

Report of Director of Environment and Housing

Report to Environment & Housing Scrutiny Board

Date: 8th December 2015

Subject: Housing Theme – Update

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Summary of main issues

This report provides an update on a series of summaries of housing issues that were presented to the Board in September 2015.

- The HRA growth programme with a focus on HRA council house programme & use of RTB receipts
- Progress with the Empty Homes Strategy
- Standards within the Private Rented Sector
- Estate Management arrangements
- Local Lettings Policy
- Enforcement of tenancy agreements
- Briefings on housing management forums
- Temporary accommodation
- Update on Responsive Repairs and Maintenance

The report also includes a summary position of the implications of the Housing & Planning Bill 2015

Recommendations

Scrutiny Board is requested to note the content of this report and identify areas for further investigation.

1. Purpose of this report

The report covers areas of housing policy / activity highlighted by the Board and sets out the context, current position and the key challenges or next steps.

2. Main Issues

Summaries are shown in Appendix One.

3. Corporate Considerations

Consultation and Engagement

Consultation and engagement is embedded within the individual policy / areas of activity.

Equality and Diversity / Cohesion and Integration

An equality impact assessment is not required at this stage as this report is primarily an information report.

Council policies and City Priorities

Housing policy and activities contribute to making *Leeds the best city to Live*.

Resources and value for money

Individual evaluations are undertaken within the individual policy / areas of activity

Legal Implications, Access to Information and Call In

This report does not contain any exempt or confidential information.

Risk Management

Risk management is embedded within the individual policy / areas of activity.

4. Conclusions

The report covers a range of policy areas demonstrating the breadth and complexity of activity.

5. Recommendations

Scrutiny Board is requested to note the contents of this report, and highlight any areas for further investigation.

6. Background documents¹

None

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

Council House Growth Programme – December update

Below is an update on the Council House Growth Programme following the report provided to Scrutiny in September. The Programme is funded through the Housing Revenue Account (HRA) and has attracted grant contributions from the Homes and Communities Agency and the Department of Health.

The programme to date includes sites in a variety of locations, listed below and will deliver over 900 units. The programme is a combination of new build contracts procured by the council, the acquisition of new properties from private sector developers and the purchase of long term empty homes.

Site	no	type	Status
<u>New build</u>			
Beeston Hill and Holbeck and Little London PFI	388	2,3 & 4bhf	On site and handing over
East Park Road, East End Park	32	1 & 2bf	On site
Extra Care at Yeadon	45	Extra Care apts	On site
Former Squinting Cat pub, Swarcliffe	18	1 & 2bf	On site
Broadlea, Bramley	24	2&3 bh	Jointly procured and contract due to be awarded shortly
The Garnets, Beeston	25	2&3 bh	
Whinmoor Pub site, Swarcliffe	22	2&3 bh	
Beech Walk / Mount, Gipton	27	2b bungalows / 2 & 3bh	Feasibility
Mistress Lane, Armley	28	2bf / 2 & 3bh	Feasibility
Barncroft, Seacroft	16	Tbc	Feasibility
Rosemont, Bramhope	10	1 & 2bf	Feasibility
Brooklands, Seacroft	20	Tbc	Wider site out to procurement
Middleton site(s)	58	Tbc	Wider site out to procurement
Westerton Walk, Tingley	45	Extra Care apts	Funding bid
<u>Private Sector Acquisitions</u>			
Thorn Walk, Gipton	23	2 & 3bh	Handed over
former Lord Cardigan Pub, Bramley	8	2bh	Expected to start on site December
<u>Empty Homes Programme</u>			
Empty properties plus conversion of 2 former community centres (Bramley & Seacroft)	20		Completed
Properties to be identified	100		Acquisitions to be identified, 45 properties have been surveyed and valued; 16 have had offers accepted and are in the conveyancing process to date.

The mix of property types on each site and across the programme as a whole is informed by demand information drawn from the Leeds Homes Register. There is an ongoing process of identifying sites to commit the remainder of the programme.

Right To Buy (RTB) Replacement Programme

- Five firm proposals in place to provide 56 units, which will commit £1.6m RTB grant, with total scheme costs of £5.8m;
- Two further proposals are under development to deliver 77 units, which would commit £2.4m grant funding, with total scheme costs of £16.8m;
- There is also a future scheme pipeline to deliver a further 32 units, potentially utilising £1.2m grant, with total scheme costs of £4.2m.

In addition to receipts being used as part of the council housing new build, this means that the receipts are committed (and therefore not at risk of repayment) to quarter 4 of 2017-2018.

Progress with the Empty Homes Strategy

Returning long term empty homes into occupation has been a priority for the Council and remains one in the 2015/16 Best Council Plan and is part of the Housing Growth targets, which include a net reduction in long term empty homes of 400 per annum to 2017.

The September report to the Board reported that the number of long term empty properties for which the Council has powers to tackle, that is to say excluding second homes and homes belonging to residents in care homes, had reduced from 6,721 in March 2010 to 4,532 at March 2015. This figure has further reduced during the year to 3,592 at 31st October 2015. This represents a reduction of 940 in the year to date. Figures fluctuate throughout the year, so the latest figure is not likely to be so low in March next year. A figure of 4000 is estimated.

Some of the key reasons for this reduction are:

- Improved joint working between the Council Tax inspection service and the Empty property Team which has led to greater sharing of information resulting from both teams inspection regimes.
- 100% Council Tax is charged on all homes from the moment they become empty rather than provide a six months exemption
- 150% Council Tax is charged on all empty homes which have been unoccupied for more than 2 years
- Prioritising all long term empty homes to determine the appropriate routes for action
- The targeting of empty homes, as well as poor quality accommodation by intervening in small neighbourhood areas. This is known as the Leeds Neighbourhood Approach. This has seen 22 long term empty properties brought back into use in Holbeck in the first two quarters of 2015/16. Work is continuing on 48 further empties
- The partnership with Leeds Empties, a social enterprise, to provide free independent help and advice to empty home owners via their Empty Homes Doctor service has seen 84 long term empty properties brought back into use in the first two quarters of 2015/16. A further 40 are in the pipeline and they are currently in discussions with a further 88 owners.
- Work is underway on the 2015/18 HCA and HRA £9m programme to buy back 100 long term empty properties. Initially former council houses that were bought under the RTB scheme but are now long term empty properties are being targeted. To date the Council has bought 3 properties and has agreement for a further 15, which are currently in conveyancing. A further 11 properties are in negotiation for a purchase price.

Standards with the Private Sector Housing

The Housing and Planning Bill

The government has published the Housing and Planning Bill 2015 setting out its proposals to boost home ownership, boost the supply of housing and improve standards in the private rented sector. The Bill has received its first reading in the House of Commons which is the first stage of its legislative process. The contents of this Bill are, therefore, still potentially open to change as the Bill moves through the legislative process. There is a full briefing attached to this report to Scrutiny but this note concentrates on those proposals that affect the regulation of the private rented sector.

The private rented sector regulatory proposals in the Bill are the government's response to its consultation paper of August 2015 entitled "Tackling Rogue Landlords and Improving Standards in the Private Rented Sector. The Bill proposes a package of measures to help tackle rogue landlords in the private rented sector. They are:

- Enable Local Authorities to apply for a banning order to prevent a particular landlord/letting agent/ managing agent from continuing to operate when they have committed certain offences which will be set out in regulations. The order will be made by application to a First Tier Tribunal and will last for at least six months
- Enable Local Authorities to fine any landlord/letting agent/managing agent who continues to operate whilst banned and that the fine may not exceed £5,000. The Secretary of State will, in regulations, prescribe how any fines may be used
- Enable the Secretary of State to establish a national database of rogue landlords and letting agents which will be maintained by Local Authorities. Any landlords/letting agent/managing agent subject to a banning order must be entered onto the database and removed at the end of the order. The Secretary of state will publish guidance on the criteria to which Local Authorities must have regard when deciding whether to include a person in the database and for how long their entry must remain.
- Enable tenants or Local Authorities to apply for a rent repayment order where a landlord has committed certain offences. An application will be made to a First Tier Tribunal and if successful the tenant or Local Authority may be repaid up to a maximum of twelve months' rent

There is nothing as yet specified as to who will manage the properties of a banned person. In the consultation paper DCLG suggested this could be done by Local Authorities by amending the provisions for a Management Order. This could become an administrative difficulty if bans are not for long periods.

The offences for a Rent Repayment Order are set out in the Bill as offences under the Criminal Law Act 1977, Protection from Eviction Act 1977 and the Housing Act 2204. These cover violent entry to the property, illegal eviction of harassment, failure to comply with an improvement notice, failure to comply with a prohibition order, the control or management of an unlicensed HMO or house.

In the consultation on Rogue Landlords and improving Conditions in the Private Rented Sector we lobbied for checks in advance of paying Housing Benefit. Whilst the measure in the Bill is welcome, the emphasis should have been on not paying in the first place as this would have the effect of ensuring properties are fit for purpose before a landlord can receive payments from the public purse.

Update - Tenant Scrutiny Inquiry – Environment of Estates

Introduction

At its meeting on 1 July 2015, the Tenant Scrutiny Board considered its work programme for the 2015/16 municipal year. It was agreed that the Board's first piece of work should be on the environment of estates.

The Board chose this topic as there was a strong belief that good housing and the welfare of tenants was not just about decent buildings but the 'whole environment' in which tenants lived. It was acknowledged that often the reputation of an area was determined by factors other than the state of the house. These included landscaping, greenspace and gardens etc.

Scope of the Inquiry

The purpose of the Inquiry is to make an assessment of and, where appropriate, make recommendations on the following areas:

- Current policies
- Tenant involvement
- Co-ordination of services and agencies
- Developing and delivering standards
- Performance measuring
- Customer satisfaction

Timetable for the Inquiry

The Inquiry commenced in September 2015, and a final report will be published on completion of the Inquiry, which is expected to be March 2016.

At October's meeting the Board invited Senior Managers from Housing Leeds, Waste, Localities and Parks & Countryside, the purpose of which was to obtain a strategic overview of managing environmental standards.

During October the Board undertook a number of joint inspections with Housing Officers in the following areas; Armley, Bramley, Moortown and City and Holbeck. The purpose of the joint inspections was to understand from an operational perspective how estate inspections are undertaken and how items identified for action are processed.

Following the joint estate inspections the Board invited Dave Longthorpe, Jude Wray, Housing Officers and Team Leaders to provide feedback on the Board's observations of their inspections and to ask questions on a range of issues identified. Jude Wray, Housing Manager, and Lead Officer on the city wide process review, advised that work was in progress and that arrangements had been made to consult with residents on the process review. The Board enquired if they were able to contribute toward the process review, Peter Marrington, Head of Service, Democratic Services confirmed this was appropriate as part of the Inquiry.

A communication has been sent to all Ward Members, to seek their views on estate standards and walkabouts

Partnership Working – All council teams that contribute to the estates being kept clean and tidy,(Housing, Localities , Parks, Waste Services and Civic Enterprise Leeds) have come together at Team leader level at city wide events to forge closer working relationships , develop and implement shared local Estate Improvement Plans and jointly problem solve local estate management issues. Further problem solving events are planned for the new year. Senior Leadership Team members from each service meet on a regular basis to agree strategic development of the shared service.

Work is also ongoing between services as part of the High Rise Project to review waste management in high rise blocks. Development is ongoing of a pilot scheme in Lincoln Green to provide a bulky waste collection service, improve recycling and reduce fly tipping in and around blocks.

Community Lettings Policies

A detailed paper was presented to November's Scrutiny Board on proposals to strengthen housing management and lettings policies and procedures in order to achieve sustainable tenancies and communities. Proposals included changes to the lettings policy - implementing a separate transfer list for current tenants and moving more towards a needs based approach for assessing eligibility for sheltered housing. Proposals also included a review of local lettings policies, to introduce community lettings policies which sought to simplify age related policies and place greater focus on tenancy records. To support the lettings policies it is also proposed that tenancy management procedures are strengthened to support the effective management of tenancies, with some new practices being implemented, e.g. pre-tenancy training, case conferencing.

The Board were supportive of the principles outlined in the paper and asked that more detailed policy proposals are developed and presented to Scrutiny Board in January 16, prior to being presented to Executive Board in February 2016. In particular, the Board asked officers to consider how lettings and tenancy management could be strengthened to managed tenants who have perpetrated anti social behaviour, including use of pre-tenancy training and probationary tenancies.

Estate Management – Enforcement of Tenancy Agreements

Over the last 18 months the service has been working to harmonise policies and procedures relating to tenancy management and most significant policies are now harmonised so that there is a consistent approach being undertaken to tenancy management and tenancy enforcement. Training has been ongoing for staff over the last year to ensure that staff are operating within new procedures, and this training will continue over the coming year.

The service has recently developed a new Housing Leeds Tenants Handbook, which will be given to all new tenants as they sign up for a property. The handbook has put a significant emphasis on outlining tenants' rights and responsibilities in managing their tenancies, and providing clear information that is useful to tenants moving into their new home. Tenant groups have been consulted in developing the handbook. A proposed programme of pre-tenancy training has been developed which links back to the key areas of the Tenants Handbook. This training will be delivered initially to tenants as a pilot as part of an enhanced housing management and support pilot to the Clydes and Wortleys scheme, and then rolled out following completion and evaluation of the pilot.

Housing Leeds is currently working with Environmental Action to consider options for providing support to vulnerable tenants to maintain their gardens. A proposal will be available in early 2016.

Update on Leeds Housing SLA Forums November 2015

Leeds Housing Forum

- The last meeting was held on the 10th November 2015 at the Civic Hall with 17 attendees (5 apologies)
- The theme of the meeting was Housing Quality and members discussed the Housing Standards Review and the Housing and Planning Bill.
- Jonathan Lindh from LEDA and George Munson from LCC attended the event as guest speakers on the issues of super-insulation and energy efficiency initiatives in Leeds City Council.
- The next meeting is due to take place on the 12th January at the Civic Hall and the agenda will focus on independent living.

Homelessness Forum

- The last meeting was held on the 13th October 2015 at Pudsey with 32 attendees (1 apology).
- Forum members participated in workshop discussions to inform the development of the new Homelessness Strategy which is currently being reviewed
- Lively discussions were had during workshop sessions which centered around four key themes: Rough Sleeping, Prevention, Temporary Accommodation and Partnering Arrangements.
- An outcome paper has been produced and circulated to members.
- The next meeting will be held on the 15th December 2015 and will focus on the ongoing review of the homelessness strategy.

Housing Management Forum

- The last meeting was held on the 29th September 2015 at the Unity Homes and Enterprise, Chapeltown with 15 attendees (6 apologies).
- Members discussed action being taken to prepare for the roll out of Universal Credit in Leeds.
- Currently, members are being contacted to request feedback on the work programme for next year to ensure that partner's priorities are represented in agenda items.
- The next meeting is due to be held at the end of January/ early February.

Private Rented Sector Forum

- The last meeting was on 28 October and at the Civic Hall with 14 attendees (7 apologies).
- Members discussed new legislation on smoke and carbon monoxide detection; the Housing & Planning Bill and future policy direction for the PRS and tackling empty homes.
- The next meeting will be held in January.

Temporary Accommodation

There were 92 households in emergency temporary accommodation on 31 October 2015. The comparable figure for the end of May 2015 was 148 placements – a reduction of 38%. The reduction in placements is largely a result of the phased closure of the LEAP scheme (contract capacity of 50 Leeds Federated HA managed properties) with the occupants being permanently re-housed without needing to put other households into alternative temporary accommodation: LEAP placements have been reduced from 38 to 4 between May and October. There has also been a reduction in other scheme placements: notably Re-Connect (contract capacity of 37 Connect Housing managed properties) which has been reduced from 35 to 23 placements between May and October. The reduction in placements is a result of the continuing focus on homeless prevention at Leeds Housing Options and improvements in re-housing work. The latter action has been assisted by the closer working between Leeds Housing Options and other parts of Housing Leeds in respect of identifying suitable lettings and void turnaround. The closure of the LEAP scheme means 50 social housing tenancies can be let to people to end housing need rather than as a temporary option.

The Leeds figure of 92 placements can be compared to the figure for the average authority which is 2.4 per thousand household and on a Leeds population this would be 945 households in temporary accommodation placed in Leeds. (as at 30 June 2015).

The Housing and Planning Bill introduces some far reaching requirements which will impact on the delivery of housing growth, in addition to the management of council housing and the management of standards within the private sector.

Clause	Details
<i>Reforms to the planning system</i>	<p>This provides powers to the Secretary of State (SOS) to intervene in the local and neighbourhood plan making process.</p> <ol style="list-style-type: none"> 1. Under the Permission in Principle and local registers of land clauses, a new duty to keep a <u>register of brownfield land</u> within a local authority's area. 2. This will tie in with a system of allowing the SOS to grant planning <u>Permission in Principle</u> for housing on sites identified in the register (in addition to those identified through Development Plan Documents and Neighbourhood Plans). 3. The Bill also allows for "<u>Nationally Significant Infrastructure Project</u>" with an element of housing to apply for development consent to SOS rather than having to seek separate planning permission. 4. There will be a power for the SOS to tackle under-performing planning authorities, allowing planning applications for non-major development to be decided by the Planning Inspectorate where the local planning authority has a record of "very poor performance". The Bill amends the special measures performance regime to include major and "non-major" development. The Bill will require councils to report to committee a list of financial benefits if a development is carried out. 5. There are also additional powers in connection to Compulsory Purchase which allows the Secretary of State to delegate decisions to a planning inspector in certain circumstances.
<i>Starter Homes</i>	<ol style="list-style-type: none"> 1. The Bill puts a duty on planning authorities to promote the supply of Starter Homes to be sold at a discount of 20% of the market value for first-time buyers under 40. 2. Requires Starter Homes to be delivered on site in <u>lieu of traditional s106 provision</u>. Govt. have not indicated the proportion and may require different requirements on different types of scheme and in different areas. 3. Developers will be able to offer a cash payment in lieu of on site provision
<i>Self/custom build</i>	<ol style="list-style-type: none"> 1. This requires local authorities to keep a <u>register of people seeking to acquire land to build or commission their own home</u>. 2. The Bill specifically requires local authorities to grant "<u>sufficient suitable development permission</u>" of <u>serviced plots</u> of land to meet the demand based on this register.
<i>Right to Buy for housing association tenants</i>	<p>The Bill does not include a legislative obligation for associations to sell their homes under an extension of the RTB. However, there are a number of draft clauses in the Bill that will enable them to do this</p> <ol style="list-style-type: none"> 1. Grants will be paid by government to associations to compensate them for selling homes at a discount. 2. This includes requiring councils to make payments to the govt. calculated on the basis of an authority's "high value" social housing stock with the expectation that this stock will be sold as it becomes vacant. 3. The Bill also provides powers for the Secretary of State to reduce regulatory control over private registered providers of social housing.
<i>Sale of high value vacant local authority homes</i>	<p>The intention of the Government is to encourage more efficient use by local authorities of their housing stock through the sale of their high value housing to support an increase in home ownership and the supply of more housing.</p> <ol style="list-style-type: none"> 1. The Bill will enable the Government to set out a definition of 'high

	<p>value' homes and <u>will create a duty on local authorities to sell homes that meet this definition when they become vacant.</u></p> <p>2. Government can estimate the amount of money it would expect an authority to receive and pay this amount to the Treasury.</p>
<i>Assisting local authorities' private sector enforcement work</i>	<p>1. Tackling 'rogue' landlords in the private rented sector including through banning orders against private landlords; "clearer" repossession routes for landlords of properties abandoned by tenants and enabling rent repayment by landlords where they have contravened orders etc.</p> <p>2. Creation of a <u>national database of rogue landlords/letting agents</u>, which will be maintained by local authorities</p> <p>3. Development of a Lead Enforcement Authority for Estate Agents. The Government will enable the Secretary of State to appoint an authority in the future.</p>
<i>High Income Social Tenants - Mandatory Rents</i>	<p>1. The Bill requires <u>higher rents for high income social tenants</u> with a household income of £30,000 (o/s London) to pay a market rent as opposed to a social rent – this policy is referred to as 'pay to stay.</p> <p>2. The government will set out details of how increased rents will be calculated at a later date and have included some consultation questions on tapers in relation to income and housing benefit eligibility.</p> <p>3. The Bill will require local authorities to return any additional rental income generated by the policy to the Treasury.</p>

Responsive Repairs and Maintenance

Within Leeds there are a number of building contractors delivering both revenue and capital work across the City. The main two contractors in Leeds are Mears and Leeds Building Services who deliver the responsive repairs contracts, which includes voids works and some elements of capital improvements to assist the delivery of our investment strategy.

Mears covers the West and South areas of the City and Leeds Building Services (realignment of Construction Services from the former ALMO at ENEHL and Property Maintenance which was located within CEL) covers the East area of the City.

Mears PLC

Morrison Facilities Management Services (MFS) were awarded the Responsive Repairs contract in April 2011. Due to a number of previous performance issues, that are well documented, the overall performance of MFS was being challenged on a regular basis.

During 2011/12 and 2012/13 a series of formal Performance Improvement Plans were implemented as part of the contract management process and were led by senior officers within the Council.

In November 2012, Morrison's were bought out by Mears with a formal novation agreement transferring the contract from Morrison's to Mears.

Since the transfer of the business to Mears there has been a much better working relationship, with a significant improvement in their overall performance since 2012. There was a significant improvement in 2012 since the introduction of Mears with further incremental improvements over the last two years.

There are a range of over 20 different performance measures that are contained within the contracts that are used to monitor overall performance and calculate any overall performance penalties.

The following are three performance figures to show the level of performance that is monitored on a regular basis. These figures show an incremental improvement that has taken place within the Mears contract since 2012.

RR1 – Repair First Time

This is where a repair is started and finished on the same day.

RR1 – Repair First Time	Historic Year End Performance				2015/16 (Qtr 1&2)	Target
	2011/12	2012/13	2013/14	2014/15		
Morrison /Mears West	71.25%	89.82%	87.90%	86.72%	87.81%	90%
Morrison/ Mears South	69.50%	88.07%	86.33%	87.06%	89.20%	90%

RR2 – Repairs Completed Within Target

For emergency repairs the target is 24hrs. For priority repairs the target is 3 days. For general repairs the target is 28 days and for planned work the target is 60days

RR2 – Repairs completed within target						
	Historic Year End Performance				2015/16 (Qtr 1&2)	Target
	2011/12	2012/13	2013/14	2014/15		
Morrison /Mears West	79.84%	86.80%	95.05%	98.00%	98.44%	99%
Morrison/ Mears South	83.16%	82.20%	95.64%	97.65%	98.42%	99%

RR3 – Appointments made and kept.

Has the contractor attended on the date and time that has been agreed with the customer when the repair has been ordered.

RR3 – Appointments made and kept						
	Historic Year End Performance				2015/16 (Qtr 1&2)	Target
	2011/12	2012/13	2013/14	2014/15		
Morrison /Mears West	73.08%	93.89	N/A	98.22%	97.11%	99%
Morrison/ Mears South	77.68%	82.20%	N/A	97.44%	96.28%	99%

Council Officers have worked very hard over the past 3 years in partnership with Mears to improve performance. Both organisations continue to work collectively and have dedicated a lot of resources into service improvement.

This work has included:

- Reviewing the Performance Indicators on how Housing Leeds measures Mears to ensure that they are accurate and detailed;
- A series of workshops where each work-stream (repairs, voids, planned works) is analysed so that service improvements can be identified and lessons learnt from failures;
- Developing operational manuals to describe the service and deliver training to all front line staff in both Mears and LBS to ensure contract compliance and consistent performance;
- Regular performance meetings between Housing Leeds and Mears to review activity and develop further improvement;
- Annual Service Improvement Conference – attended by over 100 staff from both Housing Leeds and Mears. There have been two conferences to date engaging both staff and operatives, focusing on compliance and values. The next conference will be held in April 2016.

Performance Deductions

The Mears contract has a performance penalty framework that deducts money if the contractor does not meet specific performance targets.

When the contract was initially awarded in 2011 the performance deduction framework worked on a very complex formula and worked on an incremental deduction criteria for each individual performance measure.

Following the contract novation to Mears, they approached LCC to ask for a review of the formula as the incremental method used was very complex, time consuming and created a lot of resource required from both parties to validate the statistics.

It was jointly agreed to change the penalty calculation to a straight forward measure of failure/acceptance to simplify the process.

There are a total of 17 performance measures that form part of the penalty framework with each indicator carrying a separate weighting.

The performance measures and the individual weightings are attached as appendix 1.

Any subsequent penalty deductions are calculated each month using performance data against each of these 17 performance indicators.

Where an individual performance indicator fails the performance measure the weighting is applied and the appropriate deductions applied up to a maximum value of 3% of the monthly accounts.

As an example (these figure are for illustrative purposes only); if the monthly accounts pay Mears £1m then £30k is the sum that is used to apply deductions based on the indicators and weighting identified in appendix 1.

In addition to the above if at any time a single performance indicator fall more than 10% below the target a formal 'Improvement Notice' will be serviced on the contractor which will require them to produce an 'Improvement Plan' which will last for four months and will be vigorously managed on a weekly basis to ensure performance improvements are made.

In 2013/14 the performance incentive clauses in the Mears contract made deductions of £457k. In 2014/15, Leeds has assessed deductions of £162k and is currently part of our ongoing contract negotiations.

Any performance deductions that are applied as part of the contract are re-invested into the service through additional investment into the stock. In 2013/14 the additional income was invested in a central heating boiler replacement programme.

A full review of all performance indicators is being developed to be introduced across all contracts from April 2016 and will place greater emphasis on customer satisfaction, whilst retaining knowledge on how the service is undertaken on the ground.

A further report outlining the details of any changes to the existing performance framework will be presented to Housing Advisory Board and can also be presented to Scrutiny Board as required.

Leeds Building Services (LBS)

LBS undertake repairs and improvements work to Council properties in the East of the City. Performance in the East is currently below that in the West and South. Property and Contracts is working with LBS to develop and implement a Performance Improvement Plan.

An Action Plan, running until the end of December 2015, is in place to address some of the immediate issues with LBS performance.

The action plan will cover the following;

- Ensure that performance is reported in the same way as Mears in South and West;
- Engage regular meeting take place with staff in LBS to understand any issues of poor service delivery.
- Implement a formal performance management framework within LBS.

Staff from Property and Contracts have visited Kirklees, St Ledger and Wakefield and have been in contact with Hull and A1 Bassetlaw, who operate an internal DLO so that we can facilitate a regular meeting to share best practice across the region.

In areas of poor performance additional support is provided from Property and Contracts to ensure that we can collectively improve levels of customer satisfaction.

The service realignment of Construction Services and Property Maintenance will allow for a more effective deployment of resources, across all trades, by reducing duplication and increased productivity.

On conclusion of this exercise a report will be presented to Housing Advisory Board and an update provided to Scrutiny Board if required.

Appendix 1

Mears Term Service Contract KPIs and weightings

Section	KPI	Weighting
Contract Management	CM1: Production of a Health and Safety report	5.00%
	CM2: Statutory inspections and maintenance carried out in compliance with regulations.	5.00%
	CM4: Delivery of added value objectives.	5.00%
Responsive Repairs	RR1: Right First Time.	8.00%
	RR2: Percentage of all repairs completed within timescale.	6.00%
	RR3: Percentage of appointments kept.	6.00%
	RR5: Avoidance of Repeat Contact	6.00%
	RR6: Overall Contractor satisfaction with Repairs Services.	9.00%
Managing Empty Properties	EP1a: Void Repair turnaround time (no Asbestos).	10.00%
	EP1b: Void Repair turnaround time (Asbestos).	10.00%
	EP2: Percentage of properties that meet the required Lettings Standard	15.00%
Environmental	E1: Reduction in waste to landfill.	2.00%
	E2: Carbon Footprint reduction targets	3.00%
Adaptations	A1: Adaptations: Right First Time - minor adaptations.	3.00%
	A2: Percentage of all adaptations within timescale - minor adaptations.	3.00%
	A3: Percentage of appointments kept - minor adaptations.	3.00%
	A5a: Overall Customer satisfaction - minor adaptations.	1.00%
	Total %	100.00%