

London Borough of Lambeth
Regenter Myatts field North PFI

MFN PFI Internal Refurbishment Programme:

**Response to ‘Resident Experiences
of Internal Refurbishment under the
Myatts Field North PFI Contract’**

Executive summary

- This report attempts to review the customer experience during the refurbishment of retained stock of 127 units on Myatts Field North estate. The properties were refurbished between May 2012 and October 2013. The properties are now subject to the 1 year defects liability period ending in October 2014. Some tenants have alleged that work is substandard and a report was commissioned by RAMB in co-operation with Leeds University called 'Resident Experiences of Internal Refurbishment under the Myatts Field North PFI Contract'.
- This report has been widely circulated and some of the allegations have caused very serious concern to the LBL client. It was therefore agreed that the client carry out a comparative survey to verify and consider the claims, the results of which are detailed within this report. Whilst it is clear that there have been challenges, particularly in the initial stages of delivery, the feedback from tenants is somewhat more favourable than the Leeds survey. However, of particular on-going concern to the client are issues regarding damage to people's personal property.
- As a result of this report, the local authority client will be meeting with Regenter to agree any remedial actions and look at lessons learned. We'll also be looking to share the findings with tenant representative groups.

Introduction

- This report is a brief response to the report titled '**Resident Experiences of Internal Refurbishments under the Myatts Field North PFI Contract**' (to be abbreviated as the 'Resident Experiences' report for the remainder of this report) as authored by Jacqui Dyer, Chair, Residents Association and PFI Monitoring Board (RAMB) and Dr Stuart Hodgkinson and Chris Essen, School of Geography, University of Leeds.
- Following serious concerns by LBL about the nature of the allegations laid out in the 'Resident Experiences' report, the PFI Client chose the approach of using the same questions for its own comparative study in order to validate, analyse and understand the tenant experience. The LBL client also wished to provide tenants a sounding board to express and communicate complaints.

An equally valid alternative empirical approach would have been to commission an independent survey, however we felt this may miss some important subliminal message and issues that we need to understand in order to achieve reconciliation and closure..

- The survey participants in the 'Residents Experiences' report are anonymous, therefore it has not been possible to implement any process for systematic rectification of any technical issues raised and therefore the Independent Certifier has been tasked with carrying out further Technical surveys to check for outstanding

and completed snagging works. A separate report is being provided to the LBL Client on this.

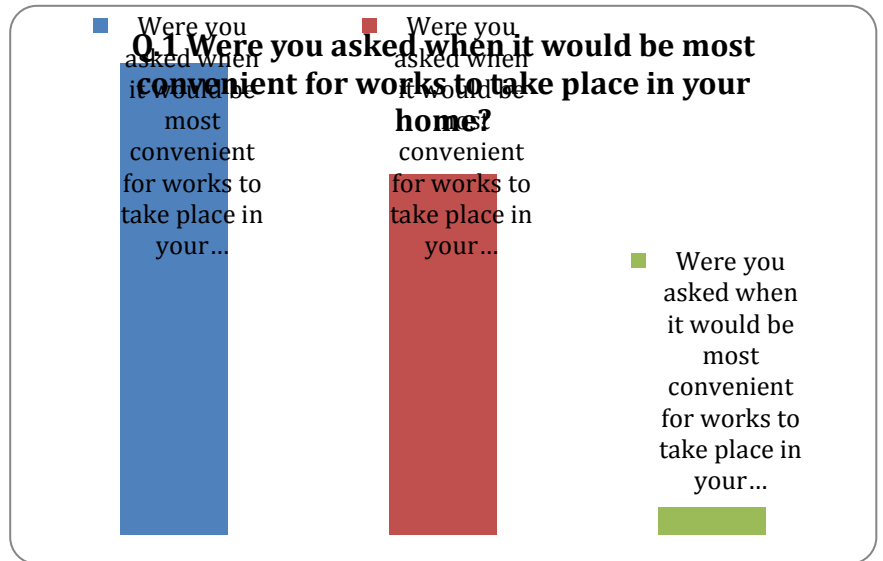
- It is noted that the 'Residents Experiences' report did not lay out any selection methodology of survey participants making it difficult to ascertain how representative of overall satisfaction the figures provided in the original report were. We doubled the sample size and randomly selected our sample, whilst retaining the option for self-selection by inviting residents to contact us if they wished to be surveyed.

Methodology

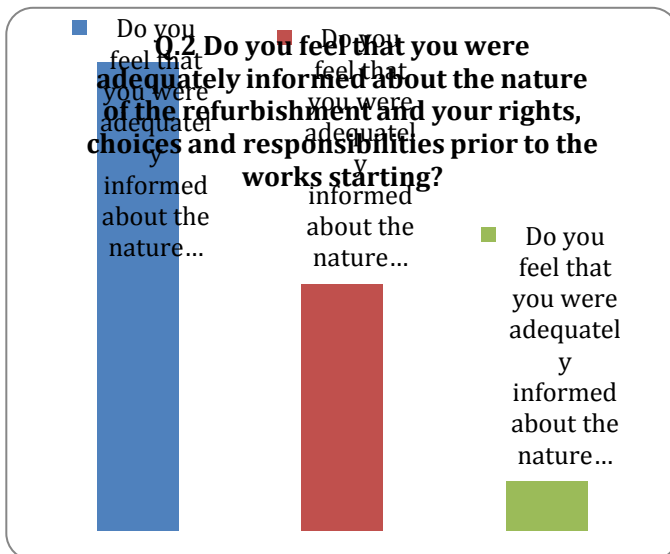
- In order to validate the data provided in the original report, a survey was carried out based directly on the questions raised in the 'Resident experiences' report; this was in order to provide directly comparable findings.
- In May 2014, all tenants who had works carried out under the internal refurbishments programme were contacted by post informing them of the Council's intention to carry out a survey in regards to the Internal Refurbishment programme. Tenants were provided with contact numbers if they wished to arrange a home visit and were also informed that officers on behalf of the PFI team would be visiting the estate. A minority of tenants took up the option of self-selection in order to voice concerns, in turn introducing some potential element of bias.
- The team completed six home visit surveys, however as this was proving very time consuming a series of outgoing telephone call surveys were made through random selection with the aim of gathering information from approximately 25% of all tenants who had had works carried out under the internal refurbishments programme.
- Overall, 101 attempted contacts were made and we received full survey data from 31 of these. These 31 contacts represent 24% of the total number of listed tenants who had works carried out (a total of 127). This compares with 14 surveys (11%) undertaken in the 'Residents Experiences' report.

Results and observations – see appendix 2 and 3 for more detail

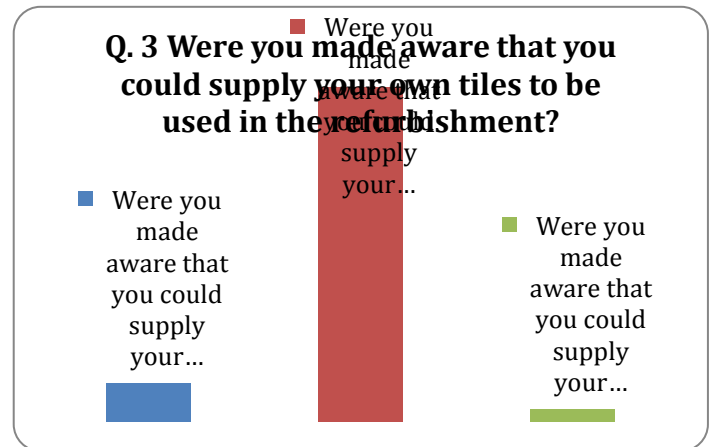
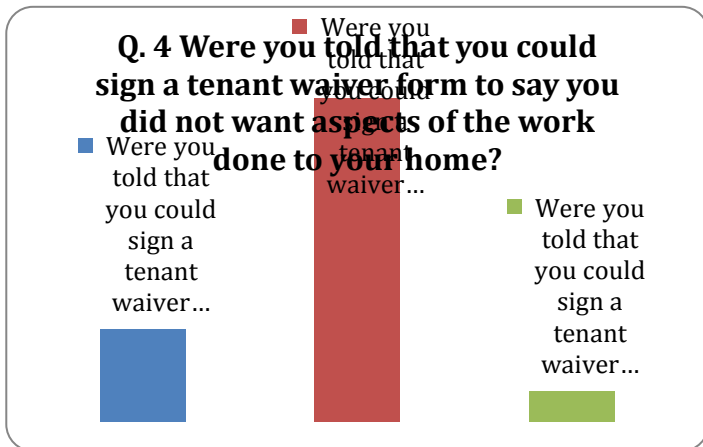
The adjacent chart shows that thirteen tenants stated that they had not been asked when it would be most convenient for works to take place in their home, however when questioned further six specifically stated that they had been sent letters informing them of 'when' works would take place and therefore had the option to make contact with the contractor and reschedule. These results compare favourably with the 7% of tenants who responded that they had been asked in the RAMB/Leeds survey. (see appx 2)



Whilst the PFI team would expect every reasonable effort to be made to accommodate people's work schedules, it is inevitable that some calls would be made speculatively in order to keep to project delivery targets.

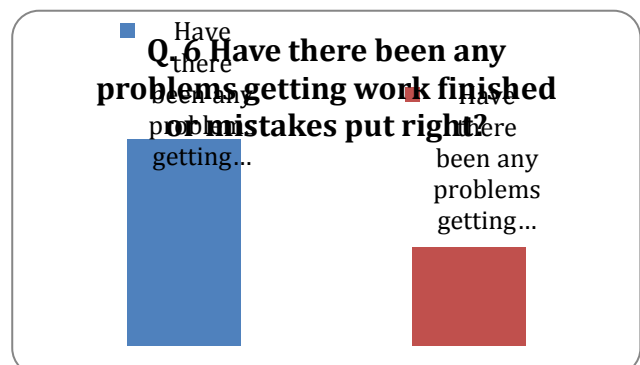


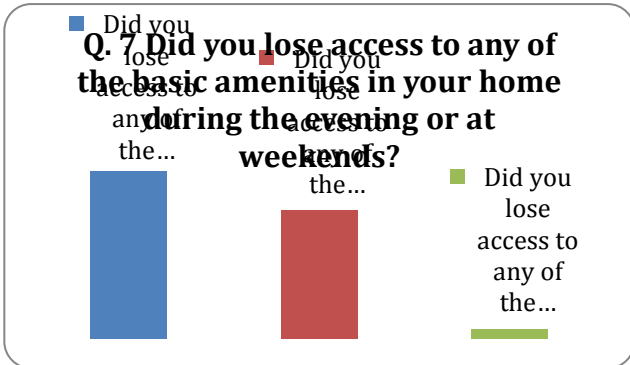
Of the tenants who said that they had not been adequately informed about the nature of the refurbishment, the most cited response was that they were misled about the scale of the works. Rydons have countered that numerous consultations were held and various literature in the form of flyers and leaflets were handed out; one tenant did cite that they were very confused by the volume of information that they received. It is not unusual when works of this scale are carried out for tenants to underestimate the scale of the work. A respite flat was provided on site and tenants were encouraged to use this. However, some tenants said they preferred to stay at home or complained that the respite flat was not very comfortable.



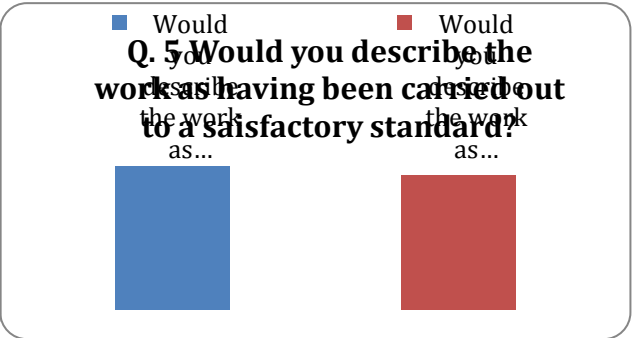
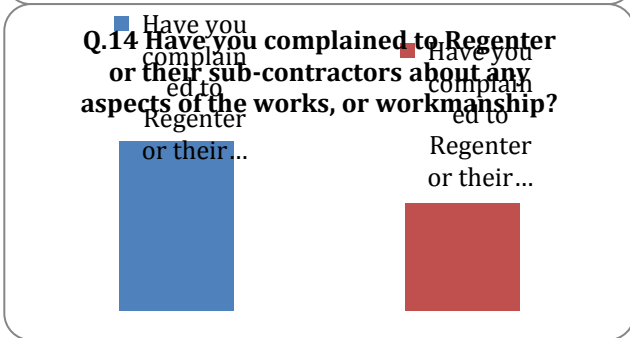
The majority of tenants reported that they had not been informed that they could waive certain works from being completed. Whilst LBL respects that tenants may have historically sought permission to install and maintain their own tiles, it is correct that the LBL landlord and asset owner would never encourage tenants to either supply their own tiles or to waive any of the prescribed works from taking place as such waivers result in a maintenance liability should the current tenant move out. The contractors are paid for full refurbishment work regardless of whether it is carried out or not; therefore works which are not carried out represent a significant waste to LBL. Furthermore, there is the risk that some tenants will fall into financial difficulties and be unable to maintain the bespoke items they have waived. There is a process for catching up with such remedial works, which entails joining a waiting list.

LBL is committed to maintaining (and where possible exceeding) the condition of its social rented properties in line with all respective decent homes legislation using standardised materials which can be easily maintained or replaced in a cost effective way. Whilst some aspects of the capital works may be optional, we would not encourage tenants to waive any of the capital works carried out as this means that the PFI contractor has a reduced liability for maintenance. A total of 28 tenant waivers were submitted (representing aspect of refurbishment work to 22% of properties).



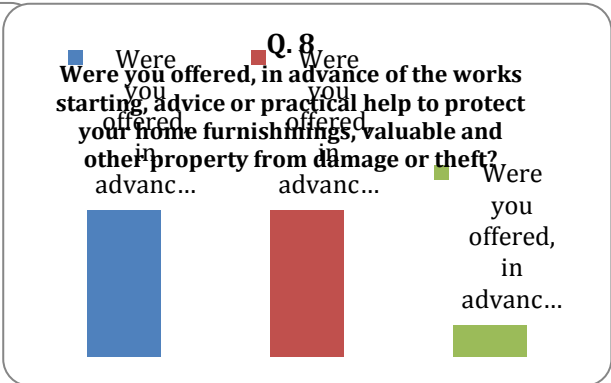
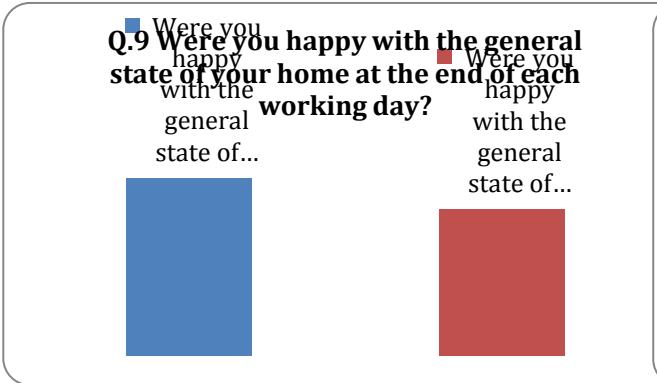


Whilst all attempts should have been made to ensure that basic amenities remained functional during the works programme, it is inevitable that some amenities may need to be switched off/disabled on a short-term basis. However, Regenter, in its method statement did commit to ensure that hot water and cooking facilities were available at the end of each working day. Where



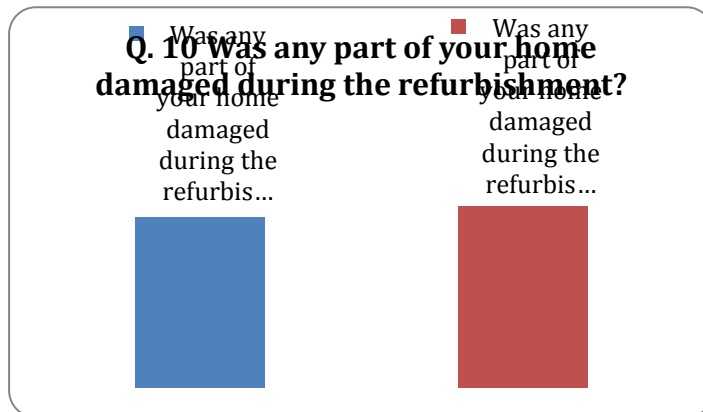
this was not possible, alternative temporary heaters and cooking facilities/recompense should have been provided. No data is available to evidence where such support was provided.

Of the 15 tenants who described the works as having not been carried out to a satisfactory standard, the most common complaints were regarding electrics (cited five times) kitchen cupboards (cited four times) and plumbing (cited three times). As part of the snagging process these issues should have been resolved. The LBL client is disappointed at the high level of dissatisfaction experienced. A comprehensive one-year defect programme is in the process of being carried out; where tenants have cited problems that have still not been rectified and are not currently pending with Rydons, we have referred all of these issues on to the respective contractor.

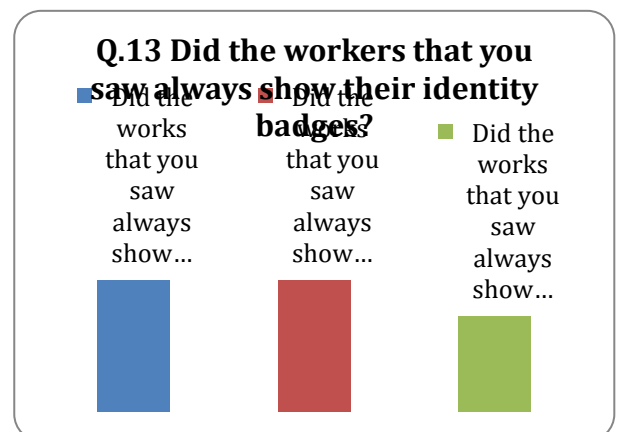
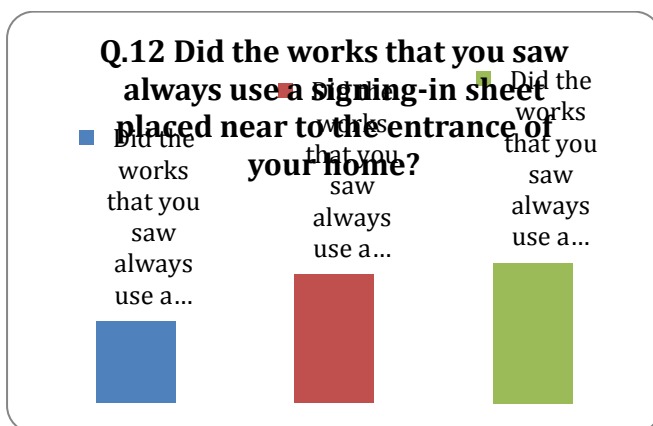


Whilst operatives are expected to leave properties in a reasonable condition at the end of each working day, it is inevitable that there would be a certain level of disruption given the scale of the works. Questioning whether tenants are “happy” (as phrased in the above question) with the general state of their home whilst extensive works are being carried out could be misleading as happiness is more generally associated with pleasure rather than disruption in a person’s routine. Having said this, tenants should not have been left under

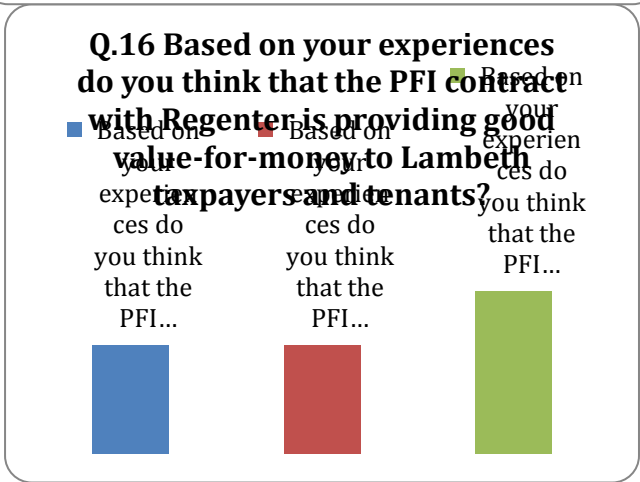
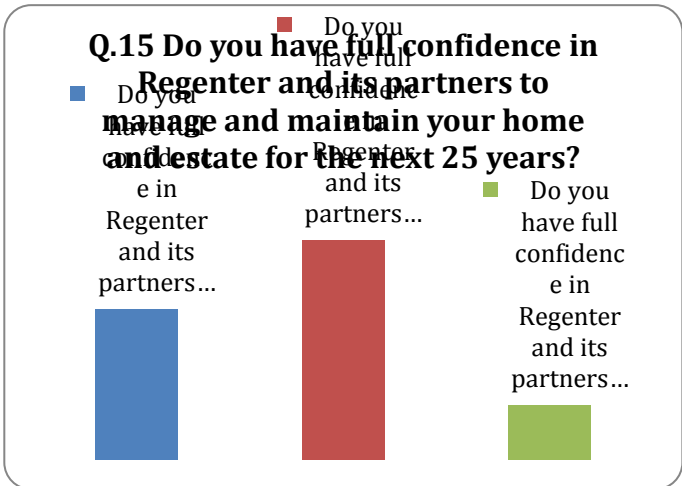
any intolerable level of discomfort or had to dedicate any significant length of time to cleaning in order to return the property to a comfortable state. We received reports from certain tenants of having to clean for hours each night; the most common complaint was regarding the amount of dust that was left in the property. It was stated in the service agreement that workers will “use carpet protection systems and clean dust sheets and carry out a clean of the works area with our own vacuum cleaners at the end of each day” we would not expect tenants to have to clean to the extent that some reported. However, as seen above, the majority of tenants did report that they were happy with the general state of their home at the end of each working day, in stark contrast with the results reported in the ‘Residents Experience’ report (55% vs. 21%).



Of the tenants who were asked whether any part of their home had been damaged during refurbishment, four tenants stated that they had fixed the damage themselves with seven stating that the contractors had remedied the situation with one tenant receiving compensation. Of the four remaining cases, tenants claimed that these problems still hadn't been resolved and were still pending with Rydons to remedy. The LBL client is awaiting a report on the outcome of these four cases.



During the internal refurbishments, signing-in sheets were primarily used for the developer's themselves to keep track of staff. There was a concern raised by some resident's that they were not always sure who was supposed to be in the property at any given point; it is for this reason that the LBL client has specifically requested that a regular advert advising tenants to request identification before letting anyone into their homes is put in the resident newsletter.



As seen above, 35% of tenants responded that they had full confidence in Regenter and its partners. The LBL client hopes to see this number improve over time. It is important to note that the consortium has now been operating for just over two years; many of the residents who answered ‘no’ to this question caveated their response with the comment that they did not have enough experience with Regenter to answer this question any other way.

In stark contrast to the numbers reported in the ‘Resident Experiences’ report in which 21% of tenants responded negatively to whether the PFI contracted provided good value-for-money, 43% of tenants reported that they could not give an answer. Upon reflection this is unsurprising as, excepting a comprehensive knowledge of the financial set-up of the PFI agreement, it can be very difficult to gauge the relative value of the overall contract. It is unclear whether the results given for this question were referring to the value of the PFI contract or the cost of tenants weekly rent. This area could be explored further during the performance meetings.

A full graph of the results obtained from LBLs survey as compared to the RAMB/University of Leeds survey can be found in appendix 2. LBL notes responses to questions 1; regarding ‘convenient’ access to carry out works, demonstrating a huge discrepancy between LBL and RAMB responses and question 10 (damage to the home), in which the results are closer.

The former question is more qualitatively biased and therefore difficult to assess, however question 10 is more quantifiable and evidentially based and therefore of greater concern to LBL.

LBL Outcomes

- Where tenants have agreed to waive anonymity, passing on any complaints to the respective contractor.
- Offering an opportunity to discuss results with tenants and any learning points
- To request an update on claims against Rydons for property damage.
- Compare results with the IC sign off on one year defects liability inspection.
- Consult with SPV and subcontractors on final report.
- Report to be submitted to HCA.
- Negotiate and produce an action plan with key stakeholders

Conclusion

It is felt that the Customer Service and experience in relation to the Refurbishment program fell short of reasonable expectation. There could have been a more balanced emphasis placed on delivery over comprehensive and appropriate communication. There are conflicting reports of overwhelming and confusing communication, with complaints of lack of communication and misunderstanding over the purpose of processes such as tenant waivers. Tenant Waivers, are offered up as discretion rather than a rule, due to the long terms risks. Tenants also seemed unclear in relation to their role in relation to communications between operatives and managers, it should have been made clear the sign in sheet on the back of the door, is a management rather than a security tool and that tenants should control access to their home by checking ID badges.

There are some key findings which can be taken forward in future relationships, including establishing appropriate communication options and clearly defining the responsibilities of all delivery partners and stakeholders, reporting lines, reporting and escalation processes.

We hope we can now look forward to a positive partnership working with tenants and leaseholders in the future. This report will be shared with the PLG, senior managers and elected representatives and we invite stakeholders to work together to ensure that the project provides best value over the course of the next 22 years.

Appendices

Appendix 1

Survey questions

Q1) Were you asked when it would be most convenient for works to take place in your home?

Q2) Do you feel that you were adequately informed about the nature of the refurbishment and your rights, choices and responsibilities prior to the works starting?

Q3) Were you made aware that you could supply your own tiles to be used in the refurbishment?

Q4) Were you told that you could sign a tenant waiver form to say you did not want aspects of the work done to your home?

Q5) Would you describe the work as having been carried out to a satisfactory standard?

Q6) Have there been any problems getting work finished or mistakes put right?

Q7) Did you lose access to any of the basic amenities in your home during the evening or at weekends?

Q8) Were you offered, in advance of the works starting, advice or practical help to protect your home furnishings, valuable and other property from damage or theft?

Q9) Were you happy with the general state of your home at the end of each working day?

Q10) Was any part of your home damaged during the refurbishment?

Q11) Did anyone in charge of the works come regularly to discuss what was happening, without you having to ask?

Q12) Did the workers that you saw always use a signing-in sheet placed near to the entrance of your home?

Q13) Did the workers that you saw always show their identity badges?

Q14) Have you complained to Regenter or their sub-contractors about any aspects of the works, or workmanship?

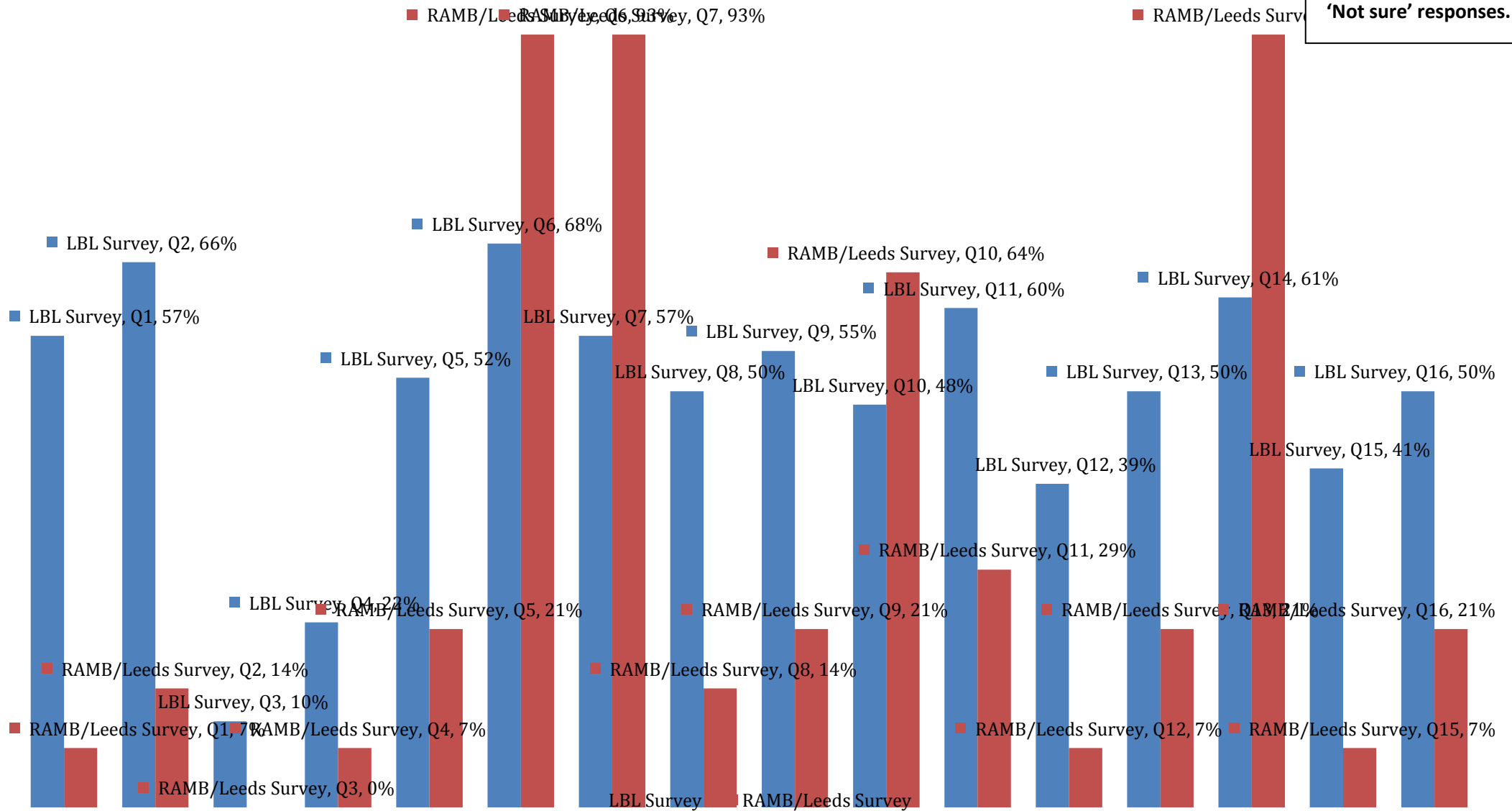
Q15) Do you have full confidence in Regenter and its partners to manage and maintain your home and estate for the next 25 years?

Q16) Based on your experiences do you think that the PFI contract with Regenter is providing good value-for-money to Lambeth taxpayers and tenants?

Appendix 2

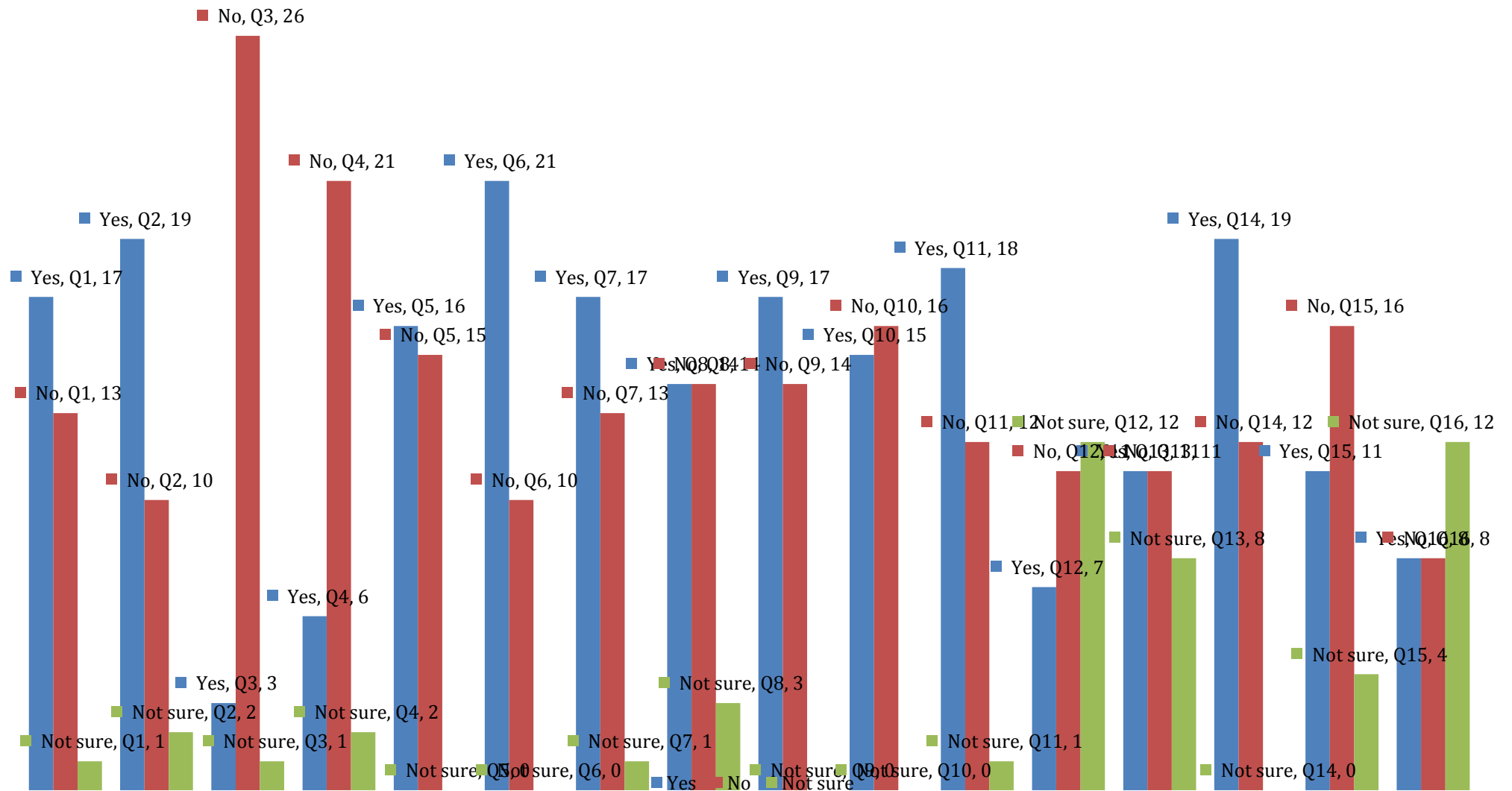
'Yes' results comparison between LBL survey and RAMB/Leeds survey

Please note that this chart excludes any 'Not sure' responses.



Appendix 3

MFN PFI Internal Refurbishment programme LBL survey results



Appendix 4

Tenant Waiver Form

Tenant Waiver Understanding / Obligation

I, [*insert name*] (the "**Tenant**") of the address stated below (the "**Dwelling**"), confirm that I do not wish the elements of the planned Works as expressly detailed below to be carried out at the Dwelling ("**Scope of Tenant Waiver**").

I confirm and agree that:

1. by waiving my rights to the relevant elements of the planned Works from being carried out at the Dwelling, any existing works and/or Tenant Improvements whatsoever that have been undertaken at the Dwelling at the date of this Tenant Waiver Form will become my sole responsibility to maintain and replace, as if the same were the subject of a Tenant Improvement in accordance with the terms of my Tenancy Agreement with the [*Named Authority*] (the "**Council**");
1. if, as a result of any failure to maintain and/or replace any existing works and/or Tenant Improvements which are the subject of this Tenant Waiver Form, any damage or losses are sustained in relation to any fixtures, fittings or any other elements of the Dwelling not the subject of this Tenant Waiver Form, such failure will result in me becoming liable for all rectification costs relating to any such damage or losses;
2. the proposed Works will not now be completed at the Dwelling;
3. I am the recognised Tenant of the Dwelling; and
4. the Contractor may withdraw the waiver detailed within this Tenant Waiver Form at any time.

ADDRESS:

[insert full address details for Tenant]

SCOPE OF TENANT WAIVER:

[Describe nature of works not to be undertaken]

SIGNED BY THE TENANT:

SIGNED BY: ON BEHALF OF THE CONTRACTOR

DATE:/...../.....