

Ascham Homes Board Meeting

**PUBLIC**

Minutes of meeting held at  
Boardroom, Willow House, 869 Forest Road, Walthamstow, London E17 4UH  
Monday 16<sup>th</sup> May 2011

<b>Board Members:</b>		
Kellie Carson	KC	Apologies
Clare Coghill	CC	
Barry Coppock	BC	
Paul Douglas	PD	
Grace Igwe	GI	
Ahsan Khan	AK	
Paul Lowenberg	PL	
Annie Niner	AN	
Foluso Olomolaiye	FO	
Liz Ormston	LO	
Alan Siggers	AS	Apologies
Ron Tamcken	RT	Apologies
Michael Todd	MT	Late arrival 8:30
Wendy Wilson	WW	
<b>Staff</b>		
Madeleine Forster, Chief Executive	MF	
Ann Lucas, Procurement Adviser	AL	
Andrew Marsh, Head of Asset Management	AM	
Jo Murphy, Deputy Chief Executive	JM	Apologies
Kate Sinclair, Head of Business Transformation	KS	
Derek Young, Interim Director of Finance	DY	
Maxine England [Minutes]	ME	
<b>Others</b>		
Chris Baines, Interim Housing Client Manager	CB	
Paul Langford, Director of Housing & Safe & Strong Communities	PL	
Councillor Marie Pye, Council Member Representative	MP	

		Action
1.	<p><b>Welcome, Introduction, Apologies for Absence</b></p> <p>Apologies listed above.</p>	
2.	<p><b>Declarations of Interest</b></p> <p>None.</p>	
3.	<p><b>Public Interest Questions</b></p> <p>None.</p>	
4.	<p><b>Board Minutes</b></p>	
4.1	<p><b>Board – 15<sup>th</sup> March 2011</b></p> <p><u>Matters Arising:</u></p> <p>Page 3, Transforming Asset Management, Housing and Customer Services (Northwood Tower Concierge Post) – The Board noted that information is still awaited from the Council’s legal department.</p>	
4.2	<p><b>Chief Executive’s Report</b></p> <p>The Chief Executive took the Board through the contents of her report and advised the Board that she is to review the Corporate Manslaughter briefing appending to the report. The Board are to receive a note at their July meeting on the Executive and Non-Executive Board Member accountabilities. <b>Action.</b></p> <p><b>Decision:</b></p> <p>The Board noted the report.</p>	CE
4.3	<p><b>Appointment of Independent Board Member</b></p> <p>A Board Panel formed from Members on the Governance &amp; Remuneration Committee shortlisted candidates and carried out interviews for a new independent Board member with Human Resources expertise. They recommend that Howard Cresswell be appointed to the Board. The appropriate notice was given to the Council Member Representative seeking her approval of the appointment at the Board meeting. The Board noted that although</p>	

	<p>Howard could not attend the meeting tonight, he has attended Board training and an Induction session.</p> <p>In relation to the recruitment of an Independent Board Member who specialises in finance, the Board were informed that Campbell Tickell who were appointed to undertake a search on behalf of Ascham Homes, have identified a number of candidates, the Board recruitment panel has shortlisted and interviews are taking place on 18<sup>th</sup> May.</p> <p><b>Decision:</b></p> <p>The Board recommended the appointment of Howard Cresswell as an Independent Board Member and The Council Member Representative approved the appointment.</p>	
<p><b>5.</b></p>	<p><b>Strategy</b></p>	
<p><b>5.1</b></p>	<p><b>Stock Options Appraisal</b></p> <p>The Board were reminded that a previous report had been presented to them regarding the process and Ascham Homes' involvement. This report updated the Board on the next stage of the process and the Board noted that a wide range of options had been considered, which had now been narrowed down to the following 5 as a result of the evaluation:</p> <ol style="list-style-type: none"> <li>1. Stock transfer to a Community Ownership Organisation (CoCo);</li> <li>2. Long Term Management Agreement with private sector organisation;</li> <li>3. The modernised ALMO;</li> <li>4. Integrate the service back to the Council; and</li> <li>5. A Borough-wide Tenant Management Organisation (TMO).</li> </ol> <p>In terms of option 3, the Chief Executive advised that Ascham Homes is developing an offer and this is to be discussed with the Board at a later stage. Ascham Homes is continuing with the approach to win hearts and minds by transforming the organisation and part of doing that will involve 2 important events. These are:</p> <ol style="list-style-type: none"> <li>1. An Outreach Day on 22<sup>nd</sup> June, where all staff will go out to meet residents;</li> </ol>	

	<p>2. A residents' conference 2<sup>nd</sup> July. This is to be the official launch to residents of Ascham Homes' Neighbourhood Management approach.</p> <p>Invites will be sent to the Board inviting them to both events.</p> <p>Alongside these 2 events, the Head of Business Transformation has been tasked with reviewing the way in which Councillor enquiries are dealt with.</p> <p>The Council is working with Ascham Homes through talking to the resident panels and other resident forums. Discussions with residents will be held between June and September.</p> <p>The Board expressed some concerns about elements of the cost model presented in the consultant's report. The Chief Executive indicated that the interim Director of Finance was examining the financial model in detail and will be reporting to the Board in this. It will be included in his Board financial training event in June. <b>Action.</b></p> <p><b>Decision:</b></p> <p>The Board noted the report and endorsed the approach to "winning hearts and minds". The Board also agreed to consider proposals from the Chief Executive for the Ascham Homes' offer at the newly scheduled Board meeting on 8<sup>th</sup> June (prior to the start of the training event). <b>Action.</b></p>	<p><b>IDoF</b></p> <p><b>CE</b></p>
<p><b>5.2 &amp; 5.5</b></p>	<p><b>Review of the Delivery Plan 2010/11 and Progress Against the Audit Commission Recommendations</b></p> <p>It was agreed to consider these two reports together as they complement one another.</p> <p>The Decent Homes programme delivery is seen as a major success, with significant savings being achieved and over 1,000 additional homes having works delivered than targeted in the original programme. Due to the withdrawal by Government of the final year's decent homes money, the Council and Ascham Homes are now developing a strategy to fund and complete the programme which will be the subject of a future report to Board. <b>Action.</b></p> <p>The Board commended the Executive in its effective management of the budget which will result in a small surplus in the 2010/11 accounts and £300,000 being available in the 2011/12 for priority objectives not previously approved. The Board agreed that this should be made</p>	<p><b>HoAM</b></p>

	<p>available as part of the funding strategy for completion of Decent Homes works.</p> <p>The Board commended the Executive on the improvement in reputation achieved over the year. This is reflected in feedback from residents, community leaders and Councillors commenting that they are seeing a difference. The positive press reports are very encouraging.</p> <p>Progress in delivering the IT transformation has not been delivered to timescale. This is now being effectively managed and the partnership with the Council is being put in place. This is further addressed in item 5.3 on the agenda.</p> <p>Executive reported that a review of the rents and leasehold teams will be undertaken and reported to September Board including appropriate integration with the neighbourhood management strategy. <b>Action.</b></p> <p>The Board noted initial action on environmental improvements due such as the recycling initiative for the high rise blocks. A co-ordinated strategy will be presented later in the year and the major public realm schemes for Tenby Court and Attlee Terrace are being progressed.</p> <p>The Chief Executive spoke about the Audit Commission Recommendations and said that a forensic piece of work has been carried out by staff this year and this acted as a good prompt to unblock some of the blockages. Out of the 71 actions, 61 have been completed. The proposal is to continue working on those not yet completed and report back through the Audit Committee and go to Tenants Council in July in order to get sign off as recommended by the Audit Commission. <b>Action</b></p> <p><b>Decision:</b></p> <p>The Board agreed the review of the Delivery Plan and agreed the Audit Commission report.</p>	<p>DCE</p> <p>CE</p>
<p>5.3</p>	<p><b>IT Strategy and Update on Actions Following IT Service Review Recommendations</b></p> <p>The purpose of the report was to inform the Board of progress in implementing the recommendations from the IT Service Review which was agreed by the Board at its January meeting. Following the amendment and sign off of the IT Strategy, the next step is to convene a Business Improvement Steering Group, to approve and manage the delivery of new projects within Ascham Homes. A new post is to be</p>	

	<p>created, Business Relationship Manager which will be the main link between Ascham Homes and the Council's ICT. The transfer of the IT service delivery to the Council is scheduled to take place in September/October. The Board noted that a more robust action plan will be set before them at their July meeting. <b>Action.</b></p> <p><b>Decision:</b></p> <p>The Board agreed the Strategy and action plan.</p>	<p><b>HoBT</b></p>
<p><b>5.4</b></p>	<p><b>Financial Regulations</b></p> <p>The Interim Director of Finance reported that the regulations have not been reviewed since October 2007 and this is an important part of the company's fabric. In future it will be reviewed and updated annually. The Interim Director of Finance indicated that Ascham Homes does not currently have a formal Scheme of Delegation. This will be brought to the September Board meeting. <b>Action.</b></p> <p>The Board commended the Interim Director of Finance and the Finance Team on the quality of the financial regulations and asked that this be shared with the team.</p> <p><b>Decision:</b></p> <p>The Board approved the Financial Regulations.</p>	<p><b>CE</b></p>
<p><b>6.</b></p>	<p><b>Performance</b></p>	
<p><b>6.1</b></p>	<p><b>Asset Management Update</b></p> <p>The Head of Asset Management advised the Board that Ascham Homes came in within budget during the last financial year. He highlighted three programme areas.</p> <p><u>Devolved MRA</u> - The total resources available for 2010/11, including amounts brought forward from previous years, was £1.9m. Of this, circa £450,000 was actually spent by 31<sup>st</sup> March (the reason for the delay was due to no contracts being in place until November and priority given to Decent Homes). Around £500,000 has been contractually committed (formally instructed to contractors) and will be undertaken in 2011. Around £500,000k has been earmarked for schemes agreed by residents (primarily door entry / security) and all are being / have been priced for Section 20 consultation. Executive recommended that these works form part of the 2011/12 capital</p>	

	<p>programme, but this is subject to final decision by the Council. Around £450,000 has not been as yet been allocated / earmarked to specific schemes. Ascham Homes have suggested that these funds go towards meeting the gap in funding to complete Decent Homes; this again is subject to final Council decisions on the capital programme.</p> <p><u>Fire Risk Assessments (FRA)</u> - A block by block schedule of timescales for FRA works was tabled. In 2010/11, FRA works was done where Ascham Homes was doing communal works under the Decent Homes programme. Outside of this, priority was given to high risk blocks, sheltered accommodation and hostels. All outstanding blocks outside of the Decent Homes programme are being priced by contractors, prior to Section 20 consultation, and wherever appropriate are being programmed to be done in conjunction with other works. All works identified by initial FRAs will be completed by March 2012 and all blocks will have had updated assessments which include timescales for re-assessment based on risk assessments.</p> <p><u>VOIDS</u> – The Head of Asset Management presented the Board with a document detailing void performance. He noted that performance was below target in March and April but significant improvement has been achieved in May and he is confident that voids will now be delivered to target.</p> <p><b>Decision:</b></p> <p>The Board noted the report.</p>	
<p><b>6.2</b></p>	<p><b>Re-Procurement of Repairs &amp; Maintenance (R&amp;M) Contracts</b></p> <p>The Board noted that this report was presented at the Scrutiny Committee, which took place last week. The Chair of the Scrutiny Committee advised the Board that Committee Members held a lengthy discussion about the contents of the report, the main part of the discussion was around the fact the action plan timetable looked to be very tight.</p> <p>A further part of the discussion was around resident input and Committee Members noted the proposals for setting up a panel for residents to be able to discuss what their requirements are.</p> <p>In the discussion of the R&amp;M strategy, the Council Member Representative identified the need to have clear measures related to the success factors and to monitor and report on these as part of performance reporting. <b>Action.</b></p>	<p><b>HoBT/HoAM</b></p>

	<p>It was agreed that the following addition should be made to the Strategy:</p> <ul style="list-style-type: none"> <li>■ Add to strategic aims – Maximise the potential for local employment, training and community engagement through our maintenance expenditure.</li> <li>■ Add under Objective 8 (To ensure the Repairs &amp; Maintenance Strategy complements the Equality &amp; Diversity Strategy) an additional point: “ensure that local employment, training and community engagement are key deliverables under the new R&amp;M contract(s) and where appropriate are integrated into the procurement decision-making process and then monitored throughout the contract.</li> <li>■ Under success measures this point should read: “develop specific deliverables through the contract and the core group and report annually on outcomes. <b>Action.</b></li> </ul> <p><b>Decision:</b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>■ Agreed the Repairs &amp; Maintenance Strategy with the additions set out above;</li> <li>■ Agreed the governance arrangements set out in Section 4.2 for the re-procurement project; and</li> <li>■ Agreed that the Scrutiny Committee review performance against the success measures at appropriate intervals. <b>Action.</b></li> </ul>	<p>DCE</p> <p>DCE</p>
<p>6.3</p>	<p><b>Balanced Scorecard Quarter 4 2010/11</b></p> <p>The report provided the Board with an overview on the year-end position of Ascham Homes’ performance for Quarter 4, 2010/11. It also set out a complete set of targets for the 2011/12 scorecard.</p> <p>The Board indicated that it requires a change in the form of written presentation of the scorecard report, so that it is easy to read and understand and text is of an appropriate size. <b>Action</b></p> <p>The Head of Business Transformation reported a few changes to the 2011/12 from those in appendix 1. These are:</p> <ul style="list-style-type: none"> <li>■ P2 - Average number of sick days per year – target should read</li> </ul>	<p>HoBT</p>

	<p>less than 8 days</p> <ul style="list-style-type: none"> <li>■ D4 - % of closed resolved cases for ASB – target should read 90%.</li> <li>■ D6 - % of Council housing stock failing to meet the decent homes standard by March 2012 – to be determined once the Council agrees the final 11/12 capital programme. [This will be reported to the July Board meeting.] <b>Action.</b></li> </ul> <p>The Board raised the following question on the performance outturn:</p> <ul style="list-style-type: none"> <li>■ Why were 13% of ASB cases closed without an effective outcome being achieved? It was agreed that a report should be presented to July Board reviewing this and identifying future best practice. <b>Action.</b></li> </ul> <p>The Board questioned why a 75% performance target for 11/12 on target P4 - % of staff who have achieved a satisfactory level or above in their appraisal was appropriate.</p> <p>The Chief Executive said that as this was going to be the first year of the new performance management scheme, it was an appropriate target, but that as the new neighbourhood management structure was embedded she would expect to see the target for this increased significantly next year. It was agreed that the Board would receive a reportback on what industry standards there are on this aspect of performance management and how this compares to the 11/12 75% target. <b>Action.</b></p> <p>The Council Member Representative indicated that the Ascham Homes' presentation to the Council's Scrutiny Committee in June needs to demonstrate the improvements being made and the action in place where there is under-performance. <b>Action.</b></p> <p><b>Decision:</b></p> <p>The Board agreed the revised targets.</p>	<p>HoBT</p> <p>DCE</p> <p>HoBT</p> <p>CE</p> <p>EMT</p>
<p>6.4</p>	<p><b>Revenue Outturn 2010/11</b></p> <p>The Interim Director of Finance advised the Board of the 2010/11 revenue outturn position. He noted that the anticipated net surplus now looks to be £38,000 rather than £14,000 as stated paragraph 2.1. He also indicated that in paragraph 4.1.3 the full cost of change management should read £810,000 not £754,000.</p>	



**Move to Exempt Business**

A Board Member proposed the move to Exempt Business and to exclude the public.

**Paul Lowenberg - Chair of the Board**

**Signed** \_\_\_\_\_

**Dated** \_\_\_\_\_

<b>Date:</b> 11 <sup>th</sup> July 2011	<b>Ascham Homes Board</b>	<b>Agenda Item: 5.1</b>
<b>Appointment of Independent Board Members</b>		<b>Status:</b> <b>Public</b>
		<b>Information</b>
<b>Author: Madeleine Forster, Chief Executive</b>	<b>Telephone: 020 8496 4048</b>	

## **1. Purpose of Report**

- 1.1 To update members on the recruitment of to the remaining Independent Board Member vacancy.

## **2. Executive Summary**

- 2.1 A Board panel interviewed candidates for the Independent Board place with particular financial skills. Ben Newton was the successful candidate.

## **3. Recommendations**

- 3.1 Board is recommended to:

- 3.1.1 Invite the Council Member Representative to approve the appointment of Ben Newton as Independent Board Member of Ascham Homes.

## **4. Background**

- 4.1 The initial advertisement for an Independent Board Member with financial skills failed to attract candidates with a broad range of skills to enhance the Board's expertise under the new financial regime. As a result, proposals to assist in recruitment were sought from 3 appropriate companies and Campbell Tickell appointed to assist in the search exercise.
- 4.2 This resulted in 5 applications for consideration, and the Board panel consisting of Paul Lowenberg, Barry Coppock and Claire Coghill short-listed 2 applicants, who were interviewed in late May.
- 4.3 The panel recommended that Ben Newton be appointed. Ben has experience in both the private and social housing sectors, including working on

public/private pfi initiatives.

- 4.4 As we are not due an Annual General Meeting (AGM) for some months, there is provision for the approval of Independent Board Members at a general meeting provided at least 7 days notice is given to the Council Member Representative. That notice has been provided to Councillor Pye.

## **5. Risk Factors**

- 5.1 The risks of the Board not including a full range of skills to enable it to deliver an effective ALMO have been removed by this final appointment of an Independent Board Member.

## **6. Resource Implications**

- 6.1 There are no additional resource requirements.

## **7. Diversity Implications**

- 7.1 Recent appointments have significantly increased the diversity of Board membership. The broad range of skills now included in the Board means that Ascham Homes will be better able to deliver high quality and efficient services to its diverse customer base.

<b>Date:</b> 11 <sup>th</sup> July 2011	<b>Ascham Homes Board</b>	<b>Agenda Item: 5.2</b>
<b>Election of Resident Board Members</b>		<b>Status:</b> <b>Public</b>
		<b>Information</b>
<b>Author:</b> Madeleine Forster, Chief Executive	<b>Telephone: 020 8496 4048</b>	

## **1. Purpose of Report**

- 1.1 To inform the Board of the commencement of a campaign to recruit two new Resident Board Members.

## **2. Executive Summary**

- 2.1 The Resident Board Members for Areas 1 and 3 are now due for election, and the recruitment process, as agreed at the Board meeting in July 2010 will now begin. This should enable the recruitment of 2 new Resident Board Members by November.

## **3. Recommendations**

- 3.1 Board is recommended to:
- 3.1.1 Note the process for the recruitment to 2 Resident Board Member places will begin.

## **4. Background**

- 4.1 The Board agreed in July 2010 that Resident Board Members should serve a 3 year term (with a maximum of 3 terms), and outlined a process that applicants should undertake prior to standing for election, that includes attendance at a training session with other Board Members as well as attendance at a Board meeting. This process was successful in recruiting the 2 recent Resident Board Member appointments.

- 4.2 Under the new process for identifying which Resident Board Members are due for re-election (i.e. the ending of the 3 year term) the following dates apply:

<b>Contract Area</b>	<b>Board Member</b>	<b>Start of Board Membership</b>	<b>Start of current term</b>	<b>Date for re-election</b>
1	Barry Coppock	22.10.07		June 2011
2	Grace Igwe	09.12.10	09.12.10	December 2013
3	Vacant			
4	Annie Niner	17.10.06	09.11.09	November 2012
6	Foluso Olomolaiye	09.12.10	09.12.10	December 2013
TMO	Michael Todd	09.11.09	09.11.09	November 2012
Out of Borough	Ron Tamcken	01.12.04	09.12.10	December 2013

- 4.3 Two vacancies are due for recruitment, Area 1 and Area 3. (It is to be noted that Area 3 was one of the 3 posts that was due last year, and under the old rules was subject to random selection – which resulted in the selection of the area 7 post for re-election.) Barry Coppock is eligible to stand for a second term as he has only served one 3 year term.
- 4.4 The recruitment to both of these posts will formally begin after this meeting, with attendance of potential candidates at the September Board meeting, and elections completed during October.
- 4.5 This will be the second attempt to recruit to Area 3, and in addition to the (now) usual wide advertisement, we will be personally contacting residents on the Resident Involvement list as well as community contacts and local councillors to see if more interest can be developed. In addition residents from the affected areas who attended the Residents Conference on 2<sup>nd</sup> July will be contacted to invite them to consider standing.

## **5. Risk Factors**

- 5.1 There is a risk that we will fail to recruit to the vacancies, although we had considerably more interest in the most recent Resident Board Member elections than in recent history, and had contested elections in both cases.

## **6. Resource Implications**

- 6.1 The cost of recruitment is contained within budget provision.

## **7. Diversity Implications**

- 7.1 The Resident Board Members form the largest constituency on the Board, the recruitment campaign will particularly focus on the attempt to encourage the participation of younger residents.

<b>Date:</b> 11 <sup>th</sup> July 2011	<b>Ascham Homes Board</b>	<b>Agenda Item: 6.1</b>
<b>Council Recommendations on Stock Options – Development of a Modern ALMO</b>		<b>Status:</b>  <b>Public</b>
		<b>Information</b>
<b>Author:</b> Paul Lowenberg, Chair Madeleine Forster, Chief Executive	<b>Telephone: 020 8496 4048</b>	

## **1. Purpose of Report**

- 1.1. To consider the recommendations of the Council regarding housing stock options and agree principles for the Chief Executive and Chair in developing the modernised ALMO with the Council.

## **2. Executive Summary**

- 2.1. At the Board meeting on 16<sup>th</sup> May we received a report from the ALMO Chief Executive setting out the Council proposed approach to its stock options appraisal and in particular its decision on how to management the housing stock at the end of the Ascham Homes contract in April 2013. Discussions have moved on since that stage and the approach now being recommended to the July Cabinet by the Council Chief Executive is that the conclusion of their stock options assessment is: “the preferred option arising from this work is the development of a modernised ALMO which delivers a reduction in the cost of senior management and shared services with the Council.”
- 2.2. He recommends to the 12<sup>th</sup> July Cabinet to agree to: “the development of detailed proposals for a modernised ALMO, including an assessment of the efficiencies that could be secured in senior management and the scope to share services between the ALMO and the Council. The proposals arising from this work will be reported back to Cabinet in October.”
- 2.3. This report seeks approval of the Board to authorise the Chief Executive and the Chair to develop proposals in detail in partnership with the Council based on the key principles identified.

### 3. Recommendations

- 3.1. The Board authorises the Chief Executive and the Chair to develop proposals for a modern ALMO in partnership with the Council based on the principles set out in section 5.3 of the report
- 3.2. The Board receives a report back from the Chief Executive and the Chair at its September meeting on the progress regarding implementation of these proposals.

### 4. Background

- 4.1. At the Board meeting on 16<sup>th</sup> May the ALMO Chief Executive reported on the Council's stock options appraisal process and its recommendation to consult residents on five options in terms of future housing management of the stock. One of these options was a further contract with Ascham Homes, on the basis of a modernised ALMO.

- 4.1.1. Since that time however, the Council has given further thought and consideration to its report on this matter, which was appended to our CE's report at the last Board meeting. Its conclusion is that it does not consider it appropriate to consult on the five options set out in that report. Rather, given the improvement path in the ALMO over the past year and the good working relationships that we have developed, the recommendation it is putting to the July Cabinet is that the "preferred option arising from this work is the development of a modernised ALMO which delivers a reduction in the cost of senior management and shared services with the Council".

- 4.2. The Council reached this conclusion for the following reasons:

*"Of all the options considered, the modernised ALMO offers the lowest risk, the least associated cost, and a number of important benefits, both financial and non-financial, including:*

- *The opportunity to deliver a more seamless housing service while retaining the benefits that come from housing and neighbourhood management services being delivered by a separate organisation to the Council;*
- *Stability and certainty for the ALMO, which will help to ensure its performance continues to improve; and*
- *Retention – and strengthening – of the Council's influence over the services the ALMO provides to residents."*

- 4.3. The report concludes that: *"to proceed with the option of a modernised ALMO, it is now necessary to develop this approach in more detail – and, in particular, to consider how it can deliver efficiency through:*

- *Rationalising and/or sharing the cost of relevant senior management posts; and*

■ *Sharing services between the Council and the ALMO.”*

4.4. An officer working group is to be established to develop the proposals for a modernised ALMO and Cabinet is to receive a report in October setting out the changes required to deliver the modernised ALMO and secure its associated savings.

4.5. It is important that the Chief Executive and Chair have a clear steer from the Board in the development of these proposals so that the modernised ALMO outcome is developed in a clear, principled manner. Section 5 sets out a suggested set of principles for the development of the modernised ALMO.

**5. Key principles for the development of the modern ALMO and the associated new agreement between Ascham Homes and Waltham Forest Council**

5.1. It is essential in entering into detailed discussions and negotiations with the Council on the modern ALMO and a new management agreement that there is a clear joint understanding of the outcomes that are to be secured. We need to demonstrate the learning we have taken on board from the current management agreement and from the partnership we have developed with the Council particularly over the past year. We need to demonstrate how we are going to build on this to secure maximum service satisfaction for residents, partnership outcomes and value for money.

5.2. In going into the next stages of discussion we think it is important to have a steer from the board on the key principles going forward, these of course have not yet been agreed by the council but subject to board agreement would form the basis of discussions.

5.3. Key principles for the negotiation of a further management agreement between Ascham Homes and Waltham Forest Council based on providing a Modern ALMO solution for Waltham Forest.

5.3.1. The agreement should be for a term which is sufficient to ensure that the partnership will be able to realise its potential. Important elements of this are:

- delivering effective, service outcomes and value for money from the next stage of the partnership transformation;
- providing stability and certainty for the ALMO and the wider service partnership to secure maximum benefits;
- facilitating the most appropriate financial environment in which to operate the self financing HRA and investment in social housing in the Borough.

5.3.2. In developing the agreement there will be a review of the current boundaries between responsibilities undertaken by Ascham Homes and those undertaken by the Council based on the principle that in the modern ALMO agreement, Ascham Homes will have responsibility for delivering streamlined operational and customer services, with the strategic focus being provided by the Council.

This would be progressed in a timely, managed approach following advice from the ALMO Chief Executive.

- 5.3.3. The agreement will focus on the delivery of service outcomes, foremost of which will be securing high levels of resident satisfaction and achieving value for money.
- 5.3.4. There will be a review of risk allocation based on the principle that the party best able to manage the risk should assume it and this should be clearly recognised in the financial framework of the agreement.
- 5.3.5. Continuous improvement shall be built into the agreement.
- 5.3.6. Partnership working shall be at the heart of the agreement entailing Ascham Homes being seen as a partner of choice in the Borough.
- 5.3.7. In developing the shared service concept, the shared senior finance post should be finalised immediately with responsibility for the Housing Revenue Account and the Company Accounts, employed as Director of Finance for Ascham Homes and with seconded responsibilities to the Council.
- 5.3.8. The agreement shall have a clear mechanism for setting the annual management fee.
- 5.3.9. There shall be a break clause in the agreement that may be instituted either as a result of a fundamental service or financial failure or because the level of financial resources required to implement a specific Council strategy is unable to be achieved through the self financing HRA but is likely to be delivered through an alternative solution.
- 5.4. The Council Chief Executive is to report back to the Cabinet in October setting out the changes required to deliver a modernised ALMO and secure its associated savings. The ALMO Chief Executive will report back to the Board at our meeting on 26 September on the proposed changes and progress on heads of agreement for a new management agreement.

## **6. Financial Implications**

- 6.1. The intention in the development of the modernised ALMO and future partnership working with the Council is to secure efficiencies and financial savings while maximising services outcomes for residents. The detailed proposals will be presented in future reports.

## **7. Diversity Implications**

- 7.1. The proposal to develop a modernised ALMO will create the opportunity to deliver more streamlined and customer focused housing services to the residents of the Borough. The approach will follow both the Ascham Homes and Waltham Forest HR policies in delivering organisation change and will therefore ensure that statutory and good practice employment arrangements are applied.

## **8. Risk Factors**

- 8.1. The recommendation to Cabinet to develop a modern ALMO as the basis for future management of the housing stock offers an exciting and challenging opportunity for Ascham Homes. The Chief Executive will assess the risks involved in any proposed changes in service and/or financial arrangements and report them to the Board in due course.

<b>Date:</b> 11 <sup>th</sup> July 2011	<b>Ascham Homes Board</b>	<b>Agenda Item: 6.2</b>
<b>Chief Executive's Report</b>		<b>Status:</b> <b>Public</b>
		<b>Information</b>
<b>Author: Madeleine Forster, Chief Executive</b>	<b>Telephone: 020 8496 4048</b>	

## **1. Purpose of Report**

- 1.1 To summarise for the board the key themes addressed in the board reports, and to provide an update on other issues not covered in the reports.

## **2. Executive Summary**

- 2.1 This Board meeting focuses on the future of Ascham Homes, with notice that the Council is proposing to negotiate a new 'modern ALMO', and progress on customer facing and HR restructures. It updates the Board on the progress with our insurance claim on the matter of the LVT outcome, and seeks a waiver under the procurement rules for 2 specialist contracts.

## **3. Recommendations**

- 3.1 Board is asked to note and comment on this report
- 3.2 Board are asked to agree to:
- 3.2.1 Waive Procurement Procedure Rules in connection with the tenders for the procurement of the Leasehold Services Module of the Northgate Housing Management System; and
- 3.2.2 Waive Procurement Procedure Rules in connection with the tenders for the procurement of the Asset Management Module of the Northgate Housing Management System subject to there being a re-tender process.

## **4. Progress on re-shaping Ascham Homes**

- 4.1 The Neighbourhood Management review is now complete, and is going live on 2<sup>nd</sup> July. There are still a significant number of key posts to fill and

recruitment is underway. By the time of Board meeting the residents conference will have taken place and resident leaders updated and involved in developing our new approach.

- 4.2 The Board have received notification of the outreach day 'Ascham Connects', which I hope will be the first of a regular annual event. The aim is to understand what changes our residents would most like to see at Ascham Homes, to inform them of what we are doing in their neighbourhood, and to give all staff the chance to meet the people they are serving. I really hope that Board members take the opportunity to attend – you would be most welcome.
- 4.2 We continue to focus attention where critical issues arise, and the papers include details of action currently being taken to improve the service provided to leaseholders. The Board have been kept aware of the importance of the implementation of the leasehold service module, and the implementation of our neighbourhood management approach creates the opportunity to consider whether we could deliver better customer service by realigning that team.
- 4.3 The forward plan indicated that the Board would receive the outcome of a review of our legal services team. Work has been undertaken to look at this, but I wish to consider the available information and options further with the executive team and will therefore return to Board with proposals to take this forward in September.

## **5. Budget and performance issues**

- 5.1 The Capital programme agreed with the Council and the Board in February, anticipated the possibility of further funding from CLG to complete the Decent Homes programme, this was not forthcoming, and a revised budget has now been worked through with Council officers and is presented for Board approval.
- 5.2 The Balanced Score Card contains high level performance information to the end of May, a presentation will be made to the meeting drilling down beneath the indicators, and identifying programmes of action that are underway to improve performance.
- 5.3 At the last Board we reported that 13% of ASB cases were closed as "unresolved". "Unresolved" is a term used within Housemark benchmarking and refers to cases where there have been no further reports in a three month period AND the reported perpetrator of the ASB is either receiving ongoing social need support OR where there has been non legal intervention.
- 5.4 The significant majority of cases falling into this category relate to noise disturbance or nuisance. A year on year comparison shows that we have been successful in reducing the number of repeat offenders in this category.

## **6. Board training and Development**

- 6.1 Following the successful Board training on the new financial regime post HRA (Housing Revenue Act) reform, I am proposing to schedule an additional briefing/development session to look in particular at the Asset Management implications and choices to be made. This will take place prior to, and will help inform, the Board strategic awayday in November.

## **7. Procurement Waiver**

- 7.1 Under the Procurement Procedures Rules – Rule 10.1- all tenders over £50k require 4 tenders. We are currently tendering for two specialised contracts in connection with the introduction of new modules for the Northgate Housing Management System which were included in the 2011/12 budget and are essential to the ongoing improvement in our services.
- 7.2 The Leasehold Services Module was advertised and 5 contractors who had expressed a formal interest to tender were invited to tender. However, only 3 tenders were eventually returned. It is therefore proposed to ask the Board to waive the Procurement Procedure Rules (5.2 and 5.3) in this case. It is confirmed that the waiving of these rules will not lead to a breach of EU or UK Law.
- 7.3 In connection with the Asset Management Module a similar process had been followed but only 3 expressions of interest were received and invited to tender. However, only one tender has been received. It is therefore proposed to re-tender this contract. This is a highly specialised area and there are very limited organisations or individuals with the professional expertise. It is therefore probable that additional tenders may not materialise. We also wish to complete the introduction of this module in time for the commencement of the new financial year on 1<sup>st</sup> April 2012. If the re-tender process does not result in 4 tenders then the Board is asked to give permission for a waiver of the Procurement Rules but only on the basis that a re-tender is sought. If only one tender still remains after this process it is proposed to proceed with this tender but to consider the daily rates and the timescale in conjunction with the rates and timescale achieved for the Leasehold Service Module and to negotiate the price on this basis as the best way forward and to achieve value for money.
- 7.4 Both tenders are based on cost per day and number of days and it is considered that this is the best VfM approach. However we have also appointed a contracts Manager for these projects and they will be subject to a strict monitoring regime. Any extension to the proposed timescale accepted as part of the tender will require the approval of 2 EMT signatories one of whom is the Chief Executive or Deputy Chief Executive (Rule 21.2).

## **8. Corporate manslaughter**

- 8.1 Following the last Board meeting I agreed to get further advice on the specific responsibilities of non-executive board members. This will follow within the next week.

## **9 National Federation of ALMOs elections**

- 9.1 Since the last Board meeting, the National Federation of ALMOs has held elections for 2 vacancies on its Board. Two rounds of voting were held following a 3 way tie between South Essex Homes, Homes for Haringey and Hackney Homes. Following discussions with me, Paul cast Ascham Homes' votes for Homes for Haringey and Hackney Homes. Hackney Homes and South Essex Homes were successful in the ballot.

## **10. LVT**

- 10.1 Following the submission of a claim against Ascham Homes by the London Borough of Waltham Forest, our liability insurers (Zurich Insurance plc) have confirmed that they will indemnify Ascham Homes in respect of any legal liability to pay damages and legal costs for financial loss arising as a result of a negligent act, accidental error or accidental omission committed, alleged to have been committed, within the geographical limits of the insurance policy by any employee or volunteer arising out of the business during the period of insurance. The policy is subject to a limit of indemnity of £15,000,000 inclusive of claimant's costs.
- 10.2 The claim is now seized by our insurers who will progress the claim through their claims procedures. They will appoint their own solicitors to deal with the claim. Ascham Homes must offer its full assistance to Zurich to enable them to process the claim.
- 103 Derek Young, Sonya Jackson and I met with Zurich to understand the process going forward. The resolution of this matter is likely to take a considerable time.

## **11. Risk Factors**

- 11.1 The risks are dealt with elsewhere as part of the board papers. The risk in relation to the LVT insurance claim remains as previously reported to Board in that the indemnity offered by the insurers is limited to negligent acts, accidental error or accidental omission and liability for the claim has not yet been established. We remain in discussion with our lawyers and auditors regarding the impact on the disclosures for the accounts for 2010/11.

## **12. Resource Implications**

- 12.1 Resource implications are dealt with elsewhere as part of the Board papers.

### **13. Diversity Implications**

- 13.1 There are no diversity issues that are not dealt with as part of the Board papers.

<b>Date:</b> 11 <sup>th</sup> July 2011	<b>Ascham Homes Board</b>	<b>Agenda Item: 6.3</b>
<b>Value For Money Review 2010/11 and Action Plan 2011/12</b>		<b>Status:</b> <b>Public</b>
		<b>Comment</b>
<b>Author: Derek Young, Interim Director of Finance</b>		<b>Telephone:</b> <b>020 8496 4983</b>

## **1 Purpose of Report**

- 1.1 This report reviews the Value for Money action plan 2010/11 and presents the action plan for 2011/12 for approval.

## **2. Executive Summary**

- 2.1 There has been significant progress in each of the strategic aims of the VFM Strategy– embedding VfM, understanding costs and performance and increasing income or reducing costs through the Action Plan 2010/11 (Appendix 1) and which incorporated a number of service and procurement reviews.
- 2.2 Appendix 1 shows significant savings arising out of the action plan for 2010/11 of £967,000 have been incorporated into the 2011/12 budget although a all has been reinvested in additional repairs and maintenance services (painting programme £500,000, more repairs £300,000, tenants decoration allowance £30,000 and other areas including ICT investment). The target was 2% of the budget or £420,000 and this was more than doubled in actual savings.
- 2.3 The action plan 2011/12 (Appendix 2) sets out a further range of VfM initiatives, procurements and service reviews. The VfM Strategy requires savings of 3% be identified in 2011/12 for incorporation in the 2012/13 budget and the action plan sets out were savings targets have been identified totalling £630,000. All areas of the business are expected to contribute to these savings and targets will be set in each area.

## **3 Recommendations**

Board is recommended to:

- 3.1 Note the review of progress on VfM in 2010/11 (Appendix 1)
- 3.2 Agree the VfM Action Plan 2011/12 (Appendix 2)

#### **4. Background**

- 4.1 The Board agreed a new VfM Strategy and Action Plan at its meeting on the 13<sup>th</sup> September 2010. This also set out the action plan for 2010/13.
- 4.2 This paper reviews the achievements of the 2010/11 action plan and sets out the Action Plan for 2011/12.

#### **5 Review of 2010/11**

- 5.1 A review has taken place to measure the achievements of the VfM action plan for 2010/11 and the progress made towards achieving the main aims of the VfM Strategy.
- 5.2 The main aims are to:
  - Embed the VfM culture throughout Ascham Homes
  - Understand and link costs and performance
  - Minimise costs and maximise income through service and VfM reviews, procurement practices and IT practices

There will be a continuing focus on these aims going forward.

- 4.2 In January 2011 there were a series of structured interviews with staff with actions in the plan. The interviews were to assess whether the plan had improved VfM within the company.
- 4.3 Findings: -
  - 4.3.1 Most actions in the VfM action plan 2010/11 would be completed although some have not been achieved and will be incorporated into the 2011/12 action plan;
  - 4.3.2 There is an improving focus on VfM within the company. Actions in the 2010/11 plan were mainly around capacity building and process improvements which improve performance at no extra cost.
  - 4.3.3 The 2010/11 action plan identified £967,000 of cashable savings for incorporation in the 2011/12 budget of which the most significant was £800k for the renegotiated repairs contract.
- 4.4 Embedded a VfM culture: -
  - Financial training for Board members was undertaken in July 2010 and March 2011 with further training on the HRA in June 2011
  - The number of agency staff has reduced;

- Whilst the VfM strategy and action plan is well understood by the VfM Working Group there are many ongoing changes to staffing in the business through the restructures last year and currently. Staff at all levels within the organisation had been consulted about how to improve VfM but there is now a need to ensure that the VfM Knowledge and understanding is not lost through these changes by further staff training.
- The leasehold services and planned maintenance modules of Northgate should improve the capacity/efficiency of the respective service areas and will be implemented by March 2012.

However much more needs to be done to ensure that these and other activities continue throughout 2011/12.

#### 4.5 Understanding of costs and performance:.

- Finance and performance has been linked to a degree and there is a range of VfM focussed KPI's that link finance and performance. For example voids and repairs targets are linked to the number and value of each void and repair; % variance of projected year end capital/revenue spend to budget.
- However more work needs to be completed to maintain and build on this: -
  - Staff training on VfM should take place to ensure that the new staff appraisal process contains a proper emphasis on VfM.
  - Review the Housemark Benchmarking exercise for 2010/11 and target areas for efficiency savings to bring AH at least to upper middle quartile. Also in conjunction with this to examine the front line to back office costs as agreed with LBTH in order to bring down towards a 85:15 relationship. This needs to be part of the 2012/13 budget process
  - Further work is needed to incorporate more performance criteria into the budget financial process
  - The HouseMark cost centre benchmarking 2009/10 was disseminated to staff within the organisation and LBWF and a good range of staff now understand the costs of services.
  - We will shortly be reporting on a regular basis to LBWF on the split between overheads and front line services
  -

#### 4.6 Increase income or reduce costs

- A service review of Housing management, asset Management and Customer Services has produced significant savings..
- Agency staff have been reduced.
- The repairs re-negotiated contract is realising savings of C£66K per month
- A new Insurance contract has been procured saving £30k

## **5. Action Plan 2011/13**

- 5.1 The VfM action plan 2011/13 is shown at Appendix 2.
- 5.2 The VfM Strategy places a target of 3% for 2011/12 which is approximately £630k which is to be incorporated into the 2012/13 budget. The action plan sets out the activities to be undertaken and how the planned savings have been targeted. These are estimated savings targets. It is intended to try to achieve these targets and regular reports will be made to Scrutiny Committee and the Board.
- 5.3 In addition it is also anticipated that there will be VfM savings as a result of improvement in rent and leasehold service charge collection and in voids losses which generate income for the Council but should nevertheless be included in our VfM agenda.
- 5.4 Other areas of VfM activity will be included in the future such as providing tenants with paint and recycling furniture from voids but are not included in Appendix 2 at this stage but are recognised as important VfM initiatives for 2011/12.

## **6. Resource Implications**

- 6.1 The resource implications are included in the report.

## **7. Diversity Implications**

- 7.1 None specific.

## **8. Risk Factors**

- 8.1 There is a risk that VfM targets will not be achieved because of other pressures of the business or because reviews or procurements do not produce the targeted savings.

Action Plan 2010/11 - Status at March 2011					APPENDIX 1		
Item	Lead	Activity	Time-scales	Current position	Status March 2011	Potential VfM Savings Target (not accumulative)	
Embedding VfM within the Organisation						2011/12	2012/13
1	Director of Finance	Embed VFM through team meetings, and regular meetings of VfM working Group	Aug-10	VfM is a standing item on team agenda and the working group has been meeting every 2 months	Completed but is an ongoing requirement	N/A	N/A
2	Director of Finance	Agree champions for each service area and train them to be able to understand and disseminate the Housemark information	Sep-10	Members of the VfM Working Group act as champions for their respective areas. Housemark training took place and the information was used in conjunction with setting the 2011/12 budget. However this needs to be used in a more direct way for the 2012/13 budget process and in particular in challenging costs of services and their component parts.	Completed but is an ongoing requirement	Nil	Nil
3	Director of Finance	Carry out financial/VfM training with Board members	Jul-10	Financial training for Board members is ongoing with training in July 2010 and March 2011 and training on the HRA in June 2011. A wider VfM training session needs to be incorporated into the 2011/12 Board training programme	Completed but is an ongoing requirement	N/A	N/A
4	Director of Finance	Training of staff on the revised VfM strategy, procedures and action plan	Oct-10	The VfM strategy and action plan is well understood by the VfM Working Group and wider staff training was included at the Staff conference. However wider staff training at all levels is an ongoing requirement.	Completed but is an ongoing requirement	N/A	N/A
5	Director of Finance	Consultation with residents on the revised VfM strategy and action plan	Oct-10	Residents were consulted on the VfM strategy and action plan at the residents conference and at the leaseholders conference	Completed but is an ongoing requirement	N/A	N/A

6	Director of Finance	Incorporate Housemark findings into VFM action plan.	Sep-10	This is achieved through the service reviews which are influenced by the Housemark results which are included within each review.	Completed but is an ongoing requirement	N/A	N/A	
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Understanding Costs and Performance								
7	Director of Finance	Ensure that managers and staff understand the links between finance and performance in their service areas.	Oct-10	The financial training and a range of other measures has resulted in better budgetary control by managers who meet regularly with the Finance Team. In particular the Asset Management Budget included both financial and service performance criteria. This needs to be extended to all areas as much as possible in 2012/13 budget setting process	Completed but is an ongoing requirement	N/A	N/A	
8	Director of Finance	Develop effective Communications plan to disseminate Housemark and other VfM information across the organisation.	Sep-10	The Housemark cost centre benchmarking 2009/10 was discussed at managers meetings and used where possible in the 2011/12 budget setting process. The costs of services and use of data is incorporated into service reviews, e.g. the IT and Leasehold service reviews. Much of the savings that might had been anticipated have already been incorporated into an extensive re-organisation programme within AH at the beginning of 2010/11 and had already been accounted for in the preparation of the 2010/11 budget.	Complete	N/A	N/A	
9	Head of Business Transformation	Ensure that Service Review methodology takes into account Value for Money	Sep-10	VfM is an important, embedded element of service reviews and is now incorporated into the procedures	Complete	N/A	N/A	
10	Director of Finance/	Develop and implement Medium Term Financial Strategy	May-11	An initial Medium Term Financial strategy was submitted to the Board in november 2010. However this will be subsumed into the HRA business plan which is being developed jointly with LBWF as part of the new "self financing" arrangements for 2012/13. This will incorporate an Asset Management Strategy for the next 5 years	Ongoing	N/A	N/A	

11	Head of HR/ Performance Manager	Carry out training to ensure that managers understand the links between finance and performance.	Jun-11	Some staff training on VfM in conjunction with the Budget process for 2011/12 and to ensure that the staff appraisal process contains a proper emphasis on VfM.	Ongoing	N/A	N/A	
12	Director of Finance	Develop links between finance and performance	Sep-10	There are a range of VfM focussed KPIs that link finance and performance including: voids; repairs; rent collection; leasehold collection.	Complete	N/A	N/A	

<b>Increase Income or Reduce Costs</b>								
13	Director of Finance	Develop and embed an effective Recharge Policy	Sep-10	The rechargeable repairs policy is being implemented, and publicity about the policy has been given to residents. More work needs to be done to maintain a high priority amongst staff and tenants about this policy. The recharges were £15k in 2010/11 and approx 20% (£3,000) was recovered. A provision for bad debt is set aside each year.	Complete	£3,000	£3,000	
14	Deputy Chief Executive	Review the client management costs of the mechanical and electrical, repairs and voids contract	Dec-10	This is incorporated into the restructure of the Asset Management Team which is currently being implemented at item 22 below. These savings are therefore incorporated into item 22 savings	Complete	N/A	N/A	
15	Deputy Chief Executive	Resolve the future of the grounds maintenance service	Dec-10	This has not been completed	Postponed to 2011/12	N/A	N/A	
16	Director of Finance	Develop and maintain a grants register	Dec-10	The grants register is in place and up to date.	Complete	N/A	N/A	
17	Deputy Chief Executive	Train Ascham Direct staff to log repairs calls more accurately	Jan-11	The training on the new Kier BM repairs reporting arrangements were completed this should result in more efficient call answering at Ascham Direct	Complete	N/A	N/A	
18	Director of Finance	Review of the charging policy and collection process for Leaseholder Service Charges	Mar-12	Charging policy and the processes for producing leaseholder service charges will be reviewed as part of the implementation of the Leaseholder service charge module of Northgate in 2011/12.	Postponed to 2011/12	N/A	N/A	
19	Deputy Chief Executive	Implement the interface between Codeman and iWorld by introducing the Planned Maintenance module	Mar-12	The planned maintenance module of Northgate should improve the capacity/efficiency of the planned maintenance service. This will take place in 2011/12	Postponed to 2011/12	N/A	N/A	

20	Head of Business Transformation	Exploit further opportunities for external funding of our activities – green initiatives, power and heating etc	Mar-11	The Environment strategy was approved by Board 2011/12	Postponed to 2011/12	N/A	N/A	
21	Head of Human Resources	Reduction in the use of Agency Staff	Mar-11	The 2011/12 budget assumed no additional budget for agency staff and any cost must therefore be absorbed within the full-time staff budget. Caretaking staff are being recruited on a permanent basis and other agency staff will be replaced by permanent staff as soon as service and other restructuring reviews are implemented	Complete	Incorporated into the 2011/12 budget	Nil	

<b>Service/Efficiency Reviews</b>							
22	Deputy Chief Executive	Review of the Housing Management, Asset Management and Customer Service areas	Mar-11	This review was reported to Board in March 2011 and is in process of implementation. The full impact will be felt in 2012/13	Complete	137000	£163,000
23	Deputy Chief Executive	Aids and Adaptations		This review was carried out by LBWF and the conclusion resulted in the outsourcing of the service	Complete	Nil	Nil
24	Head of Business Transformation	ASB		This review concentrated on the review of work processes and has resulted in an improved satisfaction rate of 90%. A further service review will take place in 2011/12	Complete	Nil	Nil
25	Director of Finance	Finance		Postponed to 2011/12	Postponed to 2011/12	Nil	Nil
26	Chief Executive	Human Resources		Postponed to 2011/12	Postponed to 2011/12	Nil	Nil
27	Head of Business Transformation	ICT		Reported to Board March 2011 and Strategy agreed resulting in the decision to ask LBWF to become the provider of ICT services. And this is now being implemented during 2011/12. The agreement with LBWF accepts no increase in costs. However when the outcome is completed it is expected to produce savings. Better systems are also being used for the same cost and new modules for leasehold and asset management which will result in process re-engineering of these areas and deliver more efficient, customer led services in line with the priorities of the Delivery Plan.	Ongoing	Nil	Nil
28	Director of Finance	Leaseholder Management		Reporting to Board July 2011 - most of the savings were incorporated into the 2010/11 budget as part of the major reorganisation. This review was primarily about process.	Ongoing	Nil	Nil
29	Chief Executive	Legal		Postponed to 2011/12	Postponed to 2011/12	N/A	N/A

<b>PROCUREMENTS</b>							
31	Deputy Chief Executive	Review the procurement of caretaker stores.	Mar-11	The timescales for the review of procurement of caretaker stores has been rescheduled to 2011/12	Postponed to 2011/12		
32	Deputy Chief Executive	Re-negotiation and extension of the repairs contract	Nov-10	The re-negotiated contract is scheduled to realise savings of C£66K per month which was incorporated into the 2011/12 budget. Some savings were re-invested in repair services	Complete	Savings of £800k already incorporated into 2011/12 budget	
33	Director of Finance	Procurement of Ascham Homes Insurance contract	Mar-11	This has been completed with a saving of £30k - - savings already incorporated into the 2011/12 budget		Savings of £30k already incorporated into 2011/12 budget	
		<b>TOTAL</b>				<b>Savings of £967k already incorporated into 2011/12 budget</b>	<b>£166,000.00</b>
		<b>TARGET 2% of Budget</b>				<b>£420,000</b>	

<b>Action Plan 2011/12</b>			<b>APPENDIX 2</b>		
<b>No.</b>	<b>Lead</b>	<b>Activity</b>	<b>Timescale</b>	<b>Potential VfM Savings Target (not accumulative)</b>	
<b>Embedding VfM within the Organisation</b>				<b>2011/12</b>	<b>2012/13</b>
1	Head of Business Transformation	Develop measures to gauge resident satisfaction with VfM	Dec 2012	N/A	N/A
2	Head of Business Transformation	Maintain a steady stream of publicity about VfM activities as part of our press releases, and deliver key messages e.g. "We are taking care of your money"	March 2012	N/A	N/A
3	Director of Finance	Ensure that there are VfM workshops at the staff conference, and residents' conference	March 2012	N/A	N/A
4	Director of Finance	Implement and bed in zero based budgeting	March 2012	N/A	N/A
5	Director of Finance	Develop a VfM Advisory Group of Residents or other methods in conjunction with the Resident Involvement Strategy to ensure residents can be involved.	Dec 2011	N/A	N/A
6	Head of HR	Deliver a half day training course into the basics of procurement, to include procedure rules and financial regulations.	Sept 2011	N/A	N/A

<b>Understanding Costs and Performance</b>					
7	Director of Finance/	Develop and implement Medium Term Financial Strategy. An initial Medium Term Financial strategy was submitted to the Board in november 2010. However this will be subsumed into the HRA business plan which is being developed jointly with LBWF as part of the new "self financing" arrangements for 2012/13. This will incorporate an <u>Asset Management Strategy for the next 5 years</u>	March 2012	N/A	N/A
8	Head of HR/ Performance Manager	Carry out training to ensure that managers understand the links between finance and performance. Some staff training on VfM took place in conjunction with the Budget process for 2011/12 but wider training is now required	Dec 2011	N/A	N/A
9	Director of Finance	Complete HouseMark cost centre benchmarking 2010/11	Dec 2011	N/A	N/A

<b>Increase Income or Reduce Costs</b>					
10	Director of Finance	Review communal electricity costs	Sept 2011	£10,000	£20,000
11	Director of Finance	Implement the Leasehold Service Charges Module of Northgate incorporating a review of the charging policy and collection process for Leaseholder Service Charges	March 2012	Nil	Nil
12	Deputy Chief Executive	Implement the planned Maintenance module of Northgate interface between Codeman and iWorld by introducing the Planned Maintenance module. This should improve the capacity/efficiency of the planned maintenance service	March 2012	Nil	Nil
13	Head of Business Transformation	Exploit further opportunities for external funding of our activities – green initiatives, power and heating etc. An environmental Strategy is being developed for Board approval.	March 2012	Nil	£37,000
14	Director of Finance/ Budget Holders	Review the Housemark Benchmarking exercise for 2010/11 and target areas for efficiency savings to bring AH at least to upper middle quartile. Also in conjunction with this to examine the front line to back office costs as agreed with LBTH in order to bring down towards a 85:15 relationship. This needs to be part of the 2012/13 Budget process	Dec 2011	Nil	£50,000
15	Deputy Chief Executive	Review parking charges on estates and garages	Dec 2011	Nil	£25,000

<b>Service/Efficiency Reviews</b>					
16	Deputy Chief Executive	Complete Restructure of Asset Management, Housing Management and Customer Services (savings identified in 2010/11 brought forward from appendix 1)	Sept 2011	Nil	£163,000
17	Head of Business Transformation	Complete ICT Services Review	Dec2011	Nil	£50,000
18	Director of Finance	Complete the service review of Leaseholder Management. This is mainly a review of processes	Sept 2011	Nil	Nil
19	Director of Finance	Service Review of HR	Sept 2011	Nil	£40,000
20	Deputy Chief Executive	Review lettings and voids processes	Dec 2011	Nil	£40,000
21	Chief Executive	Service Review of Legal services.	Sept 2011	Nil	£40,000
22	Deputy Chief Executive	Service Review of Resident Involvement	Sept 2011	Nil	Nil
23	Deputy Chief Executive	Service Review of Income Management	Dec 2011	Nil	£20,000
24	Chief Executive	Service Review of Complaints and Service Improvement	March 2012	Nil	£10,000

<b>Procurements</b>					
25	Head of Asset Management	Procurement of new Planned Maintenance Contracts	March 2012	Nil	£65,000
26	Head of Asset Management	Procurement of new day to day Repair & Maintenance Contracts	March 2012	Nil	£65,000
27	Head of Operations	Review the procurement of caretaker stores. NB Carried forward from 2010/11 plan.	Dec 2011	Nil	£5,000
		<b>TOTAL</b>		<b>£10,000.00</b>	<b>£630,000.00</b>
		<b>TARGET - 3% of Budget 2012/13</b>		<b>Already incorporated in 2011/12 Budget</b>	<b>£630,000.00</b>

<b>Service Reviews for 2012/13 for noting</b>					
28	Chief Executive	Complete the Joint Housing Management Services review with Council. NB brought forward from 2010/11	2012/13		
29	Chief Executive	Complete the service review of Strategy	2012/13		
30	Deputy Chief Executive	Complete the service review of responsive repairs	2012/13		
31	Deputy Chief Executive	Complete the service review of Major Works (Asset Management)	2012/13		
32	Deputy Chief Executive	Complete the service review of Gas Servicing	2012/13		

### **Other Income Generation in 2012/13 affecting Council Income**

33	Director of Finance	Increase in Rent Collection Target. Although the target (100.25%) was not increased the actual collection rate was 99.08% for 2010/11. Therefore if we achieve target for 2011/12 there will be an improvement of 1.17%.	2012/13	A 1% increase will accrue additional income of approximately £450k which will save the Council approximately £20k in interest costs
34	Director of Finance	Increase in Leasehold Collection Target. Although the target (101%) was not increased the actual collection rate was 95% for 2010/11. Therefore if we achieve target for 2011/12 there will be an improvement of 6%	2012/13	A 6% increase will accrue additional income of approximately £60k which will save the Council approximately £3k in interest costs
35	Deputy Chief Executive	Reduction in Voids rent loss target. The target (<1%) was exceeded in 2010/11 by 0.38%. If we achieve target for 2011/12 there will be an improvement of 0.38%.	2012/13	A 0.38% improvement will accrue additional rental income not otherwise written off of approximately £170k for the Council.
36	Director of Finance	Review leasehold charges to ensure all charges have been made	2012/13	A 10% increase will accrue additional income of approximately £100k for the Council.

<b>Date:</b> 11 <sup>th</sup> July 2011	<b>Ascham Homes Board</b>	<b>Agenda Item: 6.4</b>
<b>Equalities Statement 2011</b>		<b>Status:</b> <b>Public</b>
		<b>Decision</b>
<b>Author:</b> <b>Kate Sinclair, Head of Business Transformation</b>	<b>Telephone: 020 8496 4018</b>	

## 1. Purpose

- 1.1. The purpose of this report is for the Board to agree the Equalities Statement for Ascham Homes and to comment on the approach to developing the action plan for delivering our desired outcomes set out below.

## 2. Recommendations

- That the Board comments upon and approves the Equality Statement
- That the Board provides comments on the approach taken to develop the Single Equalities Scheme with residents and provides comments on the objectives to be taken to them.

## 3. Background

- 3.1. In order to comply with the duties set out in the Equality Act 2010 Ascham Homes must do the following:
- 3.2. Publish an Annual Equality Statement. This must be done by 31<sup>st</sup> July 2011, and at least annually after that, from the first date of publication statement
- 3.3. By 6<sup>th</sup> April 2012, prepare and publish:
- 3.4. Objectives that it reasonably thinks it should achieve to meet one or more aims of the general equality duty.

- 3.5. Details of the engagement that it undertook, in developing its objectives, with people whom it considers to have an interest in furthering the aims of the general equality duty.
- 3.6. Ensure the objectives are specific and measurable.
- 3.7. Set out how progress will be measured.

#### **4. The Equality and Diversity Statement**

- 4.1. Ascham Homes current Equality and Diversity Statement can be seen in Appendix 1. It has been written in line with the policies and priorities of the company to deliver a service to our customers that is fair and takes into consideration the diverse needs of all sections of our diverse communities.
- 4.2. It will be made available on the intranet, on the website for customers and visitors to the site and it will be promoted to staff in the Staff Briefing, along with our objectives set out below. A concise version will be published in the residents' newsletter.
- 4.3. The Equality Statement will be reviewed annually.

#### **5. Our objectives**

- 5.1. The information on equality objectives must be published at least every four years in a manner that is reasonably accessible to the public. It can be published within another document such as a Business Plan. We will produce this as the Single Equality Scheme.
- 5.2. Data would also need to be provided on:
  - the race, disability, gender, age breakdown and distribution of our workforce
  - indication of likely representation on sexual orientation and religion or belief, provided that no individuals can be identified as a result
  - an indication of any issues for transsexual staff, based on your engagement with transsexual staff or voluntary groups
  - gender pay gap information.
- 5.3. In relation to services, information that is routinely published should be broken down by protected group. This will include:
  - performance information relating to functions relevant to furthering the aims of the duty, especially around outcomes

- access to services
  - satisfaction with services
  - complaints (broken down by protected group, with an indication of reasons for complaints)
  - positively promote collection of data from hard to engage groups
- 5.4. As our resident engagement strategy is being developed with residents, we propose to develop the action plan and objectives with a group of residents. The residents' equality group would be formed of residents representative of our customer base and of those who have an interest in furthering the aims of general equality duty, as set out in the guidance of the Equality Act. This group will also be attended by members of staff that are identified as having roles that are critical to the successful delivery of these actions.
- 5.5. As we are developing the resident engagement strategy at residents' conference, we included in the workshop discussions around equality and diversity and ensuring that we involve all of our community.
- 5.6. Once the Single Equality Scheme and action plan has been developed by this group, it will be brought to the Board for sign off, along with how this plan will be monitored and how success will be measured. This must be done by 6<sup>th</sup> April 2012.

## **6. Proposed timescales**

- July 2011 - establish staff project group
- August 2011 - recruit to resident panel through resident channel
- September / October 2011 - develop plan with residents
- November 2011 - submit plan to Board for sign off
- December 2011 - publish

# Appendix 1

## Equality and Diversity Policy Statement

This document sets out Ascham Homes' commitment on equality and diversity. It is a statement of how we will make equality and diversity central to the way we determine policies and deliver services.

Quality means equality and there is no equality without diversity in the services we plan and provide, and in the staff we employ to provide those services. We cannot achieve our aim of providing good quality services unless we take into consideration the diverse needs of all sections of our diverse communities. We are committed to working with our workforce, partners and with tenants and leaseholders of Waltham Forest, to develop and deliver high quality services.

Ascham Homes opposes all forms of discrimination on the grounds of age, disability, gender, race, religion or sexual orientation. We recognise that discrimination creates barriers to achieving equality for all people. We recognise that this requires not only a commitment to remove discrimination but also action through positive policies to redress the inequalities produced by past discrimination.

This policy is central to achieving Ascham Homes' mission, which is:

'To ensure that residents have an excellent housing experience by providing one of the best housing services in London'

We recognise that we serve a diverse community that has diverse needs. We regard diversity as a strength in our community and we will work hard to ensure that the community that we serve, whether residents or visitors to our Borough or applicant for jobs, face no unjustifiable barriers in accessing our services, the services that others provide on our behalf and our job opportunities.

This means identifying and correcting any direct discrimination, indirect or unintended discrimination and any institutional discrimination arising out of the procedures and practices.

We recognise that people need to be protected from unfair discrimination, in particular, on grounds of:

- gender/sex
- race/ethnicity
- disability
- religion or belief
- sexual orientation

- age
- gender reassignment
- marital/civil partnership status
- pregnancy/maternity

We also recognise that individuals may experience discrimination on more than one of the above grounds (dual or combined discrimination).

More specifically we will:

- set out our intentions towards equality and diversity and how we will meet our statutory obligations in an Equality and Diversity Strategy which will be reviewed at least every four years.
- identify specific equality and diversity objectives in our annual service plans
- include equality objectives in our policies on both service delivery and employment
- use Equality Impact Assessments (EIA) to assess all of our activities to identify potential differential impacts on people from the above protected groups
- where the EIA identifies a clear differential impact on one or more of the above groups, consult with people from those groups on the best ways of avoiding the differential impact causing unfair discrimination
- ensure that those that we work with in partnership understand and share our values and approaches to ensuring equality and valuing diversity
- ensure, through our procurement procedures, that those who we contract with to provide services on our behalf apply the organisation's equality and diversity approaches in the work that they do

## **Our commitments**

### **When we make plans and policies, we will:-**

- Design our services to meet the diverse needs of all our communities
- Ensure that plans and policies do not negatively discriminate against particular groups
- Make sure all staff, customers, community groups, contractors and other partners are aware of our equality policy.

### **When we work in partnership we will:-**

- Publicise this equality and diversity policy widely and positively
- Encourage the involvement of Waltham Forest's diverse tenants and leaseholders in decision making and developing services
- Actively consult with all sections of the community of Waltham Forest.

**When we deliver services we will:-**

- Ensure that our services are relevant to the people of Waltham Forest and take into account different needs
- Make sure that our staff and others who provide services on our behalf treat every individual with respect
- Provide information about services that is clear, accurate and accessible to all
- Treat all customers positively, regardless of age, disability, gender, race, religion or sexual orientation
- Respond seriously to, and investigate, complaints of bullying, harassment, discrimination or victimisation.

**As an employer we will:**

- Recruit and retain a workforce that reflects the expertise and diversity of our community
- Welcome the special knowledge and skills that a diverse workforce contributes to Ascham Homes
- Provide equal access to training and development for all our staff
- Listen to staff ideas and suggestions for improving services and ways of working.
- 

**How we will make sure this happens:**

- Board Members will promote Ascham Homes' commitment to equality and diversity and ensure adequate resources are made available
- Executive Management Team will be responsible for the overall management and direction of our equality and diversity commitments
- Managers will make sure equality and diversity issues are core to service delivery and staff management
- All employees will ensure that they are aware of this policy and take responsibility to promote equality and diversity and challenge discrimination.

<b>Date:</b> 11 <sup>th</sup> July 2011	<b>Ascham Homes Board</b>	<b>Agenda Item: 6.5</b>
<b>Improving Leasehold Services</b>		<b>Status:</b> <b>Public</b>
		<b>Information</b>
<b>Author:</b> Kate Sinclair, Head of Business Transformation	<b>Telephone: 020 8496 4018</b>	

## 1. Purpose of this report

1.1 The purpose of this report is to provide the Board with an update on the improvement activity required in Leasehold Services. There was a review of the service in December 2010 and some recommendations were made. This report highlights further considerations that the review did not cover and actions that need to be taken.

## 2. Background

2.1 There are approximately 1800 leaseholders and they represent almost 15% of the current resident profile. Leaseholders are clearly a significant group and the service provided needs to specifically meet their requirements.

2.2 The Leasehold Services section carries out the following functions:

- Processing tenants' Right to Buy (RTB) applications
- Calculating and billing leaseholders' estimated and actual service charges, (4 times a year)
- Calculating and billing leaseholder's major works charges
- Responding to leaseholders' queries and account queries
- Collection of annual and major works service charges
- Attendance where necessary for LVT and court appearances.

2.3 The Leasehold Services section also deals with RTB applications for Friday Hill (125 leasehold properties), and SAMS (74 leasehold properties), provides part of the resale enquiry work, part of the final accounts, Section 20 on major works, and print Leaseholders invoices.

- 2.4 Following an organisational restructure in 2010, the team now has the following structure:
- 1 Services and Income Manager (also responsible for Rent teams)
  - 4.75 FTE Leasehold officers
  - 1 Administrative support
- 2.5 Because of the recent restructuring the service review focused on service delivery. The structure will be considered within the context of the developing Neighbourhood Management Structure for the provision of Housing Management Services during 2011/12 and the Finance Team Restructure also to be considered in 2011/12 which may consider taking over some of the services currently provided by the Leasehold Team.
- 2.6 A review of the service was commissioned by EMT and completed in December 2010. It was set within the context of the Audit Commission findings which identified key weaknesses within the service that need to be addressed in order to mitigate future risks.
- 2.7 The key priorities identified by the Audit Commission in the 2010 inspections were the need to:
- Work to improve the balance of costs and service outcomes;
  - Embed value for money in the work of the ALMO and effectively monitor value for money of services;
  - Make arrangements to balance budgets in the medium and long term, whilst being mindful of the need to protect services for customers;
  - Create robust and fair systems to charge leaseholders for major works and support leaseholders who face large bills for major works; and
  - Accurately estimate and bill leaseholders for revenue costs
- 2.8 The service review investigated the provision of Leasehold Services with the objective of enabling the business to understand the current service's strengths and weaknesses and to establish a clear strategic direction.
- 2.9 The objective of the review was to set out the future leasehold services provision that meets and delivers improved services to leaseholders.

### **3. Service Review**

- 3.1 The review was made up of four stages with a clear emphasis on ensuring value for money:
- Establish Ascham Homes' current Leasehold Services and RTB service provision
  - Establish how services can be improved
  - Options appraisal
  - Recommendations

- 3.2 A Project Board was convened consisting of the Project Manager (external consultant), Director of Finance, Services and Income Manager and Policy Manager.
- 3.3 The Leasehold Services team were involved in a number of focus groups. Resident feedback was gained through a Leaseholder Forum held in October 2010.
- 3.4 The review considered the cost of delivering the service to the leaseholder as well as customer satisfaction with the service.

#### **4. Findings**

- 4.1 Through risk mapping and a gap analysis, the following areas for improvement were identified:
- Methods employed to undertake work include extensive use of spreadsheets and manual updating and calculation of service charges.
  - Use of systems (SAP, Real Link) which do not “talk” to each other or interlink with the spreadsheets.
  - Processes are antiquated and unnecessarily repetitive (i.e. billing service charges 4 times per annum rather than once).
  - Strategy, Policy and Procedures for Leasehold Management needs revising
  - Collection of performance information is urgently required
  - Leasehold Service needs to embed ‘Value for Money’
  - Leaseholders Involvement and leaseholders Service Standards need to be set out
  - Major Works and Service Charges procedures need revising
  - Service Charge Collection procedures need revising
  - Resources/Leasehold Service Team Workload could be significantly reduced by introduction of the leasehold service module.

#### **5. Recommendations of the review**

- 5.1 The review identified three options for the management of leasehold services. These were to a) outsource the service, b) transfer the management of the service to the Council c) retain the service in house and make significant improvements. The recommendation was to keep the service in house and implement actions to address the issues raised in the findings of the review.

#### **6. Limitations and further requirements**

- 6.1 The review has gone some way to identify the areas to focus on for improvement. In subsequent discussions with the Leasehold team about the review and recommendations, it has become apparent that we need to extend the investigation by including specific areas of the business that affect the current service provision. The review did not include any analysis on the current processes and procedures or the work-arounds that are in place to

deal with matters that are not addressed in those processes.

- 6.2 Since the review, the implementation of the Neighbourhood Management Structure has begun and there are clear areas of cross over of work-streams with the leasehold team and the new structure. The restructure of the Finance team also offers us the opportunity to tie in any necessary changes to the Leasehold team.
- 6.3 One of the actions identified for immediate attention in the review was the implementation of a new Service Charge and RTB module for the Integrated Housing Management System, Northgate. We are currently in the process of hiring the consultants to implement this system and tender interviews to decide on the successful company occurred in the week of 13 June 2011. The successful contractors will be providing us with implementation options in the coming weeks.
- 6.4 To ensure that the actions put in place following the leasehold service review have the desired impact and that they are considered in the wider context of the changing business, we will be undertaking process reviews alongside the contractors who will be implementing the new IT system. It is envisaged that this will begin in July when both the contractor are able to join us on site and a new temporary member of staff in the Transformation team will commence working at Ascham Homes with a clear focus on this project.

## **7. Planned actions**

- 7.1 The current processes and work arounds must continue if we are to ensure that the high standard of billing is maintained for the leaseholders. These work arounds are time intensive and take up much of the team's time. It is proposed that an interim process re-engineering take place to ease this workload and streamline the current systems before the new IT system is implemented.
- 7.2 In July, under the guidance of the Head of Business Transformation and the Director of Finance, the new Business Improvement Manager will undertake the process reviews and reengineering to implement a temporary improvement plan in the team. This will be dove tailed into the new system requirements and they will be working very closely with both the team and the contractor. They will also be key in ensuring that the new processes are in line with the Neighbourhood Management framework and that they advise the requirements of the Finance team restructure.
- 7.3 Throughout the tender process for the contractors to implement the new module on Northgate, we have asked for plans to deliver this in time for the release of the estimated bills in April 2012. This is a very tight timescale and the winning contractors highlighted this also. We have asked them to provide us with some options for running our current systems in line with the new system should we not be able to completely transfer and test the system in time for February (when it would need to be done to ensure that we are ready

for April).

**8. Timeframe:**

June 2011 – Appoint consultant to implement Service Charge and RTB modules.

July 2011 – Undertake process reviews and recommend improvements on an interim basis before the new systems are in place.

IT consultants on site demonstrating the new system.

August 2011 – Implement improved process in line with Neighbourhood Management framework.

February 2012 – System test for roll out in April. This will be the latest date that we will know if the estimated bills will go from the new system or the current system.

<b>Date:</b> 11 <sup>th</sup> July 2011	<b>Ascham Homes Board</b>	<b>Agenda Item: 7.1</b>
<b>Ascham Homes Quarter 1 Balanced Scorecard Performance Report</b>		<b>Status:</b> Public
		<b>Decision</b>
<b>Author: Kate Sinclair – Head of Business Transformation</b>		<b>Telephone: 020 8496 4018</b>

## 1. Purpose

To provide the Board with an overview of the 1st quarter performance.

## 2. Executive Summary

- 2.1 Of the data available, half of the indicators are on target and half have missed target in the first quarter of 2011/12.

## 3.0 Recommendations

- 3.1 Board notes and comments on the report.

## 4 Background

- 4.1 The Balanced Scorecard sets out performance on a range of customer, finance, people and delivery measures for 2011/12.
- 4.2 The Board meeting falls shortly after the end of the first quarter and due to the lead in time for the reports, June's data will not be available to report on until just before the meeting. In the balanced scorecard at Appendix 1, only April and May data is shown where June data is not available. Some of the indicators are not collected until the end of the reporting period and these are shown as 'awaited'. The latest available data will be tabled at the meeting along with a presentation. This presentation will cover a full review of performance for the indicators in the balanced scorecard and provide further commentary on progress where indicators are falling below target.
- 4.3 The performance statistics of these indicators are cumulative which means that the base data from earlier reporting periods is added to the base data for the present reporting period.
- 4.4 Quarter 1 performance is detailed in Appendix 1. Explanation and remedial action is given in this report for indicators on red status.

## 5 Performance

### 5.1 Customer

- 5.1.1 The satisfaction with overall services was 75% against a target of 80% and the satisfaction with the repairs service was 85% against a target of 92%. We are taking action to ensure that our customer service provision is improved. This includes a focus on complaints responses and target reply times and the forthcoming review of the complaints and members' enquiries process.
- 5.1.2 A new questionnaire has been written that is used by the contact centre during follow up calls following a repair. These questions are used to determine our performance against many of the indicators set out in the Customer quadrant of the balanced scorecard. This means that we aim to track the satisfaction of customers who have recently had an issue so that the performance data shows the effects of recent improvement actions or problems.
- 5.1.3 The satisfaction with "things are improving where I live" was 47% against a target of 72%. This is far below target and a disappointing figure. This will be one of the few key questions that all staff will be asking on the Ascham Connects outreach day on 21 July and we will address this will all of the residents that we meet that day.

### 5.2 Finance.

- 5.2.1 The percentage of rent collected was 95.21% against a target of 100.25%. This is a Cabinet measure. £7,606,932 rent was collected year-to-date over £7,990,018 due. This means that while there was a 0.44% month-on-month improvement in this indicator, we must increase this improvement in performance if we are to reach our target by the end of the financial year.
- 5.2.2 A detailed rent income strategy has been developed to address performance. The former tenant arrears and write offs are now being addressed systematically and are back on schedule on a quarterly basis. The first of the rolling programme of working practice changes has been implemented and early indications show that this is having a further positive impact on collection performance which reflect on the end of June results. Peer and best practice appraisals will continue to try to find further areas for improvement.
- 5.2.3 The percentage of service charges collected was 91.45% against a target of 101% in May. £217,068 was collected in April and May as compared with £237,355 profiled as due. There was a significant month-on-month improvement in performance as a result of intensified arrears recovery work. The collection rate for May excluding arrears was 108%. There is a continuing focus on debt-recovery work and we anticipate that 75% of leaseholder accounts will have been reviewed by the end of June, with a rolling programme for the rest of the year. There is tight management of the service with weekly meetings with managers and the Director of Finance. As outlined in another report to the Board, there is significant work going on to improve the leasehold service.

### 5.3 People

- 5.3.1 The staff profile does not closely reflect the resident profile in the areas of gender, BME or disability. This will be one of the indicators looked at in delivering the single equality scheme before April 2012.
- 5.3.2 The percentage of staff who have achieved a satisfactory level or above in their appraisal will be reported on in the next quarter. The new appraisal form, core shared objectives and guidance notes have been circulated to managers and communicated to staff through team meetings and appraisals will take place in June and July.

#### 5.4 Delivery

- 5.4.1 The percentage of repairs completed 'right first time' was 88% against a target of 94% and the percentage of repairs completed within service target was 97% against a target of 99%. The latter is a cabinet measure. 2915/3000 works orders were completed within timescale. Emergency repairs achieved the performance standard but urgent and routine repairs missed target by a narrow margin. The performance of the contractors, Kier BM has not improved to the level that we have expected and we have instructed them to provide remedial action plans for dealing with overdue works orders and improve the delivery of the service. We continue to manage risk by post inspection and detailed and careful audit of the contractor's invoices..
- 5.4.2 The average relet time for empty properties was 25 days against a target of 23 days. This is a cabinet measure. 39 voids were turned round in a total of 988 days in May and the average time that the properties were with Kier was 14.61 days. Managers monitor performance daily, there are weekly operational performance monitoring meetings between Ascham Homes and Kier BM and a senior-level fortnightly performance meeting. We are providing KierBM with co-located Ascham Homes administrative staff for training support and assistance in setting up the empty homes working procedures. There is an agreed 'internal' target with contractors to complete works within 14 days. As with repairs, there is tight management of risk through Ascham Homes post inspection process and detailed and careful audit of the KierBM invoice application.

### 5. **Resource Implications**

- 5.1 As set out in the Finance commentary, there have been improvements in collection rates. Any rent or leasehold service charge not collected will affect the performance of the HRA.


























### 6. **Diversity Implications**

- 6.1 Diversity information is collected at the same time that the customer follow up calls are made. This enables us to have amore complete picture of the profile of our customer base and in turn will affect how we design and provide services.

### 7. **Risk Factors**

- 7.1 None specific.

## Ascham Homes Balanced Scorecard 1st Q 2011/12

		Q1 2011/12	Target	Traffic light
 <b>Customer</b>				
C1	% of complaints escalated to Stage 2	10%	12%	
C2	% satisfaction with overall services	75%	80%	
C3	% satisfaction that their views are taken into account	75%	70%	
C4	% satisfaction with the helpfulness of the landlord	90%	70%	
C5	% satisfaction with the repairs service	85%	92%	
C6	% satisfaction that "Things are improving where I live"	47%	70%	
 <b>Finance</b>				
F1	<b>% of rent collected. Cabinet measure.</b>	95.21% (May)	100.25%	
F2	% variance of projected year end revenue spend to profiled budget (May)	-0.10%	0%	
F3	% variance of projected year end capital spend to profiled budget	0.00%	0%	
F4	Void rent loss	0.85% (May)	1%	
F5	% of service charges collected	91.45% (May)	101%	
 <b>People</b>				
P1	Staff diversity profile - to reflect customer profile	Staff profile	Resident profile	
	BME (Yes)	50%	63%	
	Gender (Female)	48%	62%	
	Disability (Yes)	4%	12%	
P2	Average number of sick days per employee (FTE)	Awaited	<8 days	
P3	% of temporary staff	0.5%	<10%	
P4	% of staff who have achieved a satisfactory level or above in their appraisal	Not available	90%	
 <b>Delivery</b>				
D1	% of repairs done right first time.	88% (May)	94%	
D2	<b>% of total repairs within service target. Cabinet measure.</b>	97.2% (May)	99%	
D3	<b>Average relet days. Cabinet measure.</b>	28.6% (May)	23 days	
D4	% of closed resolved cases for ASB.	58% (May)	90%	
D5	% of abandoned calls.	4.2% (May)	<5%	
D6	% of social housing stock failing to meet the Decent Homes Standard	Awaited	7.61% (tbc)	
D7	Number of annual gas checks completed as a % of those due.	100% (May)	100%	
D8	% of estates achieving an "A" grade.	79% (May)	95%	
D9	No. properties where external decorations have been completed (profiled)	Nil due	To achieve profile	

<b>Date:</b> 11 <sup>th</sup> July 2011	<b>Ascham Homes Board</b>	<b>Agenda Item: 7.2</b>
<b>Capital Programme 2011/12 and Asset Management Update</b>		<b>Status:</b>  <b>Public</b>
		<b>Information</b>
<b>Author:</b>	<b>Jo Murphy Deputy Chief Executive</b>  <b>Derek Young, Interim Director of Finance</b>	<b>Telephone: 020 8496 4023</b>  <b>Telephone: 020 8496 4983</b>

## **1 Purpose of Report**

- 1.1 To present the final capital programme for 2011/12 and the current monitoring position at the end of May 2011. This is attached at Appendix 1.

## **2 Executive Summary**

- 2.1 Following discussions with the Council a final Capital Programme for 2011/12 has been agreed by the Joint Capital Projects Board and is now attached at Appendix 1.
- 2.2 The changes from the report to the Board on the Capital Programme in February 2011 are shown at Appendix 2. This shows that the programme has increased from £14.2m to £24.8m primarily to account for £10.8m of unspent programmes carried forward from 2010/11. This includes £8.7m for Decent Homes and £2.1m for MRA work. Other changes are shown in Appendix 2.
- 2.3 Expenditure on the capital programme has continued and £1.7m was spent at the end of May 2011. At this stage the capital programme is projected to spend on target for the year, with the exception of devolved MRA which is likely to be committed but not fully spent during the year. A detailed cash Flow forecast will be available from June 2011 and will be included in Capital Monitoring reports in the future.

## **3 Recommendations**

- 3.1 Board is recommended to:

3.1.1 Agree the revised Capital Programme for 2011/12, noting the changes from that agreed in February 2011; and

3.1.2 Note the Asset Management update.

#### **4 Capital Programme**

4.1 A capital programme for 2011/12 was agreed by the Board in February 2011 as part of the budget setting process for 2011/12. This was, however, before the outcome of the bid for additional decent homes funding was known and before the final position on the 2010/11 programme could be established. These have now been determined and the Capital Programme has been revised accordingly and is attached at Appendix 1.

4.2 Changes to the programme agreed in February are detailed at Appendix 2 and can be summarised as follows:

- Commitments and funding carried forward from 2010/11 increased from £4m to £10.8m
- Fire Risk Assessment works and funding in 2011/12 corrected to £1.4m from previously reported £1m
- Increase in devolved MRA for 2011/12 to £1.297m (15%) from £1m.
- Replacement / upgrade of Door Entry Systems (£650k plus £100k for Tenby Court) to be funded from devolved MRA
- Increase in allocation for new Decent Homes works from £0 to £4.8m
- Reduction of funding for CESP and energy generation from £1.25m to £0.25m with the balance being a priority for 2012/13

4.3 The capital programme is set at £25.149m for this year of which £13.558M is earmarked to deliver Decent Homes and £11.249m is earmarked to deliver non Decent Homes work such as Fire Risk work, central heating, lift renewals, voids and environmental works. The balance of £342k is funded from CHP reserves for essential works to the communal heating systems on the Aldriche Way estate and in Sheltered Schemes.

4.4 The 2010 / 11 Decent Homes programme delivered works valued £13.6m in 2010-2011 and £8.758 has been carried forward into 2011-2012 which is scheduled to be completed by the end of 2011. It is estimated that a further £4.66m is required to make the remaining 800 properties decent. This has been included in the 2011/12 programme, together with £140k for essential works to properties falling out of decency in the year. The addresses and scope of works for the remaining non-decent properties are being identified with a view to the 2011/12 programme commencing in September.

4.5 Following the completion of Fire Risk Assessments of all blocks to identify the works required to reduce the risk of spread of fire or smoke and increase the safety of residents, the Council set aside £4.5m to finance the programme of works. Last year we spent £2.2m on Fire Risk work and we carried forward

£838k. The remaining allocation for 2011-2012 is £1.5m giving a total of £2.3m for works to be completed in the year. A detailed programme is in place to deliver these works on a rolling basis throughout the year.

- 4.6 The Council has allowed all unspent devolved MRA, from previous years, totalling £1.493m to be carried forward from to supplement the £1.297m allocation for 2011-2012. Of the carry forward £320k was contractually committed, £510k had been earmarked for specific schemes and £463k had not yet been allocated, giving a total available for new resident priorities of £1.76m. It has been agreed with LBWF that £750k of this should be used for the upgrade or replacement of door entry systems on Tenby Court (£100k) and borough-wide (£650k) as these are known resident priorities, leaving £1.01m to be directly allocated by residents.
- 4.7 The arrangements for these allocations in the transition to Neighbourhood Management will be discussed with residents at the Residents Conference on 2<sup>nd</sup> July. It is anticipated that allocations will be made by September but because of the lengthy consultation requirements, including statutory leaseholder consultation, there is likely to be a significant carry forward of commitments into 2012/13. We will be working with residents to streamline the arrangements for agreeing resident priorities under Neighbourhood Management.
- 4.8 Most of the remainder of the 2011/12 capital programme are rolling programmes that will be delivered throughout the year. The exception is one off projects such as lift replacements and communal boiler replacements.
- 4.9 In addition to the capital programme of £25.149m, LBWF have identified £980k of funding for public realm and environmental improvements on Tenby Court and Attlee Terrace. These projects are being managed and delivered by Ascham Homes. Phase one of MRA works on Tenby Court are on site whilst consultation with residents on the environmental improvements is undertaken. It is anticipated that these works will commence in September. Consultants have need appointed to carry out the resident consultation on Attlee Terrace over the summer and it is anticipated that works will commence in November, after any necessary planning approval and leaseholder consultation.
- 4.10 Previously, the funding allocations for FRA works and devolved MRA have been inclusive of Ascham Homes' fees for managing the programmes and works but the fees for other works have been shown as a separate line in the programme. For consistency, all allocations are now inclusive of fees and thus there is no longer a separate fees line in the programme. This is purely a presentational change and does not impact on the Capital Commission income in the revenue budget.
- 4.11 At the end of May expenditure on the Capital Programme totalled £1.7m. Spend is traditionally low in April following a concentration in March to finalise year-end valuations. Overall, the 2011/12 programme is projecting to spend on budget, with the exception of devolved MRA which is likely to be committed but not fully spent during the year. A detailed cash Flow forecast will be available from June 2011 and will be included in Capital Monitoring reports in

the future.

## **5 Asset Management Update**

- 5.1 Major Voids have a budget allocated of £1,120,000 for 56 voids at an average cost of £20,000 per void. Our current outturn is 8 major voids completed to date with a further 20 voids on site. To date we have actual costs of £82,092 and committed costs of £336,252 giving a total budget commitment of £418,344
- 5.2 The volume of Major Voids does pose some initial concerns as the budget can not sustain these volumes going forward. Average costs are below target and the Asset Management team will monitor the volumes closely and the total spend will not exceed the budget allowance.
- 5.3 As previously reported Voids have undergone a review and all voids are delivered by KBM within the Borough whilst Stacks & Co continues to deliver voids outside of the Borough.
- 5.4 Not surprisingly, performance in terms of turn round times dropped in January and February as these new arrangements bedded in. Whilst performance did improve in March, turnaround times are still significantly more than target. Management have closely monitored performance on a daily basis and have taken further remedial action to improve the current situation and ensure Key to Key targets are recovered without further delay.
- 5.5 It was clear that KBM have failed to deliver voids to our agreed service levels and to ensure that these targets are met, the management team have decided to cease handing voids to KBM and are now getting these delivered by Apollo, Breyer & Stacks. Current performance has improved vastly and the average time routine voids are with contractors has reduced significantly. Therefore the management team are confident that this service will meet targets in the coming months.
- 5.6 The budget allocation for routine voids is £1,225,000 built up of an expectation of receiving 550 routine voids at an average cost of £2,227. Our current outturn to date is £120,284 for completed voids with £57,902 committed giving a total budget commitment to date of £178,186. These figures are in line with the budgeted expectations.
- 5.7 Despite initial indications of the revised contract bedding in well, it has become apparent that KBM's service levels have dropped significantly in the first quarter of this financial year.
- 5.8 Initial high level discussions have taken place with KBM senior management team and they have been informed that Ascham Homes are considering issuing a formal notice for breach of performance under the terms of the contract.
- 5.9 Failure to remedy the breach within a given timescale will allow Ascham Homes to terminate the contract without further notice should we so wish.

- 5.10 Contingency arrangements have been investigated with suitable contractors already operating within the Borough and two such contractors have indicated that they are willing to step in without any start up costs being attributed.
- 5.11 Regular management and core meetings are provided for in the contract and are taking place.
- 5.12 The re-procurement project is currently on track and soft market testing has been carried out. A workshop is being run at the resident's conference on the 2<sup>nd</sup> July for residents interested in participating in this project. The first Project Board meeting will take place in the first week of July to agree contract strategy including packaging, form and length of contract.

## **6 Risk Factors**

- 6.1 The capital programme is subject two main risks – sustained inclement weather and failure of a major contractor, both of which would delay the works programmes.
- 6.2 Both risks can be managed to some degree – inclement weather by forward planning of the works programme and having alternative work scheduled which can be implemented quickly - and failure of a major contractor by regular financial checks and by both spreading work over more than one contractor and knowing which alternative contractors are available.
- 6.3 Other risks include delays due to requiring planning approvals, and the requirements for resident, including leaseholder, consultation. Consultation requirements particularly impact on the devolved MRA works.
- 6.4 With regard to the contract with KBM, there is a risk that their performance will not improve sufficiently within the required timescales. The impact of this is being mitigated by the contingency planning that is underway.

## **7 Resource Implications**

- 7.1 These are included in the report and the capital programme has been reconciled to the resources available.

## **8 Diversity Implications**

- 8.1 There are no diversity implications that are specific to this report.

## **9 Conclusion**

- 9.1 The proposed capital programme is intended to meet the strategic objectives of:
- Completing the Decent Homes programme;
  - Supporting the neighbourhood management approach and maintaining the commitment to resident influence over a significant element of the budget (e.g. devolved MRA, environmental schemes on priority estates);

- Ensuring compliance with health & safety and other requirements (e.g. fire safety works, lift replacements); and
- Achieving value for money through programmes of planned renewals rather than them being done on a reactive basis (e.g. heating and boiler replacements, window replacements).

9.2 The Board is recommended to approve the Capital Programme for 2011/12 and note the Asset Management update.

<b>Date: 10 June 2011</b>	<b>Capital Projects Board</b>	<b>Appendix 1</b>
<b>Ascham Homes managed 2011-2012 Capital Programme</b>		
<b>Author: Chris Baines</b> Chris.baines@walthamforest.gov.uk		<b>Telephone: 020 8496 5405</b>

## 1. PURPOSE

To set out proposals for the best use of limited available budgets in 2011-12, to deliver a Capital programme of essential works and complete the final year of Decent Homes improvement works.

## 2. EXECUTIVE SUMMARY

- 2.1 This report sets out officer proposals for a Capital programme of £13.9m in 2011-12, prioritising essential programmes such as Fire Risk Assessment works, to deliver on long standing promises made to residents and complete the 2005 -12 Decent Homes improvements programme to all the stock. These proposals have been agreed by LBWF and Ascham Homes officers following a joint capital planning workshop and a series of further meetings.
- 2.2 The Capital programme and funding is updated with known outturns from the 2010-11 capital programme.

## 3.0 RECOMMENDATIONS

- 3.1 That SPB agree the proposals in the report for realignment of 2011-12 capital works priorities in order to complete the final tranche of promised Decent Homes improvements this year and other essential programmes.
- 3.2 That SPB agree that this revised capital funding programme is reported to Cabinet for approval in July.

## 4 BACKGROUND

- 4.1 In February 2011, Ascham Homes presented proposals to its Board and SPB for the 2011-12 Capital programme at an estimated £14.2m, including £2.5m for Decent Homes works, set against an estimated budget of £14.2m.
- 4.2 On 2<sup>nd</sup> March 2011 Cabinet approved a capital budget of £13.7m (including estimated underspend brought forward from 2010-11), to be delivered by Ascham Homes, shown in the table below.

<b>Approved 2011-12 Capital programme and Budget</b>	
Decent Homes (unallocated from 2010-11)	£2,500,000
Fire Risk Assessment	£1,457,000
ALMO Programme (MRA)	£9,780,000
<b>TOTAL</b>	<b>£13,737,000</b>

- 4.3 At the time, the final year of Decent Homes improvement works was subject to a bid to CLG for £11.6m of backlog funding, to complete the final year of Decent Homes improvements to an estimated 1200 homes, mainly in the Friday Hill area.
- 4.4 The bid for Decent Homes backlog funding was unsuccessful, but because of efficiencies through procurement and programme management, further properties were added and instructed within the delayed 2010-11 programme, which is due to complete in August 2011. This has reduced the investment requirement for the completion of the final 800 homes of our total stock that remain non-decent (7.6%) into 2011-12 & beyond, mainly in the Friday Hill TMO area. Ascham Homes' estimated cost of the final tranche of the programme is c£4.66m.
- 4.5 As a result of the shortfall in the Decent Homes funding officers were tasked to consider re-prioritisation of the capital programme proposals, in order to complete the Decent Homes programme. A joint planning session was held in April and further discussion has been undertaken.

#### 4.6 Updated Capital funding 2011-12

- 4.6.1 The table below sets out the brought forward commitments on delayed 2010-11 projects and the amended funding for the 2011-12 programme, updated by the outturns for 2010-11 and revised leasehold recharge estimates.

<b>Brought forward Commitments on delayed schemes</b>	
Essential MRA works including Fire Risk Assessment	£1,377,816
Devolved MRA contractually committed schemes	£520,197
Tenby Court estate works	£200,000
Decent Homes	£8,758,157
<b>TOTAL</b>	<b>£10,856,170</b>
<b>Adjusted Available Funding 2011-12</b>	
Decent Homes 2010/11 carry forward – Unallocated	£2,392,259
Fire Risk Assessment works (FRA) 2011/12	£1,457,000
ALMO Programme comprising;	£9,803,204
Devolved MRA 2010/11 – unallocated c/f	£463,056
Devolved MRA 2010/11 – earmarked c/f	£510,148
Major Repairs Allowance (MRA) 2011/12	£8,650,000
Leaseholder Charges 2011/12	£160,000
Insurance Recovery (net of leasehold)	£20,000
Ascham Homes RCCO (agreed by AH Board 16/5/2011)	£300,000
CHP	£342,000
Less Difference	(£1,633)
<b>TOTAL</b>	<b>£14,292,830</b>
<b>Total 2011-12 programme funding</b>	<b>£25,149,000</b>

- 4.6.2 The key changes to the approved budget result from;
- lower than forecast Decent Homes carry forward

- an additional £300k from Ascham Homes revenue savings in 2011-12 (RCCO).
- CHP monies totalling £342k for the delivery of Communal Heating to Aldriche, and Sheltered Boiler Replacement works programme
- Updated estimated leasehold contributions

## 5. 2011-12 PROPOSED CAPITAL PROGRAMME

5.1 Following the joint planning session and further discussion, officers have agreed re-prioritisation and re-allocation of the 2011-12 Capital programme, as shown in the table below.

<b>2011-12 Proposed Capital programme</b>	<b>Allocation</b>
TMO payments and capitalised repairs	£1,178,626
Essential works including FRA	£5,242,000
Sheltered Housing & Hostels	£210,000
Decent Homes improvements – final 7.6% of 2005-12 programme	£4,660,000
Devolved MRA schemes comprising;	£2,270,204
Schemes earmarked with residents	£510,148
Door entry systems	£650,000
Tenby Court works	£100,000
<b>Balance for discussion with residents</b>	<b>£1,010,056</b>
Environmental strategy (CESP)	£250,000
Decent Homes essential prevention works	£140,000
CHP Funding	£342,000
<b>TOTAL</b>	<b>£14,292,830</b>
<b>TOTAL PROGRAMME (inc B/F £10,856,170 commitments)</b>	<b>£25,149,000</b>

A detailed summary of the changes is shown at Appendix 1.

5.2 It was agreed that carried forward commitments on delayed 2010-11 programmes of £18.85m (see table at 4.6.1.above), should be honoured.

5.3 It was agreed that the programmes would be prioritised as:

- Essential works, including Fire Risk Assessment works.
- Funds passported to the TMOs at Friday Hill and Sansom & Acacia and capitalised repairs.
- Essential works at sheltered schemes, with a direct impact on vulnerable tenants. A proposal for boiler replacement at Boothby Court (£216k) was agreed, but it was considered appropriate to fund this from the Council's CHP reserve fund.
- Hostels essential works only, given the imminent review of the stock and as a result reduce the cost of the proposed programme by £30k.
- Completion of the final 7.6% tranche of Decent Homes improvements in the 2005-2012 programme.
- Devolved MRA (15% of MRA annually) for schemes discussed and agreed with Resident Panels.

- The installation of failed or absent door entry systems, to assist management of ASB issues.
- CHP Funding totalling £342k for the delivery of Communal Heating to Aldriche, and Sheltered Boiler Replacement works programme
- Energy saving programme;
  - It is proposed to deliver a £250k exemplar scheme in this financial year, with either solar panels as a secondary measure, (dependant on a decision about funding), or an alternative combination of secondary measure(s).
  - Proposals for a larger investment project of circa £1.5m across some of the Lower Super Output Areas (to be met from the 2012-13 budget post self-financing), will then be developed by the Project Group for further consideration by SPB. This will allow time for project development, procurement and a target start on site of 1st April 2012.
  - A separate report from the Project Group will present a summary of the work undertaken to date to estimate the delivery options, cost, risks and funding requirements for schemes to install solar panels to the Council's housing stock.

## **6. Resource Implications**

6.1 Within budgets

## **7. Equality Implications**

7.1 None of the protected groups, are disproportionately affected by these proposals.

## **8. Risk Factors**

8.1 Delivery of programmes in 2011-12 financial year.

Revised Capital Programme proposals 2011-12 – summary of changes

APPENDIX 1

Ascham Brought forward Commitments on delayed schemes		Revised LBWF & Ascham Officer proposals	
Essential MRA works including Fire Risk Assessment	£1,377,816	£1,377,816	Agreed
Devolved MRA contractually committed schemes	£520,197	£520,197	Agreed
Tenby Court estate works	£300,000	£200,000	Scheme agreed with £100k funded from 2011-12 devolved MRA
Decent Homes	£8,972,642	£8,75,8157	Agreed
<b>TOTAL</b>	<b>£11,170,655</b>	<b>£10,856,170</b>	
Ascham Homes 2011-12 programme Proposals (February)		Revised LBWF & Ascham Officer proposals	
Commitments – TMO payments and capitalised repairs	£1,178,626	£1,178,626	Agreed
Essential works including FRA	£5,242,000	£5,242,000	Agreed
Sheltered Housing & Hostels	£456,000	£210,000	Reduced to essential works at Hostels and Sheltered scheme boiler replacement funded from CHP
Decent Homes improvements – final 7.6% of 2005-2012 programme	£2,500,000	£4,660,000	Full final tranche of Decent Homes programme
Devolved MRA 2010/11 carry forward – earmarked	£500,00	£510,148	Updated outturn – See below
Devolved MRA 2010/11 carry forward – unallocated	£500,000	£463,056	Updated outturn – See below
Devolved MRA 2011/12	£1,000,000	£1,297,000	(15% of MRA) – See below
TOTAL unallocated Devolved MRA	£2,000,000	£2,270,204	Schemes earmarked with residents £510,148 Door entry systems £650,000 Carried forward Tenby Court works £100,000 <b>Balance for discussion with residents £1,010,056</b>
Promised to residents (door entry systems)	£650,000	0	£650,000 is re-allocated to Devolved MRA above
Environmental strategy (CESP & FiTs)	£1,250,000	£250,000	Exemplar CESP scheme draws in £250,000 match funding – total investment £500,000 – Balance is a priority for 2012/13 capital programme.
Decent Homes prevention works (estimate 10% of stock)	£0	£140,000	Essential works only. Main programme deferred to 2012-13 – these prevention works are provided for in Year 1 of the new HRA business plan.
CHP Funding		£342,000	For the delivery of Communal Heating and Sheltered Boiler Replacement
Fees and other General Fund works	£949,592	0	Fees inclusive, other GF works not in final budget
<b>TOTAL</b>	<b>£14,226,218</b>	<b>£14,292,830</b>	
<b>TOTAL PROGRAMME (inc B/F commitments)</b>	<b>£25,396,873</b>	<b>£25,149,000</b>	Set against available funding of £25,023,118

# Changes from Capital Programme approved by the Board in February 2011

# APPENDIX 2

	2011/12	To Board	2011/12	
	Requirement	Feb 2011	Budget	Changes from Programme approved by Board in February 2011
<b>Brought Forward Commitments</b>				<b>Total £10,856,170</b>
MRA 2010/11 C Fwd	£539,974	£1,500,000	£539,974	<b>Updated for changes in outturn on carry forward of committed schemes</b>
FRA 2010/11 C Fwd	£837,842		£837,842	
Dev MRA 2010/11 C Fwd	£520,197		£520,197	
MRA 2010/11 - Tenby Court	£300,000		£200,000	
DH 2010/11 C Fwd	£8,972,642	£2,500,000	£8,758,157	<b>Updated for revised programme costs for, and outturn on, 2010/11 programme carried forward</b>
<b>Commitments (Untouchable)</b>				<b>Total £1,178,626</b>
Friday Hill TMO	£579,210	£579,210	£579,210	TMO managed - Allocation based on percentage of the stock
Sams TMO	£99,416	£99,416	£99,416	TMO managed - Allocation based on percentage of the stock
Capitalised Repairs	£400,000	£400,000	£400,000	Capitalised repairs
Northwood Lifts	£100,000	£100,000	£100,000	Completion of lift renewal tendered and commenced in 2010/11
<b>Essential Works</b>				<b>Total £5,242,000</b>
Central Heating	£1,200,000	£1,200,000	£1,200,000	Replacement of 250 complete systems @ £3,200 & 400 boilers @£1,000 based on asset condition survey, remaining life of systems requiring upgrade/renewal. Includes capitalisation of boilers
Heat Recovery	£285,000	£250,000	£250,000	Replacement of 160 units @ £1,600. 1,779 units - replacement required every 10 years.
Electrical Works	£750,000	£650,000	£650,000	Test & upgrade individual & landlords supply to 75 blocks @ £10,000. 20% of stock per year + communals
Capitalised Voids	£1,400,000	£1,120,000	£1,120,000	Works to 56 major voids @ average cost of £20,000
Windows	£250,000	£250,000	£250,000	Replacement of windows / doors to 115 dwellings @ £2,200 - based on asset condition survey, remaining life of doors / windows requiring upgrade/renewal
Lift Replacement Programme - excl sheltered	£350,000	£300,000	£300,000	Lift replacement - based on asset condition, remaining life, due to breakdowns, H & S - Rayner Tower, Rosewood
Specialist electric booster pumps	£10,000	£10,000	£10,000	Replacement of 1 unit - 10 Units replace one at year @ £10,000 - pumps set, associated equipment, tank works, pipework etc
Sewerage Pumping Stations	£5,000	£5,000	£5,000	5 units, replace 1 per year @ £5,000
FRA 2011/12	£1,457,000	£1,000,000	£1,457,000	<b>Correction of 2011/12 allocation for FRA works to remainder of low risk blocks</b>
<b>Promised to Residents</b>				<b>Total £0</b>
Upgrade Controlled Entry Systems	£650,000	£650,000	£0	Upgrades to approximately 1,300 dwellings in 80 blocks. 558 systems average 12 units per system = 6,500 units. £500 per unit = £3,250,000. 20% require upgrading = £650,000; remainder over 10 years. Condition survey identified 72 systems in need of immediate replacement. <b>Funded from Devolved MRA</b>
<b>Sheltered Housing &amp; Hostels</b>				<b>Total £210,000</b>
Replacement		£216,000	£0	Replace boiler plant and pipework in 1 Sheltered Block Boothby Court. <b>Funded from CHP reserve</b>
Lift Replacement Programme	£50,000	£50,000	£50,000	Lift replacement - Holland House (Sheltered).
Works post Water Hygiene Testing	£120,000	£100,000	£100,000	Installation of local thermostatic mixing valves in 400 dwellings (sheltered & hostels). Scald risk due to high risk residents - 2 per dwelling @ £150
Hostels	£100,000	£90,000	£60,000	Planned repairs to 8 units @ £11,250 - based on asset condition. <b>Agreed to reduce to £60k for essential works only pending Hostel review</b>
<b>Other - Insulation &amp; Energy</b>				<b>Total £0</b>
Cross Borough Insulation	£100,000	£100,000	£0	<b>No LBWF funding in 2011/12</b>
Energy Works	£90,000	£90,000	£0	<b>No LBWF funding in 2011/12</b>

	2011/12	To Board	2011/12	
	Requirement	Feb 2011	Budget	Changes from Programme approved by Board in February 2011
<b>Decent Homes</b>			<b>Total</b>	<b>£4,660,000</b>
2011/12 Decent Homes	£4,660,000	£0	£4,660,000	Completion of bringing all properties to DH standard - 635 externals only @£5k + 165 internal & external works @£9k. <b>Updated property numbers / costs</b>
<b>Devolved MRA</b>				<b>£2,270,204</b>
Dev MRA 2010/11 Earmarked	£510,148		£510,148	<b>Earmarked for Door Entry etc schemes agreed by Panels but not contractually committed</b>
Dev MRA 2010/11 Unallocated	£463,056		£463,056	<b>Includes £100k for Tenby Court.</b>
Devolved MRA 2011/12	£1,297,000	£1,000,000	£1,297,000	15% of MRA - Resident priorities - to be determined by Neighbourhood Panels (also £463,056 unallocated from 2010/11). <b>Includes £650k for Door Entry systems.</b>
<b>Environmental Strategy</b>	£2,000,000	£1,250,000	<b>£250,000</b>	Matched funding for CESP (£1m) for leverage of private sector funding (1,300 dwellings) + Energy generation (£0.25m) (25 properties). <b>£250k for CESP in 2011/12, balance(estimated at £1.5m capital) a priority for 2012/13.</b>
DH Fall Out - Ks & Bs	£3,000,000	£0	£140,000	Fall out of Decency - 10% of stock p a @ £3,000 per dwelling. <b>Essential works only</b>
Fees for non-FRA / Devolved MRA works		£716,592	£0	<b>Included within allocations</b>
<b>Total - new</b>	<b>£19,925,830</b>	<b>£10,226,218</b>	<b>£13,950,830</b>	Excluding brought forward commitments
<b>Total Programme</b>	<b>£30,782,000</b>	<b>£14,226,218</b>	<b>£24,807,000</b>	Including brought forward commitments

<b>Funding - Brought Forward</b>		
Dev MRA 2010/11 C Fwd - Cttd		£520,197
MRA 2010/11 C Fwd - Cttd		£539,974
FRA 2010/11 C Fwd - Cttd		£837,842
DH 2010/11 C Fwd - Cttd		£8,758,157
MRA 2010/11 - C Fwd - Promised Tenby Court		£200,000
<b>Total</b>		<b>£10,856,170</b>
<b>Funding - New Commitments</b>		
Dev MRA 2010/11 - C Fwd - Earmarked		£510,148
Dev MRA 2010/11 Unallocated		£463,056
DH 2010/11 C Fwd - Unallocated		£2,392,259
FRA 2011/12		£1,457,000
MRA 2011/12		£8,650,000
Leaseholder Charges 2011/12		£160,000
Insurance Recovery (net of l'hold)		£20,000
Ascham Homes RCCO		£300,000
Less Difference		-£1,633
<b>Total</b>		<b>£13,950,830</b>
<b>TOTAL PROGRAMME FUNDING</b>		<b>£24,807,000</b>

Excludes Public Realm monies

<b>CHP Reserve Funded</b>			<b>Total</b>	<b>£342,000</b>
Communal Heating - Aldriche	£126,000		£126,000	As per recent e-mail (£116k + £10k feasibility)
Replacement	£240,000	£216,000	£216,000	Replace boiler plant and pipework in 1 Sheltered Block Boothby Court
<b>TOTAL PROGRAMME FUNDING INC CHP</b>			<b>£25,149,000</b>	

<b>Date:</b> 11 <sup>th</sup> July 2011	<b>Ascham Homes Board</b>	<b>Agenda Item: 8.1</b>
<b>Transforming Asset Management, Housing and Customer Services - Update</b>		<b>Status:</b>
		<b>Public Information</b>
<b>Author:</b> Jo Murphy, Ascham Homes Deputy Chief Executive	<b>Telephone: 020 8496 4023</b>	

## 1. Purpose of Report

- 1.1 The purpose of this report is to update Board members on progress in delivering the managing change process around restructuring our operational services.
- 1.2 The report includes the Equalities Impact Assessment conducted at the end of the managing change process to offer an oversight of the impact of changes across staff.

## 2. Recommendation

- 2.1 Ascham Homes' Board are asked to note the report.

## 3. Executive Summary

- 3.1 Ascham's Board have given clear direction on a range of other principles which inform these proposals including the need to deliver;
  - Significant improvement in the quality of homes and the lives in our communities.
  - Reliable and robust contract and compliance management.
  - A neighbourhood management service delivery approach.
  - Partnership with London Borough of Waltham Forest to ensure that Ascham Homes plays a leading role in meeting their priority service objectives now in future years.
  - An integrated operational service structure which meets Ascham Homes' aspirations and which it can afford.
  - A lower dependence on temporary, agency and contractor appointments particularly in frontline services.

- 3.2 In February 2011 the Board approved a proposal for a comprehensive Restructure of frontline operational services to ensure that Ascham Homes is well placed to meet these objectives.
- 3.3 The formal managing change process has completed the consultation, assimilation and re-deployment phases of the restructure. We are now in the open recruitment phase for Ascham staff and will shortly be advertising externally for posts which remain vacant after this final internal phase.

#### **4. Restructure Outcomes**

- 4.1 Feedback on the process has largely been positive with constructive and professional engagement across the staff group including through Trade Union Representations.
- 4.2 Indications are that the new structure largely addresses long-held frustrations from staff and are recognised as being required to achieve our objectives. The principles and aspirations have been well received by residents and their community representatives.
- 4.3 We have had regular and well attended consultation meetings with affected staff and have prepared written briefings for staff outside of the process or away from work for whatever reason.
- 4.4 At the outset, 40 staff were served with redundancy notice, and the majority of staff have been either successfully assimilated or redeployed within the new structure. At this stage, 16 staff have or will be leaving the organisation over the next 6 weeks. We have three appeals against redundancy to date, and are aware of two other staff who are continuing to apply for posts within the organisation.
- 4.5 We have some minor changes to the proposed structure as part of the consultation with staff and service needs (IT related posts in asset management), and to meet specific needs of individual staff members (specifically disability, working hours). Refer appendices 2 and 3 for new structure and for ALL currently available posts across the departments, not only positions arising out of the restructure activity).
- 4.6 We have successfully incorporated the Tenancy and Resettlement Support and Cleaning teams into the new structure and these are well integrated already within our management and service delivery.
- 4.7 We currently have 22 vacant posts and are actively recruiting. We had hoped that the new structure would largely be in place by end of Q1 but in fact key posts will not be filled until end of Q2 at the earliest.
- 4.8 Redundancy and change management costs have largely been within predicted levels and will be reported to board on completion of the process.

4.9 We have been able to move the asset management team from Wood Street to Willow House and already are seeing benefits from closer working with colleagues. (The Decent Homes teams continue to use Wood Street).

## **5. The Equality Impact Assessment**

5.1 Attached (appendix 1) is the independent Equality Impact Assessment (EIA) which has been carried out following the restructure.

5.2 The EIA is yet to be considered by Executive Management Team, however it is clear that we need to develop an action plan to address the areas of learning from this process which will be appropriate, proportionate and clear with measures to demonstrate progress against equality aspirations.

5.3 The Chief Executive and Chair of Governance and Remuneration will sign off the action plan to ensure proper completion of the assessment.

## **6. Further work**

6.1 All staff have either received confirmation of their new post, or are working towards their last date of working with Ascham Homes.

6.2 We have already made a significant reduction in long term temporary staff employed in the organisation. We will be appointing some temporary staff in key or technical posts until the completion of permanent appointments.

6.1 Over the coming week we will hear the three appeals against redundancy lodged as part of this process.

6.2 We will continue with recruitment to all posts, including externally through advertisement where appropriate after conclusion of the final internal advertising phase.

6.3 Discussions continue with LBWF around two ASB Worker posts as part of a specialist co-located ASB team comprised of staff from Ascham, the Police and RSLs. LBWF have still to finalise the details of their co-located team and the role specifically and we are keen to resolve the issue at an early date.

6.4 We have recently received legal advice through LBWF around the concierge post at Northwood Tower, which indicates that our previous consultation process was adequate. We now need to reactivate this process and conclude this matter satisfactorily.

6.5 Teams are moving towards the structure and new ways of working across Asset Management and Neighbourhood Services. We will be commencing a six week induction for all frontline staff from July 2011.

6.6 The formal launch of Neighbourhood Management was made at the Residents Conference on 2<sup>nd</sup> July. The full implementation will roll out over the coming weeks and months and new staff are appointed and take up their

roles. The full benefits of the new working practices will come through this year and be realised in 2012/13.

## **7. Diversity Implications**

- 7.1 The Equality Impact Assessment will be considered by the Executive Management Team and lessons learnt from the findings and managing change process itself incorporated in improved practice.

## **8. Risk Factors**

- 8.1 The principal risk has always been the speed of implementation of the ambitious restructure timetable in order to optimise the benefits from the efficiencies of the new operating model for 2011/12. We have incurred some legitimate delays through the consultation and managing change process and are working to minimise the service impact, deliverable efficiencies and the ability to deliver to performance targets.

## **9. Conclusion**

- 9.1. Delivery of the managing change process has largely been successfully delivered with the support and professionalism of Ascham staff. We have much work to do now to recruit to available posts to ensure that we are adequately resourced to meet Ascham Homes' business priorities, available finances.

## Equality Impact Assessment

<b>Name of policy/service/function</b>	<b>Restructure and reduction of staff</b>
<b>Date of Assessment</b>	<b>June 2011</b>
<b>Directorate</b>	<b>Company as whole</b>
<b>Head of Service</b>	<b>Madeline Foster – CEO</b>
<b>Name of lead Assessor</b>	<b>Bevin Betton - Head of HR &amp; NNS Consultancy Services</b>
<b>Reason for completing assessment:</b>	<ul style="list-style-type: none"> <li>• <b>Change to existing organisation structure and reduction of staff</b></li> <li>• <b>Management Board Report to Ascham’s Board of management</b></li> <li>• <b>Major decision with potentially major impact on equality</b></li> </ul>

### 1. Context

**What is the purpose or desired outcome of this policy/proposal from an equalities perspective?**

In February 2010, Ascham Homes’ Board approved a high level restructuring proposals to realign expenditure in accordance with the company’s new vision and priorities and a full assessment has been carried out to see the impact on equality groups of staff and reported back to the Board with its findings.

A further staff restructuring and reductions within the operational services became necessary to meet the direction given by the board on a range of other principles,

including neighbourhood management service delivery approach, reliable and robust contract and compliance management and an integrated operational service structure to meets Ascham Homes' aspirations and its affordability.

Much of the thinking behind the new proposal has been based on engagement with residents and feedback from the Audit Commission. It is also proposed that the new structure will enable the company to more effectively deliver its priorities and statutory responsibilities.

In view of this, a revised staff structure has been recommended to the Management Board in February 2011, resulting in deletion of 40 posts and the creation of 27 new posts. This left a redundancy exposure of between 13 and 40 people subject to managing change consideration. The Board gave an in principal agreement to the new structure proposals.

The proposed structure is expected to deliver £637k in savings in the base budget and further notional savings including those achieved through permanent recruitment within the asset management. A full year savings will be delivered in year 2012/13.

This equality impact assessment particularly focuses on the factors and issues that impact staff who are directly affected by this proposal. Exploring the following to identify any adverse impact upon on particular equality groups to address all relevant concerns:

- implications of the projected savings and reduction of staff from equalities prospective,
- understanding the equality profile of the groups of staff who are directly affected by this proposal
- how the above profile compares to the total workforce and to our residents' profile
- focusing on maximising opportunities for equality groups wherever possible, and
- ensuring that any potential negative impact is identified with appropriate mitigating measures put in place

The existing structure consisted of some 179 (fte) permanent posts. There were 40 people at risk as a result of the proposals and caused a minimum of 14 redundancies. The figure came to 14 due to the skills required for some of the new jobs created has not been found in existing staff and would not be attainable with appropriate training.

## **2. Gathering and Reviewing Evidence**

**What are the equality issues including barriers to access or success that are relevant to understanding the equality dimension of this policy/proposal?**

(Look at race, gender, disability, faith, age, sexual orientation, trans-gender and any other potentially disadvantaging factors such as ex-offender background, being a gypsy or traveller, being a looked-after child)

This section quantifies and compares the impacts of the proposed restructure on all staff in the company, those staff at risk and the residents Ascham Homes serve. AH has a relatively low collection of data on its leaseholders and residents in leasehold properties.

There exists a commitment to improve this in the coming years.

The Equality Act 2010 consolidates and streamlines the previous anti-discrimination legislation and includes a new Public Sector Equality Duty (PSED), which came into effect from April 2011.

The PSED covers the following eight of the nine protected characteristics within the Equality Act 2010:

Age disability gender reassignment pregnancy and maternity race  
religion or belief sex sexual orientation.

Staff and residents are asked to self declare their ethnicity, disability, gender, religion or belief, sexual orientation and age. AH has made significant progress in collecting equality strand data over recent years. Charts below contain key relevant information taken from the residents' profile and HR profile for comparison purpose. In line with the new legislation, the company also asked its entire staff to declare their marital status and care responsibility to compare, whether this proposal is adversely impacting.

Equalities impact of protected characteristics are compared below to identify the adverse impact caused to the total workforce (profiles as in September 2010), staff at risk, the Council tenants (profiles as at March 2011) and the overall population of the borough:

## 2.1 Impact on gender

The table below breaks down the gender profiles of the total workforce, staff at risk of redundancy, Council tenants and the total population of Waltham Forest.

As in September 2010, a total of 49.2% of Ascham Homes' employees are recorded as female and 50.8% as male. When comparing the total population of Waltham Forest and the Council tenants gender profiles, the Council tenants has the highest percentage of female (62.6%), with the borough population of 49.9% females..

Gender data held also confirms that the female to male proportion among the staff at risk of redundancy are equal at 50% each.

Gender	Number of staff	%age	Number of staff affected	% age of staff affected	%age of Tenants profiles as at 21 March 2010	%age of the population of WF
Female	<b>88</b>	49.2	<b>7</b>	50.0	62.6	49.9
Male	<b>91</b>	50.8	<b>7</b>	50.0	<b>37.4</b>	<b>50.1</b>
<b>total</b>	<b>179</b>	100	<b>14</b>	<b>100</b>	<b>100</b>	<b>100</b>

By releasing 14 employees through redundancy, there is unlikely to be a significant impact on the demographics of AH (in relation to gender) as the gender breakdown of employees in risk of redundancy, is proportionate to the gender breakdown of all AH employees as well as to the total population of the borough. However, the workforce is not as representative of the tenants AH serves.

## 2.2 Gender reassignment

The current gender equality duty requires public authorities to eliminate unlawful discrimination and harassment on grounds of gender reassignment. The new Public Equality Duty requires public authorities to have due regard to advance equality of opportunity and foster good relations between people who share the protected characteristic of gender reassignment and those who do not.

AH currently does not collect information on the transgender identity of staff. There is a risk that should an employee be transgender, transitioning or undoing gender reassignment, moving office, line management or job role may cause additional distress above and beyond that of other staff.

## 2.3 Impact on disability

The disability data held confirms that AH has less percentage of disabled employees, with 2.8% of employees have recorded a disability, where as 12% of the council tenants recording a disability and 16% of the borough population recording a disability. However, reduction of one disabled staff through redundancy shows as 7.1% of those staff at risk of redundancy.

Disability	Number of staff	%age	Number of staff affected	% age of staff affected	%age of Tenants profiles as at 21 March 2010	%age of the population of WF
Disabled	5	2.8	1	7.1	12	16% (Census 2001)
Not disabled	174	97.2	12	85.7	88	
Not prefer to say			1	7.1		
<b>total</b>	<b>179</b>	<b>100</b>	<b>14</b>	<b>100</b>	<b>100</b>	

At this stage we have no evidence to suggest that there will be any adverse impacts specific to employees with disability as a result of restructure and redundancy.

## 2.4 Impact on ethnicity

The table below presents the total number of staff within the company before redundancy and those at risk of redundancy compares with the council tenants and the WF population by ethnicity.

As an overview 50.8% of Ascham Homes staff have declared themselves as BME in comparison to 60.2% of council's tenants and 43% of the borough population declared themselves as BME. Of the 14 staff at risk 50 % have declared themselves as BME.

<b>Ethnic Origin</b>	<b>Number of staff</b>	<b>%age</b>	<b>Number of staff affected</b>	<b>% age of staff affected</b>	<b>%age of Tenants profiles as at 21 March 2010</b>	<b>% of residents profile</b>
White British	88	49.2	7	50.0	<b>37.8</b>	<b>57.0</b>
White Other	3	1.7	1	7.1	14.4	
Black Caribbean	31	17.3	2	14.2	9.1	9.0
Black African	14	7.8			12.8	7.0
Black British/other	16	8.9	3	21.4	6.0	4.0
Asian Indian	9	5.0	1	7.1	0.9	
Asian Pakistani	6	3.4			4.7	9.0
Asian Bangladeshi	3	1.7			0.9	
Asian British/other	5	2.8			5.9	
Dual heritage	2	1.1			2.4	
Chinese					3.0	
Prefer not to say/ unknown/others					4.9	
<b>total</b>	<b>179</b>	<b>100</b>	<b>14</b>	<b>100</b>	<b>100</b>	

Although, we recognised that British White staff were more at risk through this restructure, the actual outcome shows that there has not been a greater disproportionate impact in relation to White staff as a result of redundancy. But it shows higher percentages (21.4%) of Black British are at risk of redundancy. Ethnicity breakdowns of the current structure of the top 5% earners within the company shows very less number of BME managers in this group to reflect the representation of the community AH serves and the borough population.

## 2.5 Impact on age

As an overview, the company has the oldest workforce with 24% of staff are aged 55-64 years old and less than 1% under 25 years or less. This compares to 13.5% and 29.2% of the residents in this age group respectively. Where as among those 14 staff at risk, 42.9% are aged 55-64 years and none in the under 34 years old groups. The table below shows the current profile of those will be made redundant compared with that the total staff and the residents.

Age	Number of staff	%age	Number of staff affected	% age of staff affected	%age of Tenants profiles as at 21 March 2010	%age of Residents profiles
16-24	1	0.06	0		4.7	
25-34	29	16.2	0		14.5	
35-44	38	21.2	3	21.4	23.0	
45-54	68	38.0	5	35.7	20.4	
55-64	40	22.3	6	42.9	13.5	26% are over 50 years
Over 65+	3	1.7	0		23.8	
<b>total</b>	<b>179</b>	<b>100</b>	<b>14</b>	<b>100</b>	<b>100</b>	

Under the decision for the redundancy of those 14 people, staff age profile has shown that there is a higher proportion of staff in the age group of 55– 64 years old band compared to the percentage of tenants' profile and residents' profile.

## 2.6 Impact on religion or beliefs

The data on employees confirms that 60.8% of employees are from a Christian background, 8.2% from an Islam background and 12.4% of employees have no religion. Among those staff at risk of redundancy, 64.3% declared as Christian. And due to the number of staff in other religion are small, it is difficult to assess impact on those different religious group.

Religion or Belief	Number of staff *	%age	Number of staff affected	% age of staff affected	%age of Tenants profiles as at 21 March 2010	%age of residents profiles- Census 2001
Christian	59	60.8	9	64.3	55.0	57
Agnostic	3	3.1	2	14.2		
Daoism	1	1.0				
Islam	8	8.2	1	7.1	20.8	15.1

Hindu	2	2.0	1	7.1	1.4	1.8
Buddhist	2	2.0			0.8	0.4
Jewish	0	0			0.5	0.7
Sikh	2	2.0			0.3	0.6
No Religion	12	12.4			3.6	15.0
Not prefer to say	6	6.2	1	7.1	1.9	9.0
other	2	2.0			3.2	
<b>Total</b>	<b>97</b>	<b>100</b>	<b>14</b>	<b>100</b>	<b>100</b>	<b>100</b>

\* only 97 staff declared the information

However, the above figures demonstrate that the overall staff were not proportionately represents the tenants profile, of those who are Muslim. AH is aware of the extent of under-representation of Muslim in the workforce and encourages applications from this community within recruitment campaigns.

## 2.7 Impact on Sexual Orientation

There is insufficient information available to enable a meaningful conclusion to be drawn regarding the impact on staff within the sexual orientation diversity category.

From the data collected, Lesbian, gay and bisexual (LGB) employees are very much under represented within the workforce. There remains hesitation for employees to disclose their sexual orientation at work, which is likely to be as a result of fears of direct and indirect discrimination.

<b>Sexual Orientation</b>	<b>Number of staff *</b>	<b>%age</b>	<b>Number of staff affected</b>	<b>% age of staff affected</b>	<b>%age of Tenants profiles as at 21 March 2010</b>	<b>%age of residents profiles</b>
Heterosexual	87	89.7	12	85.7	98.0	
Bisexual	0				1.0	<b>4-6% (LGBT Matters Survey)</b>
Gay man	0				1.0	
Lesbian	1	1.0				
Prefer not to say	9	9.3	2	14.3		
<b>total</b>	<b>97</b>	<b>100</b>	<b>14</b>	<b>100</b>	<b>100</b>	

\* only 97 staff declared the information

In accordance with legislation, there are no measures as part of this restructure which

could be seen to directly discriminate against staff on the grounds of sexual orientation.

However, the gaps in staff and tenant profile data suggests that sexual orientation is still not an area in which people always feel comfortable disclosing generally, and specifically in a work environment. Organisational development in this area would help to combat prejudice and create a more progressive and inclusive organisation in this regard.

Where a member of staff is out to their manager or immediate colleagues, but may not feel comfortable in disclosing if they are LGB to colleagues that they do not know that well, changing job roles may cause disproportionate stress compared to staff who are straight.

## 2.8 Impact on status of married/single

As an overview, within those 97 staff, who had declared information about their marital status, 50.5% identified themselves as married, whereas 50% of those staff at risk of redundancy due to the restructure had identified themselves as married. No data collated from the residents for this protected characteristic.

Status married/single	Number of staff *	%age	Number of staff affected	% age of staff affected	%age of Tenants profiles as at 21 March 2010 ++	%age of Residents profiles
Married	49	50.5	7	50.0	No data available	No data available
Divorced/separated	10	10.3	1	7.1		
Living with partner	11	28.9	1	7.1		
Single	26	26.8	5	35.7		
n/A	1	1.0				
<b>total</b>	<b>97</b>	<b>100</b>	<b>14</b>	<b>100</b>		

\* only 97 staff declared the information ++ no information collected

Again, the married profile very similar to those at risk compares to the total staff profiles, with slight increase in the overall percentage of single people among those staff at risk of redundancy.

In accordance with legislation, there are no measures as part of this restructure which could be seen to directly discriminate against staff on the grounds of pregnancy and maternity.

The right to return to a suitable alternative post following return from maternity / adoption leave is a statutory entitlement therefore AH must uphold this obligation.

## 2.9 Impact on caring responsibilities

The table below shows the profile of care responsibilities for the current staff in comparison to the staff at risk due to the proposal.

In overall, the caring responsibilities are similar to the current position, with a slight increase in caring for older people for those at risk of redundancy.

Caring responsibilities	Number of staff*	%age	Number of staff affected	% age of staff affected	%age of Tenants profiles as at 21 March 2010	%age of Residents profiles++
Care for children	41	42.3	6	42.9	No data available	No data available
Care for older person	10	10.3	2	14.2		
No caring responsibility	46	47.4	6	42.9		
total	97	100	14	100		

\* only 97 staff declared the information ++ no information collected

## 3. Where are the gaps in this evidence; which groups or issues do we know least about?

### Overview of fact finding:

For the purpose of this assessment there are no significant gaps in the equality and diversity profiles information used to carry out this assessment. However, this may be different for individual.

No significant cuts are proposed to the day to day service provided by the organisation to residents. Service reductions in major works are not thought to have a disproportionate impact on residents protected under equality legislation.

In line with the scaling down of the capital investment programme, the demand on decent homes team will decrease in year 11/12 and subsequent years. This leads its way to the deletion of a number of posts in the asset management team.

The proposal for reduction of staff will impact on all staff as well as residents Ascham Homes serve and will not disproportionately affect any particular diversity group of residents.

It has been noted that the current proposal will offer an increase in Neighbourhood Officers of 3.5 additional posts, which will help to reduce patch size for officers from 890 to 670 and opportunities for recruiting and supporting trainees for these three posts. The re-structure also allows the opportunity for improving person to person frontline services, particularly to vulnerable people and enables improved community development.

Initial analysis of those at risk shows no significant disproportionately by any of the protected characteristics except those staff who are disabled and Black British.

#### **4. Where you have involved or consulted on this policy/proposal with equality stakeholders and what did they tell you?**

Consultation has taken place as outlined below prior to and after the report presented to the management board.

- During October 2010, Tenants conference and Contract panels meetings residents were briefed about the proposal for restructure. Residents' feedbacks were extremely positive about the staff restructure proposal.
- 7<sup>th</sup> January 2011, Staff and staff representatives were sent copies of these proposals for consultation and invited to make comments on the proposal within 28 days.
- 8<sup>th</sup> February 2011- a report was presented to the Board of Management, which outlined the proposed restructure and the reasons for that restructure
- 16<sup>th</sup> March 2011, Union representative formally advised that consultation on redundancy had commenced and statutory information provided to them.
- In addition to request for individual comments, consultation with staff has taken place through team as well as initial briefing sessions for all the staff

Extensive discussion/correspondence with all staff regarding the future of the company and its financial situation were corresponded and the outcome of these processes has not risen any significant concerns relates to Equality.

#### **5. Making an Assessment of the Impact**

**Drawing on aims of the policy, the evidence of issues and barriers and the outcomes of involvement activity please list all potential negative impacts on;**

- **people from the equality groups**
- **the promotion of equality in general and**
- **the promotion of community cohesion.**

Considerable work has been undertaken to understand the impact of the budget on equality. Equality considerations have been an integral part of the budget setting and decision making process and budget proposals have where appropriate, been subject of

the Waltham Forest Council's Equality Impact Assessment process.

This equality impact assessment has included an analysis of those impacted by the decision of the proposed restructure and those potentially impacted. During the consultation process the views of staff affected and Unions have been actively sought. As a result the company has a clear indication of the nature and scale of the concerns and issues of staff. These have been taken into account when the final decisions have been made.

The proposed restructure will have minimal impact on access and customer care. Proposed reductions in Asset Management Team can be justified by decreasing demand for service streams area and an overall reduction in the funding of the Capital Investment Programme for decent homes.

Ascham Homes recognised that there is a slight disproportionate impact in terms of disability, ethnicity, gender, faith and age from those made redundant.

However, it has been identified that there is a higher proportion of aged over 55 groups of staff in the current asset management team, who are mostly affected by this proposal. Employees aged over 55 are eligible for immediate pension benefits if made redundant through early retirement. This could be considered disadvantageous for people below 55 as they would not have access to their pension benefit. This is a condition of Local Government Pension Scheme, and held to be justifiable, and as such cannot be altered. This would therefore not be unlawful age discrimination in current legal context.

Therefore, at this stage, there is no potential differential impact on staff has been identified for the following reasons:

- No anticipated adverse impacts to anyone across any of the protected characteristics,
- Additional support put in place through the job centre plus and GSS to support in finding alternative jobs, managing retirement etc will help those at risk of losing their job

During the consultation process, not many significant concerns relates to equality issues were raised by staff or Unions. However, the common themes and areas of concern identified through the review are:

- Employability if made redundant
- Ability to save for retirement
- Retention of reasonable adjustments and adaptations for disabled staff in their future employment, and
- Provide attractive flexible working packages in their future to those at risk of redundancy to support their caring responsibilities

If a female employee is required to change roles and working locations, a potential lack of availability of nearby childcare facilities/play-schemes may impact persons with childcare

responsibilities.

As part of redeployment guidance, highlight the availability of child care facilities in and around AH locations.

According to the company policy, employees on maternity and adoption leave are offered a suitable alternative vacancy to return to if a restructure takes place during their absence.

**Please specify what action you could take to remove or partially mitigate each negative impact.**

Mitigation actions focus to address all these above concerns is set out below.

- Investigate and negotiate with the Waltham Forest Council for re-deployment opportunity and alternative job opportunities for those staff at risk of redundancy
- Ensure that all staff at risk of redundancy will be provided with a comprehensive support package which includes active support from Job Centre Plus and training by Global Solution.
- Ensure some additional support given to those staff declared as disabled to regain employment.
- Ensure future opportunities for recruitment encourage disabled, women, Muslim, BME (for senior positions) and LGB groups to apply for any future vacant posts.

**If any of these negative impacts cannot be mitigated at all please provide justification for this.**

Not applicable

**Drawing on the evidence, the outcomes of involvement activity and the detail of the policy please list any additional improvements and positive benefits that can be made to better promote equality and community cohesion.**

- Consider that our future new recruitments for senior posts match to the equalities requirement for the top 5% earners profile of staff to represent the service users' equality profiles.
- Participate in the Stonewall Diversity Champion to combat prejudice and create a more progressive and inclusive organisation in regards to LGBT.
- Begin to collect information from staff, who wish to disclose their gender reassignment status, and ensure that this is monitored for all future applicants in the recruitment process
- Hold open days or taster days exclusively for disabled, Muslim, LGB and women, applicants

## **6. Planning Mitigating and Improvement Action**

Complete the action-plan template attached to show what action will be taken to mitigate each negative impact and action each improvement, how will be take it and when it will be done.

Head of Neighbourhood Services

Neighbourhood Manager (N)

Neighbourhood Manager (C)

Neighbourhood Manager (S)

Community Engagement Manager

Customer Service Supervisor x 2

Environmental Services Manager x 2

Estate Supervisor 2 + 2

Chargehand 8 + 3

Grounds Maintenance Workers x 10

Seasonal Worker x 7

Caretaker x 38.5

Cleaners x 9

Environmental Service Administrator

Neighbourhood Officer x 3

Neighbourhood Co-ordinator

Neighbourhood Officer x 4

Neighbourhood Co-ordinator

Lettings Officer x 3

Neighbourhood Officer 2 + 1

Neighbourhood Co-ordinator

Tenancy Resettlement and Support Officers 2.5 + .5

Community Development Officer 2 + 1

Customer Service Officer 12 + 1

Customer Service Surveyor

ASB Worker

ASB Worker

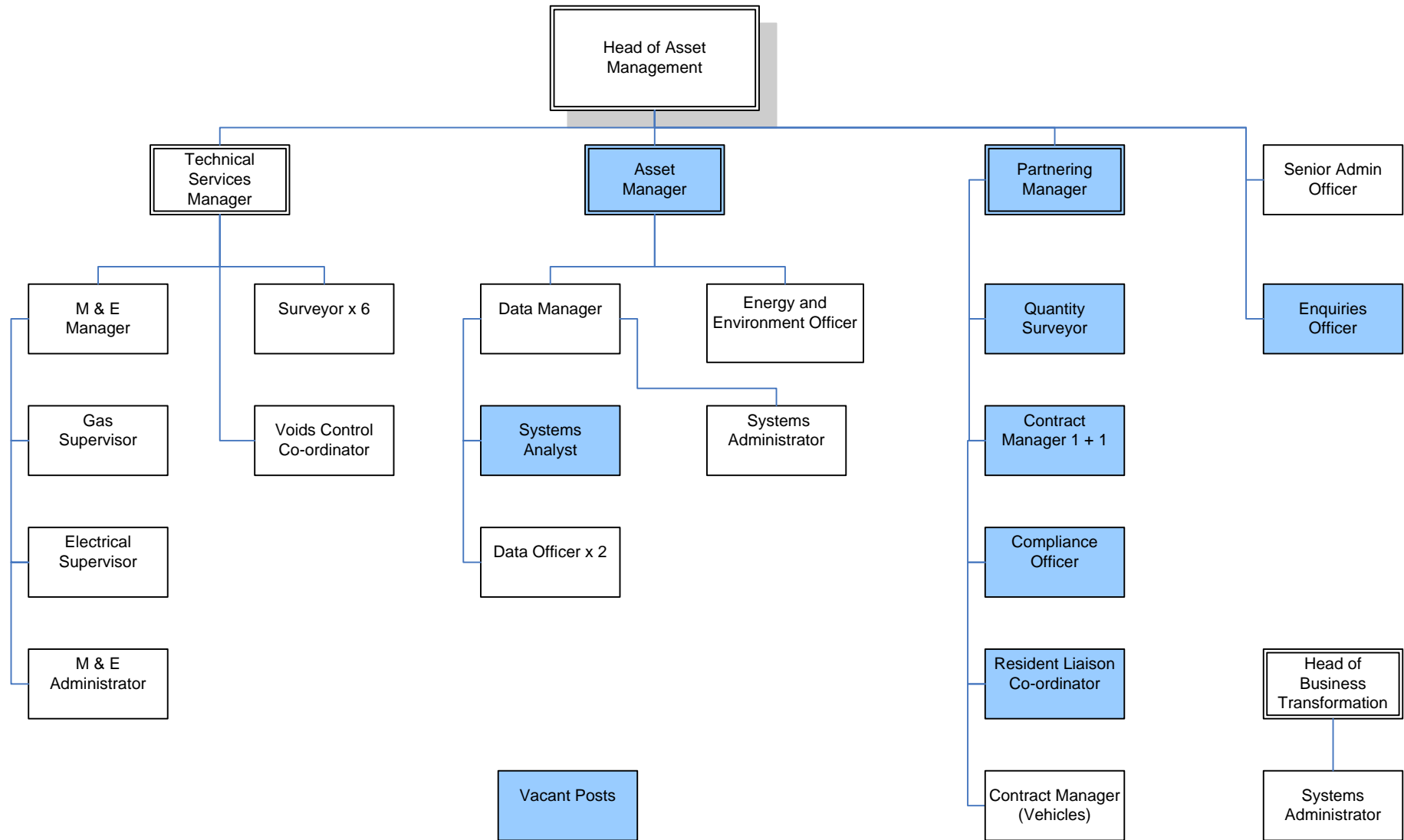
Senior Admin Officer

Vacant Posts

Deputy Chief Exec

Enquiries Officer

Neighbourhood Services Structure Final Appendix 2



Asset Management Structure Final  
Appendix 3

<b>Date:</b> 11 <sup>th</sup> July 2011	<b>Ascham Homes Board</b>	<b>Agenda Item: 8.2</b>
<b>Improving the IT Service at Ascham Homes: IT Action Plan Update</b>		<b>Status:</b> <b>Public</b>
		<b>Decision</b>
<b>Author: Kate Sinclair</b>	<b>Telephone: 020 8496 4018</b>	

## **1. Purpose**

- 1.1. To update the Board on the progress with improvements to the IT service provision at Ascham Homes.

## **2. Recommendations**

- 2.1. Board notes and comments on the report

## **3. Introduction**

- 3.1. At the last Board meeting in May, the Board were presented with the IT strategy and a draft action plan for the IT service improvements. The strategy introduced a framework for making decisions about IT and other related business improvement activities through a Business Improvement Steering Group. This group has now met for the first time and a terms of reference has been written.
- 3.2. Since May, we have met with the Council's ICT leads to define the project plan for the ICT service transfer and the upgrade of the Northgate Integrated Housing Management System. These plans go into some detail so a top line plan has been produced for the Board so that you can see the timeframes and key milestones. This can be seen at Appendix 1.

## **4. Planning Improvements**

- 4.1. The Business Improvement Steering Group (BISG) met in June to agree the terms of reference for the Group that were drafted at the EMT away day in May. There are a number of proposed projects that have been discussed in the past and these will be brought to BISG. The forward plan for discussion for BISG can be seen at Appendix 2.

4.2. It was also decided that performance should be referred to BISG as poor or declining performance can be an early indicator of needed improvement activities. Heads of service will need to be engaged in these discussions as they will own the benefits and manage the projects that they will formulate with this group.

## **5. IT Action Plan**

5.1. The IT Action Plan in Appendix 1 is a summary of the planned work that is currently on going.

### **5.1.1. ICT Service Transfer**

5.1.2. The Council's ICT have provided Ascham Homes with a proposed project plan and this has been commented upon and will be amended with both organisations' agreement at the next project meeting.

5.1.3. Ascham Homes have identified the service provision that we currently have and what we will require. There are some areas where we will need to negotiate on who will be responsible for maintaining and these will be scoped out in the next project meeting.

5.1.4. The Council's ICT will be kept aware of any forthcoming projects recommended by the BISG so that these can be factored into the final service provision agreement.

5.1.5. The next stage is to scope and draft a Memorandum of Understanding (MOU) and a Service Level Agreement (SLA) and ensure that these are acceptable to our legal teams. The boundaries between our services will be set in these agreements and this will allow us to start to consider the implications for our staff arrangements and confirm any changes in costs.

5.1.6. It is envisaged that from mid – July we will be able to establish which staff will be affected by the transfer of services. Any TUPE matters will be established and staff will be consulted. The plan is to have the service transfer agreed and signed off in mid – September.

5.1.7. While we are at the stage of completing the SLA for sign off, the Council will begin analysing our requirements to migrate our desktops to Windows 7. The availability of our current applications will be then tested in September and our requirements for Outlook will be provided. In October, our email system will migrate from Groupwise to Outlook and old email and file servers will be decommissioned.

5.1.8. Our network and data centre will be co-located with the Council. This part of the project requires us to identify the physical servers to be hosted and establish our internet and telephony requirements. It is planned that the servers will be relocated in October followed by the test and go-live to happen shortly afterwards.

5.1.9. Upon completion of the ICT service transfer, the SLA will be reviewed and defined along with necessary escalation processes and the service and operational standards. If there are any staff to be transferred then this would happen now. Based on current discussions and project plans, it is expected that this transfer will be implemented by the end of November.

## 5.2. Upgrade to Northgate 6.3

5.2.1. While Ascham Homes are the major user of the Northgate system, the system is owned by the council who use it also. It is the Council's ICT's plan to purchase two new servers on which to host the most up to date version of Northgate, 6.3.

5.2.2. They will build the new servers in Test and Live and upgrade Northgate to 6.3 on both servers over time. We would continue to run the live system we are currently using on the existing servers until we can test the new version and sign it off. Then we would clone the database to the new Live server and go live with the hosted solution.

5.2.3. Throughout the implementation of Leasehold Service Charge and Leasehold Property Purchase modules, these will be built on the new Test servers at 6.3 and loaded when we are ready to go live on these modules.

5.2.4. There will be a resource requirement to test the new 6.3 upgrade in all current modules and this will take around ten weeks time.

## 5.3. Service Charge and Property Purchase Modules

5.3.1. The outline of the implementation of the modules can be seen in the third section in Appendix 1. The tender process has now been completed with Kaerin Lyn appointed as successful contractors to implement the modules.

5.3.2. We will be working to some very tight timescales to be able to go live with the Service Charge module by the start of the next financial year. It can be done within the current resources but there is a risk that if there are any delays, we will miss this target. Kaerin Lyn have been asked to provide us with a contingency plan that sets out how we will go live mid-year and aim to produce the actual service charge bills on the new system.

5.3.3. The contractors will be on site in mid-July and Northgate representatives will spend ten days here over the summer to provide specialist advice and training on transferring to the new module. Kaerin Lyn are aware of how long a data load and cleanse can take and that is why this part of the project is planned for such a long period of time (from August to January).

#### 5.4. Planned Maintenance and Asset Management

- 5.4.1. The tender process has begun with expressions of interest received. Should the contractors be on site by August, we expect that this module will be implemented by the end of December.

### 6. **Resource Implications**

- 6.1. There is provision in the budget to deliver these projects. Any new projects or improvements will be considered in line with the budgets available and the delivery plan priorities. There will always be a finance representative at BISG meetings to ensure that prioritisation of projects takes resources in to account.

### 7. **Diversity Implications**

- 7.1. There will be an Equality Impact Assessment undertaken for all improvement projects including the ones listed here. These will be considered by BISG and they will be done at the design phase as well as at the end so that the results can inform improvements to services so that they are reflective of our diverse customer needs.

### 8. **Risk Factors**

- 8.1. There will be risks associated with all projects and these will be mapped out at the project initiation phase and monitored by a project board.

	2011					2012							
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
<b>ICT Service Transfer</b>													
<u>Planning</u>													
Identification of service provision													
Legal Requirements, MOU, SLA scoped and drafted													
Identify Costs													
Human resources identification and consultation													
Service Transfer agreed													
<u>Implementation</u>													
Desktop Migration test and roll-out													
Data Centre and Network Co-Location													
Server Visualisation													
Application Visualisation													
<u>Support and Maintenance</u>													
SLA Definition, escalation process, Service and Operational Standards													
<b>Upgrade to Northgate 6.3</b>													
Hardware refresh													
Instal Version 6.2													
<b>Service Charge and Property Purchase modules</b>													
Tender Process													
Scoping, data interrogation, mapping, engagement													
System design, mapping, build													
Data load													
Test													
Training													
Go Live													
Post Live support													
<b>Planned Maintenance and Asset Management</b>													
Tender Process													
Scoping, data interrogation, mapping, engagement													
System design, mapping, build													
Data load													
Test													
Training													
Go Live													
Post Live support													

<b>Date:</b> 11 <sup>th</sup> July 2011	<b>Ascham Homes Board</b>	<b>Agenda Item: 8.3</b>
<b>Revenue Budget Monitoring – May 2011</b>		<b>Status:</b> <b>Public</b>
		<b>Information</b>
<b>Author: Tony McNamara, Head of Finance</b>	<b>Telephone: 020 8496 4971</b>	

## 1. PURPOSE

- 1.1. This report is to advise the Board of the revenue budget monitoring position as at 31<sup>st</sup> May 2011.

## 2. EXECUTIVE SUMMARY

- 2.1. This is a highlight report summarising the Ascham Homes budget monitoring position as at 31<sup>st</sup> May 2011. The Company is reporting an under spend of £20,000, this is summarised in Appendix 1.

- 2.1.1. The under spend can be summarised as small under spends on employee costs of £21,000 and repairs and maintenance of £32,000 offset by an over spend on supplies and service of £34,000.

- 2.2. The Company set aside £428,000 last year to fund the cost of redundancies following the latest Company restructure. The restructure is ongoing and the final cost of redundancy has still to be reached although it is expected to be contained within the £428,000 set aside last year. The 2011/12 budget included £300,000 to fund these redundancy costs, so as this is no longer required the Board, at the May Board, agreed to set this amount aside to supplement the Decent Homes Capital Programme through a Revenue Contribution to Capital (RCCO).

- 2.3. The Company is concluding the restructure of Asset Management, Housing Management and Tenancy Services. The 2011/12 budget was calculated assuming that the restructure would be implemented on 1<sup>st</sup> April 2011. The delay in implementation will mean that additional employee costs will be incurred however an initial financial review indicates that savings from vacant posts will be sufficient to cover these costs. A full financial review of employee costs on the service areas undergoing the restructure will be undertaken when the restructure has been completed.

### **3. BACKGROUND**

3.1. This report is the first budget monitoring report for 2011/12 and is intended to provide a high-level synopsis. A further more comprehensive budget monitoring report will be produced after the first quarter and this will also include:

- i Balance Sheet;
- ii Cash Flow Statements, and
- iii Initial draft statement of Direct Costs to Overheads.

3.2. The Company is continuing to progress the outstanding insurance claim following the decision of the LVT to find in favour of the Council's leaseholders. The latest position is that Zurich has written to Ascham Homes confirming that they will:-

*"indemnify Ascham Homes in respect of any legal liability to pay damages and legal costs for financial loss arising as a result of a negligent act, accidental error or accidental omission committed, alleged to have been committed, within the geographical limits of the insurance policy by any employee or volunteer arising out of the business during the period of insurance. The policy is subject to a limit of indemnity of £15,000,000 inclusive of claimant's costs..."*

3.3. Therefore Zurich has now seized the claim and will progress the claim through their claims procedures.

### **4. RECOMMENDATIONS**

4.1. The Board is asked to note:

- i The Company's financial position to 31<sup>st</sup> May 2011;
- ii The Company held reserves of £435,000 at 31<sup>st</sup> March 2011. A further £250,000 is budgeted to be contributed to reserves this year, meaning reserves are projected at £685,000 at 31<sup>st</sup> March 2012;
- iii The Board has approved a RCCO of £300,000 to provide additional funding to the Decent Homes Programme;
- iv The updated position on the LVT insurance claim.

APPENDIX 1

ASCHAM HOMES LIMITED

INCOME & EXPENDITURE ACCOUNT:

May 11

	Revised Budget 2011/12	Budget to May 2011	Income / Expend to Date	Budget Variance to Date	Projected Outturn 2011/12	Projected Variance 2011/12
	£000 C	£000 D	£000 E	£000 E-D	£000 F	£000 C-F
<b>INCOME</b>						
Management Fee Income	(21,109)	(3,518)	(3,518)	0	(21,109)	0
Commission Income	(782)	0	0	0	(782)	0
Interest Received	(25)	(4)	0	4	(25)	0
Capitalisation	(400)	0	0	0	(400)	0
Customer and Client Receipts	(124)	(20)	(21)	(1)	(124)	0
<b>TOTAL INCOME</b>	<b>(22,440)</b>	<b>(3,542)</b>	<b>(3,539)</b>	<b>3</b>	<b>(22,440)</b>	<b>0</b>
<b>EXPENDITURE</b>						
Employee Expenses	7,921	1,753	1,734	(19)	7,900	(21)
Agency and Contracted Services	27	4	5	1	27	0
Premises Related Expenses	1,301	161	113	(48)	1,301	0
Transport Related Expenses	205	33	(12)	(45)	204	(1)
Supplies and services	1,942	140	108	(32)	1,976	34
Day to day repairs	8,985	939	1,004	65	8,953	(32)
R&M Capital	400	0	0	0	400	0
SLAs	442	0	(5)	(5)	442	0
Contribution to Reserves	250	42	42	0	250	0
Tenant Management Organisations	963	241	239	(2)	963	0
<b>TOTAL EXPENDITURE</b>	<b>22,436</b>	<b>3,313</b>	<b>3,228</b>	<b>(85)</b>	<b>22,416</b>	<b>(20)</b>
SURPLUS/(DEFICIT) BEFORE TAX	(4)	(229)	(311)	(82)	(24)	(20)
TAX	4	1	3	2	4	0
<b>SURPLUS/(DEFICIT)AFTER TAX</b>	<b>0</b>	<b>(228)</b>	<b>(308)</b>	<b>(80)</b>	<b>(20)</b>	<b>(20)</b>

Ascham Homes Scrutiny Meeting

**PUBLIC**

Minutes of meeting held at  
Boardroom, Willow House, 869 Forest Road, Walthamstow, London E17 4UH  
Tuesday 10<sup>th</sup> May 2011

<b>Board Members:</b>		
Kellie Carson	KC	
Clare Coghill	CC	
Howard Cresswell	HC	
Grace Igwe	GI	
Ahsan Khan	AK	
Annie Niner	AN	
Liz Ormston - <b>Chair</b>	LO	
<b>Staff</b>		
Ann Lucas, Procurement Adviser	AL	
Andrew Marsh, Head of Asset Management	AM	
Jo Murphy, Deputy Chief Executive	JM	
Donna Wilkinson, Quality Compliance Officer	DW	
Maxine England [Minutes]	ME	

A visit to three void properties took place before the meeting to allow an opportunity to consider process and quality issues.

		Action
1.	<p><b>Welcome, Introduction, Apologies for Absence</b></p> <p>Apologies: None.</p>	
2.	<p><b>Declarations of Interest</b></p> <p>None.</p>	
3.	<p><b>Scrutiny Committee Minutes of 15<sup>th</sup> February 2011</b></p> <p><u>Matters Arising:</u></p> <p>Page 2, item 4.1, Performance Summary – Executive advised Committee Members that all their comments of concern had been considered as part of discussion with LBWF and that the new targets for 2011/12 reflected this.</p> <p>Page 3, Income Management – Committee Members noted that a new target has been agreed as being achievable by both organisations.</p> <p>Page 4, Community and Resident Engagement – Committee Members noted this item will be on the agenda for the September meeting.</p> <p>Page 5, Ascham Homes Delivery Plan 2011/12 – Committee Members noted that the Key Performance Indicators (KPI) targets have been revised to reflect LBWF discussions.</p> <p><b>Minutes agreed.</b></p>	
4.	<p><b>Performance</b></p>	
4.1	<p><b>KPI Report March 2011</b></p> <p>Committee Members were provided with an overview of the year-end position of Ascham Homes' performance for quarter 4, 2010/11.</p> <p><b>Discussion:</b></p> <p>Call Handling - Executive noted that Committee Members remain concerned about this target and performance.</p> <p>Voids – Committee Members were informed that the process for voids was changed in December, which resulted in a downturn. It is</p>	

	<p>anticipated that this will be rectified in coming months.</p> <p>Rent Collection – Executive advised that at their next meeting in September, Committee Members would look at income including residents’ welfare rights and noted that East Walthamstow is an area of particular high arrears. <b>Action.</b> Ascham Homes is, at the moment, compiling more detailed information to inform activity. There are a high number of vulnerable residents in that ward and once the restructure has taken place, more attention would be given those residents.</p> <p><b>Decision:</b></p> <p>Committee Members noted the contents of the report.</p>	
4.2	<p><b>Capital Budget Monitoring Report</b></p> <p>Committee Members were advised on Ascham Homes’ provisional outturn position as at 20<sup>th</sup> April 2011 and were informed that a more detailed report is to be presented to the Board at their 16<sup>th</sup> May meeting.</p> <p>No change on what was reported last time. £14m under-spend principally around the Decent Homes monies. Working with the Council on the under-spend. The Council will speak about bridging the under-spend at their next Cabinet meeting.</p> <p>Could not reconcile the finance report and the asset management report. Executive noted the difference.</p> <p>Finance report is based on what has gone through the ledgers. A project board who specially deal with how the monies are being spent meet regularly programme. Still on track.</p> <p><b>Decision:</b></p> <p>Committee Members agreed the recommendations outlined in the report.</p>	
4.3	<p><b>Revenue Budget Monitoring Report</b></p> <p>Committee Members were informed that, like the Capital Budget report, a more detailed report would be going to the 16<sup>th</sup> May Board meeting.</p> <p>At the moment, Ascham Homes is reporting a surplus. Committee Members noted however that the figure that would be reported to the Board report was going to be a lower one. Committee Members also noted that the surplus amount (£300,000) would be spent on additional</p>	

	<p>kitchens and bathrooms. As revised by last Scrutiny Committee. The Council have been made aware of this decision.</p> <p>Going forward, the position on reserves is that Ascham Homes is looking to make a similar provision each year.</p> <p>Committee Members commended Executive for their efforts.</p> <p><b>Decision:</b></p> <p>Committee Members agreed the recommendations outlined in the report.</p>	
5.	<b>Key Service Focus – Asset Management, Repairs and Voids</b>	
5.1	<p><b>Repairs &amp; Maintenance Strategy</b></p> <p>Executive advised that this report is going to Board for their comment.</p> <p>The purpose of the Strategy was that it would form part of the contract Ascham Homes is adopted in 2011/12. Among the objectives of the Strategy, Executive advised that a group of residents is to be engaged whose aim would be to in terms of tenders etc.</p> <p>Committee Members noted the following :</p> <ul style="list-style-type: none"> <li>■ The reference to an integrated approach referred to page 23 is about having a matrix system on housing management, i.e. a joined up approach. Committee Members welcomed this but expressed concern that could be a hard/difficult approach to achieve. For the future, Ascham Homes will be devising plans to ensure that this is achievable. Following the restructure, more robust stock condition data is to be used through asset management data team, which will be updated on a regular basis.</li> <li>■ Asset management will be smarter. Data management is critical hence the significant changes in the Asset Management Team.</li> <li>■ The integrated approach however does come at a cost but will be worthwhile in the long term.</li> <li>■ Following the Equality Act training session the previous night, it was fundamentally clear that diversity and equality are areas which need to be carried into procurement.</li> </ul>	

	<p>■ Once the contact has been re-procured, the aim is to improve call handling as it is recognised that Ascham Homes does require a modern system.</p> <p>Committee Members queried whether risk had been taken into account and felt there should be an objective inserted on minimising risk. Executive agreed this proposal. <b>Action.</b></p> <p><b>Decision:</b></p> <p>Committee Members noted the contents of the report and Strategy.</p>	
5.2	<p><b>Re-procurement of Repairs &amp; Maintenance Contracts</b></p> <p>The purpose of the report, which is to be presented to the Board at its 16<sup>th</sup> May meeting, was to inform Committee Members on the proposed approach and timetable for the re-procurement of all repairs and maintenance activities.</p> <p>Executive guided Committee Members through the key issues set out in paragraph 4.3 of the report.</p> <p>Committee Members were keen to note that Ascham Homes was planning to visit not just ALMOs but as many different organisations as possible.</p> <p>It was agreed that the timetable set out in the action plan looked very tight. Executive advised that AL's role is to now focus solely on procurement.</p> <p>Committee Members further noted that the a special project group has been set up to ensure that the timetable is kept on track and the members on that group are the same senior officers who worked on another equally as important project group, ant that as was the case before, finance officers will be there from the beginning. Executive assured Committee Members that although Ascham Homes is to work closely with the Council, they are aware that this is an Ascham Homes project.</p> <p>Executive advised that a letter is going out this week to all Contract Panel members and Tenant Resident Association (TRA) Chairs and the ultimate aim is to get a diverse group of residents involved. Committee Members expressed their general concerns around resident participation and ensuring that there a number of residents with the right skill-set.</p> <p>Having heard the above, Committee Members felt that the timeframe is</p>	

	<p>feasible, but very tight.</p> <p><b>Decision:</b></p> <p>Committee Members noted the content of the report and further noted would receive an update at their September meeting. <b>Action.</b></p>	<p><b>AL</b></p>
<p><b>5.3</b></p>	<p><b>Asset Management Update</b></p> <p>Committee Members were advised that this report would be considered by the Board at its 16<sup>th</sup> May meeting and Committee Members were updated on Asset Management activities. In particular, Committee Members' attention was drawn to 4 key areas:</p> <ol style="list-style-type: none"> <li>1. Progress on Decent Homes;</li> <li>2. Devolved MRA</li> <li>3. Public Realm funded works are now underway</li> <li>4. Routine Voids</li> </ol> <p>Clare Coghill advised Committee Members about the works being carried out in Tenby Court, which were, in her view, going to be fantastic when they completed. However, she queried Executive as to what process of communication Ascham Homes plans to devise to inform residents on what works are going to be done.</p> <p>Executive advised that letters were hand delivered on Monday informing residents of the 2 phased scheme and the timeframe. Also stated in the letter was the fact that there is to be a pre-works commencement meeting on the 28<sup>th</sup> May from 11 - 2 at a local venue. Groundworks will also attend the meeting. This would be a great time to create a good profile for Ascham Homes.</p> <p>Although recognising that there was a report on the agenda on voids, Committee Members raised the issue of major works voids and were advised that based on historic information, it is assumed that there will be around 55 this year. Major works voids are usually based on time and cost. Any property deemed to be too costly in future or not representing value for money is to be challenged with the Council by Ascham Homes.</p> <p><b>Decision:</b></p> <p>Committee Members noted the content of the report.</p>	

5.5	<p><b>Voids Report</b></p> <p>The report provided an update on the progress of the actions being taken to meet the performance indicators for the voids service reported for the end of year 2010/11.</p> <p>Committee Members began the discussion by commending Donna Wilkinson for the guided void tour prior to the meeting.</p> <p>Executive advised of the following:</p> <ul style="list-style-type: none"> <li>■ Average costs have reduced so Ascham Homes is looking to move on performance year on year.</li> <li>■ Referring to the reusing and recycling of furniture, residents have commended Ascham Homes for this initiative and also for Restore Community Project. Restore Community Project is located in Tottenham and Forest Recycling is based in Baker Almshouses.</li> <li>■ Average re-let time is now being recorded.</li> <li>■ For properties that are “hard to let”, a new process is going to be introduced where there will be multiple viewings.</li> <li>■ Ascham Homes is measured on a key to key let time.</li> </ul> <p><b>Decision:</b></p> <p>Committee Members noted the contents of the report.</p>	
6.	<p><b>Any Other Business</b></p> <p>No items were raised.</p>	
7.	<p><b>Close</b></p> <p>There being no other business, the meeting concluded at 8.40 pm.</p>	

**Liz Ormston - Chair**

**Signed** \_\_\_\_\_

**Dated** \_\_\_\_\_

<b>Date:</b> 11 <sup>th</sup> July 2011	<b>Ascham Homes Board</b>	<b>Agenda Item: 9.2</b>
<b>Scrutiny Committee Feedback</b>		<b>Status:</b> <b>Public</b>
		<b>Information</b>
<b>Author:</b> Liz Ormston Chair / Jo Murphy, Deputy Chief Executive	<b>Telephone: 020 8496 4023</b>	

## 1. Purpose of Report

- 1.1 To provide a short report on Scrutiny Committee meeting of 10<sup>th</sup> May 2011. The minutes outlining detailed action points are available separately.

## 2. Executive Summary

- 2.1 The key service area for scrutiny this meeting was Asset Management, Repairs and Voids. Before the meeting Committee members visited a tour of void properties to apprise themselves of process, handling and quality issues.
- 2.2 Howard Cresswell was welcomed to his first meeting of the Committee.
- 2.3 Head of Asset Management and his managers presented reports for information and discussion on:
- Repairs and Maintenance Strategy
  - The Procurement Process for Repairs Service
  - Decent Homes Activity
  - Capital Programme Activity.
- 2.4 Each area had a detailed discussion offering clarification and challenge to the strategic assumptions and deliverability.
- 2.5 The Committee offered useful reminders about risk management, diversity and inclusion, and concerns over capacity and timescales. The procurement plan in particular was recognised as being very tight for delivery.
- 2.6 Committee members recognised the high levels of welcomed change taking place across all repairs and asset management service areas, including the restructure. Individual members commented that they had experienced the improvements in some areas themselves, including around decent homes,

environmental works, and the appearance and upkeep of estates.

### **3. Other Matters**

- 3.1 The Committee welcomed the positive financial position of the company at year and also agreement from LBWF for an additional £300k spend on kitchens and bathrooms.
- 3.2 KPI performance was considered in detail with some outstanding improvements in some areas, (noticeably) in ASB handling and satisfaction) but also some areas where performance remains a concern (including voids performance, income collection and call handling). These issues will continue to be considered at each meeting.
- 3.3 A detailed discussion took place on voids and Committee members welcomed the approaches taken by staff to address the contractor to bring performance back below target. It is hoped that these will achieve the desired affect over coming months.
- 3.4 The Committee were impressed at the arrangements around recycling removal within void properties which achieves outstanding results in terms of costs and recycling objectives. New residents also benefit from access to affordable furnishing for new properties.
- 3.5 The Scrutiny Committee will be looking in detail at Income, IT and Leaseholder management at its next meeting in September.

### **4. Recommendations**

- 4.1 Board are asked to note this report.

<b>Date:</b> 11 <sup>th</sup> July 2011	<b>Ascham Homes Board</b>	<b>Agenda Item: 9.3</b>
<b>Audit &amp; Risk Committee Feedback</b>		<b>Status:</b> <b>Public</b>
		<b>Information</b>
<b>Author:</b> Derek Young, Interim Director of Finance	<b>Telephone: 020 8496 4023</b>	

## 1. Purpose of Report

- 1.1 To provide a short report on Audit & Risk Committee meeting of Tuesday 14<sup>th</sup> June 2011. The minutes outlining detailed action points will be reported to the next Board meeting.

## 2. Executive Summary

- 2.1 The Committee received reports on:

- Internal Audits of:
  - Financial Systems
  - Non-urgent Repairs
  - Planned & Cyclical Maintenance
  - Follow-up Review
- LBWF Audit Report – Housing Rents
- Internal Audit Reports – Outstanding Actions
- Internal Audit Action Plan 2011/12
- Risk Management Strategy and top ten risks
- Financial Statements & Audit Letter – latest position
- Procurement Progress report

- 2.3 The report on progress on the Financial Systems Audit indicated 31 recommendations on key areas of financial control covering Treasury/Banking; Payments; Budgetary Control; Purchasing; Fixed Assets and Payroll. All were given reasonable assurance apart from the Payments Audit which received Limited Assurance. Two Priority 1 (Urgent) actions were discussed and have been addressed as a matter of priority by Officers.

- 2.4 The report on Responsive Repairs gave 9 recommendations all of which have been completed. This report was classified as “No Assurance” and was given

maximum priority by Officers. The Audit co-incident with the change in the procedures for the extension of the contract with Kiers which have now been explained both to the auditors and to the Committee in a memorandum included in the management response to the audit. The Committee asked for clarification on the current position with this contract and requested that a follow-up audit be conducted later this year.

- 2.5 The report on Planned Maintenance gave a reasonable assurance and made 7 recommendations. the progress of which was reported to the Committee.
- 2.6 The Follow-up review indicated that 26 outstanding issues had been reviewed. 19 recommendations had been actioned, 6 were in progress and 1 action was no longer applicable
- 2.7 The LBWF report on the Housing Rents gave Substantial Assurance and included 4 priority two recommendation which are in the process of being implemented
- 2.8 The Risk Management Strategy and Procedures was agreed by the Audit Committee and will come to the September Board for approval.
- 2.9 A report considered the 10 top Risks identified by the AH EMT. The Committee noted that further training on Risk had taken place on 8<sup>th</sup> March and that Board Members have been included It was agreed that one key risk will be analysed in detail at each Audit Committee Meeting. It was agreed that this would be one of the risks in the Asset Management area.
- 2.10 The position on the Financial Statements for 2010/11 was discussed with the external auditors who were present at the meeting. It was noted that discussions on the LVT position were commencing to consider the disclosure in the accounts. The full accounts will come to the September Audit Committee and Board for final approval.
- 2.11 A report on procurements taking place this year was discussed and noted. The Committee requested that a member of the Asset Management Team attend the next meeting to discuss the procurement of the major R&M contracts and at the same time to inform the committee of issues in relation to the existing R&M contract and to discuss the Asbestos Management Strategy
- 2.12 A report was requested to give the Committee further assurance that the performance indicators in the balanced scorecard were robust and accurate.

### **3. Recommendations**

- 3.1 Board are asked to note this report.