

# Housing and Community Safety Scrutiny Sub-Committee

Tuesday 6 July 2010

7.00 pm

Town Hall, Peckham Road, London SE5 8UB

## Membership

Councillor Gavin Edwards (Chair)  
Councillor Poddy Clark  
Councillor Stephen Govier  
Councillor Claire Hickson  
Councillor Linda Manchester  
Councillor Wilma Nelson  
Councillor Michael Situ

## Reserves

Councillor Michael Bukola  
Councillor Paul Kyriacou  
Councillor Darren Merrill  
Councillor Martin Seaton  
Councillor Cleo Soanes

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### Contact

Karen Harris on 020 7525 0324 or email: [karen.harris@southwark.gov.uk](mailto:karen.harris@southwark.gov.uk)

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Members of the committee are summoned to attend this meeting

**Annie Shepperd**

Chief Executive

Date: 28 June 2010



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Tuesday 6 July 2010  
7.00 pm  
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## Order of Business

Item No.	Title	Page No.
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### **PART A - OPEN BUSINESS**

**1. APOLOGIES**

**2. NOTIFICATION OF ANY ITEMS OF BUSINESS WHICH THE CHAIR DEEMS URGENT**

In special circumstances, an item of business may be added to an agenda within five clear working days of the meeting.

**3. DISCLOSURE OF INTERESTS AND DISPENSATIONS**

Members to declare any personal interests and dispensation in respect of any item of business to be considered at this meeting.

**4. APPOINTMENT OF VICE-CHAIR**

To appoint the vice-chair of the sub-committee for 2010/11.

Nomination received: Councillor Linda Manchester.

**5. WORK PROGRAMMING AND SCOPING**

1 - 3

**6. DISCUSSION WITH STRATEGIC DIRECTOR OF ENVIRONMENT AND HOUSING ON KEY HOUSING ISSUES**

4 - 10

**DISCUSSION OF ANY OTHER OPEN ITEMS AS NOTIFIED AT THE START OF THE MEETING.**

### **PART B - CLOSED BUSINESS**

**Item No.**

**Title**

**Page No.**

**DISCUSSION OF ANY CLOSED ITEMS AS NOTIFIED AT THE START  
OF THE MEETING AND ACCEPTED BY THE CHAIR AS URGENT.**

Date: 28 June 2010



## Scrutiny review proposal

- 1 **What is the review?**
- 2 **What outcomes could realistically be achieved? Which agency does the review seek to influence?**
- 3 **When should the review be carried out/completed?** i.e. does the review need to take place before/after a certain time?
- 4 **What format would suit this review?** (e.g. full investigation, Q&A with cabinet member/partners, public meeting, one-off session)
- 5 **What are some of the key issues that you would like the review to look at?**
- 6 **Who would you like to receive evidence and advice from during the review?**
- 7 **Any suggestions for background information? Are you aware of any best practice on this topic?**
- 8 **What approaches could be useful for gathering evidence? What can be done outside committee meetings?**  
e.g. verbal or written submissions, site visits, mystery-shopping, service observation, meeting with stakeholders, survey, consultation event

**SUGGESTED TOPICS FOR SCRUTINY 2010-11**

<b>Committee</b>	<b>Topic</b>
<b>Overview &amp; Scrutiny</b>	
	Use of consultants and temporary staff – VFM of consultants
	Review of local and general election process
	Performance of Customer Service Centre
	Joint service delivery with Lambeth
	Customer care
<b>Regeneration &amp; Leisure</b>	
	Fairness of distribution of resources incl S106
	Progress of Canada Water scheme/overspend on Canada Water library
	Planning policy on tall buildings
	Car parking policies – impact on local businesses
	Management and delivery of small and large regeneration projects
	Housing investment
	Empty shop units
	Sports development for disabled & older people & other disadvantaged groups
	Access to employment
<b>Housing &amp; Community Safety</b>	
	Anti Social Behaviour
	Noise
	Who controls shared spaces on estates – green areas, tenants halls
	Use and cost of CCTV
	Leaseholder service charges
	Student accommodation
	Community safety
	Repairs
	Housing transfers and overcrowding
	Estate parking

<b>Health and Adult Social Care</b>	
	Substance misuse services
	Older people's services
	Tackling isolation for older people and vulnerable adults
	Health inequalities strategy
	NHS Southwark services
<b>Environment, Transport, Communities &amp; Citizenship</b>	
	Community cohesion for marginalised groups
	How the council involves local people in service delivery and planning and choosing service development
	Equality of opportunity for local people in accessing council programmes
	The edges of the borough – how do neighbouring councils work together to ensure that boundary areas receive high quality services? Fly tipping, street cleaning, repairs, traffic scheme management
	TfL - Quality of bus services across the borough, integration of local transport systems
	Voluntary sector funding
	Allotments
	Borough high Street
	Recycling targets
	Roadworks
	Lack of community facilities
<b>Education and Children's Services</b>	
	Childhood obesity
	Kingsdale School admissions policy (NB this is a foundation school - unlikely that the council has any influence – Shelley Burke)
	Primary school places and administration of admissions process
	Teenage pregnancy
	Youth provision and engagement - how will devolved commissioning work?
	Academies
	Parenting support
	Services and support for disabled children

<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> 6 July 2010	<b>Meeting Name:</b> Housing and community Safety Scrutiny Sub-Committee
<b>Report title:</b>		Briefing for Housing Repairs Service	
<b>Ward(s) or groups affected:</b>		Borough wide	
<b>From:</b>		Strategic Director of Environment and Housing	

### Introduction

1. The Repair & Maintenance service provides undertakes day-to-day repair work to the Councils stock of 55,000 properties. The stock covers a mix of high and low density blocks within estates, and adopted street properties. Typically the service delivers around 120,000 repairs per year. The repairs are both internal and communal repairs around trades including plumbing, carpentry, electrical, roofing, drainage, plastering and void properties. The RM2009 contract is let to Southwark Building Services (North) and Morrison Facilities Services (South).
2. Contracts for Heating, Lifts, Estate Lighting, Door Entry, Dry Risers, Lightening Protection, and TV Aerials are managed separately by our Engineering and Compliance team.

### New Repairs & Maintenance Contract

#### Background

3.
  - Commenced 3<sup>rd</sup> June 2009
  - Providing day-to-day, emergency and out of hours repair & maintenance (plumbing, roofing, carpentry, electrics, wet trades, void works etc.)
  - Let for 7 years with option to extend for further 3 years
  - Let via 4 packages on a geographical basis (north, east, central & south), plus temporary accommodation
  - Southwark Building Services provide services for north (Borough/Bankside and Walworth & east (Bermondsey and Rotherhithe)
  - Morrison provide services for central (Camberwell and Peckham), south (Dulwich and Nunhead/Peckham Rye) & temporary accommodation

#### Key Aspects of the contract

4.
  - Service provider performance is easily measured and linked to a penalty/reward system.
  - Two service providers with clear areas of responsibility matching the Housing Areas.
  - Updated ways of handling repairs already tested with both contractors incorporating improvements in working practices e.g. Optitime resource scheduler
  - Single first point of contact to report repairs and check progress (real-time)
  - Ability to review individual costs annually

- Development of partnering within the contracts to allow flexibility to respond to service needs,
- Greater efficiency through innovation is encouraged, the financial proceeds of which can be shared.
- Open-book accounting will lead to greater transparency in financial arrangements and to charging based more on the real costs of delivering a repairs service.

### Benefits to customers

5.

- Service is already demonstrating improved performance against key indicators
- It will provide a better value, and will be cheaper in the long run
- Poor performance trends will be spotted early to allow early corrective action to be taken.
- Operatives will be able to vary works and make new appointments while they are still with the tenant.
- The number of repairs completed on the first visit will increase as operatives will be able to vary jobs and get permission to increase costs without leaving the property
- Single point of contact for all residents to report a repair and chase progress.
- All repair appointments other than emergencies will be appointed and the tenant will be sent SMS reminders
- Swifter responses to questions and complaints

### Performance Indicator examples

Performance Indicator	Target	Actual 2009/10
Resident Satisfaction with overall Repairs service	90%	90.32
Resident Satisfaction with Contractors (KPI1)	90%	94.20%
Percentage of Emergency Orders commenced and completed on time	95%	94.76
Percentage of Code 2,3 and 4 Orders commenced and completed on time	95%	91.63%
Percentage of Appointments made and kept	90%	99.60%
Percentage of response repairs (Composite SODs) completed on first visit	90%	79.60%
Average number of days to complete all repairs	7.5	7.37
Average call waiting time at CSC	1 minute	1min 16 seconds

### Current Performance Concerns

6. Whilst the KPIs highlighted above look relatively positive, we have concerns around a number of areas, including;
- Increased pressure on a reduced R&M budget
  - Level of overdue works orders
  - Quality of repair in some trades
  - Call handling performance by Customer Service Centre



7. We anticipate that Housing Management will be subject to an Audit Commission inspection sometime in the near future. In preparation for this we recently commissioned an external audit of our Repairs service.
8. The inspection highlighted a number of areas that require improvement, and we have produced an action plan to address the identified gaps.

### **Ordering Process, appointments and scheme of authorisation**

9.
  - a) Customer calls Customer Service Centre to report the need for a repair (approximately 80% of works orders are generated via the call centre)
  - b) Customer Service Representative (CSR) diagnoses concern and raises repair
  - c) system generates Works Order during the call
  - d) CSR makes appointment with customer during first call,
  - e) system provides notification via text/Letter, (including two text reminders)
  - f) Contractor attends job at appointed time (AM/PM/school run)
  - g) Variations up to authorised limit are handled by contractor straight away,
  - h) Variations over prescribed limit or any follow-on work will be scheduled by Repair Control Centre (this is a joint team of CSC, E&H and Contractor staff working at the CSC).
  - i) Upon completion of repair, the Works Order is closed by Contractor staff,
  - j) Within 2 hours of Works Order closure, a call back is attempted to the customer to conduct post-inspection Quality surveys,
  - k) When customer responses indicate satisfaction then the data is collected and reported to Housing monthly.
  - l) When the customer response indicates;
    - the job is not complete,
    - the quality is not satisfactory, or
    - the overall assessment of the end-to-end repair process is unsatisfactory, then reports are automatically provided to the Housing Officer in the RCC the next business day for review and remedy. The Client Officer may;
      - 1) require the contractor to re-attend to complete the repair,
      - 2) speak with the resident to better understand the reason for the perception of quality, or
      - 3) review the specific area of dissatisfaction and provide input to the relevant parties for corrective action.

### **Monitoring**

10. The contract is monitored through a number of different processes;
  - Customer call backs on all repair orders raised via the CRM system (including heating/hot water jobs)
  - Post inspection now 800 jobs per month by Technical Officers
  - Contractor tasked with undertaking post inspection of 20% of jobs per month by contractors (approx. 1200 each)
  - Audit of orders by Quantity Surveyors (physical and desktop analysis)

11. Remedies available to address quality, completion and conduct issues;
- Default notice
  - Credit memo
  - Recovery of costs to reflect the loss incurred by the Council
  - Pass work to alternative contractor
  - Withdrawal of trades for continued poor work
12. The Quality survey call back process is intended to proactively identify where there is a breakdown in the service, and promptly take action to remedy the situation.
- This includes re-raising of Works Orders that are not completed to the Council's standards
  - Also includes explaining the Council's repairs process and obligations to the resident particularly when the residents expectations exceed the Council's obligations.

### **Restructure and Improvement plans**

13. Last year we commissioned a comprehensive review of how we deliver our contracts and technical services, and the proposals were subsequently developed. On 1<sup>st</sup> June this year a new business unit of Asset Management & Investment Planning (AMIP) came into effect within the Housing Management division. The AMIP business unit incorporates Investment, Repairs and Engineering Services.
14. The core aims to be delivered through the new structure include;
- a central asset management team focused on a comprehensive approach to the management of the property
  - change the client approach to fit in with the partnering approach across major works, repairs and engineering contracts
  - consistent contract management across all our contracts
  - improved cost control to achieve value for money in all contracts through the new Commercial Team
  - use performance information to drive improvements in services and improve resident satisfaction, led by the new Performance Team.
  - develop the 'Compliance' function, including FRA management
  - a transition programme that includes a workforce development programme
  - greater resident participation and input to the service through creation of a working party
  - develop partnering practices to drive down costs
  - centralised administration team to improve complaints and payment processes
  - improve commercial awareness and contract management skills within Repairs service

### **Contract management, inspection regime & complaints**

15. The recent restructure within Asset Management & Investment Planning will see us place an increased focus on the quality of our contract management to ensure that we deliver value for money, and hold contractors to account for their performance. The new R&M contract will see more and more challenging KPIs each year.

16. Out technical staff are to be directed, increasingly by the Commercial Team, towards undertaking more quality checks of works to address issues and improve contractor performance. Linked to this we plan to undertake greater analysis of the complaints that we receive in order to contribute towards shaping priorities, training, materials etc.
- Complaints now managed through the iCasework system
  - During the period 2009/10 there were 2405 official complaints registered to the Housing Repairs service
  - This included stage 1, 2, 3 and Ombudsman cases
  - 1700 cases were upheld or partially upheld
  - Proposed
  - Enquiries/issues also dealt with via general correspondence, emails, Customer Relationship Management (CRM), telephone calls

### **Mobile Working**

17. The development and use of mobile technology within Housing Repairs is two fold; for contractors and Technical Staff.
18. Both SBS and Morrison are looking to utilise handheld devices that connect their back office systems to Southwark's IT systems. SBS have already commenced with the technology for their emergency response team, and expect to roll out to all operatives by October this year. Morrison are a little further behind, and are currently scoping their requirement with ISD. They expect to be using handheld devices by the end of 2010/11.
19. Use of this technology will allow a number of benefits that include;
- Faster updating of systems to improve information flow for customers
  - Create efficiencies through reduced administrative actions
  - Improved completion rates (next job passed across upon completion of the previous one)
  - Improved personal security (GPS and in-built panic alert function)
20. The Repair & Maintenance service are hoping to introduce use of a device that will allow Technical staff access to the housing database by the end of 2010. There are a number of IT difficulties that we are trying to work through with ISD in order to ensure that the devices provide the appropriate benefits, to include;
- Ability to raise works orders whilst in a customers home, providing reassurance to residents
  - Check on previously raised works (to decide on appropriate actions)
  - Integration with resource diary system (Optitime)
  - Improved personal security (GPS and in-built panic alert function)
  - Email access
  - 20% more pre-inspections undertaken

<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> 6 July 2010	<b>Meeting Name:</b> Housing and community Safety Scrutiny Sub-Committee
<b>Report title:</b>		Briefing for Leaseholder Service Charges	
<b>Ward(s) or groups affected:</b>		Borough wide	
<b>From:</b>		Strategic Director of Environment and Housing	

1. Southwark Council, like most other landlords today, charges its homeowners “variable” service charges, as opposed to the “fixed” service charges paid by secure tenants.
2. This means that the service charges vary from year to year dependant on the cost incurred in delivering services required by the lease to the homeowners’ block or estate in any given year. So, for example, if many repairs are carried out to a block in a particular year or the trees on an estate are pruned, the service charges for homeowners in the block/ on the estate will rise. The service charges will however likely to be lower the following year as these services will not be required.
3. Variable service charges are governed by the rules set out in the Landlord and Tenant Act 1985 (as amended) inter alia:
  - Landlords must consult with leaseholders if procuring services for more than a year that are estimated to cost over £100 per annum (£250 for building works)
  - Service charges must be reasonable and can be challenged in the Leasehold Valuation Tribunal
  - Demands will be in a prescribed format and must be accompanied by statutory information.
4. The legislation allows and our leases dictate that service charges are demanded in advance. As a result, service charges are initially issued as an estimate. The estimated demand is then subject to an adjustment, which may be a credit or debit, once the actual costs are finalised.
5. Legally there is no distinction between an annual (revenue) service charge and a “one off” service charge in respect of Major Works. However because of the different funding, procurement and delivery processes Southwark (in common with other councils and ALMOs) bill these charges separately and have separate payment mechanisms.

Year	Rev., billed (£m)	Rev., collected (£m)	Maj. Works, billed (£m)	Maj. Works, collected (£m)
2004/5	9.7	7.4	11.0	4.7
2005/6	9.9	11.1	7.6	7.5
2006/7	12.6	12.3	7.2	7.6
2007/8	13.6	14.5	13.1	7.7
2008/9	16.4	17.4	8.2	8.1
2009/10	16.3*	16.3	5.2	8.0
<b>Totals</b>	<b>78.5</b>	<b>79.0</b>	<b>52.3</b>	<b>45.6</b>

Arrears

@31.3.10 **3.1m**@31.5.10 **11.3m** \*\*

\* Estimate

\*\*£6.8m covered by payment plans

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