
REPORT TO:	HOUSING AND COMMUNITY SERVICES COMMITTEE	AGENDA ITEM:
DATE OF MEETING:	3rd FEBRUARY 2005	CATEGORY: DELEGATED
REPORT FROM:	DIRECTOR OF COMMUNITY SERVICES	OPEN PARAGRAPH NO: N/A
MEMBERS' CONTACT POINT:	LEE CARTER (EXT 5957)	DOC:
SUBJECT:	PROPOSED MAINTENANCE AND IMPROVEMENT PROGRAMMES FOR COUNCIL HOUSING 2005/2006	REF: LJC/u:\word\committee reports\2004-2005\feb05 maint-imp programmes.doc
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: HCS01

1.0 Recommendations

1.1 Planned Maintenance Programme

- a) Approve content of scheme to include replacement windows
- b) Approve to enter into the second year of the five year partnership contract with Harvey and Clark based on the contractor's current rates and annual performance, with an allowance for inflation on labour and materials based on the model proposed by the Building Cost Information Services, a division of the RICS and suspend Financial Procedure Rules (Contracts Rules).

1.2 Central Heating Improvements:

- a) Approve content of the scheme, including the upgrading of heating to the sheltered housing accommodation of Peartree Court, Etwall
- b) Approve to enter into the second year of the five year partnership contract with the current contractor, Robert Prettie Limited, based on the contractor's current rates and annual performance, with an allowance for inflation on labour and materials based on the model proposed by the Building Cost Information Services, a division of the RICS and suspend Financial Procedure Rules (Contracts Rules).

1.3 Kitchen Replacements:

- a) Approve content of the scheme.
- b) Approve to enter into the second year of the five year partnership contract with Harvey and Clark based on the contractor's current rates and annual performance, with an allowance for inflation on labour and materials based on the model proposed by the Building Cost Information Services, a division of the RICS and suspend Financial Procedure Rules (Contracts Rules).

1.4 Adaptations:

- a) Continue to delegate responsibility and to transfer the HRA (£100,000) and MRA (£160,000) budgets to the Environmental Health Service for specific improvements to adapt properties, in accordance with Social Services recommendations.

1.5 Bathroom Refurbishments

- a) Approve to negotiate the 2005/2006 contracts with Harvey & Clark and Robert Prettie Ltd based on the contractors' current rates and annual performance, with an allowance for inflation on labour and materials based on the model proposed by the Building Cost Information Service, a division of the RICS and suspend Financial Procedure Rules (Contracts Rules).
- b) Approve to advertise for contractors, interested in undertaking an initial five year partnering contract for bathroom refurbishments, in association with the council's tenant representative team TACT.

1.6 Loft Insulation:

- a) Approve the use of external energy grants to upgrade loft insulation and cavity wall insulation.

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 agreed at the Housing and Community Services Committee 5th February 2004, and to confirm the content of 2005/2006 Improvement contracts.

3.0 Executive Summary

- 3.1 This report outlines the Council's proposed work programmes for 2005/2006.
- 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 and the five year cycle Planned Maintenance programme ensuring the Council meets the Government's 'Decent Homes' standard and targets set for 2006 and 2010.
- 3.3 The main aim of undertaking these contracts and on-going reviews of the type of works to be carried out is to ensure the Council prioritises investment, targets increases in funding on dwellings that do not meet the Decent Homes Standard, improves its properties, improves customer service and continues to provide a 70:30 split on planned/responsive works as recommended good practice.
- 3.4 Currently we offer choice of finishes and layout to tenants primarily on kitchen upgrades. During 2005/2006 it is proposed to increase significantly the level of stakeholder involvement and choice and this will be reflected in the procurement of the Improvement contracts. Primarily this will mean choice in bathroom and external door replacement.

4.0 Decent Homes and Partnering

4.01 To enable the Council to meet the Government's Decent Homes Standards (DHS), it is essential that the agreed Improvement partnering contracts are implemented, whilst maintaining a review of their content. As a result of the 2003/2004 and 2004/2005 Improvement contracts we have been able to report that the interim DHS target of ensuring that 33% of our original non-decent properties were made decent by 2004, has been achieved. The following targets remain:

2004 - to make decent 33% of our original non-decent properties - ACHEIVED

2006 - to make decent 50% of our original non-decent properties – ON TARGET

2010 - to make decent 100% of our original non-decent properties – ON TARGET

4.02 Our progress on meeting the Decent Homes targets are monitored through our stock condition management document and reported to the ODPM half yearly.

4.03 The Government's Decent Homes standard continues to be the Council's basic standard of improvement. Progressing and refining the development of two higher standards is a high priority for the coming year. During the Spring round of area tenant meetings, and through consultation with TACT, we will be discussing the previously proposed 'silver and gold' standards and seeking to prioritise which additional works could be carried out within available and additional budgets.

4.04 The base stock condition survey indicated that at 1st April 2003 the Council had 21% (774 properties) that were deemed to be non-decent, mainly due to the age and poor condition of the central heating systems, external doors, kitchen and bathroom installations.

4.05 The Council now reports that 454 properties are recorded as non-decent. This has been reduced by 320 properties, as a direct result of the Improvement partnering contracts being carried out.

4.06 The Improvement programmes to be undertaken during 2005/2006 are due to reduce the non-decent properties to 261 as at 1 April 2006. This represents achieving the interim 2006 target, with the actual target being 387 remaining non decent by 2006. This level of progress will be positive for the Audit Commission Inspection due in June this year.

4.07 As already mentioned it is proposed this year to increase the level of stakeholder involvement, primarily TACT, with material specifications and product selection. In line with accepted good practice we will also positively encourage stakeholder involvement in actual procurement through monitoring key contractor performance indicators as well as any other specific issues associated with the individual contracts. If sufficient stakeholder interest can be generated it is proposed that a 'working group' will be established to monitor and review these issues.

4.1 Planned Maintenance Programme 2005/2006

Introduction:

- 4.10 The Council's Planned Maintenance Scheme supplements the Housing Improvement programme and with continued investment reduces the requirements on the day to day responsive repairs. A budget of £625,000 (HRA) is assumed to be available for this work as originally allocated for the current year.
- 4.12 The programme is an on-going process ensuring the external fabric and structure of the housing stock is maintained and refurbished to an acceptable standard whilst protecting our major housing assets.
- 4.13 It is proposed to enter into the second year of the five-year cyclic programme to the housing stock as detailed at Annexe A.
- 4.14 All remaining window replacements in the areas listed are to be included in the programme (although funded separately from the Major Repairs Allowance (MRA)) as they are a fundamental part of the external fabric and will reduce the amount needed to be spent on on-going repairs and decoration. Continuation of this programme will ensure that all the Council's housing stock have PVCu double glazed windows installed by 2007.
- 4.15 With the completion of the replacement window programme due in 2007 it is proposed to accelerate other improvement contracts and priorities in line with meeting the Decent Homes Standards. However, members need to be aware that there are other priorities in terms of property improvements that need to be actioned, which will, in the future, begin to impact directly on the DHS e.g. we need to commence a rewiring programme once the testing schedule currently underway has been completed – the cost of rewiring just 150 properties a year would be approximately £300,000. This work alone is likely to utilise in full any remaining capacity in the MRA following achievement of the Decent Homes Standard upto 2010. This situation highlights the difficulty of implementing even in part the additional silver standard, costed in full at £19M, and the additional gold standard, at a further £14M.
- 4.16 In addition during 2004/2005 a full survey of larger areas of communal land and all garage sites was undertaken and budget estimates produce for proposed improvement works. Inevitably, and particularly since creation of the Decent Homes Standard, we have concentrated our investment on improving the internal living conditions for our customers. However, the downside to that is that investment has been reduced to communal land and garage sites that make up our estates. With 60+ garage sites across the District and numerous other areas of communal land there will inevitably be some rationalisation of sites possible i.e. we may not need to invest in all and some could be sold to generate income. However, others will be needed to relieve estate congestion, provide secure parking and generally complement the overall environment of the estate.

- 4.17 The surveys were based on improving the general environment of the sites including the demolition of the garages and replacing them with a mixture of soft and hard landscaping to enhance the surrounding environment. Currently a number of the garage sites are a liability in terms of increasing maintenance costs and reducing/limited income. The proposed works to improve the garage sites in full are estimated to be in the region of £400,000 to £500,000 some of which could be self financing from sales subject to capital receipt rules and decisions by the Council on reinvestment of receipts. Given the current funding levels of both the HRA and MRA and the Council's commitment to achieving the DHS, there remains little possibility that these proposed works can be carried out within existing resources, and therefore additional funding needs to be investigated.
- 4.18 The 2005/2006 is the second year of the five year cycle of Planned Maintenance and covers all Council owned properties in North Eastern Parishes and Newhall. A detail of the properties, together with the type of work to be included in the contract is set out in Annex B. Major changes to the specifications will include the fitting of new PVCu/composite doors on an ad-hoc basis, with priority being given to meeting decent homes and Sheltered Housing properties. The detailed work content is to be determined by the Council's Project Officers and Harvey and Clark's site representative during March 2005. The contract is programmed to start on site in April 2005 and be complete by December 2005. The available budget for this work is £625,000 from the HRA and £510,000 from the MRA.
- 4.19 The partnering contract will be negotiated with Harvey and Clark based upon their annual performance and an inflationary increase on the rates in accordance with the model proposed by the Building Cost Information Services, a division of the RICS. The contractor's performance will be measured on a monthly basis against targets set and agreed by the stakeholders. The contractor will need to reach these targets in order to proceed onto the forthcoming year of the contract. As part of the contract documents officers are to review payments to contractors based on quality and completion of works as well as the contractor's general performance.

4.2 Major Repair Allowance - Improvements

- 4.21 It is anticipated that the Major Repairs Allowance (MRA) for 2005/2006 will be approximately £1.76 million, a reduction of £140,000 from 2004/2005, this inevitably reduces the amount of works that can be carried out during 2005/2006, however, due to previous improvement programmes the council is still due to meet the Decent Homes targets. However, should further reductions in the forthcoming year's MRA allocation be made this may impact on our ability to achieve the DHS and certainly any part of the higher standards. This situation will remain under constant review.
- 4.22 It is proposed to set aside any underspend of the MRA budget each year to allow for any unforeseen works that need to be undertaken to prevent properties from becoming non-decent during the year.

4.23 It is proposed to expend the 2005/2006 budget of £1.76 million on the following:

• Central heating upgrades	£340,000*
• Window replacements (2005/2006 Planned Maintenance Area)	£325,000*
• Kitchen replacements	£270,000*
• Bathroom replacements	£280,000*
• Re-roofing/Loft insulation (2005/2006Planned Maintenance Area)	£125,000*
• Adaptation improvements	£160,000
• HRA supplement for responsive and void repairs	£200,000*
• Environmental works	£10,000
• Door replacements	£50,000*

* Identifies schemes which contribute towards meeting the 'Decent Homes' standards.

4.3 Window Refurbishments:

4.31 It is proposed to continue including the window replacement programme in the Planned Maintenance Contracts. This will reduce the amount of repair and maintenance to the properties and combine operations to limit the amount of disruption to tenants.

4.32 A total of 311 properties require replacement PVCu double glazed windows over the next two years with 203 properties included in the 2005/2006 Planned Maintenance Scheme, which will ensure that all the timber, metal and single glazed PVCu windows in these areas have been replaced. Annexe C details the window replacement programme.

4.4 Kitchen Replacements:

4.41 Following the result of the stock condition survey, and to ensure Decent Homes targets are met, the kitchen replacement programme for 2005/2006 includes 92 properties which are detailed in Annex D.

4.42 The current units are supplied by Premier Kitchens which have proven to be of good value and sound quality from a well-established manufacturer. These same kitchen units are used by our own direct labour organisation (DLO) to provide continuity of materials and suppliers across our repairs and improvement service.

4.43 The work to each property will include renewal of all kitchen units, worktops, floor and wall tiles, upgrading electrical installations and redecorating.

- 4.44 It is proposed to continue to give customers a choice of colour from a selected range of kitchen unit doors, worktops and floor tiles. Such choice has proved to be popular with the tenants. Although as part of our continued drive to improve stakeholder involvement these will be reviewed and, where possible, extended during 2005/2006.
- 4.45 Properties suffering from rising damp will also benefit from having a full damp proof course installed as part of this work at an average cost of £2,500 per property.
- 4.46 As part of the contract terms and conditions tradesmen installing the kitchens, assist the Project Officer in designing the kitchen layout to the individual tenant's requirements, which has proved to be very successful and beneficial on previous contracts.
- 4.47 This contract is currently partnered with Harvey and Clark and will enter the second year of the proposed five year partnering contract and negotiations will commence in line with the model proposed by the Building Cost Information Services, a division of the RICS
- 4.48 The contractor's performance will be measured on monthly basis against targets set and agreed by the stakeholders. The contractor will need to reach these targets in order to proceed onto the forthcoming year of the contact. As part of the contract documents officers review payments to contractors based on quality and completion of works as well as the contractor's general performance.
- 4.49 It is anticipated that surveying would start on site April 2005 with work commencing May 2005 and anticipated completion by December 2005.
- 4.5 **Central Heating Upgrades:**
- 4.51 It is proposed to continue with the central heating improvements partnering contract with Robert Pretties of Nottingham entering the second year of the agreed five year partnership. Replacing the heating systems will significantly help the Council maintain and increase our SAP rating inline with government requirements relating to energy efficiency.
- 4.52 The properties to benefit from this work are identified in Annexe E.
- 4.53 As part of the 2004/2005 contract a number of options to upgrade the ageing communal heating system at the sheltered housing accommodation of Peartree Court, Etwall were submitted by Robert Pretties. However, all the proposed options exceeded the available budget and therefore this project has been reallocated with a revised budget for 2005/2006 of £100,000. It is proposed that this be financed from either the capital receipts from the sale of Smallthorn Place and Basses Crescent or the re-allocation of the £160,000 MRA contribution from housing to environmental health for adaptations given the prospect of substantial additional resources being allocated to private sector housing issues from the additional capital receipts available this year and the next two years.
- 4.54 The contractor's performance will be measured on monthly basis against targets set and agreed by the stakeholders. The contractor will need to reach these targets in order to proceed onto the forthcoming year of the contact. As part of the contract documents officers are to review payments to contractors based on quality and completion of works as well as the contractor's general performance.

4.6 Bathroom Improvements

- 4.61 It is proposed to negotiate the 2005/2006 bathroom contract based on the current contractors who have successfully performed 2004/2005 contracts, namely Harvey and Clark and Robert Pretties. It is proposed during 2005/2006 that we advertise for interested contractors interested in undertaking an initial 5-year partnering contract for bathroom refurbishments. In line with good practice we will seek to involve stakeholders in this procurement process.
- 4.62 The work will consist of renewing WCs, wash hand basins, baths or showers, upgrading floor coverings and providing adequate 'splashback' tiling, including upgrading electrical lighting to current standards. Increasing tenant involvement with the choice of materials and the like will be reviewed in accordance with the proposal set out in item 4.07 of this report.
- 4.63 The 140 properties to benefit from bathroom replacements in 2005/2006 are detailed in Annex F.

4.7 Adaptation Improvements

- 4.71 At the Community Services Committee, 21st November 2002, Members approved that public sector adaptation will be carried out in conjunction with the private sector and managed from one central point within Environmental Health. Therefore, the proposed HRA (£100,000) and MRA (£160,000) budgets available for 2005/2006 will be delegated to Environmental Health, who will be responsible for procuring all the works.

4.8 Loft Insulation upgrades

- 4.81 A number of properties currently fail decent homes standard due to inadequate thickness of loft insulation. This programme is currently being finalised and it is proposed to negotiate this work with a specialist installer once officers have established the possibility of using supplementary external grants from energy suppliers both from the current (2004-5) and next financial year.

5.0 HRA Supplement 2004/05

- 5.1 The allowance of £200,000 (MRA) is to supplement the HRA responsive repairs, gas servicing and void budget for major refurbishment works which will predominantly be carried out by the DLO.

6.0 Financial Implications

- 6.1 The proposed improvement programmes are within estimates, submitted for approval, in the HRA finance report to this meeting for 2005/2006.
- 6.2 A continuation of committing resources along the lines detailed in this report upto 2008 will ensure that the Council hits the government's Decent Homes Standard. As mentioned earlier any remaining capacity within the MRA budget upto 2010 is likely to be needed to deliver on other building fabric priorities e.g. rewiring.

- 6.3 As previously discussed delivering the Silver and Gold standards in full have been costed, as part of the Option Appraisal exercise, at £19M and a further £14M respectively. In addition delivering the sheltered housing vision and standards (as detailed in a further report to this Committee meeting) in full has been costed at approximately an additional £1.6M. None of the resources to deliver on these priorities have yet been identified. In 2005 the Council will produce an HRA Business Plan which will need to address this shortfall and in addition members are already aware that there is a commitment to report back to Committee on the implications of the stock retention decision before August 2005.

7.0 Corporate Implications

- 7.1 Completion of the proposed programmes will enable the Council to meet the Decent Homes Standard by 2010 including the 2006 targets (see item 4.01)

8.0 Community Implications

- 8.1 The proposed energy efficiency improvements are intended to provide affordable warmth for tenants, recognising the national guidelines of a maximum 10% disposal income spent on fuel for heating.
- 8.2 The central heating improvements will increase the energy efficiency rating of the properties and contribute to reductions in CO² emissions in accordance with the Council's Housing Strategy.
- 8.3 The 'Standard Assessment Procedure' (SAP) will be applied to these properties. This provides energy rating with potential fuel savings and reductions in CO² emission. This information will be communicated to the tenants after the completion of the improvements in their home.

9.0 TACT

- 9.1 TACT members have been briefed on the proposals for the 2005/2006 programmes. They are fully supportive of the proposals and look forward to greater involvement in the choice of materials/specifications and the procurement process.

10.0 Conclusions

- 10.1 By continuing our partnership Improvement programmes for 2005/2006 identified in the report, and the proposed April/May 2005 start on site dates will create less inconvenience to the tenants as the works would be covered during the spring/summer/autumn months, as opposed to the winter. The Council will also maintain its commitment to achieving the DHS by 2006 and 2010. Partnering continues to be recognised as good practice in terms of securing Best Value.

11.0 Background Papers

- 11.1 Housing and Community Services Committee - February 2004.
- 11.2 Stock Condition Management Document

