
REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 9
DATE OF MEETING:	17th FEBRUARY 2009	CATEGORY: DELEGATED
REPORT FROM:	DIRECTOR OF COMMUNITY SERVICES	OPEN PARAGRAPH NO: N/A
MEMBERS' CONTACT POINT:	GARY CLARKSON EXT 5897	DOC: GAC\lu:\reports\ H&CSCR - Budget Approval 2009
SUBJECT:	PROPOSED MAINTENANCE AND IMPROVEMENT PROGRAMMES FOR COUNCIL HOUSING 2009/2010	REF:
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: HCS01

1.0 Recommendations

1.1 Planned Maintenance and Improvement Programme

- 1.1.1 Approve the content of the report and the Major Repairs Allowance (MRA) budget plan.
- 1.1.2 Approve entry into a sixth year of the Planned Maintenance Partnering Contract and suspend Contract Procedure Rules (Tendering Provision).

1.2 Disabled Adaptations

- 1.2.1 Continue to delegate responsibility and to transfer the HRA (£115,500) and MRA (£184,800) budget to the Environmental Health Service for specific improvements to adapt properties in accordance with Social Services recommendations.

1.3 Digital TV Switchover

- 1.3.1 To accept the report and proposals in preparation for the 2011 digital switchover in the Central region.

2.0 Purpose of Report

- 2.1 To inform members of the Council's progress towards meeting the Decent Homes Standard as a result of implementing the Improvement programmes and MRA budget plan for the 2008/2009 financial year, that was last reviewed and agreed at the Housing and Community Services Committee, 7 February 2008.
- 2.2 To confirm the specific details of the 2009/2010 Planned Maintenance and Improvement Programmes, and the proposed MRA budget plan.

- 2.3 To confirm the specific details in dealing with disabled adaptations and the digital switchover.

3.0 Executive Summary

- 3.1 This report outlines the Council's proposed work programmes for 2009/2010.
- 3.2 The Government have allocated a 1.1% increase in the Major Repairs Allowance. This is not a government grant. It is the amount the government stipulate should be ring fenced from the Council's own resources for major investment.
- 3.2 The varying types of works identified to be undertaken to the Council's housing stock are proposed to be delivered through continuing both existing Improvement programmes (elemental programmes such as kitchens, bathrooms, heating, etc) and the five year cycle Planned Maintenance programme ensuring the Council meets the Government's 'Decent Homes' standard and targets set for 2010.
- 3.3 During 2008/2009 we continued to increase the level of 'stakeholder involvement' and choice, in line with the good practice guidelines suggested by the Audit Commission in the Best Value Review in 2005. This has been achieved primarily through updating the choice of finishes and colours for kitchens, bathrooms and external door replacement. Currently we are expanding tenant involvement in the procurement process and have a member of the Tenants' Forum actively involved in procuring suitable contractors for the new contracts that are due to commence in April 2009.
- 3.4 The method of upgrading properties to allow tenants who suffer from various disabilities continues to be carried out successfully in conjunction with Environmental Health on an increased budget.

4.0 Detail

4.1 Decent Homes and Communities

- 4.1.1 To enable the Council to meet the Government's current Decent Homes Standards (DHS) and future requirements, it is essential that the agreed Improvement programmes are implemented in full, whilst maintaining a review of their content. Our progress in meeting these targets is that at the end of December 2008, 103 properties were recorded as non-decent (3.32% of the stock at 31st December 2008). The overall reduction of non-decency by 671 properties since April 2003 has been as a result of the Improvement partnering contracts being carried out.
- 4.1.2 During the last year, planning for Decent Homes and Decent Communities beyond 2010 has taken place. Our current Decent Homes programme has been based largely on data that was collected in our 2002 stock condition survey and although the data has been updated with details of work carried out, deterioration in the stock had not been recorded. A proposal was submitted and approved at the 16th October 2008 Committee to arrange a survey to validate the stock condition data which will enable the Council to plan expenditure for the future.
- 4.1.3 In terms of Decent Communities, a scheme of environmental improvements consisting of repairs to front boundary brick wall and the replacement of front boundary fences and gates was approved by the Committee on the 2nd September 2008.

- 4.1.4 Phase 1, with works to the value £210,000 commenced in summer 2008. Goseley Estate is approximately 90% complete with the renewal of gates continuing in Elmsdale Road and Hartshill Road. Upper Midway is approximately 50% complete and the remaining areas of Alma Road, Ashleigh Avenue and Oakleigh Avenue are planned to commence on completion of the first two areas and be complete by the end of March, along with areas within Etwall and Hilton.
- 4.1.5 During 2009/2010 a further £133,000 has been allocated to complete the majority of the originally proposed works.
- 4.1.6 Prior to proposing any further schemes, a full stakeholder review will be undertaken to consider the overall benefits and impact. Members can be reassured though, that customer reaction to date has been very positive and supportive.

4.2 Major Repair Allowance – Improvement Programme

4.2.1 The Major Repairs Allowance (MRA) for 2009/2010 will be approximately £1,895,827, an increase of 1.1% (subject to final confirmation).

4.2.2 It is proposed to expend the 2009/2010 budget as follows (with 2008/2009 shown for a comparison):

	2008/2009 approved	2009/2010 Proposed
17532 Capital Salaries	£146,700	£147,222
31201 Damp proofing	£15,000	
31205 Adaptation improvements	£176,000	£184,800
31210 Kitchen replacements	£470,000	£384,000
31211 Central heating upgrades	£345,000	£326,400
31212 Environmental works	£210,000	£133,000
31214 Window replacements	£100,000	£50,000
31215 Bathroom replacements	£126,000	£125,000
31217 Loft Insulation	£50,000	£50,000
31218 Electrical Rewires	£100,000	£100,000
31219 Floor Renewals	£15,000	
31220 Door replacements	£240,000	£334,000
31223 Re-roofing	£50,000	£10,000
31233 Unforeseen Decent Homes	£31,800	£51,405
Immersion heater upgrades	£60,000	
Communal TV aerials survey	£4,000	
Total		£1,895,827

4.3 Planned External Maintenance

4.3.1 The Council's Planned External Maintenance Programme supplements the Housing Improvement programme with funding for 2009-2010 of approximately £691,000

from the Housing Revenue Account (HRA). Continued investment helps to control the requirements placed on the day-to-day responsive repairs, now and in future years, through an on-going process which ensures that the external fabric and structure of the housing stock is maintained and refurbished to an acceptable standard. This delivers an effective customer service at the same time as protecting our major housing assets.

- 4.3.2 The Programme of repairs to the external fabric and structure, which includes painting and pre-paint repairs, is carried out within the Planned Maintenance Partnering Contract that encompasses various elements from the MRA budget such as window and door replacements, roof repairs and environmental works for a contract value of approximately £1,300,000.
- 4.3.3 The Planned Maintenance Partnering Contract is one of the contracts that was proposed for re-tendering within the Procurement & Management Strategy for Contracts as approved at the Housing and Community Services Committee on the 5th June 2008.
- 4.3.4 The current contractor has recently submitted a proposal to extend the existing partnering arrangement by an additional year and offered a 5% reduction on current prices that equates to a saving of approximately £65,000.
- 4.3.5 Apart from the cost benefits to the Council, the extension of this contract allows surveying for the 2009/2010 financial year to commence immediately and then benefit from starting actual work in April, rather than the new contractor missing the first few months whilst joint surveying takes place. This would also allow tendering priority to be given to the remaining schemes and the Planned Maintenance tendering delayed with a view to an appointment by December 2009.
- 4.3.6 The postponement in tendering means that any additional information gained from the stock condition validation survey can be incorporated into the new contract and that information relating to the Stock Options process will also be available.
- 4.3.7 It is proposed, therefore, to suspend the Contract Procedure Rules (Tendering Provision) and enter into a sixth year of partnership with the current contractor for Planned Maintenance Partnering Contract and then tender this programme of works for a start on site in April 2010.
- 4.3.8 The current contractor's performance on this contract has a tenant satisfaction level that exceeded the target of 95% for each of the partnered five years.

4.4 Window Replacements and Door Replacements

- 4.4.1 All the timber, metal and single glazed PVCu windows have been replaced with double glazed PVCu with the exception of Granville Court, which is subject to an options review.
- 4.4.2 It is proposed to spend £50,000 on the replacement of the Blacknell Timberplast windows, present mainly on Goseley Estate. These windows have various problems with the integrity of the plastic joints that allows water into the timber frame and the closing mechanisms on the opening lights. They were first installed in the early 80's.
- 4.4.3 A programme of replacement doors will reduce the amount of day-to-day maintenance and improve the thermal performance on these properties.

- 4.4.4 Window and door replacements are both included in the Planned External Maintenance contract.
- 4.4.5 The 2009/2010 programme will continue to provide Homesafe composite doors where the existing door is beyond economic repair, rather than it being a full door replacement programme.
- 4.4.6 2009/2010 will be the fifth year of providing composite doors and will complete the 'first sweep' of the district. Subsequent years are expected to require less doors although tenant expectations have increased where those without a new door feeling that they missed out.

4.5 Replacement Kitchens & Bathrooms

- 4.5.1 Following the result of the stock condition survey undertaken in 2002, and to ensure Decent Homes targets are met, the kitchen & bathroom replacement programme for 2009/2010 includes the properties detailed in Appendix 1 attached to this report.
- 4.5.2 The replacement of kitchens and bathrooms was carried out as one combined contract during the current financial year and it is proposed to continue this method as recommended in the approved Procurement & Management Strategy.
- 4.5.3 The established major works programme (dating back to 2003/2004) identifies a high number of bathroom replacements in the current and forthcoming year. For instance there should be £372,000 worth of bathroom replacements in the programme this year. However experience has shown that there are also a high number of tenants who have had walk-in shower upgrades or who prefer to keep their existing facility rather than undergo major replacement work. Therefore in the current year, on the basis of experience, the budgetary figure has been reduced to £125,000. This may need to be reviewed in the current year if a higher number of tenants indicate a preference for replacement in the property-by-property surveys.

4.6 Central Heating Upgrades

- 4.6.1 Following the result of the stock condition survey undertaken in 2002, and to ensure Decent Homes targets are met, the heating replacement programme for 2009/2010 includes the properties detailed in the Appendix 1 attached to this report.
- 4.6.2 Replacing the heating systems will significantly help the Council maintain and increase our SAP rating in line with government requirements relating to energy efficiency.

4.7 Disabled Adaptations

- 4.7.1 At the Housing and Community Services Committee, 21 November 2002, Members approved that public sector disabled adaptations will be carried out in conjunction with the private sector and managed from one central point within Environmental Health, in conjunction with recommendations from Social Services.
- 4.7.2 The proposed budget for adaptation improvements in 2009/2010 has been increased by 5% from the 2008/2009 approved budget (itself a 10% increase on the year before). This is 3.9% more than the 1.1% increase applied to the whole of the MRA. There is also a further £40,000 in the Supporting People budget for minor adaptations, as lobbied for and achieved, which will largely be spent in the 2009/2010 year.

4.7.3 The allocation of £115,500 from the HRA, £184,800 from the MRA and the £40,000 from Supporting People provides a total budget of £340,300. A summary report from Environmental health has shown a current commitment of £210,900 split between 3 cases ready for approval, 9 cases ready to tender and 40 cases at various stages from new referrals to drawing production.

4.8 Feasibility into a possible District Heating Scheme

4.8.1 There are several areas within the District where we have social rented properties that are not on the gas network. They are limited in number but severely affect our ability to provide effective thermal warmth to those on lower incomes. Inevitably the lack of more affordable heating affects all the residents of particular areas in both private and public sector owned properties.

4.8.2 In conjunction with Environmental Services it is proposed in 2009/2010 to undertake some detailed feasibility work into the possibility of providing a district heating scheme to the whole of a particular area for use by tenants and owner occupiers. Such a scheme could utilise an energy source that may attract substantial grant e.g. biomass.

4.8.3 Biomass is biological material derived from living, or recently living organisms. There are five basic categories of material:

- **Virgin wood**, from forestry, arboricultural activities or from wood processing
- **Energy crops**: high yield crops grown specifically for energy applications
- **Agricultural residues**: residues from agriculture harvesting or processing
- **Food waste**, from food and drink manufacture, preparation and processing, and post-consumer waste
- **Industrial waste and co-products** from manufacturing and industrial processes.

4.8.4 The vital difference between biomass and fossil fuels is one of time scale.

Biomass takes carbon out of the atmosphere while it is growing, and returns it as it is burned. If it is managed on a sustainable basis, biomass is harvested as part of a constantly replenished crop. This is either during woodland or arboricultural management or as part of a continuous programme of replanting with the new growth taking up CO₂ from the atmosphere at the same time as it is released by combustion of the previous harvest. This maintains a closed carbon cycle with no net increase in atmospheric CO₂ levels.

4.8.5 This area of feasibility work is a specialist one and therefore an overall budget is proposed of £10,000 to enable detailed work to be carried out, £5,000 of which would come from Housing Revenue Account budget. The feasibility will consider demand, system types and available grant aid from sources such as the Low Carbon Buildings Programme or the Carbon Emissions Reduction Target (CERT).

5. Other Demands on the MRA Budget.

5.1 Digital TV switchover

5.2 The switchover for the Central TV area is planned for 2011 and to ensure that tenants with communal TV aerial systems are not affected by the switchover all

communal tv systems in up to 30 locations have been surveyed and a proposal to upgrade submitted by our current contractor.

- 5.3 The survey included only those that are on communal systems. Tenants in properties that are on independent aerials have the freedom to choose their own method of upgrading at their own cost.
- 5.4 The survey has identified an approximate cost of £60,000 to upgrade the existing aerial systems to a Master Antenna TV system (MATV) that will only receive Freeview channels.
- 5.5 Many public sector landlords are considering an Integrated Reception Service (IRS) that provides not only Freeview, but also subscription satellite services (i.e. SKY) and non-subscription satellite services (i.e. Freesat), with further options to provide an enhanced system that supports High Definition systems. The IRS system includes the satellite dish, amplifier and cabling with any number of set top boxes, or receivers built into TV sets, provided by the tenant. This allows all tenants within a block of flats to receive satellite services without each arranging for an individual satellite dish.
- 5.6 Two other alternative are Cable, which is only available in limited circumstances, and internet access that is more suited to individual properties.
- 5.7 It is proposed that the affected tenants will be consulted during 2009 to enable work to be undertaken during 2010 in readiness for the switchover. Consultation will also include other stakeholders such as Members, the Council's Procurement Manager, South Derbyshire Tenants' Forum to discuss matters such as system types, tenant contributions and service charges.
- 5.8 Consultation with tenants about the existing system and the implications associated with its potential upgrade will enhance their subsequent satisfaction with the decisions made and make the implementation and delivery of the works programme for switchover more straightforward.

6. Customer Satisfaction

- 6.1 The performance of all major contractors is measured against set targets based on customer satisfaction, quality of work, general performance and completion against an agreed programme. The overall target for satisfaction on the Improvement schemes is 95%.
- 6.2 The overall level of satisfaction on planned maintenance and improvement schemes is high once again with a total of 96.16% for the 2007/2008 financial year and 97.07% for the 2008/2009 financial year up to the end of December 2008. Customer Satisfaction reports for both years are included in Appendix 2 and 3 attached to this report.

7. Financial Implications

- 7.1 A continuation of committing resources along the lines detailed in this report up to 2010 will ensure that the Council hits the Government's Decent Homes Standard. As mentioned earlier, any remaining capacity within the MRA budget up to 2010 is likely to be needed to deliver on other building fabric priorities, e.g. rewiring.

8. Corporate Implications

- 8.1 Completion of the proposed programmes will enable the Council to meet the Decent Homes Standard by 2010.

9. Community Implications

- 9.1 The improvements will continue to improve the quality of the housing stock and improved central heating systems will increase the energy efficiency rating of the properties and contribute to reductions in CO² emissions in accordance with the Council's Housing Strategy.

10 South Derbyshire Tenants' Forum Comments

- 10.1 The South Derbyshire Tenants' Forum were consulted during the preparation of the report and support the recommendations.

11. Background Papers

- 11.1 Housing and Community Services Committee – November 2002
- 11.2 Housing and Community Services Committee – July 2008
- 11.3 Housing and Community Services Committee – October 2008