

**Housing Scrutiny Committee - 26 January 2016**

Minutes of the meeting of the Housing Scrutiny Committee held at Committee Room 5, Town Hall, Upper Street, N1 2UD on 26 January 2016 at 7.30 pm.

**Present:**           **Councillors:**           O'Sullivan (Chair), Poyser (Vice-Chair)[in part],  
Andrews, Doolan, Erdogan, Kay, O'Halloran and  
Williamson.

**Co-opted members:** Rose-Marie McDonald and Jim Rooke.

**Councillor Michael O'Sullivan in the Chair**

- 139**        **APOLOGIES FOR ABSENCE (Item A1)**  
Apologies for absence were received from Councillors Alex Diner and Mouna Hamitouche.  
Councillor Dave Poyser offered apologies for lateness.
- 140**        **DECLARATION OF SUBSTITUTE MEMBERS (Item A2)**  
Councillor Jenny Kay for Councillor Alex Diner.  
Councillor Gary Doolan for Councillor Mouna Hamitouche.
- 141**        **DECLARATIONS OF INTERESTS (Item A3)**  
None.
- 142**        **MINUTES OF PREVIOUS MEETING (Item A4)**  
  
**RESOLVED:**  
That the minutes of the meeting held on 16 November 2015 be confirmed as a correct record and the Chair be authorised to sign them.
- 143**        **CHAIR'S REPORT (Item A5)**  
The Chair advised of the proposal to hold an additional meeting in March 2016.  
  
The Committee noted that One Housing had accepted an invitation to attend the April 2016 meeting of the Committee.  
  
The Chair provided an update on the progress of the Housing and Planning Bill and advised of the announcement that the government would be supporting the redevelopment of housing estates. The Committee considered the implications of this policy for tenants, leaseholders and local authorities. It was queried if the redeveloped estates would stay in the ownership of local authorities.
- 144**        **ORDER OF BUSINESS (Item A6)**  
No changes were proposed to the order of business.
- 145**        **PUBLIC QUESTIONS (Item A7)**  
The Chair outlined the procedure for public questions and the filming and recording of meetings.

146 **CAPITAL PROGRAMMING: WITNESS EVIDENCE AND DRAFT RECOMMENDATIONS**  
**(Item B1)**

(a) Witness Evidence submitted by Mears Islington

The Committee received evidence from Theo Petrou, General Manager of Mears Islington, and Damian Dempsey, Group Leader – Quantity Surveyors.

A discussion was had during which the following main points were made:

- Mears appreciated Islington's commitment to the use of local labour and sought to employ local people as far as possible.
- A priority of Mears was to achieve social value through its work. Mears had worked with the council to provide employment opportunities for those with learning difficulties and offered flexible working hours to staff where appropriate.
- It was reported that the partnership between Mears and the council had developed over the course of the contract and the contractor had continually sought to make improvements to its service. In particular, Mears considered that it had made significant improvements to how it engaged with residents. Representatives of Mears attended pre-start consultation meetings and would seek to tailor capital works schemes to resident needs as far as possible.
- It was confirmed that Mears was a living wage employer.
- The Committee was pleased that Mears had employed six apprentices and queried if this number could be increased. In response, it was reported that there were a limited number of opportunities given the nature of the contract. The contract with Mears was for planned works only, with the building works on site carried out by sub-contractors. This meant that opportunities were limited to positions such as administration, resident liaison, site management and surveying. It was suggested that, in general, more apprenticeship opportunities were available under direct works and reactive maintenance contracts, as the contractor would be required to directly employ tradespeople.
- It was advised that Mears had a 5% retention clause with some of its sub-contractors; however the council did not have a similar arrangement with its capital works contractors. A retention clause would allow the council to retain a proportion of the cost of the works for a given period in order to rectify any problems arising at a later date. In response, officers confirmed that the capital works contract was a term partnering agreement which did not contain retention or penalty clauses; however this could be reviewed for future capital works contracts.
- Members commented on casework arising from capital works, noting instances of delayed works, breakages and incomplete works. It was suggested that chasing contractors to rectify such problems after work had finished could be a time consuming process and it was queried how such issues could be mitigated or minimised. In response, it was advised that this did not match Mears' experience of capital works and Mears consistently received a resident satisfaction rating of over 93%. It was thought that this discrepancy could be partially attributable to sign-off processes; as although it may appear that works were completed when contractors left the site, works were not formally completed until sign-off had been received from the council and this could take up to two months. It was advised that clerk of works officers worked with area housing officers to assess works prior to completion. Officers operated to high standards and on occasion the council had delayed completion until remedial works were carried out to a higher standard. It was commented that this motivated contractors to carry out these works quickly as guarantee policies did not commence until works had been signed-off.

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- Sometimes it was not possible to carry out remedial grounds maintenance works before completion, as works such as re-planting had to be carried out seasonally.
- Officers noted that contractors had voluntarily agreed to carry out remedial works when required. An example was given of an occasion where incorrect paint was used in decorating due to an oversight in the specification. On this occasion it was agreed that the supplier would provide the correct paint and the contractor would provide labour at no additional cost.
- The Committee queried the value of guarantees and the level of protection offered if a company ceases to trade.
- It was advised that the council's capital works contracts were 'design and build' contracts. The council had chosen to procure on this basis as it placed greater responsibility for design, planning and surveying on the contractor, which was considered to represent better value than carrying out these tasks in house.
- Mears advised that works on site were almost entirely carried out by sub-contractors. Mears Islington had 42 members of staff. The ratio of sub-contractors to direct employees was approximately 4:1.
- The Committee queried if the council could do more to support local people into apprenticeships and employment on capital works. In response, it was commented that there were a limited number of opportunities for apprenticeships within Mears; the current number was considered appropriate for the amount of work to be carried out. It was known that many local sub-contractors used by Mears employed apprentice tradespeople, however it was not possible to comment on their labour needs.
- It was commented that Mears' method of surveying satisfaction did not appear to be sufficiently detailed to capture resident complaints. In response, it was advised that the survey form was intended to provide a snapshot of satisfaction and a complaints process was operated separately. The questions asked on the form were necessary for Mears to report on its satisfaction performance indicator as set out in the capital works contract.
- The diagrams produced by contractors were contractual documents which documented the works carried out. A scanned copy of every document was provided to the council and was stored on a database. The Committee suggested that greater value could be obtained from the diagrams if they were provided in an accessible format which could be integrated with the council's own housing systems.
- When procuring sub-contractors, Mears considered social value aspects alongside the capacity and expertise of the contractor. However, it was confirmed that it was not industry practice to formally document such evaluations.
- The Committee queried why Mears could not contractually require sub-contractors to take on a given amount of apprentices to carry out works. It was advised that imposing such conditions would be unfair as Mears was not able to guarantee the volume of works to sub-contractors, however Mears did informally negotiate with sub-contractors and encourage them to offer apprenticeships in return for works.
- Following a query by Dr Brian Potter of the Islington Leaseholders Association, it was confirmed that guarantees for roofs and windows were issued by the supplier and held by the council. It was advised that guarantees for roofs were insurance backed and this would be confirmed in writing outside of the meeting.

The Committee thanked Damian Dempsey and Theo Petrou for their attendance.

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### (b) Witness Evidence submitted by Islington Leaseholders Association

The Committee noted the evidence submitted by the Islington Leaseholders Association:

- Dr Potter queried the commercial sensitivity of the schedule of rates and suggested that greater transparency was needed in leaseholder billing for capital works.
- Dr Potter commented that the bespoke schedule of rates used by contractors in addition to their submission against the national schedule was of particular interest to leaseholders and suggested that the schedules should be published online to enable leaseholders to calculate their own bill.
- Officers commented that schedules of rates were technical documents and were not presented in a format which was easily accessible to members of the public. As a result, officers suggested that disclosing the schedules would not necessarily be helpful to leaseholders in calculating their own service charge bills.
- The Committee considered the arguments for and against disclosure of the schedules. It was concluded that further work was required to increase the accessibility and transparency of leaseholder service charges for capital works and the council should seek to discontinue the use of commercial sensitivity clauses relating to the schedules of rates when tendering for future capital works contracts.

The Committee thanked the Islington Leaseholders Association for their submission.

### (c) Draft Recommendations

The Committee considered the draft recommendations circulated and requested the following amendments:

- Recommendation 1 be expanded to incorporate the monitoring of sub-contractors.
- Recommendation 2 be amended to remove the words 'poor performance' and incorporate the exploration of incentives for contractors.
- An additional recommendation be added that the council further consider social value matters when procuring capital works. Social value includes the social, economic and environmental well-being of the borough. It was commented that the council should review how social value matters are identified and evaluated in capital works procurement.
- An additional recommendation be added that resident inspectors be appointed to review capital works, with a view to increasing engagement and transparency.
- An additional recommendation be added on using the capital programme to increase the quality and quantity of local employment opportunities and to implement the recommendations of the employment commission.
- An additional recommendation be added on seeking to discontinue commercial sensitivity clauses relating to schedules of rates when tendering for future capital works contracts.
- An additional recommendation be added to consider establishing an in-house capability to carry out a proportion of planned maintenance works, subject to consultations with labour unions.
- An additional recommendation be added for future capital works contracts to require property data compiled by contractors to be held in an accessible format to enable integration into the council's own ICT systems.

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**RESPONSIVE REPAIRS: WITNESS EVIDENCE (Item B2)**

Matt West, Head of Repairs and Maintenance, and Paul Lightfoot, Group Leader – Direct Works, made a presentation to the Committee, copy interleaved, on the performance of the responsive repairs service and planned service improvements.

A discussion was had during which the following main points were made:

- The service employed 105 trade staff and carried out approximately 55,000 repairs each year. Repairs were grouped into one of three categories, two hour emergency repair work, 24 hour urgent work, and 20 calendar day non-urgent work. Approximately one third of repairs were classified as urgent.
- The service was in the process of making improvements and welcomed the scrutiny review and feedback from residents. The service sought feedback at tenant and resident meetings, from councillor casework, and had also established repairs reference groups.
- Satisfaction with the service was independently evaluated by Kwest. Kwest surveyed 300 residents each month and indicated a satisfaction rating of approximately 73%. Feedback from the surveys was communicated to staff and was used to identify service improvements.
- The service was aware of complaints arising frequently in councillor casework. It was explained that the service was seeking to make improvements following a period of the new in-house service 'bedding in'. As the service had operated for a full year officers considered that they had identified the main strengths and weaknesses of the service.
- The key areas for improvement included notifying residents of when their repair would take place and completing repairs on the first visit. This was known as a 'first time fix'. Increasing the number of repairs completed on the first visit was considered essential to improving resident satisfaction.
- Officers commented on the challenges faced when bringing the service in-house. Staff had been required to adapt to new ways of working and a re-organisation was expected to be completed in February 2016. There had also been a need to change the previous client/contractor working culture to a more team-focused atmosphere.
- The service had inherited a number of specialist trade staff through TUPE arrangements, however was seeking to train staff in multiple trades in order to increase the number of repairs able to be completed on the first visit.
- The service used specialist contractors to support the in-house team during peak periods. For reasons of efficiency, the contractors used to repair lifts were procured through the same contract which serviced the council's public buildings.
- Management regularly communicated with trade staff through 'toolbox talks' which focused on performance and health and safety matters.
- The service had positive working relationships with the capital works team, the gas team, and the estate maintenance team.
- The service monitored performance on a daily basis and displayed performance in a prominent location in the office accessible to all staff.
- Work was underway to increase the diversity of the service, in particular the number of women employed as tradespeople. Workshop sessions had been arranged for female residents and pupils at the Elizabeth Garrett Anderson girls' school. The service intended to recruit ten apprentices in 2016 and it was hoped that such initiatives would attract female applicants.
- One area for improvement was the service's IT system. A new system had been procured and was intended to be implemented in autumn 2016. It was commented that an extended lead-in period was required for extensive testing, which would ease implementation.

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- The new IT system would feature an improved diagnostic system and would automatically allocate jobs to tradespeople, a process which was previously carried out manually.
- The service had recently implemented an online repair reporting system. 50 repairs had been reported online in the previous week and work was underway to promote this method of reporting.
- The service intended to review its vehicle usage in order to be more efficient. It was also intended to review the operation of the out-of-hours service.
- The Committee provided examples of casework relating to repairs. One example was given of a repair which had taken six visits to complete. It was commented that multiple visits could be particularly problematic for tenants on low incomes who would have to take time off work. Officers advised that they were aware of such issues and work was underway to make improvements; the intention was to complete a repair on the second visit if it was not possible to be completed on the first occasion. It was explained that such issues usually arose on particularly complex repairs which required several specialist tradespeople. It was thought that improved diagnostic processes to be introduced as part of the new IT system would better identify the skills and equipment required for each repair.
- The service had no specific compensation policy in addition to the council's general policy.
- Officers commented that it would be easier to extract detailed performance data from the new IT system.
- It was explained that trade staff could have six or seven jobs on their PDA at any one time. In future staff would have one job which would need to be completed before staff moved on to their next job. At present, staff would occasionally leave a repair incomplete to attend an emergency or to collect parts.
- The service was exploring the delivery of parts to ensure that tradespeople did not need to leave repairs incomplete. It was commented that the service was aware of other organisations that had implemented such initiatives to varying degrees of success.
- Following a query, it was advised that some specialist works had to be carried out by contractors; however the service had reduced the number of works contracted out over the last year.
- The Committee queried if the service could seek to generate income by carrying out repairs to schools, colleges and other properties. It was confirmed that this was an aspiration of the service, however improvements would need to be made before the service began to trade commercially on any significant scale. It was commented that such commercial activity could be expanded into neighbouring boroughs.
- The service provided a handyperson service in partnership with adult social services.
- The service's stores were maintained by an external contractor. It was explained that the contractor provided a bespoke service and was familiar with the service's ways of working.
- Following feedback from residents and councillors the service was considering re-naming the Customer Excellence team.
- The Committee queried how service satisfaction compared to other public and private repairs providers. In response, it was advised that Kwest provided a benchmarking service for local authority repair services and satisfaction with Islington's service was around average.
- It was suggested that staff needed a greater awareness of property-specific issues. Officers noted that some staff were familiar with certain properties, however agreed that there was scope for a greater level of shared learning between staff.
- It was queried if estate-based stores could be used so staff did not have to travel to collect parts. Although the service had not explored this option, it was commented

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that this approach would present risks in terms of security and maintaining stock levels.

- The Committee queried if the service could track the progress of trade staff. In response, it was advised that operatives were manually assigned multiple jobs each day so it could be difficult to track locations and real-time progress; however in future staff would only be assigned one job at a time through their PDA.
- It was confirmed that the new IT system would be able to identify if residents had any particular needs or disabilities which could affect the work of trade staff.

The Committee thanked officers for their attendance.

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### **EXECUTIVE MEMBER PRESENTATION (Item B3)**

Councillor James Murray, Executive Member for Housing and Development, made a presentation to the Committee, copy interleaved, on the latest issues affecting the council's housing services.

The following main points were noted during the discussion:

- Islington had around 19,000 households on the housing register. It was noted that not all of the households were in housing need and households needed 120 points or more to bid for properties.
- The Executive Member expressed concern at the decreasing number of lettings in recent years. The number of lettings was expected to decrease by around a third in 2015/16; it was thought that fewer people were moving home due to uncertainty surrounding changes to social housing tenancies and rents.
- As demand for housing was far outstripping supply, the number of points required to successfully bid for a property was increasing. It was commented that, on average, 150 points were needed for a studio flat.
- There were over 50,000 households in temporary accommodation in London. Whilst this was a significant issue, the number of Islington households in temporary accommodation was decreasing. Providing temporary accommodation was a major cost to the council, contributing to a temporary accommodation budget deficit of £1.3million. The council was seeking to reduce this cost by using council stock earmarked for regeneration as temporary accommodation.
- It was confirmed that those in temporary accommodation were not housed in properties which would otherwise be allocated to those on the housing register.
- Around two thirds of households in temporary accommodation were able to be housed in the borough.
- Islington Lettings had been operating for almost a full year. The agency had a target of letting 100 properties in its first year. This was intended to be comprised of 50 properties let at market rent and 50 properties let at sub-market guaranteed rent. Although targets for properties at market rent were being met, it had proved difficult to attract landlords to the guaranteed rent scheme. The service was to be reviewed; it was suggested that the level of sub-market rent could be increased and re-focused on key workers. The council was considering marketing the scheme to leaseholders who wished to sub-let their property.
- It was noted that Partners for Improvement in Islington had made significant progress in reducing its repairs backlog and had centralised its complaints team.
- The rent collection rate was 99.9%, higher than expected. The average re-let time was 19 days which was considered satisfactory.
- The Committee was advised of the council's recently completed new build properties and members were invited to the official unveiling of new build properties at Lyon Street.

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- Following a query, it was advised that council communications were emphasising the increasing number of points required to successfully bid for properties. The Executive Member considered it important to be honest with those on the housing register about the likelihood of them being housed.
- It was advised that children of current council tenants on the housing register received an additional ten points through the 'next generation' scheme, however due to points inflation this did not make a significant difference in most instances.
- The Committee queried the impact of the Housing and Planning Bill on the council's PFI schemes with Partners for Improvement in Islington; in particular if the council would be required to sell all of its high-value street properties. In response, it was advised that Islington was in the unique position of having its highest-value properties managed under PFI contracts and was in discussions with the Department for Communities and Local Government about how the Act could be implemented in Islington.
- It was advised that housing applicants with medical needs were assessed by the council's medical officer. There was a clear assessment process with an appeal procedure in place.
- A member of the public suggested that the council should not encourage leaseholders to sub-let their properties as this was detrimental to local communities.

The Committee thanked Councillor Murray for his attendance.

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### **2015 RESIDENT SATISFACTION SURVEY RESULTS (Item B4)**

Maxine Holdsworth, Service Director of Housing Needs and Strategy, introduced the report which presented the results of the 2015 resident satisfaction survey.

The following main points were noted during the discussion:

- The full results of the survey were available on the council's website at: <http://www.islington.gov.uk/involved/consultation-engagement/tenant-homeowner-involvement/what-you-told-us/Pages/default.aspx>
- Overall there had been little change in resident satisfaction since the 2013 survey.
- It was reported that the survey had received an increased number of responses from leaseholders in comparison to previous years. Around half of responses had been received from leaseholders, whereas only around a third of council properties were occupied by leaseholders. Officers recognised the need to increase tenant engagement for future surveys.
- The council had an overall satisfaction rating of 74%, a 2% increase on the previous survey. This placed Islington in the lower quartile of social housing providers surveyed. The Committee noted the comparable ratings of other London boroughs; Camden had a rating of 76%, Southwark had a rating of 65%, and Lambeth had a rating of 67%.
- The Committee noted the disparity between tenant and leaseholder views of the housing service. 74% of tenants were satisfied with the service, as opposed to 43% of leaseholders. It was noted that 73% of leaseholders identified value for money as an area in need of improvement.
- There had been an improvement in satisfaction with repairs and maintenance, although this area was identified as an area in need of improvement by around half of respondents.
- The Committee noted the age profile of respondents and that older people were generally more satisfied with the council's service.
- The Committee queried the differing levels of service received on estates and suggested that satisfaction could be evaluated on an estate-by-estate basis.

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- Following a query, it was advised that officers would separately review the responses of residents in shared ownership schemes.

The Committee thanked Maxine Holdsworth for her attendance.

The meeting ended at 10.20 pm

**CHAIR**