

DURHAM COUNTY COUNCIL

ECONOMY AND ENTERPRISE OVERVIEW AND SCRUTINY COMMITTEE

At a Meeting of the **Economy and Enterprise Overview and Scrutiny Committee** held in **Committee Room 1A, County Hall, Durham** on **Wednesday 13 November 2013** at **9.30 am**

Present:

Councillor R Crute (Chairman)

Members of the Committee:

Councillors E Adam, A Batey, J Bell, J Clare, J Maitland, H Nicholson, R Ormerod, M Simpson, P Stradling, O Temple and A Willis

Co-opted Members:

Mr A Kitching and Mr P Robson

1 Apologies for Absence

Apologies for absence were received from Councillors J Armstrong, I Geldard and Mr T Batson and Mrs O Brown.

2 Substitute Members

No notification of Substitute Members had been received.

3 Declarations of Interest

Councillor J Maitland declared an interest in Item 5 as a Board Member of East Durham Homes.

4 Items from Co-opted Members or Interested Parties

There were no Items from Co-opted Members or Interested Parties.

5 Performance Reporting - Durham City Homes, Dale & Valley Homes and East Durham Homes

The Chairman referred Members to the covering report within the agenda pack and noted that the format of the meeting would be similar to previous years, the Committee having received the Annual Reports from the Housing Organisations.

Members noted that the Chief Executives of each of the Arm's Length Management Organisations (ALMOs), Dale and Valley Homes (DVH) and East Durham Homes (EDH), together with the Manager of Durham City Homes (DCH) would give a brief presentation and speak to the Committee as regards their Annual Report and performance.

The Chairman introduced the Manager, DCH, Simon Bartlett to speak in relation to the Council's "In-House Housing Organisation".

Durham City Homes

The Manager, DCH explained that the Annual Report for DCH was developed in conjunction with tenants and it set out the performance in terms of the Homes and Communities Agency (HCA) Standards, although the Tenants' Panel had decided upon a more engaging format, a calendar for the period October 2013 to September 2014. The Committee noted that each month covered a different area of activity and positive feedback had been received as regards the new format.

Members noted that the main issues as reported in the Annual Report included Welfare Reform, Stock Transfer, Investment, Reducing Energy Bills and Work with External Partners. It was explained that issues of welfare reform had been highlighted to tenants with an increased capacity within Tenancy Sustainability and a Welfare Benefits Advisor. Councillors noted the partnership with Credit Union and with FoodBank and the review of furniture packages, which were now discontinued. It was explained that "The Store" furniture recycling, in partnership with Derwentside Homes, was offered as an option for those in need.

The Manager, DCH noted increase in capital investment and noted that DCH was maintaining its 100% Decent Homes standard. It was explained that there was a need to tackle issues of small scale estate improvements and issues such as derelict garages, with over 1,000 garages a few years ago now reducing through a rolling programme of refurbishment and demolition where appropriate. Councillors learned that an air source heat pump pilot project had been undertaken and that a programme of replacement for poor performing boilers was on-going. Members noted an exercise with other housing providers looking at joint procurement for lower cost energy bills for tenants.

The Committee noted that there were several schemes and projects involving partners, including: Silvertalk, supporting older people; a joint review of complaints procedures; and Anti-Social Behaviour (ASB) diversionary project with Durham Constabulary; work with North East Procurement; and involvement with Durham in Bloom, with a specific award for DCH tenants.

The Manager, DCH referred Members to slides setting out performance figures (for copies see file of minutes), with Councillors noting the main statistics being:

- The amount of rent arrears as a percentage of the total rental debit was below target at 2.5%, 33.5% of all tenants paid via Direct Debit, 18 people were evicted for rent arrears and 35% of tenants contacted believed they may experience debt problems due to the changes to Welfare Reform.

- Repairs took on average 8.8 days to complete, 99.5% being completed right first time, 99.5% of emergency repairs being completed within timescales, 99.6% of urgent repairs were completed within timescales and 99.1% of responsive repairs appointments were made and kept.
- 100% of homes had a valid gas safety certificate.

The Committee noted that the Tenancy Sustainability Team had worked with over 850 tenants, helping those people access an extra £81,000 in benefits and grants. Members learned that 83% of tenants were satisfied with the advice and support they received in respect of benefits and 76% of tenants contacted regarding Welfare Reform issues found the information helpful. The Manager, DCH noted that the Decent Homes programme had made 1,299 properties decent with 79% of tenants being happy with their home. Members noted the number of replacements and improvements made over the last period included:

- 657 new central heating systems; 494 new windows; 444 new doors; 346 new kitchens; 367 new bathrooms suites; and 352 re-wires.

The Manager, DCH explained that relating to lettings, 99% of all Durham Key Options (DKO) applications were completed within timescales and 577 properties were let, an increase in comparison to an average of around 540-550. Members noted this was an impact in terms of additional workload, though it was not known whether the increase was as a direct consequence of Welfare Reform changes. It was added that the number of empty homes was above target at 72, however it was noted that 3 bed properties were now proving more difficult to re-let as a result of the Welfare Reform changes regarding the spare-room subsidy. Councillors noted that the average re-let time was 26 days, a vast improvement upon a figure of 72 days back in 2009.

The Committee noted that in relation to Neighbourhoods, the main points were: 87% of tenants were satisfied with their neighbourhood as a place to live; 81% of tenants were happy with the way DCH dealt with ASB; 100% of ASB complaints were dealt in timescales; and 145 cases of ASB were resolved. Members learned that tenant involvement had resulted in 46 changes being made; 80 tenants having attended a DCH Christmas consultation event; and 407 tenants were registered on the DCH tenants' involvement database. Councillors learned that only 44% of estate walkabouts included a tenant or resident, below a target of 55%. It was added that in terms of customer service, only 65% of calls were answered in 60 seconds, however, it was noted that DCH calls were received via the DCC Customer Services alongside all other incoming queries to the Authority and this could explain the performance. It was explained that 86% of tenants believed that DCH kept them well informed.

The Manager, DCH concluded by referring Members to a pie-chart (for copy see file of minutes) setting out the areas of spend as percentages of the total funding available over the period.

The Chairman introduced the Chief Executive of DVH, Peter Chaffer to speak in relation to the performance and Annual Report for DVH.

Dale and Valley Homes

Members were reminded that DVH was set up in 2006 and was responsible for 4,258 properties, employing 82 people, the majority of which lived locally.

The Committee noted that the DVH Vision was to “Provide homes and neighbourhoods that our customers want to live in and are proud to live in”, with 4 key strategic objectives having been established to achieve this:

- Delivering Excellent Services
- Delivering and Maintaining Decent Homes
- Running our Business Well
- Sustaining Local Neighbourhoods

The Chief Executive, DVH explained that DVH was a value based organisation, with 6 “magic ingredients” that had been developed: “open and honest”; strong customer focus; staff engagement and empowerment; apprenticeships; customer and staff development; and “change”. Members noted that 30% of DVH staff were, or had been at some point an apprentice within the organisation.

The Committee noted that the Annual Report format had been altered in accordance with the wishes of customers, however, still reporting against the HCA Standards. The Chief Executive, DVH noted he was very proud of DVH retaining the Customer Service Excellence award for a second year and that 89% of tenants that responded to the 2013 survey were satisfied with the way DVH kept them informed.

Members noted that the Customer Scrutiny Panels had undertaken 3 reviews during the last year, the topics being: the letting of empty homes; dealing with ASB; and measuring social return on investment (SORI). Councillors noted the headline results from the “Star Survey”, with satisfaction with the overall service provided by DVH having increased from 88% to 90%, albeit satisfaction with some individual issues had decreased slightly. The Chief Executive, DVH explained that the complaints process had been reviewed, and was in line with recommendations from the Welsh Housing Ombudsman and Scottish Housing Ombudsman, with the Housing Ombudsman for England likely to follow shortly with similar guidance.

In relation to customer care, the Chief Executive, DVH explained that there had been an increase in the number of people accessing the gardening service, and that as this was a paid service it was a testament to the quality of the service. Members noted statistics relating to customer care and responding to the needs of customers including:

- 134 frontline resolution complaints, taking on average 10.2 days to resolve
- 31 formal complaints, taking on average 14.8 days to resolve
- 92.1% of customers felt that their telephone call had been answered promptly and 98.6% felt that their call had been answered politely.
- 491 adaptations had been completed, with a satisfaction of 98.6%.
- 190 customers were being provided with an intensive housing management service, with an 85.2% satisfaction.

The Chief Executive, DVH explained that a new development at Park Avenue, Crook consisting of apartments and bungalows for older persons had been completed to a high standard. It was noted that the development was also in a good location with easy access to amenities including shops and health centre and there was a high level of satisfaction, with one tenant describing it as “the Crook Hilton”.

Councillors noted one of the reasons that DVH was formed was to bring the housing stock up to the Decent Homes standard, and it was explained that the Decent Homes programme for DVH was completed in September 2013. Members learned that since 2007, 3,550 homes had been modernised, with £42.5 million spend to date being an average of £11,972 per property. It was added that customer satisfaction with decent homes works was high being recorded at 92.1%.

The Chief Executive, DVH set out the information in relation to on-going repairs and maintenance, including:

- The average cost of repairs per property had reduced from £540 in 2011/12 to £425 in 2012/13.
- 83% of customers were satisfied with the repairs and maintenance service.
- Investment in systems and equipment had improved the service.
- Gentoo, who carry out the repairs on behalf of DVH, have their relevant staff based within the DVH offices and also have closed their depot, with repair persons operating from their homes. Upon review of the maintenance contract, a further £200,000 of savings was identified.

Members noted the high satisfaction statistics during 2012/13, including 100% of emergency repairs being carried out within 24 hours and a 97.6% customer satisfaction with the attitude of workmen carrying out the repairs.

The Committee learned that during 2012/13, DVH let 406 properties, with an average re-let time for empty homes being 42 days. Members noted that the poor re-let time was a reflection of Welfare Reform and an increased cost of living. Councillors learned that the average number of bids per property in 2011/12 was 13.76, in 2012/13 it was 6.61 and the first 6 months of 2013/14 was 2, demonstrating a significant decrease. It was added that this trend was across all property types. Councillors were informed of the number of terminations, increasing from 407 in 2011/12, 439 in 2012/13 with projections for a figure around 600 for 2013/14. Members were reminded that there was an associated cost in having more properties to turnaround and re-let.

The Chief Executive, DVH explained that, in working with neighbourhoods and the community, several partners were involved including the Area Action Partnerships (AAPs), Durham Constabulary, energy specialists and Bishop Auckland College. It was noted that in 2012/13, 26 groups were successful in receiving over £10,000 from the “Better Homes, Better Lives” fund. Members were reminded of the work on energy advice, funded through North East Procurement, with over 830 customers visited in 2012/13, with an average identified saving of £135 per customer. It was added that a potential £40,000 worth of Warm Home discounts had been identified and that customer satisfaction in this regard was at 96%. The Committee were reminded that a third of DVH staff were either currently or had been apprentices, with many having gone on to full time employment within the company.

The Chief Executive, DVH was proud to note that the positive approach taken by DVH had been recently recognised with the organisation having been named North East medium-sized apprentice employer of the Year and a “Top 100” apprenticeship employer nationally. It was added that a joint Social Enterprise with Gentoo, “Colouring Pads”, had 3 apprentices currently and it was hoped to employ 3 more during 2013/14.

The Committee were informed that in terms of Welfare Reform a lot of preparatory work had been undertaken in order to be able to help tenants. It was noted that there was continued support for the local Citizens’ Advice Bureau (CAB) in order for them to continue to offer impartial advice that had resulted in:

- 252 customers being referred to CAB.
- 89% of those referred engaging with the service.
- Nearly £60,000 of unclaimed benefits was accessed.
- Over £280,000 of debt had been successfully managed.

Members noted that 875 customers had been visited having been identified as being affected by the spare room subsidy and being in receipt of Housing Benefit. Councillors were made aware of work with other providers to develop a Discretionary Housing Payment policy and the on-going work in respect of developing and implementing a new DKO lettings policy. It was added that over £15 million in rent was collected and the percentage of arrears was within the 2% target.

The Chief Executive, DVH reminded Members of the value based approach at DVH and noted that this helped to provide well motivated staff, which led to increased productivity and improved customer satisfaction. It was noted that DVH had been included in the Sunday Times “Best 100 Companies to work for” list for the third year running moving up from 26th in 2011 to 3rd in 2013. Members noted that DVH invested on average £1,000 per person on staff training, with qualifications ranging from NVQ Level 2 up to post graduate degrees. It was added that DVH achieved the Investors in People (IIP) Gold Standard in March 2013, and DVH had applied for the IIP Champion Status. Members noted that the results of the investment in staff had been reflected in the quality of the staff and the low staff turnover at the organisation. The Chief Executive, DVH concluded by referring Members to quotes from the IIP inspection report and from a staff comment that was made as part of the “Best Companies” survey, the latter being:

“The company cares about the people who work here and in turn the people who work here care about the company – a two way street”.

The Chairman introduced the Chief Executive of EDH, Paul Mains to speak in relation to the performance and Annual Report for EDH.

East Durham Homes

The Chief Executive, EDH noted that the Annual Report for EDH, “Open House”, had the customer at its heart, was developed in conjunction with tenants, and each section, following the HCA standards, had a customer “guest editor”.

Members were reminded that achievements had not been made in isolation, there was partnership working with several organisations including: DCC; the East Durham AAP, The Housing Partnership; Kier; Keepmoat; Wates; Morrison; Durham Constabulary; Unite and the County Durham Credit Union.

The Committee noted that the annual report comprised of a section that showed the “year in pictures”, a section setting out the performance statistics, each of the HCA standards in turn, and a financial summary at the end.

Members were informed that during the 2012/13 period EDH had achieved its 3,000th home made decent in May 2012 and its 4,000th in January 2013, with an aim to have all homes at the decent homes standard by December 2014. Members noted that 86% of tenants were satisfied with the overall service provided by EDH, and 84% of tenants were satisfied with their neighbourhood as a place to live.

The Committee noted in relation to customer service, choice and handling complaints, EDH had instigated an “Obsessed Programme” where customer service was driven by the EDH staff. It was added that a 98% customer profile of EDH tenants meant that it was possible to tailor communications and services according to the actual customers. Members noted the high volume of call received by EDH, with more than 10,000 calls per month of which 91% were dealt with successfully at the first point of contact. It was noted that this high percentage of calls being dealt with at the first point of contact allowed other “back office” workers to concentrate their efforts in carrying out works out as required in tenants homes. The Chief Executive, EDH reiterated colleagues comments as regards the new process for complaints, and noted that complaints had been resolved in an average of 7.67 days, with a satisfaction of 85.5%. It was added that there had been over 800 compliments received, in 2012/13 EDH had continued to achieve the “Customer Service Excellence standard” and that a customer service training programme had been delivered to all staff.

Members noted that in respect of getting tenants involved, EDH had worked with The Housing Partnership and put customers at the heart of what they do. Councillors learned of service improvements that had resulted from having tenants’ input and noted the shortlisting of EDH for 3 Tenant Participation Advisory Service (TPAS) Awards. It was added that TPAS reaccreditation had been achieved. The Committee learned that “make a difference” (MAD) days had been carried out and a total of £4,549 had been awarded in “quick fix grants” to 10 community projects, including Dene Community Fire Fighters.

The Chief Executive, EDH explained that in addressing the diverse needs of customers, services were tailored to individual needs including:

- Having different formats of documents available.
- Interpretation and translation.
- Plain English accreditation.
- Typetalk.
- Browsealoud.
- Induction loops.
- Customer care kits.

Members noted that there had been improvements to access at customer outlets, an annual customer service day was held, and EDH had attained a “Leaders in Diversity” award.

The Committee noted that from a capital investment budget of approximately £29 million, 99.86% had been used in 2012/13. It was added that 1,760 properties had been updated to the decent homes standard against a target of 1,500, a reduction of 20% from the previous year giving a 41% level of non-decency. Members were reminded that the aim was for non-decency to be at 0% by December 2014.

Councillors noted the high satisfaction level as regards decent homes works, and learned that other improvements to properties included:

- 1,904 homes fitted with high efficiency boilers, with high customer satisfaction as regards this scheme.
- 1,509 kitchens were modernised to the decent homes standard.
- 1,498 bathrooms were improved to the decent homes standard.
- 1,532 homes were rewired to IEE Regulations 17th Edition.
- 241 homes received new roofs.
- 12 of 29 British Iron and Steel Federation (BISF) houses received improved fascia and insulation, with some help for private owners in adjacent properties in order for their homes to be brought in to match.
- 868 adaptations were completed, again with high customer satisfaction.
- 2,335 asbestos surveys were completed, noting 95.17% of the stock had now been tested.
- Improvements had been made to the communal areas and entrance doors of 18 flat blocks at Peterlee, improving appearance and safety.
- A number of garage sites had been demolished, addressing overprovision and a number of garages that were in disrepair.

The Chief Executive, EDH explained that a social enterprise, “SHED” (Social Housing Enterprise Durham) had been established in partnership and with support from Durham County Council, East Durham AAP, the County Councillors for the Peterlee area at the time including Audrey Laing, Gordon Tennant, Jimmy Alvey and Ralph Liddle, East Durham Partnership, Wates Family Enterprise Trust, Keepmoat and Kier. It was noted that 8 apprentices, with 2 supervisors had been employed and SHED helped to provide service to older and vulnerable customers. Councillors noted that partner organisations provided additional help, with examples being provision of kitchens for some community buildings and snow clearing at vulnerable people’s properties.

The Committee learned that all properties had received an annual safety check, and the over 2012/13, 33,000 repairs had been undertaken with 99.71% of appointments made being kept. It was added that 94.71% of repairs were completed “right first time” and 99.86% of emergency repairs were completed on time.

The Chief Executive, EDH referred Members to information as regards allocations, repairs and tenure, including:

- 826 properties repaired and re-let, with an average turnaround of 17.3 days. It was added that a projected figure for 2013/14 would be for around 1,200 properties, reiterating trends noted by the other providers.
- The “Homeswapper” service and the review of the DKO lettings policy.
- Support for customers with rent arrears, noting the level of arrears having reduced.

- The launch of the “My Place” web portal where tenants could view and manage details as regards their tenancy, very popular with younger tenants.
- Work with, and promotion of, the Credit Union.
- Help and advice given to 1,469 customers, an identified total of £336,053 in housing and welfare benefits.
- A Vulnerable Applicant Officer had helped 304 with DKO applications and 181 customers were supported in their tenancy by the Sustainable Tenancy Team.

Councillors learned that 144 estate walkabouts were carried out, resulting in 3,904 actions and the “Handyperson” service had helped 107 customers, with a rating by customers of 9.13 out of 10. Members noted activities such as the Best Kept Garden competition and the “Back in the Game” project, the latter involving Sunderland AFC and Caterpillar in helping people to get qualifications and get into work. The Committee noted that of 498 reports of ASB only 2% were reopened. It was noted that over 2012/13, 3 injunctions were made, 3 tenancies were demoted, 8 possession orders were issued, and 3 evictions were carried out. The Chief Executive, EDH noted that the use of a restorative justice approach was being seen as successful, helping to prevent people entering the criminal justice system. It was added that the approach would not be suitable for all victims of ASB, however, those that had participated felt the results were positive. Members learned that EDH was awarded the Social Landlords Crime and Nuisance Group (SLCNG) “Team of the Year 2012” and that there had been a series of workshops on ASB delivered in local schools. Councillors were referred to information in respect of value for money, and noted that the Governance arrangements had received an A+ rating from an independent board appraisal. The Chief Executive, EDH explained that the Chair’s Charity (Chair of the EDH Board) had raised nearly £5,000 for the MS Society, an excellent positive contribution.

Members noted the figures in relation to finance and the breakdown of where money was spent from the total of £15.8 million and the Chief Executive, EDH referred Members to the challenges that were noted for 2012/13 and also the challenges and opportunities for 2013/14 including:

- Supporting customers through the impacts of welfare reform.
- Embed and improve customer service.
- Launch the self-service portal application.
- Embed the approach to Customer Knowledge and Campaign Manager.
- Deliver 1,638 decent homes.
- Manage a new Strategic Partnering Agreement.
- Deliver further efficiencies and savings.
- Expand the Social Enterprise.
- Take an active role in the Stock Transfer Process.

The Chairman thanked the three speakers, noted the Housing Directions Manager, Marie Roe was in attendance should Members have any queries regarding Stock Transfer and asked Members if they had any questions.

Members asked questions in relation to: the types of customer in housing arrears; the figures for rent arrears; the return rate of the Star Surveys; the types of customer that had been contacted as regards the impact of Welfare Reform; further information as regards "Silvertalk"; the number of evictions and reasons why tenures end; whether the improvements made by the organisations could be maintained through the Stock Transfer process; information as regards air source heat pumps and their use; the Star Survey figures for DVH; and the source of the funding for new build homes for DVH.

Officers explained that all types of customers were represented in those with rent arrears and arrears occurred across all types of tenure. It was noted that rent arrears figures were: 2.8% for EDH, 2.5% for DCH and 2% for DVH. The Committee noted that around a third of Star Surveys were returned, however, the survey was one method of engaging with customers including: tenancy audits; visits to tenants' homes on issues such as welfare reform and stock transfer; tenants' panels; mystery shoppers; tenants' scrutiny and tenancy visits for new tenants.

Officers noted that tenants of all circumstances had been in touch as regards welfare reform, those in employment, those in receipt of benefits, those with families and across tenure types. It was explained that those on low income were particularly susceptible to impact, with many part-time contracts being affected in respect of their hours, having an impact upon any benefits. Members were informed that any current situation was a "snapshot" and that each as tenants' situations may differ, different solutions for each would be required. The Manager, DCH noted about 15% of tenants were affected by the spare room subsidy, and that while the majority were coping for now, increases in energy prices may impact on this. The Chief Executive, DVH noted that regular reports on the impact of welfare reform were given at the DVH Board including issues such as demand, the Tenancy Sustainability Service and debt advice.

The Manager, DCH noted that the Silvertalk programme was in partnership with Derwentside Homes and had involvement from the AAP and local CAB, utilising national lottery funding. It was added that the programme had been in operation for approximately 1 year with volunteers offering their time to speak to older and vulnerable people who may not get the chance to speak to people during the course of their routine. It was explained that training for volunteers was via the CAB and that the volunteers were able to offer some advice on many issues those tenants may have and signpost to other organisations where appropriate.

The Manager, DCH noted that while 18 evictions had taken place, the Council's Housing Solutions Team would always work to try and sustain a tenancy, with eviction being a last resort. It was added that there was not one specific reason why the numbers of people leaving their tenancy had increased, rather reasons included the cumulative effect of welfare reform changes, increasing energy costs and the rise in the cost of living. Other scenarios included older people moving into residential care, people moving closer to or back in with family and those "downsizing" to smaller properties.

Members were reminded that Warm Homes Discounts relating to energy saving works were administered by Energy Companies and would be applied for directly with those companies.

The Housing Directions Manager noted that the Stock Transfer process had taken on board the wishes of tenants to preserve the identities and best practice of the 3 organisations and this was reflected in the proposals for 3 companies within 1 group, which offered opportunities for better lending options and shared efficiencies.

The Manager, DCH explained that air source heat pumps had been used at a block of flats in Esh Winning and that there had been a period of adjustment for tenants as regards the best use of the technology.

It was added that challenges existed and the equipment was expensive to install, however, tenants saw improvement in relating to energy bills. It was noted that the example mentioned was a pilot scheme in partnership with British Gas. The Chief Executive, EDH noted the technology was a good option for properties off the main gas network, there were options to monitor use and advise tenants if they were maximising the benefits of the system, and there was potential to have “feed-in tariff”. The Chief Executive, DVH reiterated the use of such technology “off network” and added that in conjunction with other technologies such as solar hot water and photovoltaic cells it was possible to effect a positive saving, especially for those in rural settings where fuel poverty can be a major issue.

The Chief Executive, DVH noted that the overall satisfaction figures from the Star Survey had shown an increase, with individual elements showing some slight decreases. It was added that upon looking into issues, there was a trend in environment issues rather than with the properties themselves. Members noted that the timing of surveys also effected results and feedback and that also where there are slight changes in figures, these are not statistical significant. The Chief Executive, DVH noted that the funding for the new build project as described came from the final tranche of funding from the last Government, with a proportion from DCC in addition.

The Chairman thanked all the Officers for their attendance and noted the strong foundation that had been established by the organisations in preparing for the future in respect of the changes in legislation and welfare.

Resolved:

That the Members of the Economy and Enterprise Overview and Scrutiny Committee note the Annual Reports and presentations in respect of Durham City Homes, Dale and Valley Homes and East Durham Homes.