

- 1.1 Decent Homes programme review of Year 1.
- 1.2 Homes for Haringey Inspection Preparation
- 1.3 Review of the Management Agreement

Report authorised by Niall Bolger Director of Urban Environment

WPB 27/08/09

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Wards(s) affected: **ALL**

Report for: **Key Decision**

1. Purpose of the report

- 1.1 This report provides a review of Year 1 of the Decent Homes programme, including the summary outturn position against key indicators, lessons learned and how these have been incorporated into the programme for years 2-5. It also requests that cabinet ratify the decision made by the Housing Management Board in 2005 to install the full I.R.S system which allows residents to receive Freeview, Sky and Sky plus, Hotbird and Turksat.
- 1.2 To inform Cabinet of Homes for Haringey's arrangements for re-inspection by the Audit Commission in 2010
- 1.3 To inform Cabinet of the Management Agreement review. The current agreement expires 31st March 2011.

2. Introduction by Cabinet Member

- 2.1 I am pleased to observe the satisfactory financial outcome of the 1st year decent homes programme.
- 2.2 I have concerns about the 62 no access properties and would request that access to these 62 properties be pursued with vigour and if necessary use of the appropriate legal actions.
- 2.3 I am assured that preparations are being made for the re inspection. I would request that the Aids and Adaptations service be highlighted as an area of

concern as to the working relationships between the Council and Homes for Haringey.

2.4 I require that the transformation of the concierge service be completed by December 2009.

2.5 And finally, the management agreement needs to be substantially revised as circumstances have substantially changed since it was originally drafted many years ago.

3. State link(s) with Council Plan Priorities and actions and /or other Strategies:

3.1 Homes for Haringey supports the Council's Housing Strategy and is committed to providing an excellent housing service while effectively delivering the Decent Homes programme for the residents of Haringey. As a key strategic delivery partner, Homes for Haringey is committed to ensuring that the Decent Homes programme meets the aspirations of residents and Members.

3.2 Homes for Haringey have in place an Asset Management Strategy and Environmental Sustainability Strategy which provide a strategic framework for delivery of the Decent Homes and associated Environmental Improvements programme. The objectives of these strategies are closely linked to the Council's Greenest Borough Strategy, the Sustainable Procurement Strategy, Regeneration Strategy and Asset Management Plan.

3.3 The Decent Homes and Environmental programmes will contribute to the achievement of Council Priorities 1,2,3, and 5 by:

- Improving the environmental performance of Council Housing stock
- Providing a cleaner and greener environment for residents
- Providing decent homes and improving well-being
- Delivering cost effective services through partnering

3.4 The continuance of Homes for Haringey as a "good" or "excellent" housing provider support the following Council Plan Priorities:

- Delivering excellent, customer focused, cost effective services
- Encouraging lifetime well-being, at home, work, play and learning

4. Recommendations

4.1 Decent Homes programme review of Year 1.

The report proposes that:

4.1.1. Cabinet notes review of Year 1 of the Decent Homes programme, including the summary outturn position against key indicators, lessons learned and how these have been incorporated into the programme for years 2-5.

4.1.2. Cabinet ratifies the decision made by the Housing Management Board in 2005 to install the full I.R.S system which allows residents to receive Freeview, Sky and Sky plus, Hotbird and Turksat.

4.2 Homes for Haringey Inspection Preparation

The report proposes that:

4.2.1 Cabinet notes the progress of Homes for Haringey's preparation for re-inspection

by the Audit Commission in 2010.

4.3 Review of the Management Agreement

The report proposes that:

- 4.3.1. Cabinet note that the existing management agreement which expires on the 31st March 2011 is being reviewed in consultation with the Cabinet Member for Housing and Director of Urban Environment. The review will allow the extension of contract between the Council and Homes for Haringey for further periods between three to 5 years, but not so as to extend the Term by more than five years in total as indicated under the provision of Clause 62.
- 4.3.2. A final report is presented to Cabinet by December to set out the details of the changes/amendments made to the management agreement for consideration and approval.

5. Summary

5.1 Decent Homes programme review of Year 1.

The success of the Year 1 programme can be measured by performance against the following key indicators:

- 5.1.1. 1,555 tenanted homes have been brought up to the Decent Homes Standard and works carried out to 367 leasehold units. This equates to 99% against the programmed target.
- 5.1.2. As at 31st March 2009, the overall level of non-decency has been reduced to 36.4% against the CLG agreed target of 36%.
- 5.1.3. Total expenditure in Year 1 was £29m against a year end profile of £29.5m or 98%.
- 5.1.4. Resident satisfaction averaged at 97% across the 4 contract areas. This can be broken down as follows: Hornsey 94%, Wood Green 97%, South Tottenham 100% and North Tottenham 98%.
- 5.1.5. The number of residents declining works in Year 1 was 63. These are defined as cases where either; contractors have been able to carry out essential works, such as double glazing and rewiring, but where the tenant has declined kitchen and/or bathroom improvements; or cases where no essential works have been identified but the tenant has declined kitchen/bathroom improvements. We have written to residents who have refused works to confirm their reasons for refusal. When refusal is due to difficult personal circumstances, e.g. illness or bereavement, they have the option to ask to be reinstated in the programme at a later date.
- 5.1.6. The number of 'no access' is 62. This includes cases where no access has been provided for either surveys or works. We have dedicated staff in the Asset Management team who are working with local Tenancy Management officers, the contractors and residents on an individual basis to try and resolve 'no access' cases where possible. We have a legal right of access, and will instruct Tenancy

Management accordingly to instigate appropriate legal action on the basis of breach of tenancy where appropriate.

5.1.7. Against the total number of units where access has been gained (over 5,000) the no access concerns are comparatively low and being managed.

5.1.8. The number of complaints received during Year 1 was 92, 47 of which were stage 0 complaints, 41 stage 1, and 3 stage 2. The majority of complaints are not about the actual works being undertaken as part of the Decent Homes programme. In many instances residents were complaining about repairs issues or when they are to be included in the programme. This low figure is testimony to the efforts made by the various site teams to resolve residents concerns before they feel a need to complain.

5.1.9. To date there has been one health and safety reportable incident. The contractors are responsible for the health and safety of their work force, and not the Council, and operate under the relevant regulatory requirements

5.2 Homes for Haringey Inspection Preparation

5.2.1. Homes for Haringey are due to be re-inspected by the Audit Commission in May or June 2010 (the Audit Commission are yet to confirm their 2010 schedule). This report outlines our preparation plans to achieve at least a two star outcome and which will in turn facilitate the continued release of Decent Homes funding.

5.2.2. Homes for Haringey have commissioned an advice and assistance inspection of the cross-cutting KLOEs by the Audit Commission for October 2009. This mock inspection would be from 19th to the 30th October 2009.

5.2.3. Project management: a project team has been created comprising key officers in Homes for Haringey, the ALMO client team, and the Council's Policy and Performance Team. This team has been in place since June 2009. A project plan is in place and the project team is meeting monthly to review progress and ensure the project remains on track.

5.2.4. The high level milestones for this project are as follows:

End July 2009 – update Self Assessment

End August 2009 – collate/validate "As Is" evidence

August – December 2009: live updating of self assessment/evidence collection

January 2010 - Inspection ready

Late Jan/February 2010 – ready for on-site mystery shopping by inspectors

February/March 2010 – Document Request

April/May 2010 – staff briefings, mock interviews, final preparation June 2010 – inspectors on site

10 weeks post inspection – provision of further evidence, response to draft report

+12 weeks – final report published

5.2.5. Progress to date: the following activities have either taken place or are scheduled to take place by 8 September 2009. The self re-assessment against all Key Lines of Enquiry (KLOEs) to be inspected is complete. HfH has arranged 2 KLOE challenge days – scrutiny and challenge of officers by the Chief Executive and Executive Management Team is complete. Best practice visits and research to ALMOs including Brent, Barnet and Islington now completed. Team plans updated and resources directed accordingly is complete. A year long programme of internal

auditing and reality checking is still on-going. Self assessment updated is still pending. Collation and verification of evidence to support "As Is position" is pending. The appointment of appropriate person/s to provide external challenge on the cross-cutting KLOEs and areas previously identified as weak is still pending. A series of workshops with frontline services to refocus on cross-cutting KLOEs is pending.

5.2.6. During Quarter 3 (October – December 2009) evidence collection and updating of our Self Assessment will take place. Once the results of the mock inspections are received we will review our improvement plans accordingly. During this period we will also step up our internal communications and reality checking programme.

5.2.7. We will commence external communications in January 2010 and step up arrangements for getting staff and key delivery partners inspection-ready.

5.3 Review of the Management Agreement

5.3.1. In April 2006, Haringey Council (Haringey) entered into a 5 year Management Agreement with Homes for Haringey (HfH).

5.3.2. The Council retained responsibility for strategic issues and delegated the responsibility for the Housing Revenue Account, management and maintenance of the Council's housing stock for which a management fee is paid - to deliver improvement to all council homes and to meet the 'Decent Homes' standard in Haringey. This agreement secured Government funding of £198m, for the purpose of delivering decent homes. Homes for Haringey have entered the fourth year of the agreement and a review is on going.

5.3.3. Under the provision of Clause 62 the Agreement shall expire on **31st March 2011**, **12 months notice is required** to extend or end the contract, which falls on **31st March 2010**, and these provisions allow for extensions of further periods between three to 5 years, but not so as to extend the Term by more than five years in total.

5.3.4. The review of the Management Agreement with Homes for Haringey is timely for a number of reasons:

5.3.5. Homes for Haringey achieved 2* rating when last inspected – May 2007.

5.3.6. Re-inspection of Homes for Haringey is due next year.

5.3.7. Homes for Haringey is well placed to play a significant role in delivering the Council's housing strategy and to continue to deliver housing management to tenants and leaseholders. There are areas that it has performed well such as gas servicing, repairs and progress towards delivering decent homes to tenants and leaseholders.

6. Chief Financial Officer Comments

6.1 The Council has been allocated a Decent Homes funding allocation of £198.579m for the period 2007/08 to 2013/14 including £11.4m for environmental improvements. Funding, however, has only been confirmed up to 2009/10 and subsequent years are indicative; these are likely to be considered in the Government's Spending Review for 2010, and are also subject to Homes for Haringey retaining two stars in its inspection in 2010. A Decent Homes Programme Board has now been established to oversee the on-going programme of work within

available resources (first meeting on 30th July 2009).

6.2 A report to Cabinet on the 24th February 2009 set out proposals for Years 2-5 of the Decent Homes Programme from 2009/10. This report raised the possibility of providing a pitched roof in the place of an existing flat roof that needs replacing. It was proposed that a whole-life costing benefit analysis is carried out in these circumstances and that appropriate funding should be identified. DCLG guidance gives sufficient flexibility for local decisions to be made for using Decent Homes resources for converting flat roofs to pitch where appropriate and subject to the availability of resources.

6.3 This report also describes the establishment of Project Board arrangements to oversee a review of the current Management Agreement between the Council and Homes for Haringey. The review will consider and make recommendations on the length of the extension up to a maximum of five years. Other than the cost of staff time, there are no direct financial implications arising in undertaking this review.

6.4 Following completion of the review, it is intended that any changes to the Management Agreement are considered and approved by Cabinet before 31st March 2010. A further report, currently scheduled for December 2009, will need to set out the financial implications, if any, of proposed changes to the Agreement.

7 Head of Legal Services Comments

7.1 The Head of Legal Services has been consulted in the preparation of this report, and advises that no specific legal implications arise out of the contents.

8. Head of Procurement Comments.

8.1 Not Applicable.

9. Equalities and Community Cohesion Comments

9.1 Homes for Haringey's Asset Management Strategy, 2007/2017, covers all investment in the Council's housing stock, including decent homes. In drawing up the Strategy, an Equalities Impact Assessment was undertaken. The findings have been incorporated into Homes for Haringey's planning processes for delivering decent homes. This includes ensuring that all residents receive the same standard of work, and consideration of specific language and other needs are identified and addressed when drawing up programmes of work.

9.2 Diversity is one of the cross-cutting Key Lines of Enquiry, and inspectors will therefore look for application in each frontline service area as well as scrutinising the corporate approach. All senior managers have considered diversity as part of their recent self-assessments and we have an action plan to address our identified gaps against this KLOE.

9.3 Equalities and diversity is a cross-cutting theme in the management agreement review framework. Homes for Haringey Board have adopted the Council's Equalities and Diversity policy and this will be an area for review in 2009/10.

9.4 Homes for Haringey ensures that they understand the profile of residents in order to deliver appropriate services and using the information they collect and analyse using it to tailor services and inform business planning.

10. Consultation

10.1 Not Applicable

11. Service Financial Comments

11.1 The Decent Homes funding has only been confirmed up to 2009/10; £66.5m (£7m for 2007/08, £28m for 2008-09 & £31.5m for 2009/10). Although the 2010-11 and future years funding is still be confirmed, CLG has approved £6.5m accelerated funding from 2010-11 to the current year.

11.2 The spend on the programme in year 2008/09 was some £29.5m.

11.3 There is a review of the Management agreement underway and due to be reported later in the year. The financial implication of any changes will be included in the report.

11.4 All costs relating to the HfH inspection are charged to their company accounts.

12. Use of appendices /Tables and photographs

12.1 None

13. Local Government (Access to Information) Act 1985

13.1 A number of background documents applicable.

13.2 Homes for Haringey Re-inspection Project Plan

14 Background to the Decent Homes Programme

14.1 The requirement for all local authority homes to meet the Decent Homes Standard was set out by The Office of the Deputy Prime Minister (ODPM) now known as Department for Communities and Local Government (DCLG) in February 2003.

14.2 The Decent Homes programme is a long term programme of major investment to bring all tenanted homes up to a decent standard. Environmental improvements, including sustainability issues, may represent up to 5% of the overall programme.

14.3 In February 2007, following a robust and extensive partner selection

process, administered by Homes for Haringey, four constructor partners were appointed in accordance with the Council's procurement procedures.

- 14.4 In January 2008, the Department of Communities and Local Government (DCLG) confirmed the Council's overall indicative decent homes funding allocation in the sum of £198.579m. This includes £11.4m earmarked for environmental projects.
- 14.5 Works undertaken as part of the programme include: the installation of double glazed windows, front entrance doors, roof works, renewal of fascias, soffits and rainwater goods, rewiring and heating; kitchen and bathroom refurbishment.
- 14.6 As at 1st April 2008, 6,819 or 42% of council homes were deemed to be non-decent. In addition, we need to address homes with the potential to fall into non - decency during the 5 year delivery period for the decent homes programme. We estimate that approximately 11,500 homes will benefit from the overall programme. The definitive number will be dependent on the outcome of detailed surveys, access and refusals, and resident aspirations.
- 14.7 The first year of the Decent Homes programme, involving 36 packages of work costing a total of £34m, commenced in April 2008.
- 14.8 The proposed programme for Years 2-5, was approved by Cabinet in February 2009.
- 14.9 Year 2 of the programme is well underway with works on site in each of the 4 contract areas.
- 14.10 This report provides an analysis of Year 1 delivery.

15. Learning and Development – Decent Homes Programme

- 15.1 With good progress being made on the delivery of the first year of the programme, including high levels of resident satisfaction, we have now have an opportunity to reflect on lessons learnt, and what improvements can be made for future years.
- 15.2 Issues identified include the need for greater pre-planning to deal e.g. with residents not providing access or refusing to have the works carried out. Our Asset Management Resident Consultation team are working on these and other resident consultation and involvement issues, not only to ensure the smooth delivery of the programme, but also that resident's specific needs and preferences are fully considered.
- 15.3 One learning issue for Homes for Haringey, which has resulted in change for Year 2, is the reduction in number of work packages from 36 to 8, to improve efficiency and the manageability of the programme. Efficiencies can be achieved through economies of scale, by streamlining the approvals process, and reducing the number of reports, meetings etc.
- 15.4 We have also identified the need to continuously update and maintain accurate information systems including stock data, to facilitate the planning and implementation process.

- 15.5 One issue that has arisen relates to the Council's current policy on replacement of flat roofs with pitched roofs, where practical. The current funding profile was not designed to accommodate this. Homes for Haringey are, however, working closely with council officers to review the options to ensure that the full requirements of the programme can still be met, if we take this policy into account.
- 15.6 On June 6th residents, local members, Homes for Haringey, council staff and senior representatives of the contractor teams came together to reflect on delivery of the first year of the Decent Homes programme. The Year End Review event was well attended with a good cross-section of stakeholder representation. The event was opened by the Leader, followed by presentations from each of the decent homes partner delivery teams. From this resident priorities were identified and workshops held on Communications, Quality of Works and Added Value and Local Labour., Homes for Haringey will consider lessons learnt, what changes need to be made, and what new or further measures can be taken to assure resident satisfaction.
- 15.7 One of our aims is to ensure that the Decent Homes programme has a lasting legacy which can support and help deliver wider objectives which will benefit our residents. This includes working closely with the Council and our partners to expand opportunities for local employment initiatives.
- 15.8 To this end Homes for Haringey organised a local jobs fair held in April 2009. This was a great success with over 400 people attending. The twin objectives of the day were to highlight employment and training opportunities for local people within the construction industry as well as support in accessing the above.
- 15.9 The constructor partners are actively seeking to employ local contractors and labour in each of their respective areas. Each of the contractors has agreed to take on 4/ 5 local apprentices with the initial intake starting college courses in August 2009.
- 15.10 A Partnering Day was held on 14th July 2009 and was successful in so far as it focused the project team on the key challenges facing the project in the coming years and started the process of meeting these challenges.

16 Performance and Monitoring

- 16.1 Contractor performance overall on year 1 of the programme has been good. Performance is measured against a series of key performance indicators (KPIs). These were developed in conjunction with the partnering team; including residents, and are based on industry standard KPIs. They include resident and client satisfaction, complaints, local employment, completions against programme and cost against profile.
- 16.2 All KPIs are reported on monthly, and form an integral part of the monthly performance report. This report is prepared by the compliance team partners and forms the basis of a review meeting with the strategic client representatives before overview at the strategic core group meetings.
- 16.2 Quality Assurance is included as a KPI and is overseen by the compliance

teams. Clerk of Works are engaged while projects are on site. On completion, they undertake quality inspections of both materials and workmanship and identify any defects which need to be addressed as part of the hand over process. All completed properties are subject to these checks and the findings reported on a monthly basis. Homes for Haringey officers also carry out spot checks during the works and attend a sample of the hand over inspections.

- 16.4 Homes for Haringey have a robust Risk Management Strategy in place for delivery of the decent homes. A risk register is in place for each of the four contract areas and is reviewed as part of the monthly monitoring and reporting procedure.

17 Supported Housing

- 17.1 The supported housing stock was not included in Year 1, pending the outcome of the Council's review into meeting future housing needs of older people in the borough.

18. Environmental Programme

- 18.1 In addition to the £11.4m available for environmental projects as part of the decent homes allocation, the Council earmarked capital receipts in the sum of £2m for 2008/09.

19. Sustainability TBC

- 19.1 Homes for Haringey have an Environmental Sustainability Strategy in place which supports the Council's Greenest Borough priorities. The objectives include improving the environmental performance of the Council's Housing stock and providing a cleaner and greener environment for residents. Through the delivering of Decent Homes and associated investment programmes we are improving the energy efficiency of homes. We are also installing water efficiency measures such as dual flush toilets and reduced flow taps.

- 19.2 We have been particularly successful in securing additional funding to support energy efficiency measures such as £1.4m from the Social Housing Energy Savings Programme (SHESP). Not only do such measure contribute to lower CO2 emissions but lower fuel bills for residents.

20. I.R.S

- 20.1. Since 2005, Haringey Council and Homes for Haringey (since its inception in 2006) have been replacing existing communal aerials with I.R.S which allows residents to receive Freeview, Sky, Sky Plus, and Hotbird and Turksat television channels with the appropriate equipment without installing their own satellite dishes. The decision to take this approach was made by the Housing Management Board in 2005. Homes for Haringey have recently re-tendered the work resulting in better value for money for residents. We request that cabinet ratify the decision made by the Housing Management Board so that the work can continue.

