

# Finance and Resources Committee

10.00am, Tuesday, 12 June 2018

## Edinburgh Shared Repairs Service (ESRS) – Progress Report

Item number	7.23
Report number	
Executive/routine	Executive
Wards	All
Council Commitments	

### Executive Summary

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This report provides Committee with a progress update for the Edinburgh Shared Repairs Service (ESRS).

## Edinburgh Shared Repairs Service (ESRS) – Progress Report

### 1. Recommendations

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- 1.1 It is recommended that the Committee:
  - 1.1.1 Notes the update on Edinburgh Shared Repairs Service (ESRS); and
  - 1.1.2 Scrutinises and is assured by the management information dashboard report in Appendix 1.

### 2. Background

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- 2.1 The new ESRS was fully operational from 1 April 2017.
- 2.2 This report gives details of the progress of the service as at 25 April 2018.
- 2.3 The ESRS and Legacy Programme Board endorsed the recommendation made on 9 March 2018 to separate the update reports for ESRS and Legacy work going forward. This was to ensure that the focus on neither area of activity was lost, but that the positive progress made by the new service was not impacted by the residual legacy programme activities.

### 3. Main report

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- 3.1 The total number of cases in ESRS has reached 107. All cases are tenement properties. Of the 107 cases, 3 cases are categorised as facilitation and will not reach the enforcement stage. Of the 104 remaining cases, 71 have been closed without enforcement, including 4 projects being rejected by the service for reasons relating to significant reputational or financial risk to the Council. This represents a 69% success rate where owners have taken the project back to arrange works privately, with the help of case officers to the value of £648,416. At present, 15 of the 104 cases are proceeding through the enforcement stage or have been completed. This represents 14% of all cases.

## **Panel Decisions**

- 3.2 The project panel has taken a total of 31 decisions. The panel is required to make decisions at several stages in the process as below:
- to consider approval of a case in intervention to enforcement;
  - to consider an application for a missing share; and/or
  - to consider additional works in enforced projects.
- 3.3 A summary of decisions made is included in the management information dashboard in Appendix 1.

## **Advice and Information and Service Development**

- 3.4 This area of the service is where customers initially make contact to request advice and information. The service offers advice on how the customer can progress repairs through the process outlined in the Tenement (Scotland) Act 2004 using the Tenement Management Scheme (TMS).
- 3.5 Case officers and customer advisors accept requests for assistance from private property owners on the process of arranging common repairs. Tenement Toolkits are sent to customers, which include detailed information on the process available to owners and also contain useful templates for letters, meeting minutes and voting forms. Since June 2016, 644 'Toolkits' have been requested by tenement owners. The toolkit is now available to download from the website along with a new Missing Shares leaflet.
- 3.6 The ESRS manager has been invited to the meetings of the parliamentary working group on Maintenance of Tenement Scheme Property. The working group will consider any legislative changes, new initiatives, enhanced use of existing rules and/or further action by local authorities that could facilitate improved upkeep of Tenement Communal Property. The purpose of the working group is to consider and establish solutions to urge, assist and compel owners of tenement properties to maintain their property.
- 3.7 The issues raised to be considered by the working group are as follows:
- Owners association
  - Sinking Funds
  - Building inspections
- 3.8 Work is ongoing, with the support of the Council's statutory Data Protection Officer, to review the possibility of the Council being able to share owner's details whilst still complying with the legal requirements of relevant legislation. Owners trying to organise shared repairs often have difficulty finding the current contact details of their fellow owners. In most cases, the Council has access to this information, however historically the Council has been unable to share this. Discussions with Information Governance have indicated that there may be a possibility of allowing

information to be passed on, subject to evidence that it is in relation to common repairs. The draft privacy impact assessment and a draft operating procedure has been reviewed by the Information Governance Unit and requested amendments are currently being made. Evidence of service requests in relation to enquiries for ownership information is being formally recorded by ESRS officers and logged. If this project is successful, it would be a beneficial improvement for all Councils and a welcome interim measure prior to the Parliamentary working group resolving this issue formally through legislation.

### **Facilitation**

- 3.9 This area of the service is used when a customer has approached the service for assistance with defects on a property but, for reasons of financial or reputational risk, the service cannot assist at an enforcement level. The service can however assist the property owner in other ways; for example, corresponding with other owners at the property or contacting other Council service areas to help progress matters.
- 3.10 The service is facilitating in three cases at present including one locality Tenement Management Scheme case involving 13 blocks requiring render repairs.

### **Pre-intervention**

- 3.11 There are currently 11 cases in the pre-intervention stage, wherein the service offers to act on behalf of the lead owner. The case officer will check liability, correspond with owners in relation to the reported defects, hold stair meetings where required and record votes for or against the repair. Case officers have met owners and offered advice on current cases.
- 3.12 The experience of the service is that the difficulties faced by owners are many and varied and often complex in nature. The service has been successful in assisting owners on most occasions without the requirement to enforce works therefore reducing the financial risk, where possible, to the Council.

### **Intervention**

- 3.13 Intervention is actively undertaken following the identification of an essential repair, prior to taking a decision to enforce the repair. The objective is to support owners in taking responsibility for progressing the repair privately. Included in this area of work is verification of the defect reported, a site visit and tailored communication to owners including a mandate requesting confirmation from the owners in relation to their preference for the Councils involvement going forward.
- 3.14 3 cases are on-going with mandates issued to owners.

### **Survey Request**

- 3.15 Under ESRS procedures, building surveys are carried out by the Council's Chartered Building Surveyors. The costs of the surveys are recovered from owners, if owners progress the works privately.

### **Missing Share Cases**

- 3.16 On 5 September 2017, the Finance and Resources Committee approved the Council's use of the legislative powers under Section 50 of the Housing (Scotland) Act 2006 to pay funds into owners' maintenance accounts. This approval followed completion of the pilot scheme run by ESRS in which three cases tested the Missing Shares procedure.
- 3.17 There have been 10 missing share cases considered by ESRS. In 2 cases, the share was paid by the missing share owner prior to the application being presented to the Project Panel. This scheme has proved to be invaluable to owners who wish to undertake works privately without enforcement by the Council.
- 3.18 A table is now included in the management information dashboards to demonstrate the value of work enabled privately and the shares paid or due to be paid by the Council.

### **Successful Intervention / Cases closed**

- 3.19 To date, the service has successfully intervened in, and closed, a total of 71 cases. A follow up is undertaken to check whether work has been carried out privately after three months has passed.

### **Private work enabled by ESRS**

- 3.20 Case officers have gathered information from owners who have taken works on privately after requesting service from ESRS. The value of works confirmed by owners as having been completed privately, or in progress, amounts to £648,416. This is in addition to the value of works where the Council has approved to pay missing shares. The total value of works enabled by ESRS amounts to £1,196,789. The total financial commitment by the Council to date on these cases is £48,506, which will be recovered from liable owners.

### **The Enforcement Service**

- 3.21 The enforcement service is activated when all intervention options have failed to provide a platform for owners to procure the works privately.
- 3.22 Upon project panel approval, the project will be allocated to the surveying team for progression in accordance with standard operating procedures. The procedures include carrying out a full survey, preparation of cost estimates, preparation of risk registers, meeting owners, issuing of the Statutory Notice, tender preparation including design and specification, tender approvals, award and contract administration of the project.

3.23 17 projects have been approved by the ESRS Panel to progress to the enforcement stage. These projects are being progressed at various stages. Two cases have been taken back by owners, with four projects complete and billed. Of the 11 open projects, four are on site and four are at the survey and cost estimate No.1 stage, while the remaining three projects are in the S24 or S26 Statutory Notice waiting period.

### **The Emergency Service**

3.24 This part of the service intervenes when public health and safety is at risk due to unsafe buildings. The service will attend and carry out works to immediately make safe dangerous and emergency situations. The service is the first port of call for the emergency services (Police Scotland and Scottish Fire and Rescue Service) when they are dealing with situations such as fire damaged buildings, which require specialist surveying or structural engineering intervention.

3.25 The majority of service requests are for drainage related works in private property where Scottish Water has no responsibility.

3.26 The number of monthly service requests (SR's) has increased significantly since the last report. Over the three months to end April the service received 436 SR's compared with 306 SR's in the same three-month period last year. The amounts to a 42% increase in service provided. The number of Statutory Notices increased by 52% from the same period last year.

3.27 Over the last three months, the service has attended to 59 SR's in relation to masonry or roof defects where an owner or member of the public has notified the service of a suspected danger to the public.

## **4. Measures of success**

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4.1 To increase the numbers of owners carrying out common repair projects on their own property.

4.2 To continue to reduce the number of Council enforced projects to minimise both the financial and reputational risk to the Council.

## **5. Financial impact**

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5.1 The budget for the ESRS has been reduced to £0.99m for 2018/2019. The business plan approved by the ESRS and legacy Programme Board in December 2017 forecast a budget of £0.87m for 2019/20 and £0.85m for 2020/21.

5.2 The Management Information Dashboards include information on the Work in Progress (WIP), the level of debt recovery and bad debt provision for the service.

5.3 The bad debt provision for ESRS has been re-assessed at year end and amounts to £59,955. This assessment includes all debt for both the emergency and enforcement services from 2014-18.

- 5.4 On 22 February 2018, the Council approved the revised fees and charges for the provision of the Emergency Service. This will show a more open and transparent charging method.
- 5.5 The approved fees and charges include property officers and a manager hourly time charge and an administration fee of 10%. The reduction of the subsidy required for provision of the emergency service has been forecast at approximately £100k as a result of the new fees and charges.

## **6. Risk, policy, compliance and governance impact**

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- 6.1 This area of work represents a financial and reputational risk for the Council.

## **7. Equalities impact**

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- 7.1 There is no equalities impact arising from this report.

## **8. Sustainability impact**

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- 8.1 There is no adverse environmental impact arising from this report

## **9. Consultation and engagement**

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- 9.1 Not applicable.

## **10. Background reading/external references**

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- 10.1 [Report to City of Edinburgh Council, 12 February 2015, Shared Repairs Services -Development of a New Service.](#)
- 10.2 [Report to City of Edinburgh Council 11 December 2014, Shared Repairs Services -Development of a New Service](#)
- 10.3 [Edinburgh Shared Repairs Service – Missing Share](#) – report to Finance and Resources Committee, 5 September 2017

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## 11. Appendices

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11.1 Appendix 1 – Management information dashboard.



# Appendix 1 - Edinburgh Shared Repairs Service Dashboard - April 2018

Monthly progress update (for reporting purposes month end is 25 April)

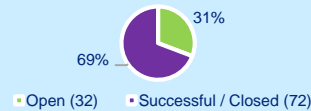
## ESSENTIAL WORKS SERVICE

Total number of cases has reached **107**. The workload currently consists of 32 open cases with 72 closed with successful intervention or fully paid enforced projects. The ESRS Panel has rejected five cases after it was considered that the financial or reputational risk was too high for the Council to accept. **644** Tenement Toolkit packs have been issued to owners since June 2016. **14** tenements have requested toolkits in April. Projects where an S26 Statutory Notice has been issued = 10

## EMERGENCY SERVICE

The emergency repairs service requests remain high and show a 42% increase from the same period last year. **146** requests for service recorded this month resulted in a contractor being instructed to make safe a drainage or building defects. **135** instructions were drainage related whilst the remaining **11** calls were reports of masonry or roof defects. Advice and information was provided to customers who called to report defects which did not meet the service emergency criteria.

### Case Status (Sep 15 – Apr 18)



### CASE WORKLOAD PROGRESS

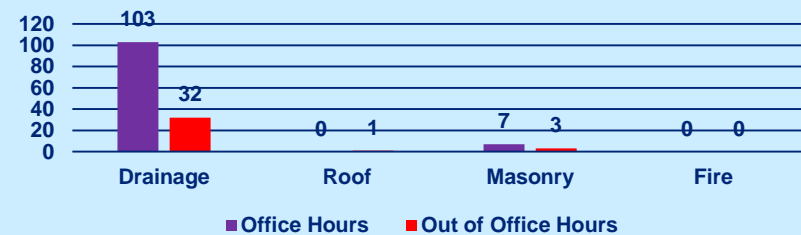
		NO.
<b>Facilitation:</b>	• Advice and Information only	3
	<b>Missing Share:</b>	• Case Open
<b>Intervention:</b>	• Pre-Intervention	11
	• Intervention	3
	• Surveys	0
	• Successful Intervention / Closed Cases	71
<b>Enforcement:</b>	• Site Survey / S24 Notice / S26 Notice	5
	• Procurement	2
	• Projects On Site	4
	• Projects complete	3
	• Projects complete and Fully Paid - closed	1
<b>Total Number of Cases</b>		<b>104</b>

ESRS PANEL DECISIONS RECORD	APPROVED	REJECTED	TOTAL
Missing Share	8		8
Enforcement	17	5	22
Enforcement – Additional Works During Project	1		1
<b>TOTAL</b>	<b>26</b>	<b>5</b>	<b>31</b>

### EMERGENCY SERVICE WORKLOAD

	Feb 18	Mar 18	Apr 18
No. of service requests (Site Visits)	134	156	146
No of emergency repair inspections resulting in statutory notices issued 31(4)	91	124	120
No of drainage repairs resulting in statutory notices issued 31 (1) & (3) - (Complex)	1	0	1

### Number of Service Requests 26 March to 25 April 2018



### KEY PLANNED ACTIVITIES

A communications plan has been developed with colleagues in communications to be rolled out over the next year. The 2018 campaign is on-going with Social Media posts and leaflets. The spring campaign will feature Missing Shares.



# ESRS Essential Works Dashboard

Programme dashboard as at 25 April 2018

MISSING SHARES OVERVIEW					
PROJECTS	TOTAL OWNERS	VALUE OF PROJECT	AMOUNT OF MISSING SHARES APPROVED / IN PROGRESS	TOTAL MISSING SHARE OWNERS	PAID / DUE BY CEC
Project A	21	£146,000	£7,133	1	£7,133
Project B	8	£28,500	£4,833 x 2	2	£7,104
Project C	4	£34,000	£8,500	1	£0
Project D	6	£3,900	£650	1	£650
Project E	4	£31,729	£9,576	1	£9,576
Project F	8	£22,344	£2,793	1	£0
Project G	16	£68,458	£4,278 x 3	3	£8,557
Project H	7	£102,615	£7,684 (unequal)	2	£7,684
Project I	15	£48,416	£3,228	1	£0
Project J	7	£62,411	£7,801	1	£7,801
<b>TOTAL</b>	<b>96</b>	<b>£548,373</b>	<b>£69,867</b>	<b>14</b>	<b>£48,506</b>

PRIVATE WORKS ENABLED BY THE ESRS		
PROJECTS WORKLOAD	VALUE OF WORKS (Inc VAT)	CEC FINANCIAL COMMITMENT
Successful Intervention	£648,416	£0
Missing Shares	£548,373	£48,506
<b>TOTAL</b>	<b>£1,196,789</b>	<b>£48,506</b>

ENFORCEMENT PROJECTS WORKLOAD	MAJOR	MINOR	ESTIMATED VALUE
1. Under £10,000		2	£10k
2. Under £50,000		5	£136k
3. Under £250,00	4		£326k
4. Over £250,000			
<b>TOTAL (11 projects)</b>	<b>4</b>	<b>7</b>	<b>£472k</b>



# Customer Service Dashboard

Programme dashboard as at 25 April 2018

CUSTOMER CONTACT PROGRESS		NO.
<b>Customer Contact:</b>	• Sent Tenement Toolkit packs to owners	<b>644</b>

ALL CUSTOMER CONTACTS	Feb 18	Mar 18	Apr 18
Solicitors Enquiries	481	483	406
Phone Calls	608	534	608
E-Mails	267	150	278
<b>Total Customer Contacts</b>	<b>1356</b>	<b>1167</b>	<b>1292</b>

FORMAL CUSTOMER CONTACTS	Feb 18	Mar 18	Apr 18	ESRS WEBSITE VISITS	
FOI's	0	0	0	April 2018	3568
SPSO Enquiries	0	0	1		
Stage 1 complaints	1	2	1		
Stage 2 complaints	1	1	0		

## ESRS Risk Register

TOP 5 RISKS	MITIGATION	RAG
1. <b>Unable to recruit suitable technical resource</b>	Risk - Recruitment challenges result in appointment of technical staff without the required experience and/or expertise. Mitigation - Two successful recruitment campaigns undertaken. One new Surveyor and one new Customer Service & Finance Advisor have been appointed.	Green
2. <b>CGI Finance System</b>	Risk - Delay in changeover, lack of consultation with Finance & ESRS results in systems not meeting requirements. Mitigation - Consult with CGI to ensure that they are aware of requirements.	Yellow
3. <b>Contractor Management of Framework KPI's etc</b>	Risk - Lack of Contract Management of Framework Contractors leading to poor performance of contractors and reputational risk to CEC. Mitigation - to be carried out by a staff member now recruited into ESRS structure.	Green
4. <b>Alignment with Property and Housing strategies</b>	Risk - The SOP are drafted without due consideration for the policy and procedures in other areas of P& FM and Housing, leading to conflict with the Council's overall housing strategy. Mitigation - Procedural documents have been shared with relevant directorate staff. ESRS Board includes Housing colleague.	Green
5. <b>Implementation of IT Architecture for ESRS processes.</b>	Risk - IDOX has completed the contract to improve the current case management system to implement a task based system. This project is on-going with management reporting tools still to be tested. Mitigation - IDOX have carried out this work. Teething issues being resolved.	Green



# ESRS Finance Dashboard

Programme dashboard as at 25 April 2018

## Debt Recovery

### OVERVIEW OF PROGRESS

The overall collection rate for Enforcement works is at 81%. Of the outstanding balance, £15,155 is currently being collected through instalment plans.

### BILLING AND PAYMENT INFORMATION

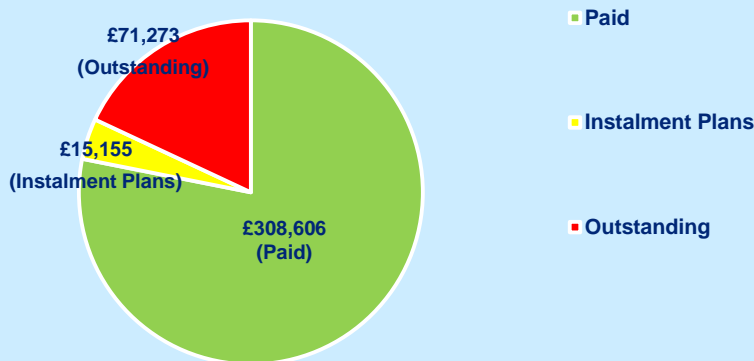
	NO OF PROJECTS	BILLED	PAID	INSTALMENT PLANS	INHIBITIONS	BALANCE
Enforcement	4	£363,791	£302,165	£7,447	£0.00	£54,179
Missing Share	4	£27,258	£2,456	£7,708	£0.00	£17,094
Survey Charge	3	£3,985	£3,985	£0.00	£0.00	£0.00
<b>TOTAL</b>	<b>11</b>	<b>£395,034</b>	<b>£308,606</b>	<b>£15,155</b>		<b>£71,273</b>
<b>OVERALL BAD DEBT PROVISION FOR ESRS (2014-18)</b>						<b>£59,955</b>

### EMERGENCY WORKS

Total value of invoices issued for emergency repairs in 2016/17	£400,808
Total value of invoices issued for emergency repairs and Call Out Fees in 2017/18 (Apr 17 to Mar 18)	£349,707 (Current collection Rate is 74%)

### ESRS - All Projects Overview

Total Billed - £395,034



## Work In Progress (WIP)

### OVERVIEW OF PROGRESS

The WIP this month includes costs for Essential works Projects and includes Consultant costs not yet billed. Invoices are issued within four months of Project completion.

### ESSENTIAL WORKS WIP

Overall position	Feb 18	Mar 18	Apr 18
Value of Payments to Contractors	£0k	£0k	£0k
Value of Invoices issued to Owners (excluding project management fee)	£0k	£0k	£0k
WIP	£8k	£8k	£22k
* Contractors retention cost still to be incurred	£6k	£6k	£2k

## Debt Recovery (Speed of Payments)

### Speed of Payments for Enforced Projects

Total Paid as at 25th April 2018 is £302,165

