditions and mechanical breakdowns in both January and February.
- 8.2. A number of factors helped to maintain performance including the expansion of the casual bank staff pool. The additional bank staff underwent training in early 2012 and helped to support the efforts of the

established team members in trying to contain and minimise the impact of increased call volumes to the office.

- 8.3. The performance of the Morrison contract continues to impact call levels and handling time and Customer Services and Repairs & Partnering are continuing joint working on the present issues.
- 8.4. Going into the new financial year the Contact Centre will be investigating facilities which will allow the team to better cope with spikes in call volumes which by their nature, extend the time residents wait to be answered, leading to customer frustrations.
- 8.5. Over the coming year CSC staff will undergo skills development to enable them to deal with more of the day- to-day queries of residents at the first point of call. This will take the form of additional training and appropriate software support.

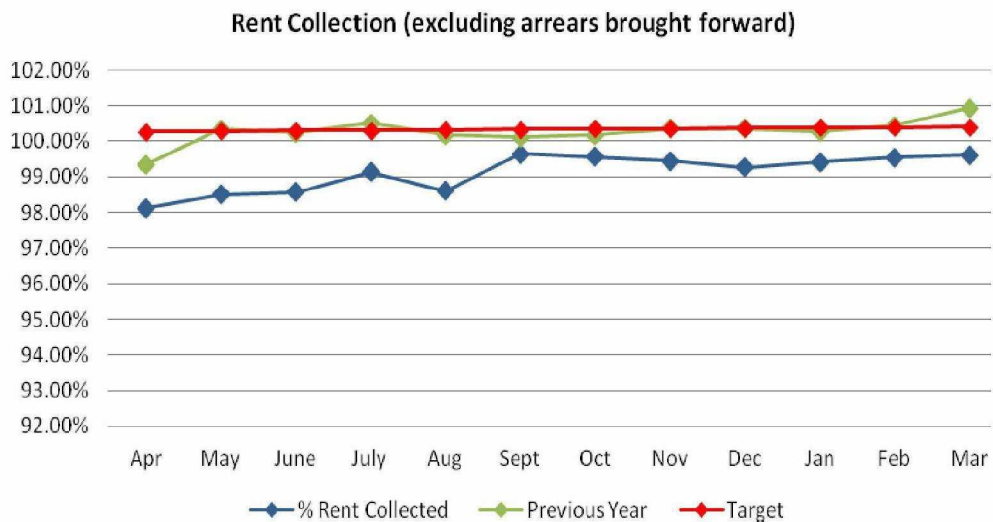
## **9. RENT COLLECTION & ARREARS**

### **Current Tenant Arrears**

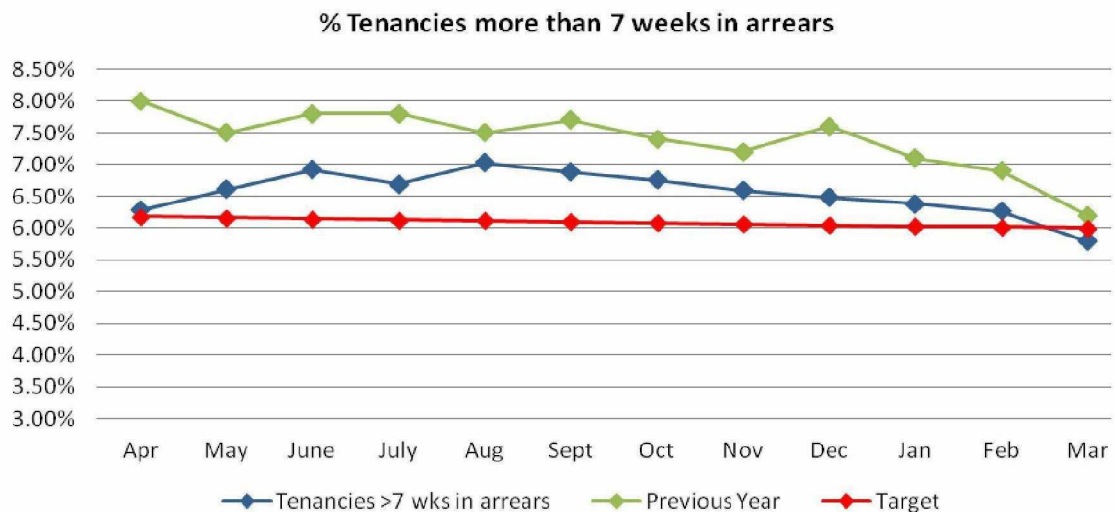
- 9.1. The current tenant arrears increased by £58,000 by the end of the year, compared with the position at the end of March 2011. The target was to achieve a £1M residual arrears balance by April 2012. The year-end target has therefore been missed by £173,000 following a challenging year in which the rent roll increased by £3.2m compared to 2010-11.
- 9.2. The rent increase applied in April 2011 was 8.73%. This increase was significantly greater than the increases applied in the previous 5 years.

Financial Year	% Increase
2006/07	4.41%
2007/08	4.52%
2008/09	5.32%
2009/10	3.25%
2010/11	1.16%
2011/12	8.73%
2011/12	7.60%

- 9.3. In addition to the high rent increase, a heating and hot water service charge increase was applied in December 2011, resulting in an extra £8000 of charges to be collected each week.
- 9.4. For the first time in 10 years Housing Benefit 'non-dependant deductions' were not allowed to remain static and were increased to the level they would have been had they kept pace with annual inflation. As a consequence, tenants who received Housing Benefit and had a non-dependent (e.g. an adult child, with an income, living in the household) faced an increase in deductions of 30%. This resulted in the TMO needing to collect an additional £135,000 from affected tenants.



9.5. Despite the increase in overall arrears the target for the % of current tenants owing 7 weeks arrears or more has been exceeded and at 5.79% is the lowest since 2006 (figures are not available prior to 2006). This demonstrates that high balance cases are increasingly being kept under control. Where arrears are increasing it is at the low level where they are more easily challenged and rectified.



9.6. A number of measures were put in place to assist tenants in paying their increased rent, and the Rent Income Team undertook a number of initiatives throughout the year to address the challenge of collection, including but not limited to:-

- Two Housing Benefit take-up campaigns were undertaken during the year; a joint effort between the TMO Rent Income Team and RBKC's Housing Benefit Team, targeting residents who had fallen into arrears during the year and those that had experienced above average rent increases.

- Income Officers have attended each of the 'Get on Board' Road-shows, answering rent queries and distributing leaflets about budgeting and payment methods.
- During the course of the year the TMO entered into a jointly-funded initiative with RBKC to procure the services of 'Staying First', a service replacing the former 'Housing Advice Service, Kensington & Chelsea' (HASKC). 233 tenants were assisted during the first 6 months of the project, with a capacity to assist 350 tenants per annum.
- The introduction of over the telephone payments using the Paris browser tool. Between 20<sup>th</sup> January 2012 and 30<sup>th</sup> March 2012 a total of £63,000 was collected through Paris, £18,287 of which was collected in a 3-day "blitz" exercise carried out at the end of March. Since 2<sup>nd</sup> April 2012 a further £44,000 has been collected by Paris.

The Rent Income Team will continue to undertake a monthly "blitz" activity to contact pre-defined categories of tenants in arrears, in order to elicit instant payment.

- Since December 2011 Nucleus Legal Advice Centre has been undertaking a project to assist residents, whether council tenants or not, who are in fuel debt. This involves applying to the major fuel providers for discretionary welfare grants for tenants who have fuel debts.
- Piloting a scheme of out of hours working in order to focus on complex legal work or to make contact with tenants who are unavailable during office hours.
- An exercise took place to uplift 255 existing direct debit mandates to ensure that an additional minimum of £3.40 per week was being collected from those who were in arrears.
- A seasonal Christmas campaign was undertaken to remind residents of the importance of continuing to pay their rent charges over the holiday period.
- In the December Link magazine a promotion was run to encourage tenants to pay by Direct Debit, to make payments more convenient for tenants and to guarantee the TMO's income stream. This promotion is due to be repeated in the Spring edition.

#### **Former Tenant Arrears (FTA)**

- 9.7. The targets for former tenant rent accounts have not been met. However, a total of £60,682 former tenant arrears were collected, and £154,000 former tenant arrears written off, in a year in which £213,000



total 'new' debts were left by departed tenants (£159,000 in rent accounts and the remainder in sub-accounts such as legal costs).

## **10. Leasehold Collection**

- 10.1. The **H**ome Ownership team have successfully hit their targets for both service charge and major works collection for 2011/12. As the targets had been met early, additional income further helped to reduce the overall debt, by £350,000.
- 10.2. In light of the current financial climate the targets were pretty tough, especially as the charges equated to a 14% increase on last year. Overall £5.2 million has been collected and the overall debt has decreased by a further £1.2 million.
- 10.3. The **H**ome Ownership team have also been busy promoting Direct Debits and the number of people paying by this method has increased by 48% compared to 2010/11.
- 10.4. This is now the third consecutive year that the targets have been met and exceeded, reducing the overall debt by nearly £4 million

## **11. NEIGHBOURHOOD MANAGEMENT**

### **11.1. Anti Social Behaviour (ASB)**

- 11.2. The number of new nuisance cases reported each month to the **TMO** has decreased for the fourth quarter running, and overall we have had a lower number of cases reported for the year when compared to 2010-11.
- 11.3. At the close of the year we had 298 live cases, an increase on the number of live cases on the 31<sup>st</sup> March 2011. Work is ongoing to review and close a number of outstanding cases within the former **ASB** module in Academy in order to reduce this figure further. At present cases remain logged both within Academy and W2, and this will be the case until all older cases reach the closure stage.

## **12. Resident Engagement**

- 12.1. During quarter 4, the **TMO** engaged with 645 residents through **TMO** events, activities and involvement opportunities, a total of 2103 for the year.
- 12.2. Fifty more residents signed up to involvement activities in the quarter, a total of 241 for the year.
- 12.3. Four focus groups were held between January and March, consulting on **Grounds Maintenance** and **Estate Services**. A total of 33 residents participated in these groups.

- 12.4. Three more 'Get on Board' road-show events were held in Quarter 4, at Pond House, Lancaster West Estate and Convent Estate. All these events were very successful, attracting in excess of 140 residents and young people.
- 12.5. Two new Compacts were formed in March 2012 at Ingelow House and Burgess Fields. Expressions of interest have also been received from the following residents' groups: St Quintens, Elgin Crescent, Kensal House, 66 Oxford Gardens, Hereford House, Hunter House, Campden, Wiltshire Close and 437 Fulham Road.
- 12.6. During the final quarter a total of 164 residents registered to attend various training sessions. During the quarter three separate training sessions were held; Committee Skills for RA members, Capacity Building for prospective Board members, and the Morrison Repair Workshop.

### 13. COMPLAINTS

- 13.1. Performance for the percentage of complaints answered within target did not reach the target of 90% for the year (an increase from a target of 80% in the previous year); however, following a poor start to the year performance improved in the final two quarters.
- 13.2. The number of complaints that have escalated to the next stage of the complaints procedure declined in comparison to 2010/11. This can be linked to a number of factors, primarily improvements in the quality of responses. The new process ensures all aspects of the complaint are addressed in the response which is then quality assured by the Complaints Team prior to sending out.
- 13.3. The number of Stage 1 complaints received in 2011/12 increased compared to the previous year. This is likely to be due to:-
- The complaints system being more accessible and transparent therefore making it easier for service users to complain,
  - The service levels received by the repairs contractor Morrison have not been satisfactory,
  - There were a number of communal heating system and hot water failures on large estates over the winter months and regrettably residents were not kept fully informed on progress,
  - An increase in the amount of complaints around parking due to the changes in government legislation around clamping. A parking review is now in progress,
  - Staff have been consistently capturing and forwarding on complaints to the Complaints Team for processing,

- The restructuring of the **Asset and Regeneration** team, formally known as **Asset Investment and Engagement**, has contributed to staff morale and performance in general.
- 13.4. The following activities will be taking place over the next six months to ensure our targets for 2012-13 are met and to improve overall outcomes, including:
- Continuing to challenge poor performance,
  - Improving the consistency and quality of complaints by providing complaints training courses for all staff,
  - Reviewing complaints letter templates,
  - Undertaking an equality impact assessment and reporting back on this by quarter 2,
  - Benchmarking with other housing providers via the **HouseMark Complaints Club**,
  - Increasing the number of completed customer satisfaction forms.

#### 14. **HUMAN RESOURCES & GOVERNANCE**

- 14.1. For the 2011-12 financial year the average sickness absences per employee has, at 9.3 days, exceeded both the annual target limit of 6.6 days and last year's outturn of 8.3 days.
- 14.2. Much of the rise can be attributed to an increase in the number of long term sickness cases, with the actual number of sickness absences 'less long term' decreasing this year, a drop to 2.6 days from 5.0 days in 2010-11.
- 14.3. It is believed the impact of the recent reviews and restructures within the organisation may have also had a negative effect on the number of days taken but further analysis will need to be undertaken for a full understanding of this trend.

#### 15. **DASHBOARD TARGETS 2012-13**

- 15.1. The following table sets out our proposed targets for the Board key performance indicators for the year 2012-13.
- 15.2. All targets for **Responsive Repairs and Voids Works** will remain as they are for the remainder of the Morrison contract duration. Any amendments following the commencement of the interim contract will be notified to the Board later in the year.
- 15.3. Targets for **Environment Services** will be updated following the commencement of the new contract later this year.
- 15.4. Where targets have been set for new KPIs or indicators that were supplied for information only in 2011-12, all new targets will, where

information is available, be set to exceed either the mid or top quartile benchmark depending on current performance.

15.5. Targets for the arrears team are based on an arrears reduction of £100,000 based on the year end position for 2011-12.

15.6. A decision regarding whether we will undertake STAR, the replacement for the STATUS customer satisfaction survey is due by Quarter 2.

<b>Indicator</b>	<b>Target 2011-12</b>	<b>Target 2012-13</b>
Post inspection failure rate	10%	10%
Resident satisfaction with repairs	98%	98%
Average time to complete a repair	9.0	9.0
Appointments made	80%	80%
Appointments kept	98%	98%
% orders completed 'Right First Time'	90%	90%
% Properties with valid LGSC	100%	100%
Number of properties without LGSC	1	0
Number with LGSC for >3 months	0	0
% of calls answered	90%	90%
Average waiting time (seconds)	<=40	<=40
Average void re-let time excluding major works	24.0	24.0
% rent loss	0.75%	0.75%
Units being prepared for letting	-	<=36
Units unavailable for letting	-	<=6
% rent collected excluding arrears brought forward	97.6%	97.65%
% rent collected including arrears brought forward	100.4%	100.23%
Current arrears	£1m	£1.073m
Arrears as a % rent roll	2.4%	2.41%
% of arrears over 7 weeks	6.0%	6.0%
Former tenant arrears – main account	0.355	TBC
Service charges collection rate	105.28%	102.17%
Major works charges collection rate	224.22%	137.12%
Change in service charge arrears (thou)	-47	-80
Change in major works arrears (thou)	-255	-400
Resident satisfaction with Landlord	75%	TBC
% Non-Decent Homes	0%	TBC
Average SAP rating	69	TBC
% Capital Budget spent	100%	100%
% Digital TV faceplates installed	100%	N/A



% Failed grounds maintenance inspections	5%	5%
Number of cleaning callbacks	<400	<400
Number of QA failures	<20	<20
New ASB cases	-	-
Live ASB cases	-	-
Closed ASB cases	-	-
% Satisfied with ASB case handling	-	74%
% Satisfied with ASB case outcome	-	74%
% Closed ASB cases resolved successfully	-	88%
Total CAS calls received	-	-
% calls answered within 60 seconds	90%	90%
% Emergency calls attended within 45 minutes	90%	90%
Customer satisfaction	90%	90%
No. Residents engaging in all TMO events, activities and involvement activities	2000	2000
No. New residents signing up to become involved in decision making	200	400
Attendance at AGM/Conference	150	220
Number of new RA or compacts	7	7
Number of new Stage 1 complaints	-	-
% answered within target	90%	90%
Number of new Stage 2 complaints	-	-
% answered within target	90%	90%
Number of new Stage 3 complaints	-	-
% answered within target	90%	90%
% Satisfied with handling of complaint	-	65%
% Satisfied with outcome of complaint	-	58%
W2 Correspondence answered	-	-
% answered within target	90%	90%
Average number of sickness days per employee	6.6	6.6
Average number of sickness days less long term	info	Info
Percentage attendance at Board meetings	info	info
% TMO residents who are Members	-	info

## 16. BUSINESS PLAN UPDATE

16.1. The Business Plan update for Quarter 4 is attached in Appendix B.

16.2. There were thirty two main items in the Business Plan of which fifteen are fully completed. A further twelve have reached their targets for the end of Quarter 4 but are on-going, such as rolling out Customer Service Centre Training, rolling out Equality Impact Assessments and

contributing to the campaign to ensuring that residents receive their full benefit entitlement.

- 16.3. Some items have been deferred until 2012/2013. They are reviewing the arrangements for Lancaster West, developing an Asset Management Panel and looking at alternatives to the STATUS satisfaction survey. One item has slipped which is the production of a Resident Handbook which is expected to be completed by the end of Quarter 1 2012/13. The challenge of change in regulations regarding Supported Housing funding is being addressed but has not been fully resolved.

## **17. EQUALITY IMPACT ASSESSMENT**

- 17.1. There are no particular equality impacts in terms of ethnicity, gender, religion, and other equality issues although we aim to provide a fair service for all residents.

## **18. CONCLUSION**

- 18.1. The Board is asked to note the contents of the report.

## **APPENDICES**

- A) KPI REPORT – April to March 2012
- B) BUSINESS PLAN UPDATE – Quarter 4 2011-12






**BOARD KPI REPORT  
2011-12**

# BOARD KPI REPORT - 2011-12

## DASHBOARD LEGEND



UQB      Upper quartile benchmark. In most cases this is obtained from the HouseMark report for London 2010/11. Where that is not available, it is obtained from the HouseMark National or ASB report.

Status	
	PI within target range
	PI outside target range
	PI significantly at variance from target



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# BOARD KPI REPORT - 2011-12

## Repairs & Customer Service Centre



	2010-11	Q1	Q2	Q3	Q4	2011-12	Status	Target	UQB
<b>Responsive repairs</b>									
Post inspection failure rate		23.9%	17.4%	20.2%	26.2%	21.8%		10.0%	
Overall resident satisfaction		98.5%	98.2%	98.7%	98.1%	98.4%		98%	
Average time to complete (calendar days)		13.8	12.2	15.9	16.8	14.8		9.0	5.4
Appointments made		88%	84%	88%	91%	87.9%		80%	
Appointments kept		94%	98%	99%	99%	97.5%		98%	
% Repairs completed 'right first time'		90%	97%	99%	88%	94.2%		90%	92.8%
<b>Gas servicing</b>									
Properties with valid LGSC	99.89%	99.9%	99.9%	99.9%	99.8%	99.8%		100%	100.00%
Properties without LGSC	5	4	7	9	16	16		1	
Without CP12 > 3 months	0	0	0	0	0	0		0	
<b>Customer Service Centre</b>									
Calls answered	64,397	15,377	16,360	18,061	20,725	70,523			
Calls abandoned (%)	17.2%	3.6%	3.2%	5.3%	10.8%	6.2%		10.0%	
Average waiting time (secs)	73	21	29	47	36	34		40	15
<b>Void performance</b>									
Number of re-lets	213	33	73	58	49	213			
Re-let time (calendar days)	26.7	25.7	30.8	18.5	19.0	23.95		24.0	22.3
% rental loss	0.66%	0.77%	0.77%	0.49%	0.48%	0.57%		0.75%	0.51%
Units being prepared for letting	54	72	41	31	33	33			
Units unavailable for letting	10	9	5	2	3	3			

# BOARD KPI REPORT - 2011-12

## Rent Collection & Home Ownership



	2010-11	Q1	Q2	Q3	Q4	2011-12	Status	Target	UQB
<b>Rent collection</b>									
Rent collected as a % rent due (inc arrears b/f)	97.42%	96.00%	97.03%	96.68%	97.02%	97.02%		97.6%	
Rent collected as a % rent due (excl arrears b/f)	100.94%	98.58%	99.65%	99.26%	99.61%	99.61%		100.4%	100.70%
Current arrears (£million)	1.115	1.197	1.208	1.236	1.173	1.173		1.00	
Arrears as % rent roll	2.91%	2.94%	2.95%	3.01%	2.83%	2.83%		2.4%	3.0%
% of arrears over 7 weeks	6.20%	6.90%	6.88%	6.48%	5.79%	5.79%		6.0%	5.3%
<b>Former Tenant Arrears</b>									
Rent account (£million)	0.430	0.420	0.380	0.420	0.445	0.445		0.355	
<b>Leasehold</b>									
Service Charges collection rate	112.1%	21.9%	27.7%	28.7%	29.3%	107.4%		26.3% per Qtr	
Major Works collection rate	294.4%	54.1%	63.7%	54.9%	63.6%	271.6%		50% per Qtr	
Change in SC arrears (£thou)	-382	81	-107	-14	-118	-231		47.0	
Change in MW arrears (£thou)	-1282	-255	-263	-195	-190	-1006		173.0	
<b>Resident satisfaction</b>									
With overall service	74%	\	\	\	\			75%	
<b>Asset Management</b>									
% Non-Decent Homes	3%	4.0%	3.8%	3.9%	tbc	tbc		0%	0.0%
Average SAP rating	66.4	66.0	66.6	66.5	66.5	66.5		69	74
% Capital Programme Delivery Spent of Annual Budget	86.0%	2.2%	18.2%	35.5%	99.5%	99.5%		100%	
% Digital TV faceplates installed	6%	46%	51%	67%	77%	77%		100%	

# BOARD KPI REPORT - 2011-12

## Neighbourhood Management



	2010-11	Q1	Q2	Q3	Q4	2011-12	Status	Target
<b>Grounds maintenance</b>								
Failed inspections	3.1%	3.4%	3.1%	3.1%	3.1%	3.2%		5.0%
<b>Cleaning</b>								
Callbacks	490	67	40	44	32	183		400
QA failures	22	2	4	0	3	9		20
<b>ASB</b>								
New cases	551	170	144	82	57	453		
Live cases	260	286	318	392	298	298		
Closed cases	464	104	112	40	139	395		
Satisfaction with handling		56.3%	100.0%	66.7%	42.9%	62.9%		
Satisfaction with outcome		68.8%	88.9%	55.6%	58.3%	68.3%		
<b>Community Alarms Service</b>								
Total Calls Received	58,367	21,805	24,244	20,211	25,660	91,920		
Answered within 60 seconds	97.0%	97.9%	97.0%	97.2%	97.3%	97.4%		90%
Emergency visits attended within 45 mins	96.1%	96.5%	96.0%	94.0%	96.0%	95.6%		90%
Customer satisfaction	99.6%	99.0%	99.0%	99.0%	99.0%	99%		90%
<b>Resident involvement</b>								
No. residents engaging in all TMO events, activities and involvement opportunities	2464	329	419	710	645	2103		2000
No. new residents signing up to become involved in decision making involvement activities		9	89	93	50	241		200
Attendance at AGM/Conference	121	n/a	188	n/a	n/a	188		150
Number of new RA or Compacts		1	0	1	2	4		7

# BOARD KPI REPORT - 2011-12

## Complaints & Correspondence



	2010-11	Q1	Q2	Q3	Q4	2011-12	Status	Target	UQB
<b>Complaints</b>									
Stage 1 complaints answered	219	46	57	78	66	247			
% answered in target	85%	76.1%	66.7%	79.5%	86.4%	77.7%		90%	
Stage 2 complaints answered	39	10	14	7	6	37			
% answered in target	86%	80%	57%	71.4%	100.0%	73%		90%	
Appeals answered	11	0	0	1	0	1			
% answered in target	100%	n/a	n/a	100%	n/a	100%		90%	
<b>Correspondence</b>									
EDRMS volume		1021	1185	1208	1399	4813			
EDRMS turnaround		92.0%	83.5%	94.0%	89.3%	89.6%		90%	



# BOARD KPI REPORT - 2011-12

## Human Resources & Governance



	2010-11	Q1	Q2	Q3	Q4	2011-12	Status	Target
<b>Human resources (quarterly)</b>								
Total establishment	189	195	196	194	207	207		
Agency staff (%)	15%	13.8%	15.9%	14.1%	15.7%	16%		
Sickness days absence per employee	8.3	1.7	2.3	2.1	3.0	9.3		6.6
Sickness days absence less long-term	5.0	0.4	0.4	0.6	1.2	2.6		
<b>Governance (quarterly)</b>								
Percentage attendance at Board meetings	74%	86.7%	73.3%	93.3%	73.3%	79%		



## **Business Plan 2011/12**

### **Up-date Quarter 4**

<b>Service Plan Staff key</b>	
<b>CEO</b>	<b>Chief Executive's Office</b>
<b>CO SEC</b>	<b>Company Secretary</b>
<b>POD</b>	<b>People &amp; Development</b>
<b>S&amp;E</b>	<b>Strategy &amp; Engagement</b>
<b>FIN</b>	<b>Financial Services</b>
<b>ICT</b>	<b>Information , Communications &amp; Technology</b>
<b>HO</b>	<b>Home Ownership</b>
<b>P</b>	<b>Partnering</b>
<b>CS</b>	<b>Customer Services</b>
<b>CC&amp;A</b>	<b>Customer Contact &amp; Access</b>
<b>AIE</b>	<b>Asset Investment &amp; Engineering</b>
<b>NS</b>	<b>Neighbourhood Services</b>
<b>SH</b>	<b>Supported Housing</b>
<b>ET</b>	<b>Executive Team</b>
<b>SMT</b>	<b>Senior Management Team</b>
<b>D</b>	<b>Director</b>
<b>AD</b>	<b>Assistant Director</b>
<b>Ho</b>	<b>Head of</b>

Risk	Level
H	High
M	Medium
L	Low

Progress key	
	Completed item
	Item on target for completion
	Item delayed but there is a robust plan for completion
	Item delayed and there are serious concerns regarding its completion
	Target for completion of item scheduled for later in the year



Lead	Business Plan Objective	Actions	Service Plan	Target Date	Risk	Comments
<b>1. Keeping our customers and residents centre stage</b>						
CEO	Improve customer satisfaction by 10%, from baseline of 68%, over the life of the Business Plan	Improve access to our services by <ul style="list-style-type: none"> <li>Opening Blantyre reception and offices</li> </ul>	POD & CEO CSD	Q 3	L	Office opened March 2012.
		<ul style="list-style-type: none"> <li>Offering space at our receptions to other service providers to provide more services to our residents and vfm.</li> </ul>		Q1	L	The Royal Borough of Kensington & Chelsea's Housing Team come to the reception area at Network Hub every Thursday for scheduled appointments or drop-in sessions in one of the interview rooms on housing queries. The Assistant Director (Contact & Access) is working with the Resident Engagement Team to ascertain what other services residents want to see in the reception area.
		<ul style="list-style-type: none"> <li>Enabling web access at receptions</li> </ul>		2013		This is in place at Network Hub reception with two computers available for internet access.
		Measure improvements in satisfaction: <ul style="list-style-type: none"> <li>Consolidate all individual satisfaction surveys and</li> </ul>	S&E	Q1	L	The Resident Engagement Team are using TP Tracker to monitor satisfaction and the system will be rolled-out to other teams.

Lead	Business Plan Objective	Actions	Service Plan	Target Date	Risk	Comments
		report them through TP Tracker				
		<ul style="list-style-type: none"> <li>Measure telephone and repairs and complaints satisfaction and report quarterly throughout the year.</li> </ul>		Q1-4	L	Performance indicators are reviewed by Board, the Operations Committee, Area Review Boards and put on the website.
		<ul style="list-style-type: none"> <li>Investigate annual satisfaction survey to replace STATUS</li> </ul>		Q3	L	Deferred until Q2 2012/13
		<ul style="list-style-type: none"> <li>Launch new Service Standards and publish new Resident Handbooks</li> </ul>		Q1	M	Service Standards launched at Residents' Conference in September 2011.
						<b>Residents' Handbook has slipped and will be completed Q1 2012/13.</b>
		<ul style="list-style-type: none"> <li>Ensure all new front line staff join customer service training</li> </ul>	CC&A	Q1-4	L	This is on track and comprises:- <ol style="list-style-type: none"> <li>1. Call handling training</li> <li>2. Customer Services NVQ's</li> <li>3. Shadowing and coaching.</li> <li>4. Awareness sessions for the CSC delivered on agreed 1<sup>st</sup> contact service provision agreed with Rent Income, Lift</li> </ol>

Lead	Business Plan Objective	Actions	Service Plan	Target Date	Risk	Comments
						Management, Gas & Complaints.
DirPOD Dir CS	Improve communications with residents	<ul style="list-style-type: none"> <li>Embed Communications Strategy and put in place corporate branding</li> <li>Raise profile of TMO externally with positive press coverage overhaul of website and proactive seeking of awards.</li> </ul>	POD	Q4	L	Branding refreshing and revamping of Link magazine complete in consultation with newly formed Residents' Reading Group. Redesigned accessibility statement for use on all key information. Ongoing development of website including photos, and e-magazines.  TMO now on Twitter, LinkedIn, and Flickr.  Homeownership part of the website if fully updated. All of documents have been revamped by Communications Manager.
BIT		<ul style="list-style-type: none"> <li>All service plans to reflect outcome of TMO in Touch</li> <li>Report back to residents on results of TMO in Touch</li> </ul>	All All plans	Q1-4	L	TMO in Touch summary report launched at Residents' Conference, available at Roadshows and on the website. Ward reports finalised.
			S&A	Q2	L	
		<ul style="list-style-type: none"> <li>Procure out of hours contract to ensure good quality and comprehensive call handling</li> </ul>	P	Q1	L	Contractor selected.

Lead	Business Plan Objective	Actions	Service Plan	Target Date	Risk	Comments
		<ul style="list-style-type: none"> <li>Upgrade telephone system and measure success of improvements at call centre and use of receptions</li> </ul>	ICT	Q3	L	Customer service telephone is now installed. The system went live on 30th June 2011.
HoS&E	Enhance resident engagement and increase Membership by 10% over life of the Business Plan	<ul style="list-style-type: none"> <li>Review and update resident engagement strategy and increase numbers and opportunities to participate</li> <li>Carry out profiling of engagement structures to ensure nominees are representative of the community</li> <li>Ensure training programmes are developed to meet the needs of residents and build capacity</li> <li>Raise the profile of Resident Engagement and embed throughout the organisation by developing a common objective for performance appraisals.</li> <li>Monitor and report</li> </ul>	All Plans	Q1-4	L	<p>Resident Engagement Strategy updated. Will be submitted to REP meeting in January 2012 for sign off.</p> <p>Resident Engagement Team launched 'Get on Board' Roadshows (July) to increase resident involvement</p> <p>Use TP Tracker to identify interested residents.</p> <p>Training Programme produced, circulated at residents meetings/events and on TMO website</p> <p>Inter-departmental Resident Engagement Champions Group established.</p> <p>Local Offers regularly up-dated.</p>



Lead	Business Plan Objective	Actions	Service Plan	Target Date	Risk	Comments
Co Sec		quarterly to residents on the delivery of the Local Offers  <ul style="list-style-type: none"> <li>Develop and implement an action plan to increase membership to represent our communities</li> </ul>				
DCS ADHO	Improve partnering arrangements for service delivery	<ul style="list-style-type: none"> <li>Develop an Asset Management Panel and involve residents in procurement and contract monitoring</li> </ul>	DAIE	Q1	M	Initial workshops held with perspective resident panel members. Start of panel deferred to allow for the remit of the panel to be further developed. 2012/13 Deferred to allow for Service Review
		<ul style="list-style-type: none"> <li>Develop and implement estate and block based asset investment plans as part of the wider Capital Programme</li> </ul>		Q1-4	M	2012/13 Capital Programme will incorporate Block and Estate investment plans where investment is identified. Plans to be produced Q4 (Jan. – March. 2012)
		<ul style="list-style-type: none"> <li>Increase Direct debit options and improve information and access for homeowners</li> </ul>	HO Fin & ICT	Q2	L	Direct debit forms going out with all invoices and work nearly complete so that direct debits can be set-up over the phone. Also promoted regularly in Link magazine.
ADNS	Determine strategy for	<ul style="list-style-type: none"> <li>Implement restructure of</li> </ul>	NS	Q4		



Lead	Business Plan Objective	Actions	Service Plan	Target Date	Risk	Comments
	future agency management arrangements with Lancaster West EMB	team and establish a service improvement plan <ul style="list-style-type: none"> <li>Participate in reviewing the EMB SLA.</li> </ul>				
	Maximise rent income collection to achieve top quartile	<ul style="list-style-type: none"> <li>Address additional challenge/threat posed by HB non-dependant increases. Rental income from HB to reduce by £136K. Impact of rent increase to challenge Rent Income Team to maintain collection rates.</li> <li></li> </ul>		Q1		A joint campaign with Housing Benefits and other measures are in progress to identify tenants whose eligibility for Housing Benefit may have changed.
<b>2. Being competitive and increasing our income</b>						
CEO, DFin	Deliver efficiencies and a value for money strategy	<ul style="list-style-type: none"> <li>Manage the HRA budgets</li> <li>Deliver vfm plan and challenge PIs for efficiency savings</li> <li>Develop thirty-year investment strategy</li> </ul>	All plans	Q3		

Lead	Business Plan Objective	Actions	Service Plan	Target Date	Risk	Comments
		<ul style="list-style-type: none"> <li>Use EDRMS to look at work processes and where we can make savings</li> <li>Participate as an active partner in work streams flowing from Stock Options review</li> <li>Work with RBKC on transition of HRA to 30 year Business Plan</li> <li>Manage and work within our budgets</li> </ul>				<p>One workflow has been set-up and others are being explored to find efficiencies and savings.</p> <p>11/12 TMO outturn is expected to be in line with the budgets.</p>
		<ul style="list-style-type: none"> <li>Develop a procurement plan which delivers efficiency savings</li> </ul>	DAIE	Q1-4	L	Work in progress. Also dependent upon Service Review and re-procurement of contracts.
DPOD, HS&E	Deliver top quartile performance within a vfm context	<ul style="list-style-type: none"> <li>Agree a performance management framework and embed culture of performance management</li> </ul>	A&S	Q2	L	The revised Performance Indicators are now reported regularly at Board and Operations Committee.
		<ul style="list-style-type: none"> <li>Ensure PIs are benchmarked and maximise the number of benchmarking clubs</li> </ul>	A&S	Q1	L	

Lead	Business Plan Objective	Actions	Service Plan	Target Date	Risk	Comments
CEO HoS&E	Maximise income from existing assets and by generating new business income	<ul style="list-style-type: none"> <li>Review parking strategy and recommend other options to increase income.</li> <li>Look at ways to expand business, seek new business and reduce overheads</li> <li>Work with RBK&amp;C to develop hidden homes as a pilot to the development of new housing opportunities</li> <li>Review MMA to enable framework that enables us to bid for new opportunities</li> </ul>	A&S	Q4	L	Project Manager now in post and administering Project Board and working on the Parking Review.
HoSH		<ul style="list-style-type: none"> <li>Increase CAS net profit by promoting and marketing services</li> </ul>	SH	Q1-4	M	CAS income under threat due to recent changes in SP funding which means sheltered providers will no longer get SP grants (so can no longer commission services directly from TMO), and other SP money will no longer be ring-fenced.

Lead	Business Plan Objective	Actions	Service Plan	Target Date	Risk	Comments
						Supported Housing has recently been invited to submit at tender for the West London Housing Related Support Joint Framework Tender.
<b>3. Developing organisational competence</b>						
CEO CO SEC DCS DPOD HoS&E	Develop TMO governance	<ul style="list-style-type: none"> <li>• Embed Risk Management including management of contracts</li> <li>• Embed Business Continuity</li> <li>• Review Constitutional changes</li> <li>• Introduce Board Development Programme</li> </ul>	CEO Team All Plans	Q1-4	L	<p>All teams have risk maps. The TMO Risk Management system has been found satisfactory by Internal Audit.</p> <p>A Business Continuity strategy and procedure has been developed and is now being reviewed. The TMO Business Continuity system has been found satisfactory.</p> <p>A Board Development Programme is being introduced.</p>
	Implement Staff Development Programme	<ul style="list-style-type: none"> <li>• Roll out values and behaviours strategies in annual development plans</li> </ul>	POD	Q1&3	L	Values and behaviours now being rolled out to the Managers' Forum and to all staff in October.
		<ul style="list-style-type: none"> <li>• Support team development</li> </ul>		Q4		Done



Lead	Business Plan Objective	Actions	Service Plan	Target Date	Risk	Comments
		Develop annual learning and development plan		Q1		Done
		<ul style="list-style-type: none"> <li>Investigate options for developing customer relations exercise</li> </ul>	ADN M	Q4		
HoICT	Review the ITC strategy	<ul style="list-style-type: none"> <li>Review the ITC strategy and make fit for purpose</li> </ul>	ICT	Q1-4	L	Strategy document has been completed.
HoS&E	Implement Equality Action Plans ensuring Equality and Diversity is full embedded in service action plans, appraisals, 1 to 1 and all team meetings	<ul style="list-style-type: none"> <li>Review the Equality and Diversity Strategy</li> <li>Implement Equality Action Plan</li> <li>Carry out Equality Impact assessments</li> <li>Review corporate diversity</li> </ul>	SMT & ET	Annually	L	The new Equality and Diversity Strategy has been agreed by Board. An Equality Impact Assessment has been carried out on the Blantyre redevelopment, and ones are being carried out on the caretaking and Anti Social Behaviour reviews, complaints policy and communications policy.
ET	Accredit Key Services and processes externally	<ul style="list-style-type: none"> <li>Achieve Sunday Times TOP 100 business status</li> </ul>	All Plans	Q4		Best Companies staff survey completed and achieved 46% return rate and 'One to Watch' status. Results are being reviewed by SMT and Managers Forum.



## Agenda Item 13

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

Open	
For information	
TMO Board – 10 <sup>th</sup> May 2012	
Report title:	Budget monitoring April 2011 - March 2012
Authority for decision:	The Board has overall responsibility of monitoring the outturns against the annual budget.
Recommendations:	The Board is requested to note the report.
Regulatory/legal requirements:	The Board have legal responsibility of ensuring the organisations resources are used in accordance with the budget and business plan.
Business Plan link:	Being competitive and increasing our income
Equality Impact Assessment/comment:	None required.
Resident consultation:	None required.
Resource implications/VFM statement:	This is the subject of the report.
Risk:	
Appendices:	1
Total number of pages including appendices:	20
Name, position and contact details of author:	Rupa Bhola Assistant Director of Financial Services

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

**TMO FINANCE & AUDIT COMMITTEE MEETING – 10<sup>th</sup> May 2012**

**REPORT BY THE ASSISTANT DIRECTOR OF FINANCIAL SERVICES**

**BUDGET MONITORING 2011/12**

**(PERIOD 12 – March 2012)**

**1. Purpose of the Report**

- 1.1 The purpose of this report is to advise the TMO Board of the financial position of the TMO Company Budgets and the HRA Managed Budgets for 2011/12 based on the budget monitoring for March 2012.

**FOR INFORMATION**

**2. Introduction**

**Summary – TMO**

- 2.1 The TMO Company budgets reported in this paper are based on the agreed 2011/12 company budgets. This report includes the financial position of the Lancaster West Estate.
- 2.2 TMO has had a very challenging year, with limited resources and high expectations to meet.  
**We have a draft outturn of £45k surplus against a budget of £30k surplus.**  
This demonstrates the controls and review of costs undertaken during the year to ensure we delivered the agreed budget for the year.
- 2.3 The debt collection provided a substantial reduction in HRA debts (reduction of £877k) and this is directly linked to the Legal Costs incurred by TMO. Similar to last financial year, TMO has been able to recover a substantial amount of its legal costs from RBKC and Leaseholders which is reflected in the extra £308k of over recovery against budget.
- 2.4 There is a favourable variance of £157k on Other Income. This is mainly related to recovery of ICT services provided to contractors and cash back on the new mobile telephone contract. Also mentioned below in more detail in Customer Services, the recovery of the costs of Stock Conditioning Surveyors of £89k is included within Other Income.
- 2.5 A significant variance within salaries and agency costs appears as the budget is based on a full time staff compliment with no agency staff budgeted. The majority of the variance is attributed to the review within the

Assets and Regeneration teams and thus resulting high levels of interim staff.

- 2.6 Depreciation costs in the year have reduced by £108k due to the timing of the Blantyre office and EDMS projects. The new Blantyre office has now opened during the year and provides another opportunity to the TMO for increasing customer focus and customer satisfaction.
- 2.7 Community Alarm Service has contributed to the TMO a surplus of £84k. This is £18k ahead of the budgeted surplus for the service. The corporate contracts for the community alarm service have undergone substantial changes during the year. More than 90% of the private monthly clients are now on Direct Debit payment plans. The new payment method has helped significantly with the function of credit control and only a small amount of £155 pounds has been written off during the year. The overall provision has also been reduced by £6k during the year.
- 2.8 New contract for Stable Way Travellers site was won during the year. The first quarter's income is included within the figures of management fee income.

### **Summary – HRA**

- 2.9 RBK&C revised the annual budget in January 2012 for the 2011-12 financial year. The changes are detailed below analyse any changes in forecast against the revised budget.
- 2.10 The revised budget 2011-12 is an income of £29.95 million against the original budget of £29.80 million which is a favourable variance of £150k.
- 2.11 The current draft HRA outturn is £30.98 million, favourable variance of £1.04 million from Revised Budget. The variances are mainly attributed to an underspend of £599k in Planned Maintenance, £200k in Electricity, Heating & Hot Water and a release of £376k of Bad Debt Provisions. These are explained in more detail in section 5.
- 2.12 The overall debt level during the year has continued to fall. The Leaseholder debt has reduced by £1,046k in 2011-12. This is a reflection of the progress made by the Home Ownership Team by taking appropriate action as required for each individual case. The impact on legal costs and the recovery of such costs is within the TMO budgets. The tenant debt has increased during the same period by £169k, in line with the increase in rents and the additional pressure on household budgets.

### **3. TMO Company Budgets**

- 3.1 Specific divisional variances are commented upon individually below:
- 3.2 Lancaster West – Break-even Out-turn.

The Lancaster West out-turn is break-even which is in line with the budget set for the year. The new staffing structure was agreed by the Lancaster West Board and the post of the Lancaster West Neighbourhood Manager has been recruited to during the year. With the Manager in post, the services and the budgets are being managed more closely, giving more overall satisfaction in this area.

TMO is not going to draw down on the Lancaster West reserves held in the HRA at the 2011/12 year end.

### 3.3 CEO – £(51k) adverse variance to budget

The division had a challenging year and this to some extent is reflected in the overspend of £(51k). The whole Exec Team has worked together to ensure that the overall budget for the TMO is delivered and expenditure contained to exceed the targeted £30k surplus for the year.

There is an £18k underspend in Legal costs and a £(16k) overspend on service delivery. This overspend relates to the facilitation of training organised for prospective candidates in the upcoming board elections.

### 3.4 Customer Services – £(204k) adverse variance to budget

The variance of £(204k) equates to a 4% negative variance from budget. The Customer Services division is the largest division within the TMO and accounts for £6.2m of the total expenditure budget.

The Income is £272k ahead of budget. A large part of this; £102k, is attributed to the recovery of legal costs and recharges to RBKC. RBKC have also agreed to fund Stock Condition surveys for which the recharge amounts to £89k; this will help profile the schedule of works required in the future years. The management fee income of £18k from the new contract of the Stable Way site is within the Customer Services Directorate for the quarter ending 31<sup>st</sup> March. CAS income and Capital Programme income has also contributed an extra £56k ahead of budget.

The Asset Management Investment & Engineering department has recently completed the first phase of restructure. The division is undergoing significant staffing changes in order to improve the performance and delivery of the services to our customers. The full review is expected to be complete during 2012-13.

The People costs are £(399k) higher than budget. This is mainly attributed to the Asset Management & Engineering department where we have brought in a number of consultants and additional agency staff to support and manage the delivery of the Capital programme. This was essential to ensure that the performance targets are achieved and the processes put in place for the delivery of 2012/13 programme. The Capital spend target for 2011-12 was achieved.

The other costs are higher by £(77k) which mainly comprise of some extra consultancy costs for the procurement of long term contracts £(60k) e.g: external decorations. The underspend on Legal costs is £23k and there is also an overspend of £(23k) in Service Delivery costs mainly attributable to postage.

3.5 People and Organisational Development – £(71k) adverse variance to budget

The adverse variance of £(71k) is 8% of the total budget for the division. People Costs are higher than budget by £(36k). The actual direct staff costs have a small variance of £(12k) over budget. The remaining variance of £(24k) in staff related costs is mainly attributed to the additional training and development programme.

The expenditure on Legal costs is ahead of budgeted costs by £(25k) in relation to the new regulation around Agency staff equal pay rates.

During the year a substantial amount of support has been provided by the POD division to the Assets and Regeneration department during the restructure which will be reflected in the lower staff costs achieved following completion of the restructure.

3.6 Financial Services (Includes Home Ownership and ICT) – £314k positive variance to budget.

The income is £153k ahead of budget. The income from legal costs recovery is expected to be £206k ahead. This extra legal cost recovery offsets the additional spend below being incurred to reduce the historical arrears. Additionally ICT Recharge income is forecast to be £47k ahead of budget in light of the recharges for various ICT services and the income received on the change of the mobile phone contract. However this is partially offset by the additional cost in the first year. The income for the Digital TV contract with RBKC is £(101k) below budget. This however mirrors the costs incurred on the back to back contract with SCCI.

The other costs are £132k below budget. The reduction in depreciation charge of £38k was due to the timing of expenditure on EDMS and the Blantyre Office towards the end of the financial year. A small unit in the Hub has been vacated which has reduced the accommodation costs by £34k. The legal costs are £(79k) over budget due to the continued drive to reduce overall service charge and major works arrears. The additional costs have been offset by the additional legal costs recovered as mentioned above.

3.7 Strategy and Engagement – £28k positive variance to budget

The new structure is now in place, which has enhanced the customer experience of Resident Engagement and overall management reporting of the progress on business plans, performance indicators and actively seeking opportunities for new business.



A number of road shows were organised by the Resident Engagement team which have been very widely appreciated. These shows are set to continue during 2012/13.

The Resident conference and the TMO AGM was organised as a single day event during 2011/12. This event was also very well received by the residents and members alike, with comments and feedback - that it was the best organised event of this nature.

There is a final vacancy within the division and it is expected that this will be recruited to in 2012-13, this has generated a saving of £22k during the year.

#### **4 Balance Sheet on 31<sup>st</sup> March 2012**

- 4.1 Fixed Assets – an increase of £228k. This represents the investment made by TMO in the new Blantyre Offices during the year.
- 4.2 Cash at bank and in hand – a reduction of £(267k). This represents the cash out-flow in the Fixed Assets as mentioned above.
- 4.3 Defined benefit pension scheme liability – The value is based on the FRS17 report dated 31<sup>st</sup> March 2011. A full valuation of the pension scheme was undertaken as at 31<sup>st</sup> March 2010 and completed in January 2011. As per the report the employer's pension contribution has been reduced by 1% to 22.5% from April 2011. The FRS17 report for the year ending 31<sup>st</sup> March 2012 is still being reviewed for accuracy, once agreed it will be reflected in the final figures for the year ending 2011-12.

#### **5. HRA Managed Budgets (Revenue)**

The variances are explained below in more detail:

##### **5.1 Total Income:**

The income is ahead of budget by £78k during the year, across all the various income streams.

The main areas of variance are detailed below:

- 5.1.1 Dwelling rents has an extra £61k of additional income against the budget due to the budget being based on 52 weeks whereas the current year was a leap year. This has a positive impact on actual outturn by increasing the income for 2 days in this financial year.
- 5.1.2 Income from Leasehold charges is £64k ahead of budget. This is mainly attributed to the final accounts process for 2010-11, partly due to higher costs of electricity and repairs on communal lighting systems.
- 5.1.3 The Commercial Property income has a shortfall of £(167k). This is mainly attributed to two key dwellings being vacated during the year and not being

let within the financial year. The advertising of these units is currently underway to get the units let out.

## **5.2 Total Expenditure**

The expenditure is below budget by £1,167k during the year, across all expenditure headings.

The main areas of variance are detailed below:

### **5.2.1 Planned Maintenance has a positive variance of £599k.**

The External Decoration programme for the 2011-12 has been delayed due to issues raised around the quality of the works completed. The onsite contractor has agreed to revisit the sites where the quality of work has been below acceptable levels. This has resulted in some of the sites to be completed by the contractor during the first quarter of 2012-13. As the programme has been rolled into 2012-13, the budget of £535k has been requested to be rolled over to accommodate the slippage.

The other main area of variance is a reduction in the spend for Water Quality works by £26k and Rewiring Works by £57k due to the capital nature of some of the planned works.

### **5.2.2 Responsive Maintenance has an adverse variance of £(224k).**

The Responsive Building Repairs is overspend by £(142k) during the year. This reflects the responsive nature of the repairs. In light of the overspend, the sites which have repeat call-out repairs are being identified for a planned programme to address such issues from arising again and proving a long term solution.

An increase in District Heating costs of £(67k) during the year. This was the additional maintenance required on ageing equipment which is currently being reviewed as part of the Capital Programme of works.

The balance is attributable to an increase in expenditure on Estate Lighting where a decision to undertake repairs where possible and only replaces estate lighting when it has come to the end of its life cycle.

### **5.2.3 Electricity, Heating and Water charges are lower than budget by £203k. This is a reflection of the drop in usage due to the mild winter in comparison to previous years.**

### **5.2.4 Provision for Bad and Doubtful Debts has a favourable variance of £376k. Bad Debt Provisions of £376k have been released in the year. This was the result of the revised provision requirements as calculated for the Debt position at year end. The Overall Debt levels have reduced by £877k in the year. The leaseholder debt has reduced by £1,046k and Tenants debt has increased by £169k. This level of decrease in debt is considered to be a**

one-off but the overall collection targets for the New Year remain challenging as we endeavour to further collect the remaining long standing debts.

### **5.3 Transfer to and from Reserves:**

HRA Area Revenue Works (ARW) – an underspend of £53k is expected due to the extension on some tenders for projects approved by Local Area Review Boards. These projects will take place in 2012/13.

Energy Efficiency Reserve – The reserve of £12k has been drawn down completely.

The net impact on reserves is a transfer into reserves of £42k.

## **6. HRA Managed Budgets (Capital Programme)**

The actual outturn for Capital Programme is £8,544k against the revised approved budget for 2011/12 is £8,610k. This takes into account a drawdown of £937k from the underspend transferred to reserves at the end of 2010/11. It has been agreed to utilise the remaining underspend from 2010/11 in 2012/13 Capital Programme with RBKC.

## **7. HRA Debt**

7.1 Tenant Debt – There is an increase in the tenant debt balance by £(169k) to March 2012. The increase was expected in light of the increase in the rent charges from the 1<sup>st</sup> April 2011. The Income Collection team is working on bringing the debt levels back in line by offering support where necessary to the tenants whilst at the same time pursuing legal action where required.

7.2 Leaseholder Service Charges and Major Works – The Debt has decreased by £1,046k to March 2012. This reflects the high collection rate being achieved by the leasehold team. It is expected that the service charge debt will continue to fall in the foreseeable future.

## **8. Conclusion**

8.1 The TMO Board is asked to note the contents of the above report.

Rupa Bhola  
Assistant Director of Financial Services

**TENANT MANAGEMENT ORGANISATION DIVISIONAL REPORTING**  
**TMO BOARD REPORT**  
**MANAGEMENT REPORTING FOR PERIOD ENDED 31st March 2012**  
All figures in £'000

DESCRIPTION	YEAR END POSITION			
	Budget 2011-12	Outturn	Variance	% Variance
Managament Fees	10,058	10,076	18	0%
Capital Programme Fee	462	500	38	8%
CAS Income	487	505	18	4%
Legal Costs Recovered	75	383	308	411%
Other Income	604	761	157	26%
Digital TV Income	225	124	(101)	-45%
<b>TOTAL INCOME</b>	<b>11,911</b>	<b>12,349</b>	<b>439</b>	<b>4%</b>
Staff Salaries	(7,772)	(6,829)	943	12%
Agency costs	0	(1,350)	(1,350)	100%
Staff Related Costs	(260)	(283)	(22)	-9%
<b>TOTAL PEOPLE COSTS</b>	<b>(8,032)</b>	<b>(8,462)</b>	<b>(430)</b>	<b>-5%</b>
Accommodation	(694)	(659)	34	5%
CAS Service Costs	(89)	(101)	(11)	-13%
Communication & Publication	(106)	(120)	(14)	-13%
Consultants	(261)	(330)	(69)	-27%
Depreciation	(438)	(330)	108	25%
Digital TV	(225)	(123)	102	45%
Facilities Costs	(111)	(114)	(3)	-3%
ICT Service Costs	(520)	(588)	(68)	-13%
Legal Costs (Non SLA)	(420)	(390)	30	7%
Legal Costs (SLA)	(320)	(414)	(94)	-29%
Service Delivery	(344)	(395)	(51)	-15%
SLA Costs (excluding Legal)	(321)	(279)	42	13%
<b>TOTAL OTHER COSTS</b>	<b>(3,848)</b>	<b>(3,841)</b>	<b>7</b>	<b>0%</b>
<b>Surplus/(Deficit) before Tax ex Lanc West</b>	<b>30</b>	<b>46</b>	<b>16</b>	<b>54%</b>
<b>Lanc West</b>	<b>(0)</b>	<b>(1)</b>	<b>(1)</b>	<b>0%</b>
<b>Trasfer From Reserves</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>
<b>Surplus/(Deficit) before Tax inc Lanc West</b>	<b>30</b>	<b>45</b>	<b>15</b>	<b>51%</b>

**EXCEPTION REPORTING**



Cause for concern



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**TENANT MANAGEMENT ORGANISATION DIVISIONAL REPORTING**  
**LANCASTER WEST DIVISION**  
**MANAGEMENT REPORTING FOR PERIOD ENDED 31st March 2012**

All figures in £'000

DESCRIPTION	POSITION TO DATE			
	Budget 2011-12	Outturn	Variance	% Variance
Managament Fees	334	334	0	0%
Other Income	0	2	2	0%
<b>TOTAL INCOME</b>	<b>334</b>	<b>336</b>	<b>2</b>	<b>0%</b>
Staff Salaries	(270)	(218)	52	19%
Agency costs	0	(54)	(54)	100%
Staff Related Costs	(1)	(4)	(2)	-183%
<b>TOTAL PEOPLE COSTS</b>	<b>(272)</b>	<b>(275)</b>	<b>(4)</b>	<b>-1%</b>
Communication & Publication	(1)	(0)	0	98%
Consultants	0	(0)	(0)	0%
Facilities Costs	(18)	(24)	(6)	-35%
ICT Service Costs	(11)	(7)	4	35%
Service Delivery	(34)	(30)	4	12%
<b>TOTAL OTHER COSTS</b>	<b>(63)</b>	<b>(61)</b>	<b>2</b>	<b>2%</b>
<b>Surplus/(Deficit) before Tax</b>	<b>(0)</b>	<b>(1)</b>	<b>(1)</b>	<b>0%</b>

**EXCEPTION REPORTING**



Cause for concern



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**TENANT MANAGEMENT ORGANISATION DIVISIONAL REPORTING**  
**CEO DIVISION**

**MANAGEMENT REPORTING FOR PERIOD ENDED 31st March 2012**

All figures in £'000

DESCRIPTION	POSITION TO DATE			
	Budget 2011-12	Outturn	Variance	% Variance
<b>Managament Fees</b>	<b>10,058</b>	<b>10,058</b>	<b>(0)</b>	<b>0%</b>
<b>TOTAL INCOME</b>	<b>10,058</b>	<b>10,058</b>	<b>0</b>	<b>0%</b>
<b>Staff Salaries</b>	<b>(712)</b>	<b>(755)</b>	<b>(42)</b>	<b>-6%</b>
<b>Agency costs</b>	<b>0</b>	<b>(2)</b>	<b>(2)</b>	<b>100%</b>
<b>Staff Related Costs</b>	<b>(17)</b>	<b>(19)</b>	<b>(2)</b>	<b>-12%</b>
<b>TOTAL PEOPLE COSTS</b>	<b>(729)</b>	<b>(775)</b>	<b>(46)</b>	<b>-6%</b>
<b>Consultants</b>	<b>(50)</b>	<b>(59)</b>	<b>(9)</b>	<b>-18%</b>
<b>Facilities Costs</b>	<b>(42)</b>	<b>(40)</b>	<b>2</b>	<b>4%</b>
<b>Legal Costs (Non SLA)</b>	<b>(20)</b>	<b>(2)</b>	<b>18</b>	<b>90%</b>
<b>Service Delivery</b>	<b>(48)</b>	<b>(64)</b>	<b>(16)</b>	<b>-32%</b>
<b>TOTAL OTHER COSTS</b>	<b>(160)</b>	<b>(165)</b>	<b>(5)</b>	<b>-3%</b>
<b>Surplus/(Deficit) before Tax</b>	<b>9,168</b>	<b>9,117</b>	<b>(51)</b>	<b>1%</b>

**EXCEPTION REPORTING**



Cause for concern



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**TENANT MANAGEMENT ORGANISATION DIVISIONAL REPORTING**  
**CUSTOMER SERVICES DIVISION**  
**MANAGEMENT REPORTING FOR PERIOD ENDED 31st March 2012**

All figures in £'000

DESCRIPTION	POSITION TO DATE			
	Budget 2011-12	Outturn	Variance	% Variance
Capital Programme Fee	462	500	38	8%
CAS Income	487	505	18	4%
Legal Costs Recovered	0	102	102	100%
Management Fees	0	18	18	0%
Other Income	359	455	96	27%
<b>TOTAL INCOME</b>	<b>1,308</b>	<b>1,580</b>	<b>272</b>	<b>21%</b>
Staff Salaries	(4,851)	(4,026)	825	17%
Agency costs	0	(1,227)	(1,227)	100%
Staff Related Costs	(8)	(5)	3	36%
<b>TOTAL PEOPLE COSTS</b>	<b>(4,859)</b>	<b>(5,258)</b>	<b>(399)</b>	<b>-8%</b>
Accommodation	(41)	(41)	0	0%
CAS Service Costs	(89)	(101)	(11)	-13%
Communication & Publication	(29)	(30)	(2)	-6%
Consultants	(211)	(271)	(60)	-29%
Depreciation	(50)	(58)	(8)	-16%
Facilities Costs	(5)	(6)	(1)	-18%
ICT Service Costs	(2)	0	2	100%
Legal Costs (Non SLA)	(290)	(188)	102	35%
Legal Costs (SLA)	(245)	(323)	(78)	-32%
Service Delivery	(184)	(207)	(23)	-12%
SLA Costs (excluding Legal)	(207)	(205)	3	1%
<b>TOTAL OTHER COSTS</b>	<b>(1,353)</b>	<b>(1,430)</b>	<b>(77)</b>	<b>-6%</b>
<b>Surplus/(Deficit) before Tax</b>	<b>(4,904)</b>	<b>(5,108)</b>	<b>(204)</b>	<b>-4%</b>

**EXCEPTION REPORTING**



Cause for concern



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**TENANT MANAGEMENT ORGANISATION DIVISIONAL REPORTING**  
**POD DIVISION**

MANAGEMENT REPORTING FOR PERIOD ENDED 31st March 2012

All figures in £'000

DESCRIPTION	POSITION TO DATE			
	Budget 2011-12	Outturn	Variance	% Variance
Other Income	2	0	(2)	-100%
<b>TOTAL INCOME</b>	<b>2</b>	<b>0</b>	<b>-2</b>	<b>-100%</b>
Staff Salaries	(473)	(443)	30	6%
Agency costs	0	(42)	(42)	100%
Staff Related Costs	(234)	(258)	(24)	-10%
<b>TOTAL PEOPLE COSTS</b>	<b>(708)</b>	<b>(743)</b>	<b>(36)</b>	<b>-5%</b>
Communication & Publication	(51)	(50)	2	3%
Depreciation	(32)	(24)	8	25%
Facilities Costs	(64)	(68)	(4)	-6%
Legal Costs (Non SLA)	(10)	(35)	(25)	-254%
Service Delivery	(23)	(36)	(13)	-55%
SLA Costs (excluding Legal)	0	(1)	(1)	0%
<b>TOTAL OTHER COSTS</b>	<b>(180)</b>	<b>(213)</b>	<b>(33)</b>	<b>-18%</b>
<b>Surplus/(Deficit) before Tax</b>	<b>(886)</b>	<b>(957)</b>	<b>(71)</b>	<b>-8%</b>

**EXCEPTION REPORTING**



Cause for concern



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**TENANT MANAGEMENT ORGANISATION DIVISIONAL REPORTING**  
**FINANCE DIVISION**

MANAGEMENT REPORTING FOR PERIOD ENDED 31st March 2012

All figures in £'000

DESCRIPTION	POSITION TO DATE			
	Budget 2011-12	Outturn	Variance	% Variance
Legal Costs Recovered	75	281	206	275%
Other Income	240	287	47	20%
Digital TV Income	225	124	(101)	-45%
<b>TOTAL INCOME</b>	<b>540</b>	<b>693</b>	<b>153</b>	<b>28%</b>
Staff Salaries	(1,112)	(1,021)	90	8%
Agency costs	0	(62)	(62)	100%
Staff Related Costs	(1)	(0)	1	99%
<b>TOTAL PEOPLE COSTS</b>	<b>(1,113)</b>	<b>(1,083)</b>	<b>29</b>	<b>3%</b>
Accommodation	(653)	(619)	34	5%
Communication & Publication	(20)	(33)	(13)	-65%
Depreciation	(356)	(248)	108	30%
Digital TV	(225)	(123)	102	45%
ICT Service Costs	(518)	(588)	(70)	-14%
Legal Costs (Non SLA)	(100)	(164)	(64)	-64%
Legal Costs (SLA)	(75)	(90)	(15)	-20%
Service Delivery	(39)	(29)	9	24%
SLA Costs (excluding Legal)	(113)	(73)	41	36%
<b>TOTAL OTHER COSTS</b>	<b>(2,099)</b>	<b>(1,967)</b>	<b>132</b>	<b>6%</b>
<b>Surplus/(Deficit) before Tax</b>	<b>(2,672)</b>	<b>(2,357)</b>	<b>314</b>	<b>12%</b>

**EXCEPTION REPORTING**



Cause for concern



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**TENANT MANAGEMENT ORGANISATION DIVISIONAL REPORTING**  
**STRATEGY & ENGAGEMENT DIVISION**  
**MANAGEMENT REPORTING FOR PERIOD ENDED 31st March 2012**

All figures in £'000

DESCRIPTION	POSITION TO DATE			
	Budget 2011-12	Outturn	Variance	% Variance
Other Income	2	4	1	57%
<b>TOTAL INCOME</b>	<b>2</b>	<b>4</b>	<b>1</b>	<b>57%</b>
Staff Salaries	(623)	(584)	40	6%
Agency costs	0	(18)	(18)	100%
Staff Related Costs	(0)	(0)	0	0%
<b>TOTAL PEOPLE COSTS</b>	<b>(624)</b>	<b>(602)</b>	<b>22</b>	<b>3%</b>
Communication & Publication	(6)	(7)	(1)	-16%
Service Delivery	(50)	(44)	6	12%
<b>TOTAL OTHER COSTS</b>	<b>(56)</b>	<b>(51)</b>	<b>5</b>	<b>9%</b>
<b>Surplus/(Deficit) before Tax</b>	<b>(677)</b>	<b>(649)</b>	<b>28</b>	<b>4%</b>

**EXCEPTION REPORTING**



Cause for concern



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# **TENANT MANAGEMENT ORGANISATION DIVISIONAL REPORTING**

## **BALANCE SHEET**

MANAGEMENT REPORTING FOR PERIOD ENDED 31st March 2012

All figures in £'000

BALANCE SHEET		POSITION AS AT	
		31st March 2012	31st Mar 2011
	<b>FIXED ASSETS</b>		
	Tangible assets 1	1,631	1,403
	<b>CURRENT ASSETS: amounts falling due within one year</b>		
	Trade debtors	247	243
	Less: provision for bad debts	(47)	(53)
		200	190
	Other debtors	191	61
	Prepayments and accrued income	545	510
	Debtors	936	761
	Cash at bank and in hand 2	1,019	1,286
		1,955	2,047
	<b>CREDITORS: amounts falling due within one year</b>		
	Trade creditors	261	282
	Corporation tax	(40)	40
	Other taxes and social security	268	188
	Other creditors	13	11
	Accruals and deferred income	751	682
		1,253	1,203
	<b>NET CURRENT ASSETS</b>	702	844
	<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	2,332	2,247
	<b>NET ASSETS BEFORE DEFINED BENEFIT PENSION SCHEME LIABILITY</b>	2,332	2,247
	Defined benefit pension scheme liability 3	(5,938)	(5,938)
	<b>TOTAL NET LIABILITIES, INCLUDING DEFINED BENEFIT PENSION SCHEME DEFICIT</b>	(3,606)	(3,691)
	<b>CAPITAL AND RESERVES</b>		
	Profit and loss account excluding pension scheme deficit	2,332	2,247
	Defined benefit pension scheme liability	(5,938)	(5,938)
	<b>Members' funds</b>	(3,606)	(3,691)

**TENANT MANAGEMENT ORGANISATION REPORTING**  
**HRA BOARD REPORT**  
**MANAGEMENT REPORTING FOR PERIOD ENDED 31st March 2012**  
All figures in £'000

	POSITION TO DATE			
HRA MANAGED BUDGETS	Revised Budget 2011- 12	Outturn	Variance	% Variance
Dwelling Rents	35,622	35,683	61	0%
Tenant Service Charges	3,595	3,581	(14)	0%
Leaseholder Service Charges	3,583	3,646	64	2%
Heating & Hot Water Charges	2,079	2,061	(18)	-1%
Commercial Properties Rent Income	2,910	2,743	(167)	-6%
Garage Rent Income	660	670	10	1%
Other Charges for Services & Facilities	100	87	(13)	-13%
Supporting People Contract Income	236	236	0	0%
<b>Total Income</b>	<b>48,785</b>	<b>48,707</b>	<b>(78)</b>	<b>0%</b>
Rents, Rates, Taxes and Other Charges	(158)	(136)	22	14%
Planned Maintenance	(6,289)	(5,690)	599	10%
Responsive Maintenance	(5,206)	(5,430)	(224)	-4%
Planned Response Repairs	(273)	(305)	(33)	-12%
Electricity, Heating & Hot Water	(2,831)	(2,629)	203	7%
Provision for Bad and Doubtful Debts	(267)	109	376	141%
Legal Costs	(200)	(200)	0	0%
Contract Cleaning	(2,018)	(1,988)	30	2%
Pest Control	(219)	(225)	(6)	-3%
Refuse Collection	(137)	(160)	(24)	-17%
General Management	(592)	(523)	69	12%
Supporting People expenditure	(236)	(236)	(0)	0%
Digital TV Costs	(225)	(123)	102	45%
Area Revenue Works	(200)	(146)	53	27%
<b>Total Expenditure</b>	<b>(18,851)</b>	<b>(17,684)</b>	<b>1,167</b>	<b>6%</b>
<b>Transfer To/From Reserves (HRA)</b>	<b>12</b>	<b>(42)</b>	<b>(53)</b>	<b>-22%</b>
<b>Net Income/(Expenditure)</b>	<b>29,946</b>	<b>30,982</b>	<b>1,035</b>	<b>3%</b>

**EXCEPTION REPORTING**



Cause for concern



Room for improvement



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**TENANT MANAGEMENT ORGANISATION REPORTING**  
**HRA - CAPITAL PROGRAMME MONITORING**  
**MANAGEMENT REPORTING FOR PERIOD ENDED 31st March 2012**

PROJECT NAME	Budget 2011-12	2011-12 Final Outturn
DDA Works - boroughwide	380,000	583,585
FRA works - various	532,000	503,710
King Charles House - Lift Renewal	240,000	203,823
Nursery Lane & Whitchurch House Decent Homes works - kitchen & bathroom	385,000	355,128
Capitalised External Decs 2011-12	365,000	416,046
Raymede Tower & Treverton Raymede Tower Lift replacement	350,000	430,954
Trellick Tower Phase 2, 3a, 4 & 5	1,440,000	1,462,988
Various boroughwide Decent Homes - Kitchens/Bathrooms and Electrical rewiring	1,043,481	1,805,322
Various FRA Works - Upgrades to fire alarms/emergency lighting	120,000	88,143
Renewal Of Individual Gas Boilers - Phase 2	750,000	995,385
Grenfell Tower - Renewal of fire alarms/smoke extract	80,000	4,027
Rising Mains - Apollo, Manning and Elm Park Houses	290,000	10,672
Renewal of distribution equipment/sub main cables - Various	250,000	22,095
Waynefleet Square - Door Entry System Upgrade	75,000	-
Shalfleet Drive - Door Entry System Upgrade	60,000	-
TBA Water main booster pumps/upgrades to deal with reduced water pressure	100,000	36,249
Communal Plant Replacement Programme	450,000	185,105
Replacement Water Storage Tanks	300,000	80,765
Elm Park Gardens - Structural repairs to entrance staircases	169,000	31,568
Various boroughwide - Communal Floor coverings	20,000	20,389
Minor repairs contingency	70,000	49,086
Octavia House - Repairs to parapet	31,000	6,292
66 Oxford Gardens - Damp proofing/ext decs and timber repairs	85,000	19,348
Camborne Mews - window trial- Window Works	6,701	6,701
54 St Ervans Rd - Loft Conversion	-	17,318
Little Chelsea House - Roof Renewal, External Decs and Lintel Works	162,000	155,873
33 Danvers Street - Structural works	55,000	53,803
Cavity Wall Insulation Programme - RELEASE OF RETENTION ONLY	-	19,875
Supported Housing - DDA Works	15,000	14,493
Communal Heating (Borough wide)	13,300	20,814
83 - 87 Longlands Court Structural Underpinning works	30,000	33,833
Mulberry Close, Burgess Field - Lift Renewal	180,000	157,929
70 Tavistock Road - DDA Sheltered Works	42,000	46,311
Elm Park Gardens: External Repairs	25,000	24,374
375 Portobello Rd - Repointing & concrete works	48,000	50,062
Walnut Tree House & 63/65 Finborough Road - Roof Renewal	10,000	9,793
Various Properties - Renewal of Individual Gas Boilers - Phase 1	182,000	188,608
Wiltshire Close: Lifts	63,000	107,673
35 Oakworth Road Aid/Adaptation works	45,000	42,011
Capitalised Repairs	30,000	247,950
Various boroughwide - commercial properties	100,000	18,350
Various Other Projects	17,518	17,218
<b>TOTAL</b>	<b>8,610,000</b>	<b>8,543,666</b>

# TENANT MANAGEMENT ORGANISATION REPORTING

MANAGEMENT REPORTING FOR PERIOD ENDED 31st March 2012

## HRA DEBT POSITION

All figures in £'000

			Last 3 Years								
	Description		End March 2009 £	End March 2010 £	End March 2011 £		End June 2011 £	End September 2011 £	End December 2011 £	End March 2012 £	
	Tenant		1,714,677	1,463,370	1,053,849		1,321,444	1,273,101	1,392,045	1,222,862	
	Leasehold - Service Charges		1,779,274	1,538,404	1,350,147		1,398,638	702,736	1,289,448	1,193,813	
	Leasehold - Major Works		5,482,059	4,582,968	3,126,213		2,828,677	2,408,201	2,413,455	2,236,309	
	Total Debt		8,976,009	7,584,742	5,530,209		5,548,759	4,384,038	5,094,948	4,652,984	

### Current Payment Plans at 31st March 2012

Leasehold - Service Charges £247,423

Leasehold - Major Works £713,942

Total £961,365

**TENANT MANAGEMENT ORGANISATION REPORTING**  
**HRA - AREA REVENUE WORKS**  
**MANAGEMENT REPORTING FOR PERIOD ENDED 31st March 2012**  
**All figures in £'000**

	Reserves / Allocation Brought Forward	2011/12 Annual Budget (Revised))	2011/12 Total Funds Available	Actual Spend Year to Date	Carry Forward to 2012/13
DESCRIPTION	A	B	C (A+B)	D	
LANCASTER WEST	(10)	(24)	(34)	12	(22)
KENSAL	(6)	(24)	(29)	29	(0)
NORTH KENSINGTON	(10)	(24)	(33)	20	(13)
NOTTINGHILL	(18)	(24)	(42)	20	(22)
PORTOBELLO	(20)	(24)	(44)	17	(27)
BROMPTON	(21)	(28)	(50)	12	(38)
CHELSEA	(54)	(28)	(82)	0	(82)
WORLDS END	(10)	(15)	(24)	25	1
SHELTERED	(4)	(10)	(14)	11	(3)
UNALLOCATED	(17)	0	(17)	0	(17)
<b>AREA REVENUE WORKS BUDGET</b>	<b>(170)</b>	<b>(200)</b>	<b>(369)</b>	<b>146</b>	<b>(223)</b>
TMO REGENERATION ALLOCATION	(50)	(250)	(300)	242	58
<b>GRAND-TOTAL</b>	<b>(220)</b>	<b>(450)</b>	<b>(669)</b>	<b>388</b>	<b>(165)</b>



## Agenda Item 14

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

Open	
For Information	
TMO Board 10 <sup>th</sup> May 2012	
Report title:	KCTMO Health & Safety Annual Report 2011 / 2012
Authority for decision:	N/A
Recommendations:	<p>Board are asked to note –</p> <ol style="list-style-type: none"> <li>1. the Health &amp; Safety Annual report for the period from 1<sup>st</sup> April 2011 until 31<sup>st</sup> March 2012 and</li> <li>2. The highlights of this report, the residual risks and the main objectives for the coming period as set out in the Executive Summary.</li> </ol>
Regulatory/legal requirements:	We are obliged to adhere to the Health & Safety At Work etc. Act 1974 and associated Regulations and approved Codes of Practice Order, duties under common law etc
Business Plan link:	The requirement to produce an Annual Health and Safety Report in relation to employees, contractors and residents cuts across all of our key priorities.
Equality Impact Assessment/comment:	There are no equality issues that arise from the report
Resident consultation:	Residents' consultation / liaison takes place on a number of health & safety issues such as fire risk assessments, location of asbestos, accident investigation, gas servicing etc.

<b>Resource implications/VFM statement:</b>	The approach to H&S seeks to minimise risk to the organisation in terms of financial penalties, insurance claims and litigation.
<b>Risk:</b>	Ensure employees, contractors and residents are not exposed to unreasonable levels of health and safety risk.
<b>Appendices:</b>	Executive Summary & KCTMO Health & Safety Annual Report
<b>Total number of pages including appendices:</b>	44
<b>Name, position and contact details of author:</b>	Janice Wray TMO Health, Safety & Facilities Manager [REDACTED]  Lornette Pemberton Director of People and Organisational Development

# **KENSINGTON & CHELSEA TENANT MANAGEMENT ORGANISATION**

## **HEALTH & SAFETY ANNUAL REPORT 2011/12 – EXECUTIVE SUMMARY**

### **1. INTRODUCTION**

- 1.1 Kensington & Chelsea Tenant Management Organisation (KCTMO) has produced an **Annual Health & Safety Report** summarising progress made in the previous twelve months and setting out priorities for the coming business year.
- 1.2 This report considers the health and safety of residents, employees and contractors.
- 1.3 The reporting period is the business year commencing the 1<sup>st</sup> April 2011 and ending the 31<sup>st</sup> March 2012.
- 1.4 This is an **Executive Summary** of the **Annual Report** highlighting the main health and safety achievements in the year and summarising the objectives for the next period. For full details please refer to the **Annual Report**.

### **2. HEALTH & SAFETY RELATIONSHIP BETWEEN KCTMO & ROYAL BOROUGH OF KENSINGTON & CHELSEA (RBKC)**

- 2.1 KCTMO remains the managing agent for the housing stock whilst the RBKC retains ownership of the stock. Therefore, for the purposes of the enforcement bodies (the **Health & Safety Executive** and the **London Fire and Emergency Planning Authority**) health and safety responsibilities are considered to be shared.
- 2.2 KCTMO's health and safety performance is monitored by RBKC on an ongoing basis. This is to ensure that statutory responsibilities are complied with, best practice adopted and the environment that our residents live in and our employees and contractors work in is as safe and hazard-free as reasonably practicable.

### **3. HIGHLIGHTS OF THE HEALTH & SAFETY ANNUAL REPORT**

Although health and safety is integral in the day to day work of the organisation, outlined below are the main areas where significant progress was made in this twelve-month period –

#### **3.1 Enforcement Action**

No enforcement action was taken against KCTMO in this year. Further, the number of “**Deficiency Notices**” served by the **London Fire and Emergency Planning Authority (LFEPA)** showed a reduction from the previous year dropping from five to two.

### **3.2 Fire Risk Assessments (FRAs)**

Work has continued in this area and significant progress has been made with the assessment programme. Specifically, the medium risk programme successfully completed and the low risk programme commenced. The overall assessment programme for the stock is now due to complete early in the coming business year - several months ahead of the LFEPA's timescale. RBKC and LFEPA have been kept apprised of progress and close liaison is ongoing.

Substantial efforts have also been made to progress the recommendations made in the Assessment Action Plans. Eight hundred and ninety-three of the twelve hundred flat entrance doors in the replacement programme have now been replaced with doors which not only provide the required enhanced level of fire safety, but also provide improved security as they also meet the Metropolitan Police's "Secure by Design" standard.

### **3.3 Annual servicing of gas appliances & installation pipework**

The new procedure which utilises the Environmental Protection Act 1990 Part III to obtain access for servicing gas appliances was further refined and embedded this year and top quartile performance on access rates (99.805%) was again achieved.

### **3.4 Installation of devices to alert residents that gas servicing is due**

Introduced a policy whereby an Intermittency Programme Unit is fitted and activated as part of each new boiler / heating installation. This will give an audible signal to alert residents when the annual servicing is due which will prompt them to make contact with the repairs service enabling the servicing to be arranged.

### **3.5 Programme of installation of Carbon Monoxide alarms**

Programme of installation of Carbon Monoxide detectors within all properties with gas appliances / gas supply was undertaken. To date significant progress has been made with this and two-thirds of affected properties now have an alarm installed. This added to the annual appliance servicing will further improve residents health and safety.

### **3.6 Water Quality and Legionella Prevention**

KCTMO continued to comply with the legislation in this area - annual inspection and sampling programme was completed effectively and on time, the two-yearly review of water quality risk assessments were undertaken where due and all assessments remain current. Further, the ongoing regular maintenance at the highest risk premises (sheltered blocks and temporary accommodation) continued. Finally, procurement commenced on the communal cold water storage tank replacement programme and works are due to commence on site in June 2012.

### **3.7 Asbestos**

A specialist contractor was appointed to carry out management surveys within the communal areas and this work is progressing well.

Additionally, the ongoing surveying of void dwellings and associated removal / encapsulation works continued. New tenants are advised in writing of the location of known asbestos in their home.

### **3.8 Health & Safety Training**

In addition to the regular health & safety training on fire safety, first aid, lone working etc. training was delivered in-house by specialist trainers on Asbestos Awareness and also Gas Safety & Carbon Monoxide.

### **3.9 Accidents & Violent Incidents**

There was a welcome reduction in the number of reported employee accidents as compared with the previous year – these decreased from twenty-two to sixteen. Further, these were generally relatively minor in nature and none were reportable to the Health & Safety Executive. It is important to highlight the efforts made this year to address the under-reporting of contractors accidents and to emphasise that this work is starting to take effect. Specifically, in the last six months four near-misses involving contractors have been brought to our attention and in all cases remedial action to prevent a recurrence was able to be instigated.

Unfortunately, this year has seen an increase in the number of violent incidents reported by employees from nineteen in the preceding year to twenty-eight. However, there was no increase in the number of incidents of actual physical assault with one occurring in each year.

### **3.10 Policies & Procedures**

The TMO Health & Safety Policy Statement was reviewed and updated in this period and this is attached as an appendix to the Annual Report. Following a recommendation from the auditors this policy now clarifies where operational health and safety responsibilities lie.

In addition a number of other important policies and procedures were reviewed and updated in this period including -

- Asbestos Management
- Lift Safety
- Gas Safety
- Legionella / Water Quality
- Construction Design & Management (CDM)
- Communal Lighting
- Fire Safety – Fire Protection Equipment
- TMO Emergency Plan

More detail is given in Appendix A of the Annual Report which sets out the review date for all our Health & Safety Policies & Procedures.

### **3.11 Estate Staff Handbook**



This has been redrafted and is due for reissue imminently. This is a pocket-sized guide for Estate Staff covering all areas of their work and has been a useful tool.

### **3.12 Pirate Radio Activity**

As stated in last year's Annual Report a major objective for this business year was to eradicate pirate radio activate on the roofs of our high rise blocks. There had been close liaison with the Metropolitan Police and the regulators, Ofcom, and the intention had been to resource a joint initiative to exclude these installations from our properties. This has now been achieved and our roofs remain free of this activity. This is a significant achievement and efforts continue to ensure this situation remains. Again please refer to the Report for details.

### **3.13 Construction & Opening of the Blantyre Office**

A Project Team of KCTMO officers worked closely to ensure that health and safety was considered at every stage of the development process and that the office opening was successful.

### **3.14 Management of Stable Way Travellers Site**

Work was undertaken to ensure this was incorporated into the TMO's existing health & safety and emergency planning arrangements.

### **3.15 Health and safety information for residents - Residents Handbook**

Another objective for 2011/12 was to improve health & safety information available to residents. Specifically, the health & safety section of the Residents Handbook has been reviewed and updated and the publication of the Handbook is due imminently. Additionally, some work has been done to improve the health and safety information available to residents via the website. Initially, information on fire safety and gas safety have been reviewed but it is intended that this be supplemented with further more comprehensive information on asbestos, electrical safety etc. in the coming year.

## **4. KCTMO Health & Safety Objectives for 2012 / 2013**

- 4.1** We are continually endeavouring to improve performance, reduce risks and improve the health and safety of our employees, our residents and our contractors. As such, in addition to the ongoing day to day operational health and safety, here are some specific objectives we will be prioritising in the next business year -

- **Fire Risk Assessments**

We aim to successfully conclude the low risk programme and to introduce an effective approach to reviewing these assessments on a timely basis. Additionally, with regard to the recommendations from the Action Plans we aim to conclude the flat entrance door replacement programme and to

complete all high and medium priority actions from the FRA programme. Further it is our intention to have our FRA procedures audited.

- **Liaison with LFEPA**

The success of the FRA programme has been, at least in part, due to our ongoing liaison with the LFEPA. We, therefore, hope to foster closer working relations on broader fire safety issues. In particular, we aim to set up monthly meetings with the Fire Safety Team Leader where details of the Brigade's attendance at fires, false alarms, lift shut-ins etc. in our stock can be provided and discussed. Initial approaches have been made to the Fire Safety Team Leader and he feels this would be mutually beneficial and has welcomed regular liaison.

- **Contractor Monitoring**

It is our intention to undertake more rigorous contractor vetting in advance of works commencing on site and also contractor monitoring – ensuring contractors are working as per their method statements, using safe practice etc.

- **Website**

To build on the work that has been started in this business year and to improve and increase the resident health and safety information and guidance on the KCTMO website

- **Health & safety Key Performance Indicators (KPIs)**

The need to identify KPIs for operational health and safety to enable regular monitoring during the year has been highlighted and preliminary discussions have taken place. It is anticipated that these KPIs will be finalised early in the next business year.

## **5. Conclusion**

- 5.1 KCTMO acknowledges the need to strive for continuous improvement in all aspects of health and safety. A significant amount of health and safety work has been successfully undertaken in this period and progress has been made in many areas some of which are outlined above. Specific objectives for the coming period have also been set out.
- 5.2 Full details of KCTMO health and safety performance in 2011/12 can be obtained from the full Health & Safety Annual Report.

**Janice Wray**  
**Health, Safety & Facilities Manager**

**Lornette Pemberton**

**Director of People & Organisational Development**

### 1. INTRODUCTION

- 1.1 In recent years an Annual Health & Safety Report has been produced giving an overview of Kensington & Chelsea Tenant Management Organisation's (KCTMO) management of health & safety during the previous business year. This report covers the period from 1<sup>st</sup> April 2011 until 31<sup>st</sup> March 2012 and reviews progress with objectives, sets out priorities for the coming year and details ongoing risks the company faces. Efforts have been made to present information on health & safety performance across a wide spectrum of activities relating to the safety of employees, contractors and residents.
- 1.2 The established forum for consultation with employees on health & safety matters, the Health & Safety Committee, continues to be an effective vehicle meeting bi-monthly and reporting to the Executive Team. The Director of People and Organisational Development chairs the group which is made up of management representatives, union-appointed Health & Safety Representatives and Health & Safety staff.
- 1.3 Currently health & safety policies, procedures, proformas, report forms etc. are available to all employees via the KCTMO intranet (under Human Resources / Health & Safety). Appendix A lists these H&S Policies & Procedures and when each is due to be reviewed.

### 2. HEALTH & SAFETY RELATIONSHIP BETWEEN KCTMO & RBKC

- 2.1 KCTMO remains the managing agent for Royal Borough of Kensington & Chelsea's (RBKC) housing stock and the Council retains ownership of the stock. As such, RBKC retains some responsibility for the Health & Safety of the residents and their homes. Therefore, for the purposes of the enforcing bodies - the Health & Safety Executive (HSE) and the London Fire & Emergency Planning Authority (LFEPA) - the responsibility would be considered to be shared.
- 2.2 RBKC monitors KCTMO's Health & Safety performance in order to satisfy itself that we are complying with our statutory responsibilities, adhering to best practice and ensuring the best possible environment for the residents to live in and for our employees and contractors to work in. Specifically, RBKC Corporate Health & Safety Adviser receives the minutes of the bi-monthly KCTMO H&S Committee meetings and he also receives this Annual Report. Additionally, the KCTMO Health, Safety & Facilities Manager attends the Council's regular Health & Safety Main Coordinating Committee. In addition, ad-hoc updates for example on fire safety are provided to the Housing & Property Scrutiny Committee on request. Finally, the Council is notified promptly of any major incidents, accidents or significant near-misses and is informed of progress of ongoing investigations. Clearly, if meetings are required e.g. to discuss a specific accident or dangerous

occurrence these can be convened at short notice. It should be noted that in some specific areas of work close liaison has taken place, joint approaches have been agreed and audits have considered both bodies.

### **3. RELATIONSHIP BETWEEN KCTMO & THE LONDON FIRE & EMERGENCY PLANNING AUTHORITY (LFEPA)**

- 3.1 The LFEPA is the enforcement body for the Regulatory Reform (Fire Safety) Order 2005. As such LFEPA is responsible for ensuring that persons who control premises are carrying out suitable and sufficient risk assessments in the common parts of residential blocks. Whilst this responsibility is operationally delegated to KCTMO, in the event of a breach of the Regulations the LFEPA would clearly consider KCTMO and RBKC to be jointly liable and would serve an Enforcement Notice on, or pursue prosecution against both organisations.
- 3.2 In order to ensure full compliance with these Regulations to the satisfaction of the LFEPA, KCTMO has worked closely with RBKC and LFEPA to agree our approach, our priorities and acceptable timescales for carrying out the required Fire Risk Assessments and any significant findings that these identify. Initial discussions which agreed this approach took place in July 2009. However, KCTMO has endeavoured to sustain these close links and has facilitated regular progress meetings (to monitor ongoing compliance) and continued liaison with both parties on this issue.
- 3.3 Liaison has been with the LFEPA's Kensington & Chelsea Fire Safety Team. However, we have been advised that, as of the 1<sup>st</sup> April 2012, this team will merge with the Hammersmith & Fulham Fire Safety Team and this merged team will have reduced resources. Initial discussions have taken place with the new Team Leader and efforts are in place to ensure that the necessary level of liaison, advice, assistance can be sustained.

### **4. KCTMO HEALTH & SAFETY POLICY**

- 4.1 The KCTMO Health & Safety Policy Statement (copy attached at Appendix E), which accepts our responsibilities for and sets out our commitment to health & safety, was reviewed in this reporting period. Specifically, the policy statement acknowledges our commitment to ensuring the health, safety and welfare of our employees, residents, contractors, visitors, and members of the public i.e. all people who could potentially be affected by our work. The Chief Executive is ultimately responsible for health & safety, the policy and its implementation. However, the updated policy further clarifies the health and safety responsibilities of the Executive Team, Senior Managers, the Customer Services Directorate and the Health & Safety Team.  
The policy will be due for review again in April 2015 or earlier in the event of organisational change.
- 4.2 The policy can be obtained from the Health & Safety Team and a copy is also available to all employees via the KCTMO intranet.



## 5. HEALTH & SAFETY WORK COMPLETED IN THE REPORTING PERIOD

### 5.1 Policies, Procedures, Briefing Notes and Committee Reports

5.1.1 The KCTMO has a number of Health & Safety policies and procedures which are reviewed regularly and also when there are major changes to the organisation, new legislation is introduced etc. In particular, in addition to the Health & Safety Policy Statement mentioned above the following documents were produced, reviewed or updated during the reporting period and can generally be found on the KCTMO intranet. It is expected that any staff who do not have access to the intranet will be briefed by their line manager during their team meetings.

- **Emergency Plan** – reviewed and updated in May 2011. Cascades kept constantly under review to ensure continues to take account of any changes to out of hours arrangements, management / personnel changes etc.
- Significant progress with **Fire Risk Assessments** – regularly reported to KCTMO Committees (**B**oard and Operations Committee) and also **RBKC's** Committees (Overview and Scrutiny)
- **Gas Access** procedure now embedded and further refined
- **Welcome Pack** updated to incorporate health and safety procedures at the new Blantyre office
- Staff consultation undertaken to facilitate the update / review of violent incident reporting procedures
- **Gas Safety Policy** reviewed, updated and combined with the Gas Procedures
- **Engaged** the services of **CORGI** to carry out Independent Quality Checks on 5% of properties. This work commenced in February 2012 and is scheduled for completion in July 2012
- Introduced proactive monitoring of reportable contractor accidents in this period – now submitted on a monthly basis.
- **Asbestos Management Policy and Procedure** reviewed and updated
- **Legionella / Water Quality Policy and Procedure** reviewed and updated
- **Lift Safety Policy Statement and Procedures on Lift Shut-ins and handwinding** reviewed and updated
- **CDM Policy and Procedure** reviewed and updated
- **Fire Safety – Fire Protection Equipment Policy and Procedure** drafted
- **Communal Lighting – Policy and Procedure** reviewed and updated
- **Estate Staff Handbook** reviewed and updated
- **Health and safety information for Residents Handbook** reviewed and updated
- **Violent Incident Reporting Procedure** reviewed and issued for consultation.

### 5.2 Other achievements in 11/12

Other areas of work, some of which were identified as objectives for this reporting period and others which came up during the year, and have now been successfully progressed are –

5.2.1 **Gas Servicing** - 99.805% access was achieved for gas servicing. (Access rate for council-owned individual gas appliance servicing was 99.91% - fractionally higher than in the previous twelve months - and for installation

pipework inspection and servicing was 99.7% - slightly lower than in previous year - making the overall access rate 99.805%.) KCTMO performance on gas servicing continues to be within top quartile and this has been consistently the case now for some considerable time which is a significant achievement.

Additional initiatives to further reduce the number of difficult to access properties have been introduced. In particular, the KCTMO has written to all residents who have denied access for gas servicing within the last two years to encourage them to provide access and to advise them of our new policy of recharging residents for the costs incurred by withheld access. Additionally, this has been publicised in "The Link" (quarterly magazine that goes to all tenants) and on the TMO website.

- 5.2.2 Gas Access Procedure** – Following the introduction of a new access procedure in the previous reporting period which utilises the powers granted under the Environmental Protection Act 1990 Part III to gain lawful entry where access is unreasonably withheld, work has been undertaken this year to further refine this procedure. This has included streamlining the procedure to ensure continuous improvement but retain a consistent approach to customer focus. To date fifty-two warrants have been successfully applied for facilitating access where this has been unreasonably withheld.

- 5.2.3 Installation of devices to alert residents that the gas servicing is due**  
In a further attempt to reduce our access challenges in the medium to longer term, a policy has now been adopted whereby when new boilers / heating systems are being installed an "intermittency programme unit" (IPU) is also fitted and activated. When the annual servicing is almost due the IPU will emit a low volume bleep which acts as a clear audible indication that the annual gas safety check is due. (The unit has no effect on the heating and hot water provision and is not audible in adjacent properties.) The activation of the unit should prompt the tenant to contact KCTMO to report the problem at which point the due Gas Safety Check can be arranged. Upon completion of the Gas Safety Check the IPU is then reset. Additionally, these devices are now being installed and activated in premises where gas servicing is due, the access procedure has been followed and a warrant has been granted to facilitate access because no access has been provided by the tenant.

- 5.2.4 Programme of Installation of Carbon Monoxide alarms**  
In this reporting period a programme of installing Carbon Monoxide detectors within all properties with gas appliances and all properties which have a gas supply was initiated. This programme is progressing well and to date in excess of four thousand of the total six thousand five hundred dwellings being included have had these alarms installed. Additionally, advice has been published for residents (via the website) and for Customer Service staff so that reports of carbon monoxide detectors being activated are dealt with consistently in a swift and efficient manner.

- 5.2.5 Pirate Radio Activity**  
The previous year's Report advised of the significant efforts made by the KCTMO Health & Safety Team to remove pirate radio antennae from RBKC blocks. Agreement had been reached for a joint initiative with the Metropolitan Police and Ofcom and after some extended planning this was

undertaken on 27th May 2011. The purpose of this was specifically to close down the station "Laylow FM" by removing their transmission equipment from the roof of Frinstead House on the Silchester Estate and locating and closing down their studio. This operation was a success. The station was located within the industrial yard adjacent to the neighbouring Stable Way, the studio equipment confiscated, an arrest was made, the transmitting site on Frinstead House was dismantled and locks were changed on the roof access door.

A subsequent joint operation between Ofcom and KCTMO in July 2011 removed another transmitting station ("Innacity") from the roof of Markland House. After this operation locks were changed on the remaining three tower blocks at Silchester Estate. These roof access doors were fitted with high security locks which are individually keyed and as such there is no master key. Procedures to drastically restrict availability of keys to these locks were introduced and remain in place. Whilst these procedures have caused some degree of minor inconvenience to contractors – as access can now only be achieved via prior appointment with the caretaker - to date this has worked well. There has been one attempt to sabotage one of these locks with superglue but I can confirm that, at the time of writing, we have had no further pirate radio installations on these tower blocks.

Pirate radio transmission equipment was also removed from Trellick Tower by Ofcom in July 2011. The station in question ("Point Blank") had been operating there for some time despite our best attempts to locate their transmitter, they had made significant efforts to conceal the location of this within plant areas. Following this operation Trellick Tower remained free of pirate radio activity until early January 2012 when Point Blank reinstalled their equipment on a different part of the Tower and made considerable efforts once again to safeguard their equipment. We became aware of this soon after and once again we engaged with Ofcom who removed this equipment. At the time of writing Trellick Tower remains free of pirate radio equipment, however, because of its height and iconic nature this block will clearly continue to be a prime target for pirate radio activity.

- 5.2.6 **Asbestos** – management surveys (visual survey plus sampling of suspect materials) continue to be undertaken in void dwellings. For the purposes of these surveys the borough is now split geographically (into North & South areas) and one asbestos contractor deals with void dwellings in each area. Additionally, a contractor was appointed to carry out a programme of management surveys within the communal areas of our higher risk blocks. It was felt prudent to appoint a dedicated contractor for this work programme to enable the void asbestos contractor to concentrate on delivery of survey and any associated encapsulation / removal works within the void dwellings where time constraints are of utmost importance. Work continues to keep the Keystone database up to date and efforts to get the contractors to provide the information in a format which can be uploaded (and will remove the need for time-consuming data inputting) continue. Our aim is to ensure that we are able to share information that is as accurate and as comprehensive as possible with our contractors and our residents.

5.2.7 **Water Quality Risk Assessment** – compliance with legislation continued in this period. Specifically, as in previous years, the annual inspection and sampling programme was completed effectively and on time and the two-yearly review of water quality risk assessments was undertaken where these were due i.e. Priority Three properties (blocks where a communal cold water storage tank is located). Additionally, the maintenance arrangements put in place at the Priority One blocks (sheltered housing and temporary accommodation) have continued. (For information, Priority Two properties are blocks where hot water is provided by central plant.) The programme of tank replacement which had been highlighted by the risk assessments has been specified in this period and procurement is currently in hand. It is anticipated that the tank replacement works will start on site in June 2012 and should be completed in the coming reporting period.

5.2.8 **Engagement with LFEPA** – re: lift shut-ins continues. Despite our requests the LFEPA have been unable to consistently provide prompt notification of their attendance at our blocks which means that we are sometimes unaware of their attendance and therefore unable to instigate the necessary checks on our lifts. Additionally, this also means that we are unable to be definitive about whether the number of LFEPA attendances at our lifts is increasing / decreasing / static.

Staff and our out of hours call handlers have been reminded that, in the first instance, our lift contractors must be contacted and instructed to attend to all lift shut-ins. The LFEPA had confirmed that they will attend in situations where there is a medical emergency or where the trapped person is in grave distress or where for unforeseeable reasons (such as extreme weather or traffic conditions) the lift contractor is unable to attend. In a further effort to minimise the number of residents calling the LFEPA directly, in this reporting period we have installed notices within each lift car (previously these were only located outside the lift on ground floor of the blocks) to advise residents of the number to call in the event of a lift shut-in.

5.2.9 **Fire Risk Assessments** – The Fire Risk Assessment (FRA) programme which commenced in September 2009 continued in this period and is on schedule for completion in May 2012 – two months ahead of the LFEPA timescale. Specifically, the medium risk programme concluded on time in May 2011 and significant progress was made with the low risk programme (further details provided later in the report at 8.1 below). It should be emphasised that KCTMO continues to work closely with RBKC and the LFEPA to progress this Assessment Programme and the associated action plans. In particular, attention is drawn to the progress made with the flat entrance door replacement programme which commenced on site in this reporting period. At the time of writing eight hundred and ninety-three of the eleven hundred and ninety seven substandard doors highlighted by the FRAs had been replaced. The replacement doors not only meet the fire safety requirements but also incorporate the security features specified by the Metropolitan Police's "secure by design" standard and as such have been generally welcomed by residents.

- 5.2.10 **Lone Worker training** – Continued with successful programme of 1-day Lone Worker training courses delivered by the Suzy Lamplugh Trust. Additionally, a pilot scheme was undertaken by a number of staff to trial the use of a lone worker tracking system which makes use of GPS device. This was evaluated and found not to offer the security that staff were seeking so further efforts are being made to identify a suitable alternative system which offers lone workers increased security.
- 5.2.11 **Work with Technical staff** – The Health & Safety Team have continued to work closely with the Asset, Investment & Engineering (AI&E) and the Repairs divisions to raise and resolve health & safety concerns, problems and to review and produce updated policies and procedures as necessary. In particular, the AI&E Health & Safety Group continues to meet regularly. Minutes are produced of these meetings and copies sent to the Director of Customer Services. Additionally, the Health, Safety & Facilities Manager has worked closely with the Performance & Compliance Manager and other technical staff to review Policies and Procedures on gas safety, asbestos management, legionella, lift safety, CDM, fire protection equipment, communal lighting etc.
- 5.2.12 **Emergency Planning** – KCTMO Emergency Plan was reviewed and updated in May 2011. Additionally, cascades have been maintained and the out of hours rota for technical advice continues to operate very effectively. In particular, close liaison between the technical advisers, Neighbourhood Management duty staff and the out of hours call handling staff has contributed towards prompt diagnosis and allowed effective action to be taken. The possibility of establishing a Key Performance Indicator (KPI) to monitor our response to out of hours emergencies is currently being investigated.
- 5.2.13 **Implementation of Asbestos Module of “Keystone”** (asset management software) – Have continued to work with asbestos contractors in an effort to have asbestos survey information submitted in a format that can be directly uploaded into Keystone. This is important as it removes the need for time-consuming data entry. Our aim continues to be for records to be as comprehensive as possible as this will be of benefit to contractors, residents and staff.
- 5.2.14 **Construction and Opening of the Blantyre Office**  
The Health, Safety & Facilities Team were active members of the project group involved in progressing the development of this new office. This allowed health and safety to be considered at all stages of the project. The opening of the office was a big success with employees, contractors and residents.
- 5.2.15 **Management of Stable Way Travellers Site** commenced and work to incorporate into existing health & safety and emergency planning arrangements and to ensure a safe workplace for the KCTMO manager based at this location undertaken.



## 6. RISK ASSESSMENT

- 6.1 Managers are responsible for ensuring that risk assessments are undertaken on their team's workplaces and work activities and as such our policy has been for managers to appoint designated risk assessors (generally from within their team) to assist them with carrying out these assessments. Assessors are provided with training and support and KCTMO procedures and risk assessment proformas are available to assist them. All significant risks are documented and the manager and assessor jointly identify the action necessary to reduce any risks to an acceptable level. Assessments are categorised as follows:
- *Designated display screen assessors* assess the way that workstations are set up and how they are used. The aim is to prevent potential problems with eyestrain, musculo-skeletal problems, headaches etc. that can manifest if staff adopt the wrong posture, repeatedly work intensively for long period without a rest breaks etc. The possibility of adopting an on-line assessment package which staff would complete themselves is currently being investigated. This would have the advantage of being available to staff who work from home to assess their home workstations as well as their office set-up.
  - *General risk assessors* assess workplaces (offices, reception areas etc.) and work activities (dealing with the public, lone working etc.). The Health & Safety Team are available to assist with assessments of other more specialist workplaces / work activities such as construction activity, personal emergency evacuation plans etc.
- 6.2 Completed assessments are submitted to the Health and Safety Team who maintain a schedule of assessments and keep the Health and Safety Committee and thereby the Executive Team apprised of progress on a six-monthly basis. Also H&S team keep a watching brief on progress with the associated Action Plans. A copy of the progress schedule is available upon request.
- 6.3 Fire Risk Assessments - please see below Fire Safety (8.1).

## 7. ASBESTOS

- 7.1 Many RBKC residential properties contain some form of asbestos containing material as, at the time of their construction, it was common practice to incorporate asbestos material in a wide variety of building materials due to its excellent insulation properties.
- 7.2 In the majority of our dwellings where asbestos is present a trace of it is contained within the original vinyl floor tiles where these remain in situ (sometimes beneath more recently laid secondary flooring. Additionally, some forms of "artex" decorative ceiling coating contain a trace of asbestos material and this is present in a number of blocks. The dwellings in some blocks do also have some further items that are asbestos containing such as panels (lining airing cupboard doors etc.), toilet cisterns, cold water storage tanks etc.

7.3 In common with RBKC our policy has always been to manage asbestos-containing materials and to ensure they are maintained in good condition thereby presenting a very low potential risk to health. Removal (or where appropriate encapsulation) is undertaken if the condition of these materials starts to deteriorate and prior to any works which could damage them. KCTMO remains committed to complying with the requirements of the Control of Asbestos Regulations 2006 and the KCTMO Asbestos Policy Statement which has been reviewed in this reporting period reflects our improved procedures. This sets out –

- our commitment to training our staff in asbestos awareness
- our approach to surveying and identifying the locations of Asbestos-Containing Materials (ACMs) - in dwellings, within communal areas and in commercial properties
- how we manage our ACMs
- how we advise residents about the presence of ACMs within their home and the precautions they must take in order to maintain them in good condition and risk-free
- how we store the details of our ACMs (electronically in Academy and in the Keystone Asset Management System) and
- arrangements for advising our contractors of the presence of ACMs.

## 8. FIRE SAFETY

### 8.1 Fire Risk Assessments (FRAs)

8.1.1 The Regulatory Reform (Fire Safety) Order requires “responsible persons” in control of premises to ensure that “suitable and sufficient” fire risk assessments are carried out in the communal areas of all residential blocks. In our case, as highlighted above at 3.1, the “responsible persons” are considered to be RBKC and KCTMO.

8.1.2 In July 2009 extensive negotiations with RBKC and the LFEPA clarified the standard of assessment that the Enforcing Authority would consider acceptable and KCTMO adopted a risk-based approach to this, prioritising the potentially high risk properties in the first assessment programme, followed by the medium risk and finally the low risk programme.

8.1.3 In this reporting period, the medium risk programme successfully concluded. The Consultant who carried out this work had been appointed following competitive tendering and RBKC & KCTMO had agreed that he was the best candidate in relation to both price and quality. Further his performance was evaluated and RBKC and KCTMO officers agreed that, subject to compliance with Contract Regulations, this consultant’s appointment should be extended to cover the low risk programme. Approval was duly obtained and C S Stokes & Associates commenced work on the low risk programme of FRAs in September 2012.

8.1.4 The low risk FRA programme is progressing well and is on schedule to complete early in the coming business year (in May 2012) and within the timescale set by the LFEPA (July 2012). As with the medium risk assessments and as expected,

the low risk properties are generally presenting far fewer fire safety issues than the high risk blocks, and fortunately those that have been identified have been of a more minor nature.

- 8.1.5 Action Plans continue to be colour-coded to reflect their priority and, as before, we are concentrating our efforts and our resources on progressing the red (high risk - indicating statutory breaches) and amber (medium risk -indicating breaches of British Standards, LFEPA standards etc.) recommendations and we are on target to complete all FRAs within the timescale set by the LFEPA.
- 8.1.6 Further, in this last year publication of new guidance “Fire Safety in Purpose-built blocks of flats” from the Local Government Association to assist responsible persons comply with the legislation has confirmed our approach to be one of best practice in this area.
- 8.1.7 However, work to complete all the high and medium priority actions from the FRA Action Plans continues. In general the recommendations which relate to Neighbourhood Management have been relatively straightforward and have been resolved swiftly. However, there has been quite large volume of technical actions which have ranged in complexity and in cost and these have often taken some time to progress. In particular, some actions have required a capital budget to be identified and then competitive tendering to be undertaken before works could commence.
- 8.1.8 Many of the high risk Action Plans for blocks with enclosed walkways included the recommendation:
- “Requirement to instigate a programme of inspections to ensure that every flat entrance door in an enclosed block offers thirty minutes fire resistance is self-closing and is fitted with intumescent strips and cold smoke seals.”
- 8.1.9 Stock condition surveyors carried out the necessary inspections and the survey data was analysed in the previous reporting period and unfortunately confirmed that generally the existing doors did not meet the required standard and could not, therefore, be upgraded but needed to be replaced.
- 8.1.10 Following competitive tendering a specialist door contractor was appointed to carry out a door replacement programme on the tenanted properties identified. To date this contractor has replaced eight hundred and ninety-three of the eleven hundred and ninety-seven doors on the programme. It is anticipated that this programme will complete early in the new financial year.
- 8.1.11 Whilst progress to date has been worthy of note and the LFEPA’s timescale for completion of the high and medium risk Action Plan items by July 2014 is still a long way off, a significant amount of work remains if we are to ensure that all actions are completed. Additionally, any further actions identified by subsequent FRA reviews must also be resolved swiftly. The continued commitment of staff and contractors will, therefore, be required.

## 8.2 Smoke Alarms

- 8.2.1 KCTMO continues to follow the proactive policy on smoke alarm installation that the Board adopted back in 2002. However, with restricted resources and significant demand on budgets it is difficult to set an achievable timescale by which all tenanted properties will have been fitted with a mains-powered smoke alarm with battery back-up.
- 8.2.2 Specifically, coverage is being increased by rewiring programmes and this is supplemented by proactive installation of battery-operated smoke alarms both by our staff and also by the LFEPA as part of their Home Fire Safety Visits (where they provide specific fire safety advice to residents and also install a battery-operated smoke alarm where necessary).
- 8.2.3 There have been a number of joint initiatives with the LFEPA where specific estates have been targeted for Home Fire Safety Visits and it is our intention to plan more of these events.
- 8.2.4 Currently we estimate that we have smoke alarms installed within approximately 40% of our tenanted properties. Whilst we would clearly like this figure to be higher we have endeavoured, where possible, to target the more vulnerable people and properties. The possibility of increasing the installation rate will be investigated in the coming financial year.

## 8.3 Fires in Residential Premises

- 8.3.1 Home accidental fires still account for 40% of all the fires attended by the LFEPA and efforts are constantly underway to reduce both the number and the severity of these fires.
- 8.3.2 In recent years KCTMO has maintained a central record of all incidents of fire in our properties. Whilst it is possible that very minor fires within domestic premises are not brought to our attention we are confident that we are made aware of any incidents where the LFEPA attend etc. In the previous reporting period 10 reports of fire were received, whereas, in the year ending 31<sup>st</sup> March 2012, 4 fires were reported with details as follows:
- Two fires appear to have been caused maliciously (as compared with three in the previous year) but fortunately caused only minor damage and no injury. One of these was externally in a recycling bin which was positioned against a block and the second was when some telephone directories were set alight in a walkway.
  - One fire was caused by the tenant's son leaving something cooking and forgetting about it. Hard-wired smoke alarm activated, tenants alerted and LFEPA called. Tenant's son treated for smoke inhalation by ambulance crew at scene but hospital admission not required. LFEPA advised "10% damage caused to 5-room property – damage confined to kitchen and flat entrance door". LFEPA Station Manager confirmed no recommendations for landlord – fire safety measures in building had all performed as required.

- The final incident involved a report of smoke emanating from a vent between a balcony. **LFEP**A and duty caretaker attended for several hours but were unable to trace the source of the smoke. Further investigations are ongoing.

8.3.3 This clearly shows a significant reduction in fires with the previous year and is to be welcomed. In all cases KCTMO investigated what action could be taken to prevent a recurrence / reduce any risk and **LFEP**A's views were sought.

## 9. **WATER QUALITY – PREVENTION OF LEGIONELLA**

- 9.1 **Legionella / Water Quality Policy and Procedures** had been reviewed in the previous reporting period to incorporate some minor recommendations from a Council-wide audit on legionella. This document has been further refined and updated in the last twelve months.
- 9.2 The two-year review period for all water quality risk assessments (as set out in the Policy) is still being adhered to. These assessments are done on a rolling programme and this year the lowest priority locations (communal cold water storage tanks) were due for review. These reviews were completed.
- 9.3 The annual programme of tank inspections and water sampling continues to be completed in an efficient and timely manner by our specialist contractors and will be due again in July 2012. KCTMO engineers immediately progress any responsive works and / or resampling identified by these inspections.
- 9.4 Our specialist contractors continue to carry out monthly visits to the priority one blocks – sheltered housing schemes and temporary accommodation. These checks include recording temperatures at taps, running infrequently used outlets, descaling communal showers etc. all of which should further reduce the risk of legionella colonising the water system.
- 9.5 In addition to the information provided annually in this report, we acknowledge the need to identify meaningful Key Performance Indicators (KPIs) in relation to water quality. Initially **RBKC** have been approached for clarification of what they record / monitor and we await a response. It is anticipated that KPIs will be clarified and that we will start to monitor and publish these in the coming twelve months.
- 9.6 Procurement of a contract to replace some communal cold water storage tanks is currently ongoing and it is anticipated that the replacement programme will start on site in June 2012 .
- 9.7 Overall, KCTMO can again confirm that Legionella Management activities have been successfully achieved within the reporting period



## **10. HEALTH & SAFETY TRAINING**

- 10.1 In this twelve-month period, in addition to the usual programme of First Aid, Fire Safety and Induction courses, a variety of other health and safety courses have been attended by staff. Some, such as Asbestos Awareness and CORGI Carbon Monoxide Awareness, were run at our offices and other very specialist courses such as “Legionella – responsibilities under L8” were external courses attended by a few officers. Details of the health & safety training courses and the number of staff who attended each are set out at Appendix B.
- 10.2 Health & safety training need continues to be identified at one-to-one / supervision meetings with line managers, as part of the induction process, from the risk assessments and as legislation and good practice change. In addition to their regular reviews, risk assessments are also reviewed as working practices or workplaces change and any necessary training would again be highlighted at this time. Potentially one of the most risky areas of work is construction-related and so the training needs of the technical staff is regularly discussed at the bi-monthly meetings of the Asset, Investment & Engineering H&S Group. The Health & Safety Team collate this information and liaise with the Organisational Development Manager to ensure that health & safety training is given sufficient priority. In this business year approximately four hundred and sixty working days were dedicated to health and safety training.

## **11. HEALTH & SAFETY INSPECTIONS**

- 11.1 To ensure that our residents and their visitors live in a safe environment and that our staff and contractors are provided with safe workplaces it has been KCTMO policy for some time to carry out regular health & safety Inspections on our estates. These inspections cover the communal areas, both internal and external and to the plant rooms roof areas etc. that are used as workplaces by authorised individuals. A report is produced following each inspection highlighting all areas of concern such as outstanding repairs, health & safety issues and access problems and copies of the report are sent to all relevant teams to progress the actions.
- 11.2 With the exception of the sheltered schemes and the temporary accommodation blocks where, because of the potential vulnerability of the residents, inspections are carried out on a six-monthly basis, our aim has been to carry out these inspections on an annual basis. However, in this reporting period it was agreed that Fire Risk Assessments would be reviewed as part of the health & safety inspection and so this has made a significant impact on annual programme. These assessments should be reviewed annually and where no significant changes have been made to the block in the intervening twelve month period it is appropriate for the health & safety team to do the review. Additionally, there is an obvious degree of overlap in that the inspection and also the FRA would be looking for fire safety hazards, blocked means of escape, storage of flammable items, evidence that all fire safety equipment has been adequately maintained etc. This will inevitably mean that with existing resources the inclusion of the FRA reviews means that an annual health & safety inspection programme is no

longer achievable. However, the impact of this will be monitored and the Health & Safety Committee and Executive Team kept informed.

- 11.3 These inspections serve to supplement those regularly undertaken by the Estate Staff and by Neighbourhood Officers and so we are hopeful that a slight reduction in frequency will not have a detrimental an effect upon the health and safety of the estate environment.

## 12. HEALTH & SAFETY MONITORING

- 12.1 The KCTMO Health & Safety Committee which is chaired by the Director of People & Organisational Development and reports to the Executive Team, meets on a bi-monthly basis and is attended by management representatives, safety representatives and health & safety staff. This forum facilitates employee consultation on health & safety matters and specifically has an important role in monitoring progress with risk assessments, action taken following accidents and violent incidents, identifying trends, making recommendations for improvements, reviewing policies and procedures and commenting on the impact of new legislation, training, piloting health and safety equipment etc. This group reports to the Executive Team.
- 12.2 With regard to KCTMO projects, administrators must ensure that adequate health & safety monitoring arrangements are in place. Specifically, these must be appropriate for each project having considered the nature and complexity of the works, the level of risk that is presented and the vulnerability of the people who could be affected by this. These are generally set out in the contract documentation and are monitored via pre-contract meetings, regular site inspections, visits from clerk of works / site supervisor, accident investigations, management systems and audits. Further all construction-type projects take account of the requirements of the Construction (Design & Management) Regulations.

## 13. HEALTH & SAFETY ENFORCEMENT

- 13.1 No formal enforcement action was taken against the KCTMO in the reporting period. **LFEP**A continue to audit our blocks and to issue Deficiency Notices where they consider there are issues for the landlord to consider / address. However, fewer Deficiency Notices have been received in this reporting period and we are hopeful that this trend will continue. Specifically, two Deficiency Notices were received in this year (one for Riley House and one for Lacland House ) as compared to five in the previous year (one each in relation to Chesterton Square, Burgessfield, 70 Tavistock Road, Gadsden House and Hazlewood Tower). Every effort is made to comply with Fire Safety legislation and in particular to progress the high priority actions from the Fire Risk Assessments and to adhere to locally agreed standards. All issues raised by these notices have been satisfactorily progressed within the timescales set out in the Notice.

## **14. OCCUPATIONAL HEALTH AND EMPLOYEE WELL-BEING**

- 14.1 The success of the contract for Occupational Health Services is due to be evaluated at the beginning of the next reporting period by Human Resources. This contract provides all staff with a range of services including pre-employment screening and occupational health assessments in the event of ill-health.
- 14.2 In previous years we have invited our Occupational Health professionals into the offices and offered employees an opportunity for Health Screening, flu vaccinations etc. In view of the success of this event and in order to encourage a healthy workforce, in October 2011 KCTMO held a Health Awareness week. In addition to health screening and flu vaccinations a range of health and fitness events and activities such as Salsa, Zumba, Boxing, 5-a-side football, head massage, reflexology, diabetes awareness etc. were also offered. The budget for this was £1,500 and approximately one hundred and six staff attended the events. Further educational events were arranged for staff to coincide with Breast Cancer Awareness.

## **15. OAKDALE – EMPLOYEE ASSISTANCE PROGRAMME**

- 15.1 For a number of years our employees have had access to a free confidential counselling service. Whilst, initially, this was set up to deal with work issues the remit gradually extended to cover any issue the employee wished to raise.
- 15.2 Oakdale, who were appointed last year, now provide a comprehensive Employee Assistance Programme which incorporates access to counselling but also offers legal and financial advice etc. to employees. Details of this service can be found on the KCTMO Intranet.

## **16. ACCIDENT AND VIOLENT INCIDENT STATISTICS**

### **16.1 Accidents**

- 16.1.1 All reported accidents and dangerous occurrences (as defined by the Reporting of Injuries, Diseases & Dangerous Occurrences Regulations 1995) are investigated by the Health & Safety Team. This includes those involving employees, contractors carrying out work on our behalf in or around our properties and residents or their visitors within the communal areas of our estates (both internal and external areas). The aim of the investigation is to establish the cause of the accident and where possible to initiate any action necessary to prevent a recurrence. Employees are encouraged to report all accidents / dangerous occurrences. The KCTMO Accident Reporting Procedure and Accident Report Forms are available to all staff on the KCTMO Intranet.
- 16.1.2 Appendix C attached provides a breakdown of the number of accidents and dangerous occurrences reported to us between April 2011 and March 2012. Included for purposes of comparison are the figures for the previous year (April 2010 until March 2011).

16.1.3 The total number of accidents reported in the year was 16 – down from 22 the previous year. However, 4 dangerous occurrences were also reported making a total of 20 incidents. However, for the purposes of comparison with the previous reporting period the number of accidents alone will be used. Breakdown of these incidents is as follows:

- 1 was reported by an employee
- 9 involved residents - 2 of which related to sheltered residents
- 2 were reported by members of the public on an estate
- 3 involved a contractors
- No working days were lost by employees
- 3 working days were lost by a contracted caretaker
- No accidents were reported to the HSE
- Of the 4 dangerous occurrences 2 were reported to the HSE. These related to engineers finding a vandalised external gas flue at a property and a vertical flue located in a loft space at another property which had become dislodged and had the potential to spill flue gases.
- The 2 dangerous occurrences which were not HSE reportable involved a contractor using power cradles to facilitate access for external decorations and causing damage to flues. This involved the same contractor at 2 different blocks.

16.1.4 Currently four of the residents have indicated that they are considering pursuing a claim for compensation for their injuries.

16.1.5 In conclusion, compared with the previous 12-month period there has been a notable reduction in the number of accidents reported. In particular, the number of reports from employees and also from residents has decreased. Further no working days were lost by employees and only one accident was reportable to the Health & Safety Executive.

16.1.6 The number of accidents and dangerous occurrences reported by contractors showed an increase from the previous year. This is undoubtedly due to better reporting. In the past there was concern that contractor accidents were not always being reported to us and so information could not be considered reliable. Therefore, in an effort to improve reporting, a performance indicator on contractor accidents was introduced this year. Specifically, all contractors are required to inform us of their accidents on a monthly basis and this is a standing item on contractor meeting agendas.

## **16.2 Violent Incidents**

16.2.1 Employees are required to report all incidents of abuse, threatening behaviour or assault that they experience in the course of their work. (This is clearly documented in our reporting procedures.) Crucially this is necessary to help ensure staff safety by:

- highlighting risky locations so that appropriate precautions can be taken and further staff are not subject to known risks and

- allowing action to be taken against the perpetrators.
- 16.2.2 Action taken against perpetrators will depend upon a number of factors such as the nature of the incident, any previous history of abuse or threats against officers or contractors, the views of the officer who has experienced the abuse, the view of legal services etc. It will range from writing a warning letter to the individual advising that they are breaching tenancy conditions and potentially jeopardising their home, obtaining an Injunction against them approaching employees / KCTMO offices, a Notice of Seeking Possession, Notice to quit etc.
- 16.2.3 The KCTMO maintains a Violent Incident Report spreadsheet where high risk addresses are stored alphabetically by property so information can be very easily retrieved. This is held on the intranet and is available to all employees. In addition, the computerised Repairs system incorporates a warning indicator on the screen to highlight these high risk addresses where residents are known to have a history of abuse. The information held on both systems is generally gathered from employees completing and submitting Violent Incident Reports following abuse or threatening behaviour. However, we also, occasionally, receive information from other reputable sources (in particular the Police) and this is also recorded. This enables employees and contractors to assess what precautions are required when visiting these individuals in the future. The information held on these systems is reviewed on a regular basis to ensure that it remains accurate and up to date and also to ensure that we comply with Data Protection requirements.
- 16.2.4 52 reports of violent incidents were received in the year – up ten from the previous year's forty-two but equalling the total in the year earlier. This year showed a significant increase in the number of incidents reported by employees – 28 in this period was an increase of 9 from the previous year's 19 (but well short of the 36 reported two years ago). The number of incidents reported by contractors has remained static with 12 reported for this year. Of the remaining 12 incidents, 7 were between residents in sheltered accommodation. Several residents were responsible for more than one abusive incident. In particular, two residents were each responsible for four incidents. (One of these residents has since been evicted and is no longer an RBKC tenant.)

A breakdown of violent incidents has been provided at Appendix D but in summary of those incidents involving employees –

- as with the previous year one physical assault was reported
  - the 28 employee incidents were fairly evenly split between verbal abuse and verbal abuse & threatening behaviour. This shows an increase from last year when 50 fell into the “verbal & threatening” category.
  - There was the usual split between abuse on the telephone, abuse at a KCTMO reception area and employees abused whilst visiting estates with no particular trends being evident.
- 16.2.5 Clearly the increase in the number of abusive incidents gives cause for concern, especially as the increase is almost exclusively due to abuse against



KCTMO employees. There is some consolation that contractors did not experience an increase in incidents, however, neither did the threat against them decrease. The H&S Committee and the Executive Team are provided with detail of all incidents and continue to monitor them closely scrutinising action taken, response from managers and looking for any trends that can be acted upon.

## **17. HEALTH AND SAFETY AUDIT**

17.1 The last audit carried out by the Council's Internal auditors had been a high level review of KCTMO Health & Safety covering Corporate Health & Safety, Electrical Safety, Asbestos and Legionella Management which resulted in a "satisfactory assurance" rating.

17.2 The audit made a number of recommendations for both the Health & Safety Team and also for the A I & E Team and the majority of these were progressed swiftly. However, a few recommendations do still need to be fully implemented and these are dependant upon the successful handover of responsibility for day-to-day operational asbestos from the Health & Safety Team to the A I & E Team. (Responsibility for asbestos policy will then be shared between these teams.) This transfer of responsibility is scheduled for June 2012 and will enable the following outstanding recommendations to be finalised and implemented:

- the possibility of acquiring a contract for asbestos management services. Whilst work was undertaken in this year to appoint a contractor to carry out a programme of communal area management surveys, further work is required in this area.
- clarifying the roles of the Health & Safety Team and operational managers. Whilst these are clear at present and have been further defined in the recently updated Health & Safety Policy Statement the change in operational responsibility will allow these to be finalised.

17.3 The final area of work that was highlighted by the audit relates to the need to develop performance indicators for corporate health and safety. Whilst this report attempts to capture the major health and safety achievements for the previous twelve months, preliminary discussions have taken place with the Performance Manager to identify meaningful indicators that can be developed for monitoring and reporting purposes during the year. It is anticipated that these will be agreed by the end of June 2012.

## **18. HEALTH & SAFETY OBJECTIVES FOR 11/12**

18.1 Clearly the risks faced by KCTMO are constantly being reassessed and the effectiveness of control measures evaluated. However, despite our best efforts the Company will continue to face a number of ongoing health and safety risks. Whilst the main areas of potential risk and our approach to controlling these has been detailed earlier in the report it is helpful to clarify our main areas of concern:

## **1) Exposure to asbestos**

In particular the possibility of contractors or residents inadvertently drilling into, sanding or abrading asbestos containing material (ACMs), damaging them and potentially exposing themselves and anyone else in the vicinity to airborne asbestos fibres is a real risk. Measures to reduce the likelihood of this are set out in our Asbestos Policy Statement (available on the intranet). Additionally, our systems for sharing information on the location of ACMs in the housing stock with our contractors continue. Specifically, the computerised repairs system continues to print the location of ACMs on the Job Ticket for the property (which is generated for each repair order raised). This will continue to give the contractor accurate information in advance of carrying out any work. However, additionally, it is anticipated that all asbestos data will soon be available via the "Keystone Kiosk" which contractors and residents will be able to access via the internet.

## **2) Fire Safety**

Despite the significant amount of work that has been undertaken to improve the fire safety of our properties and encourage increased awareness of residents (outlined at 7. above) this will continue to be an area of potential risk for the KCTMO. It is essential, therefore, that we successfully conclude the Fire Risk Assessment programme, continue to progress all high and medium priority Action Plan recommendations as a matter of urgency and that we put in place effective measure to regularly review the FRAs. Specifically, the flat entrance door replacement programme needs to be successfully concluded and any necessary work to facilitate the LFEPA's enforcement of non-compliant leaseholder doors. Additionally, it is important that we continue to carry out a high level of estate inspections to ensure that blocks are consistently maintained in a hazard-free state. Further, the need to review our smoke alarm policy with the aim of maximising the installation of smoke alarms across the stock has been identified. Finally, it is important that we continue to provide residents with fire safety information / advice / guidance, publicise fire procedures (on the website, in the Residents Handbook, articles in The Link etc) and identify residents with special needs and where necessary work with them to draft a specific Personal Emergency Evacuation Plan (PEEP) to ensure their safety is protected. The need to continue to liaise with RBKC and the LFEPA to maximise the impact of any fire safety initiatives that are undertaken is acknowledged. Additionally, it is proposed that this area of work will be subject to an audit in the coming business year.

## **3) Contractor Management**

The area of construction and refurbishment continue to be potential high risk areas for all landlords who engage in construction activities. Recent information published by the Health & Safety Executive confirmed that fifty people died working in construction in their last recording period. It is,

therefore, imperative that adequate vetting is undertaken to ensure that competent contractors are appointed and that once work starts on site sufficient supervision and monitoring is employed to minimise risks to all. With regard to the appointment of competent contractors the Contractors Health & Safety Assessment Scheme (CHAS) or equivalent standard has been applied to KCTMO contractors for several years. However, there is a need to regularly audit this and to ensure that this is also consistently being applied to all sub-contractors and this is an objective for the coming period. Further, the need to ensure that arrangements for vetting contractor's method statements and risks assessments are being rigorously and consistently applied has been highlighted and this is also an area where auditing is required in the coming year.

#### **4) Gas Safety (including exposure to carbon monoxide)**

The sustained efforts of the KCTMO Engineering Team and our gas contractors has again led to us achieving very nearly 100% (99.805%) access for gas servicing. This combined with our programme of replacing old and higher risk gas appliances has reduced the risk in this area considerably. In this period, the programme of Carbon Monoxide detector installation has further reduced this risk. Additionally, now that the new Access Procedure has been embedded we are optimistic that our approach is as robust as we can make it and are confident that these efforts and the reduced risk they bring can be sustained. However, initiatives to further improve resident safety will continue to be considered in the coming year.

#### **5) Legionella Prevention, Water Quality and Water Temperatures**

Our policy statement (reviewed this year) sets out our approach to managing the risk from our water systems and we continue to adhere to this. It confirms the risk-based approach we have adopted. Current water quality risk assessments are available for all communal stored water and these are reviewed on a two-yearly basis. Additionally, our programme of annual water sampling and visual inspections of all communal tanks continues. Further, maintenance regimes are in place at all Sheltered blocks and Temporary Accommodation (i.e. all Priority One properties) and appear to be effective. Finally, the procurement for the tank replacement is currently underway and will be undertaken and completed in the coming year. The potential risk from legionella is therefore considered to have reduced considerably in recent years and will inevitably reduce further with the replacement of the older tanks.

#### **6) Emergency Planning**

In major emergencies the Council's emergency plan is activated. However, for more minor emergencies which specifically affect our blocks KCTMO has its own emergency plan. The roles and responsibilities of employees currently involved with the KCTMO Emergency Plan have been reviewed, the Plan updated and the cascade revised accordingly. The out-of-hours call handling service is outsourced to a contractor. Our

Duty Officer liaises closely with this contractor and they are responsible for activating the cascade should this be necessary. A rota of staff who are available to offer technical advice to the duty officer etc. has been set up and this has been quite an effective addition to the existing out of hours arrangements. Additionally, we have clarified the LFEPA's role in relation to attending lift shut-ins and the call-handling contractor and lift contractor are clear of our expectations in this area. Finally, the Business Continuity Plan was finalised in this period and an exercise to test it ran very successfully. In the coming year it is our intention build better links with RBKC in this area and to look closely at how the Emergency Plan and the Business Continuity Plan fit together.

## **7) Accidents**

We require 6-monthly inspections to be undertaken of all workplaces and regular risk assessments of all workplaces and work activities to be carried out. These should identify any defects and unacceptable levels of risk and an action plan be produced to identify how these risks can be controlled e.g. any necessary health & safety training, new or revised procedures, provision of plant / equipment / protective clothing etc. These risk assessments must be reviewed regularly and take account of any new activities, new procedures / regulations or when new employees start. Additionally, we have employed a Facilities Coordinator who attends all main offices regularly, liaises with landlords etc. and progresses repairs and health & safety issues. This officer will have an increasing role in relation to office health and safety which will further strengthen our position and reduce our staff's exposure to risk. Further regular estate inspections are carried out by caretakers, Neighbourhood Officers and Health & Safety Team to proactively identify any potential hazards and instigate necessary remedial action.

## **8) Violent Incidents**

The measures taken to prevent employees being exposed to workplace violence or abuse are set out at 15.2 above. This year we have experienced an increase in the number of reports of abuse from employees. The Health & Safety Committee and the Executive Team receive regular summaries of incidents and in each case the action taken to prevent a recurrence is outlined. This information is scrutinised and further recommendations are sometimes made. However, this is also an area over which we do not have complete control and where there will always be some residual risk. We endeavour to advise employees about addresses known to present an elevated level of risk and clearly in these cases attempts to reduce the level of risk - such as visiting in pairs, dealing by telephone etc. - can be made. However, staff can only be alerted to known risky addresses. In order to improve information available to us and extend greater protection to our employees we are working more closely with the Police and also RBKC to share information. This work is ongoing.

## **9) Lone Working**

This remains an area of potential risk. Lone Working Guidelines are available and regular lone work training courses are run in-house by the Suzy Lamplugh Trust. It is important to ensure that all necessary lone working risk assessments have been carried out and documented for staff who need them so that any specific concerns / issues can be highlighted and addressed. A tracker system to enhance lone worker safety is in use by the Community Alarm Service and in the last year has been trialled by the Rent Income Team. It was felt that a more suitable system should be sought and this team and several other staff subsequently trialled a GPS tracker system. Unfortunately, evaluation of this product also concluded that the product would not suit our needs and so further research is required in the coming year.

## **10) Out of Hours Working**

This is another area of potential high risk as often staff and contractors who attend out of hours call-outs visit alone. They are, therefore, subject to the usual lone working risks but these are potentially enhanced by the fact that they are visiting at night time in darkness and often at unfamiliar estates / blocks. In order to improve safety KCTMO duty staff often attend to assess emergency repairs jointly with the repairs contractor as this is mutually beneficial. The possibility of formalising this is being investigated. (Again if a suitable lone worker tracker system could be found this would further enhance duty staffs safety.)

## **11) Pirate Radio Activity**

Considerable efforts have been made in recent years to remove pirate radio activity from the roofs of TMO blocks. In this reporting period significant progress was made when a successful joint initiative was undertaken with Ofcom and the Metropolitan Police which resulted in the removal of this activity from the roofs of the tower blocks on the Silchester Estate. This was supported by tightening of security at the roof access points and to date the measures implemented have ensured that there has been no recurrence. Further work with Ofcom at Trellick Tower removed a persistent pirate station from transmitting for a six month period and also dealt swiftly with it's brief recurrence. Currently, there is no pirate radio activity on the roofs of any TMO block and we are hopeful that with continued vigilance and liaison with Ofcom that this will continue. However, it should be emphasised that because of their height and their geographical location a number of TMO blocks are very attractive to pirate radio operatives and so we are aware that a sustained effort will continue to be required in this area.

## **12) Window Safety**

The previous year's report advised of the window safety policy which had been drafted following advice from legal counsel and approved by the Operations Committee. The Committee had requested that the A, I & E



Team draft a design brief to supplement the Policy with more practical guidance for technical officers involved in window replacement programmes etc. It had been acknowledged that this was an important step towards ensuring a safe and consistent approach is applied in all matters of window repair, refurbishment and replacement. A I & E are currently working on the Design Guide and this should be finalised in the next year.

One additional objective for last year was to improve health and safety information available to our residents on the company's website. Some work has been undertaken and information on fire safety, gas safety etc. is now posted. However, this is an area where further work is planned in the coming period.

## **19. CONCLUSION**

- 19.1 A significant amount of health & safety work has been successfully undertaken again in the reporting period. Much of this work is obviously ongoing; however, additional objectives have also been identified and are set out in the report.
- 19.2 The KCTMO acknowledges the need for continuous improvements to all aspects of Health & Safety Management. This involves the constant review of policies and procedures, striving to adopt best practice where reasonable, implementation of new legislation, improved techniques of risk control, auditing of performance etc. and providing a brief account of the Company's performance in the annual Health & Safety report.

Janice Wray  
KCTMO Health, Safety & Facilities Manager

Lornette Pemberton  
Director of People & Organisational Development

April 2012

## APPENDIX A

### KCTMO Health & Safety Policies & Procedures

	Last reviewed	Next Review Due
KCTMO Health & Safety Policy Statement	03/12	Qtr 1 2015
KCTMO Gas Safety Policy & Procedures	03/12	Qtr 4 2013
KCTMO Policy – Violence against staff	Out for consultation	Qtr 1 2015
Procedure for Reporting Violent Incidents (& Report Form)	Out for consultation	Qtr 1 2015
KCTMO Policy on Asbestos	11/11	Qtr 3 2012
Risk Assessment Guidance	12/11	Qtr 3 2013
Risk Assessment Checklist	12/11	Qtr 3 2013
Procedure for Reporting Accidents	03/11	when Regulations change
KCTMO Window Safety Policy	03/10	Quarter 4 2013
First Aid Policy	01/07	Qtr 2 2012
Water Quality Policy Statement	07/11	Qtr 2 2012
Customer Services Centre Health & Safety Agreement	07/06	at Unison request / Qtr2 2012
Lone Working Policy	07/06	Qtr 2 2012
Lone Working Guidelines	03/07	Qtr 2 2012

Procedure for staff who visit estates – lone working guidelines	02/06	Qtr 3 2011
Fire Safety Policy Statement (incorporating smoke alarm policy)	03/02	Qtr 2 2012
Policy for specifying Safety Glazing	07/06	when Regulations change
Procedure for Estate Inspections	07/06	Qtr 1 2012
Eyesight Test Entitlement for DSE Users	07/06	when allowance increases
Fire Marshal Guidance	03/12	Qtr 3 2012
Lift Safety Policy (incorporating lift release procedure)	09/11	Qtr 2 2013
Procedure for dealing with Hypodermic Syringes & Infection Control	08/11	Qtr 2 2013
KCTMO Emergency Plan Emergency Planning Cascades	05/11 Ongoing	Qtr 1 2013 Ongoing
KCTMO Construction H&S Handbook	08/09	when Regns change
KCTMO Estate Staff H&S Handbook	03/12	Qtr 4 2014
Bomb Procedures – various locations	05/06	Qtr 1 2012
Fire & Emergency Procedures – various locations	10/11	Qtr 3 2012
DSE Assessment Proforma	11/09	If on-line assessment adopted – Qtr 1 2012
Accident Report Form	03/11	Qtr 4 2013
First Aid Treatment Form	03/06	When Regulations change

Violent Incident Report Form	03/12	Qtr 4 2013
Risk Assessment Proforma	05/09	Qtr 1 2013
Procedure for Reporting Accidents	03/11	Qtr 4 2013
Procedure for Dealing with Asbestos in void dwellings	05/07	Qtr 1 2012
CDM Policy	01/12	When Regulations change
Fire Protection Systems Policy / Procedure	02/12	Qtr 4 2013
Communal Lighting (incl emergency lighting) Policy / Procedures	02/12	Qtr 4 2013

## APPENDIX B

### Health & Safety Training 2011/12

COURSE TITLE	NUMBER OF COURSES	NUMBER OF ATTENDEES
1-2-1 H&S Induction	5	5
KCTMO Induction Courses	4	31
Fire Safety Awareness / fire marshal training	4	69
First Aid at Work (3-day)	1	6
Emergency First Aid at Work (1 day)	3	19
Lone Worker training – Suzy Lamplugh	1	8
Asbestos Awareness	2	22
CORGI – Carbon Monoxide awareness	3	76
Estate Staff Lift Release (handwinding) Training	1	3
Bullying & Harassment Awareness Day	1	50
Gas Safety – Risk, Access & Compliance	External course	1
Legionella – L8 Responsibilities	External Course	2
Gas Safety Management in Social Housing	External Course	1
Gas Safety Benchmarking Workshop	External Course	3
Gas Safety Awareness & Management	External Course	1

Currently KCTMO employ 169 members of staff



## APPENDIX C

### 1. Accidents & Dangerous Occurrences from 1/4/11 to 31/3/12 - Types of Accident

	Employees		Contractors		Residents & the public		TOTAL	
Year	10/11	11/12	10/11	11/12	10/11	11/12	10/11	11/12
Manual Handling							0	0
Slip, Trip, Fall	2	1	1	1	16	9	19	11
Exposure to asbestos							0	0
Struck by moving object				1	1	2	1	3
Struck by fixed object							0	0
Exposure to harmful substance							0	0
Animal / insect bite	1						1	0
Road Traffic Accident	1						1	0
Electricity							0	0
Exposure to high / low temperatures							0	0
Acute / chronic illness							0	0
Use of Work Equipment							0	0
Other / damage only				5**		1	0	6
Near miss							0	0
<b>TOTAL</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>7</b>	<b>*17</b>	<b>*12</b>	<b>22</b>	<b>20</b>

\* This figure includes 2 accidents involving sheltered residents within the scheme communal areas in the 11/12 reporting period (7 accidents involving sheltered residents within their own home in the 10/11 reporting period)

\*\* includes 4 dangerous occurrences

### 2. Accidents & Dangerous Occurrences from 1/4/11 to 31/3/12 - Resultant Injuries

	Employees		Contractors		Residents & the public		TOTAL	
Year	10/11	11/12	10/11	11/12	10/11	11/12	10/11	11/12
Death							0	
Cuts / bruises / abrasions	3	1	1	2	7	4	11	7
Strains & Sprains						1	0	1
Burns or scalds							0	0
Eye Injury							0	0
Hearing loss							0	0
Skeletal injury	1				2	4	3	4
Unconsciousness							0	0
Electric shock							0	0
Allergic reaction							0	0
Occupational disease							0	0
Stress							0	0
Illness							0	0
Other						1	0	1
No injury				5**	8	2	8	7
<b>TOTAL</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>7</b>	<b>17</b>	<b>12</b>	<b>22</b>	<b>20</b>

## APPENDIX D

### Breakdown of Violent Incidents

	2010/11	2011/12
Employee Incidents – Verbal Abuse	3	13
Employee Incidents – Verbal & Threatening	12	14
Employee Incidents – Physical Assault	1	1
Employee Incidents – “Other” (including harassment, aggressive dog etc.)	3	0
Employee Incidents – TOTAL	19	28
Contractors - TOTAL	12	12
Residents – abusive incidents reported between residents – TOTAL	9	7
“Other” abuse ( includes self-harm, hazardous dogs, refusing to recognise the authority of the court etc.)	2	5
TOTAL NUMBER OF VIOLENT INCIDENTS REPORTED	42	52

## APPENDIX E

### KENSINGTON & CHELSEA TENANT MANAGEMENT ORGANISATION LTD HEALTH AND SAFETY POLICY

#### 1. Statement of Intent

- 1.1 The Kensington and Chelsea Tenant Management Organisation (KCTMO) recognises and accepts our responsibilities under the Health and Safety at Work etc. Act 1974, and all relevant health and safety legislation made under this act. This policy sets out our intention and approach to satisfying all the provisions and obligations of the Act and associated Regulations. In particular, we intend to ensure as far as is reasonably practicable, the health, safety and welfare of our employees, and all other people who may be affected by our work, with particular regard to our customers, contractors, clients, visitors, and members of the public.
- 1.2 The legal, operational, and financial responsibility for the management of health and safety rests with the Chief Executive of the TMO, and each Director and manager is responsible for the implementation, execution, control, and monitoring of this policy as relevant to their area of the business.
- 1.3 We recognise that our employees are our most valuable resource, and as such we are committed to consultation and co-operation in all matters regarding their health and safety. We will provide adequate resources for maintaining the working environment so that it is free of risk, healthy, safe and with satisfactory welfare facilities as far as is reasonably practicable.
- 1.4 We will ensure that all persons are competent to carry out the duties asked of them, and we will provide adequate information, instruction, training and necessary supervision. We will employ a health and safety professional, who will be responsible for providing advice on all health, safety and welfare matters.
- 1.5 We will review this policy at least every three years, and more frequently as necessary to reflect changes in legislation and any changes in our size or nature of our work activities. The policy will also be brought to the attention of all employees when they start work with the company, when the policy changes and when delivery of services is discussed.

**ROBERT BLACK**  
Chief Executive

April 2012

## 2. Organisation – Health & Safety Roles and Responsibilities

- 2.1 Health and safety is a management responsibility which is as important as other management responsibilities. All members of the TMO Executive Team are responsible for ensuring that the managers within their directorate are aware of their health and safety responsibilities to their staff. All employees have their own responsibilities under health and safety law but the overall responsibility for health and safety lies with the TMO Chief Executive.
- 2.2 Each manager is responsible for ensuring compliance with the requirements of the Health & Safety at Work etc. Act 1974 and associated legislation within their areas of control. To clarify, the roles and responsibilities of key individuals and teams within the company in respect of health and safety are outlined below:
- 2.3 The Chief Executive is the person who is ultimately responsible for the TMO's health and safety work activities and business. He is responsible for the implementation and review of all company arrangements for health and safety.
- 2.4 The TMO Directors and Heads of Service are responsible for the health and safety arrangements within their business areas and will deputise for the Chief Executive in his absence.
- 2.5 The Executive Team are responsible for ensuring that:
- an Executive Team member continues to chair the TMO Health and Safety Committee and feeds back to Executive Team colleagues on Health and Safety issues raised;
  - the Health and Safety Committee meets regularly and functions effectively in line with its terms of reference;
  - managers are aware of their responsibilities for health and safety and that they actively ensure working conditions and activities are safe, healthy and hazards are avoided;
  - staff are identified as risk assessors and are given adequate training and support to enable them to carry out these assessments competently;
  - they monitor TMO compliance with health and safety legislation.
- 2.6 The Senior Management Team and Managers are responsible for ensuring that:
- staff are aware of their health and safety duties and their importance, and that they comply with these;
  - risk assessments are carried out on the work of their staff and any other activities under their control, and that a written record is kept of each assessment, ensuring staff are consulted on risk assessments and informed of proposed action;
  - the results of risk assessments are acted upon, and control measures are implemented and reviewed;
  - their newly appointed staff attend induction, and health and safety and where appropriate, lone worker training;
  - staff are adequately trained, and supervised until they are competent in their work activities;
  - staff have seen and understood information published on health and safety and advice/guidance from the Health & Safety Team;

- injuries, diseases, dangerous occurrences and violent incidents are reported immediately in accordance with TMO reporting procedures;
- persons not in TMO employment and contractors are aware of their legal responsibilities and comply with them;
- fire marshals and designated first aiders are nominated where necessary.
- promoting and actively encouraging good housekeeping, leading by example.
- staff welfare facilities are kept safe and clean at all times.

**2.7 The Health, Safety and Facilities Manager** is responsible for:

- providing competent advice on health and safety issues as required by the Management of Health & Safety At Work Regulations;
- the formulation of all health & safety policy and strategy;
- producing all health & safety policy, procedures, and guidelines and ensuring that these are regularly reviewed and kept up to date;
- being the point of contact for all managers and employees for specialist health and safety advice;
- organising and administering the company health & safety committee, and liaising and consulting safety representatives via this forum;
- specifying and evaluating health and safety training needs;
- monitoring, reviewing and audit compliance with this policy;
- producing a TMO Annual Health & Safety Report for presentation to the TMO, the Board and to the Royal Borough of Kensington & Chelsea;
- advising on compliance with the Regulatory Reform (Fire Safety) Order 2005;
- attending relevant internal and external meetings and committees as necessary to update them on TMO performance in relation to specific areas of health & safety e.g. compliance with the Regulatory Reform (Fire Safety) Order 2005.

**2.8 The Customer Services Directorate** is responsible for:

- resident safety in particular in the areas of fire safety, gas safety, electrical safety, Legionella prevention and water quality and lift safety;
- taking a joint role with the Health & Safety Team in managing asbestos at work;
- monitoring the health and safety performance of the contractors under their control;
- organising an Asset Investment & Engineering Health & Safety Group consisting of all technical managers and Health and Safety to meet at least bi-monthly and provide a forum for discussion and monitoring health and safety issues across the service area.

**2.9 Employees** are responsible for:

- taking reasonable care of their own health and safety and of other persons who may be affected by their acts or omissions;
- co-operating with managers when requirements for certain systems of work etc. are imposed for health & safety reasons;
- bringing to the attention of managers anything they find that they believe to be unsafe;
- not interfering with, or misusing anything provided for his/her health, safety or welfare.



2.10 **Union appointed Safety Representatives** have statutory functions as laid down in health and safety law. The safety representatives will specifically be consulted on and involved in:

- developing and reviewing safety rules.
- encouraging other staff to work safely.
- investigating accidents.
- inspecting the workplace.

### 3. **Health and Safety Arrangements**

3.1 We aim to provide and maintain safe and healthy working conditions, equipment and systems of work for all employees and to provide sufficient information, instruction, training and supervision to enable staff to carry out their work safely. We accept our responsibility for ensuring the health and safety of other people who may be directly affected by our activities.

3.2 A specialist Health & Safety Team located within the People and Organisational Development directorate is available to provide advice and assistance. When necessary this team will seek advice and guidance from and liaise with the Health & Safety Executive, the London Fire & Emergency Planning Authority and other specialist organisations.

3.3 As the managing agents for Kensington & Chelsea's housing stock we share responsibility with the Council for the provision and maintenance of a safe and healthy environment for the residents. It is therefore important that we continue to work closely with the Council in the area of health & safety. To facilitate this, the Health and Safety Team will continue to represent the TMO on the Council's Health & Safety Main Co-ordinating Committee which is responsible for the co-ordination and promotion of Health & Safety measures across the Council.

### 4. **Risk Assessment**

4.1 Managers have a legal duty to ensure that all the work activities under their control have been risk assessed i.e. potential hazards must be identified, risks assessed and action taken to reduce all risks to an acceptable level. Additionally, where employees have disabilities reasonable adjustments must be implemented where appropriate to accommodate their requirements. These assessments must be carried out by trained and competent people, documented and reviewed when the nature of the work, workplace etc changes or new legislation is introduced.

### 5. **Asbestos**

5.1 Many of our properties have been built using some asbestos-based building materials. It is our policy to manage asbestos in place. Where asbestos-containing material is identified the risk associated with its condition, location and asbestos content is assessed and it will either be left untouched, sealed / encapsulated or removed (whichever is appropriate) by specialist contractors under controlled conditions. Where the material is damaged or friable or works are proposed which would interfere with it then the asbestos is safely removed by specialist licensed contractors in accordance with current asbestos regulations.

5.2 Records are kept on the location of asbestos in our properties. Every opportunity is taken to consolidate and verify these records with sampling and analysis of suspect materials. Surveys are carried out on dwellings when they become void and a rolling programme of management surveys (as defined by the Health & Safety Executive's publication Asbestos: The Survey Guide HSG264) are also undertaken within communal areas. (More details are available in the TMO Asbestos Policy Statement.)

5.3 TMO technical staff who are liable to encounter asbestos containing materials in the course of their work are trained to ensure that they are competent and confident in dealing with the management of the material. Day-to-day contractors are made aware of the presence of known or suspect asbestos and are instructed to cease work and inform TMO staff immediately should they suspect they have encountered previously unidentified asbestos containing material in the course of their work.

## **6. Contractor Management**

6.1 Contractors are vetted (pre contract) for competence and adequate resources in the area of health and safety and all necessary steps are taken to ensure that construction work on Council property is carried out with the safety of the residents, the public, the staff and the contractors as a primary objective. All construction work carried out is done in accordance with The Construction (Design & Management) Regulations 2007 and all other relevant health and safety legislation.

## **7. Display Screen Equipment**

7.1 All employees are classed as designated users of display screen equipment (dse) and as such have their workstations regularly risk assessed. Training / instruction is offered to ensure that employees are aware of how to operate the equipment in the safest possible manner, and that they are clear on the potential hazards associated with intensive use of display screen equipment and how to avoid them.

7.2 All designated dse users are entitled to be reimbursed for an annual eyesight test. Additionally, if it is found that prescriptive lenses are necessary specifically in order to safely use the equipment, we contribute toward the cost of these.

## **8. Employee Assistance and Counselling**

8.1 An Employee Assistance Programme which includes access to counselling but also offers legal and financial advice etc. is available to all staff.

## **9. Employee Consultation**

9.1 The TMO Health & Safety Committee meets on a bi-monthly basis. This Committee is chaired by the Director of People & Organisational Development and reports to the Executive Team. The Committee consists of nominated representatives from management, the Health and Safety team and Union-appointed safety representatives.

## **10. Fire Safety and Emergency Procedures**

- 10.1 Fire Risk Assessments are undertaken in workplaces and within the communal areas of residential blocks as required by the Regulatory Reform (Fire Safety) Order and systems are in place to protect staff, contractors and residents etc. from the risk of fire. Managers are responsible for ensuring that workplace housekeeping is in good order, and that smoking is not permitted in any TMO workplace. Where necessary automatic fire detection, portable fire fighting appliances, dry rising fire fighting mains, emergency lighting and other fire safety measures are installed and maintained in the workplace and other locations. Designated staff members are appointed and regularly trained as Fire Marshals, and will take control in the event of any of our buildings having to be evacuated.
- 10.2 Fire Marshal training is conducted on an annual basis. Estate staff and Community Officers are also trained in fire safety. The fire safety and fire marshal training is conducted by a competent expert in the field of fire safety, and training can include an element of the practical use of portable fire fighting equipment.
- 10.3 Employees with disabilities have their own individual personal emergency evacuation plan which is regularly reviewed and where necessary their colleagues are trained in the safe use of the evacuation chair.

## **11. First Aid**

- 11.1 A number of TMO staff are designated first aiders and are trained to administer first aid at work. Specifically, employees are either trained to “first aid at work standard” or to “emergency first aid at work standard” depending on the risk. A risk assessment is carried out for each site to determine the number of designated staff required and what standard of training they require. This is reviewed regularly to ensure that cover is adequate. The contents and frequency of the training and the refresher training are laid down by the Health & Safety Executive.

## **12. Gas Safety**

- 12.1 All council-owned individual gas appliances and gas installation pipework are serviced on an annual basis and all necessary steps are taken to ensure compliance with the Gas Safety (Installation & Use) Regulations 1998.

## **13. Health and Safety Inspections**

- 13.1 Annual estate inspections are carried out on the communal external and internal areas and associated plant rooms of all the housing stock and the reports produced are issued to all relevant teams that are required to take action. These reports can also be made available to the relevant Residents Association and members of the Resident’s Association can participate in the inspection should they wish.
- 13.2 Inspection of our workplaces are usually undertaken on a six monthly basis. The Union Safety Representative is invited to attend and a written report of the inspection is produced and circulated to relevant internal teams, including the Senior Management Team.

## **14. Manual Handling**

- 14.1 Staff involved in the lifting, carrying, moving, and transportation of materials are instructed and trained to ensure that the risk of injury is removed or reduced to a level that is reasonably practicable.

## **15. Personal Protective Equipment**

- 15.1 The need for personal protective equipment (PPE) is identified when risk assessments are carried out. Requests for this are forwarded to the Health & Safety Team, who ensure that the equipment provided is suitable and sufficient for the individual and the task. The quality of the equipment and the performance of the suppliers is reviewed regularly by the Health & Safety team.

## **16. Procedures**

- 16.1 We have a comprehensive system of Procedures which are approved by the Executive Team. These are regularly reviewed/updated and are readily accessed on the intranet under the Human Resources section to which the majority of staff have direct access.

## **17. Reporting of Injuries, Diseases and Dangerous Occurrences (RIDDOR)**

- 17.1 It is a statutory requirement to report all injuries and dangerous occurrences. Our reporting procedure states that all accidents must be reported on the TMO Accident Report Form immediately. This form must be countersigned by the line manager and passed to the Health & Safety Team who will ensure the incident is investigated, and that our Insurance company, Human Resources, and, when appropriate, the Health & Safety Executive are informed. ([TMO Accident Report Form](#) and [Procedure for Reporting Accidents](#))

## **18. Reporting of Incidents of Violence and Threatening Behaviour**

- 18.1 All incidents of verbal abuse, threatening behaviour and actual physical violence must be reported to the line manager immediately and the TMO Violent Incident Report Form (Violent Incident Report Form) completed as soon as possible and sent to the Health & Safety Team. The action taken to prevent a recurrence of the incident depends upon the nature and severity of the incident and whether there is a history of problems with the individual in question. However, the perpetrator could receive a warning letter or in more serious cases legal action will be considered.
- 18.2 The Health & Safety Committee sees a summary of all Violent Incident Reports and is advised of the action taken. To enable staff to take appropriate precautions when dealing with people with a known history of abuse or threatening behaviour, the details of these incidents are stored on a spreadsheet (VIRep spreadsheet) available for staff to view on the intranet. ([Violent Incident Reporting Spreadsheet](#)) Additionally, where appropriate a warning indicator is generated on the Academy computer system and this is linked to a summary of the incident.



## **19. Site Visits/Lone Working**

- 19.1 Line managers are responsible for ensuring that their staff, who are required to do site visits and / or work in isolation are not exposed to any foreseeable risks. Specifically, they should be clear about where they are going, aware of possible hazards and have discussed these with their line manager to ensure that sufficient safety measures are in place. Managers are responsible for ensuring their staff are aware of TMO lone working guidelines and that these are supplemented by whatever measures are necessary to protect their staff. ([Lone Working Guidelines](#))

## **20. Training**

- 20.1 Training is an important part of our safety arrangements. Managers are responsible for identifying the training needs of their staff during one to one meetings, formal Performance Review discussions and risk assessments. Information on health and safety training is submitted to the Health, Safety and Facilities Manager who in consultation with the Organisational Development Manager are responsible for prioritising the training and producing an annual Corporate Learning and Development Plan to reflect the priorities and time scales for the training. Where appropriate, training is also arranged on new regulations and other relevant areas as identified by the Health & Safety Committee.

## **21. Welfare**

- 21.1 Welfare arrangements on our work sites are maintained to the highest standards, to ensure a comfortable hazard-free working environment for the staff.

## **22. Work Equipment**

- 22.1 We provide equipment that is suitable and appropriate for the task for which it is intended. We ensure that work equipment is tested, maintained and used in accordance with the relevant regulations, and British Standards.

## **Policy Review**

April 2015 or sooner if legislation changes