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<b>REPORT TO:</b>	<b>HOUSING AND COMMUNITY SERVICES COMMITTEE</b>	<b>AGENDA ITEM: 12</b>
<b>DATE OF MEETING:</b>	<b>13<sup>th</sup> JUNE 2013</b>	<b>CATEGORY: DELEGATED</b>
<b>REPORT FROM:</b>	<b>DIRECTOR OF HOUSING AND ENVIRONMENTAL SERVICES</b>	<b>OPEN</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>LEE CARTER EXT 5957</b>	<b>DOC:</b>
<b>SUBJECT:</b>	<b>PROGRESS REPORT: FIVE YEAR MAINTENANCE AND IMPROVEMENT PROGRAMMES FOR COUNCIL HOUSING 2012 - 2017</b>	<b>REF:</b>
<b>WARD(S) AFFECTED:</b>	<b>ALL</b>	<b>TERMS OF REFERENCE: HCSO1</b>

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## **1. Recommendations**

- 1.1 That members note the outturn for the first year, 2012/2013, of the approved five year maintenance and improvement programme 2012/2017.
- 1.2 Members approve the progression to year two, 2013/2014 of the five year maintenance and improvement programme with amendments as detailed in the report.

## **2. Purpose of Report**

- 2.1 To provide members with an update on progress made in the first full year of the approved five year maintenance and improvement programme agreed at the Housing and Community Services Committee 2<sup>nd</sup> February 2012.
- 2.2 Progress reports were requested at the February Committee 2012, and will be provided half yearly and at the end of each financial year, to include updates of approved changes to the original programme.
- 2.2 To inform members of any programmes that have been subject to minor changes following more detailed surveys and analysis, or unforeseen works that have occurred since the original committee report.

## **3. Detail**

### **3.1 Decent Homes Standard**

- 3.1.1 All of the Council's properties remain compliant with the decency standard as a result of the works undertaken during 2012/2013, including the completion of unforeseen non decent works such as ad-hoc heating failures.

3.1.2 The updated stock condition survey and HRA business plan indicates a spend requirement of just over £27M over the five year period of 2012/2017. The programme for 2012/2013 was to spend £5.1m including disabled adaptations. The actual outturn for 2012/2013 is just under £4.6m. This 'slippage' in programme will be carried forward into 2013/14. Details of the expenditure to date are contained within this report at 3.3.14 table 1.

### 3.3 Planned Procurement Plan for the Five Year Period

3.3.1 The planned external maintenance contract programme ended 31<sup>st</sup> March 2013, and completed all the allocated works and budgetary spend. The next phase of this work was programmed to be tendered in late 2012 so that a start on site date of 1st April 2013 could be achieved. The Corporate review of procurement delayed this, although the procurement process has now restarted with a proposed start on site date during October 2013.

3.3.2 The replacement Kitchen & Bathroom contract also completed its previous contract at 31<sup>st</sup> March 2013, however, the kitchen element has been extended with additional work until September 2013. It has been previously agreed by Committee that the shower upgrades would now be included within a separate bathroom specification given the scale of the works now involved. There will therefore be a separate kitchen contract from 2013/14 onwards. The anticipated spend for 2012/2013 was achieved across the two projects. The 2013/2014 procurement process for this contract has been delayed due to the corporate review of procurement but the process is now underway with a proposed start on site date during September 2013.

3.3.3 The current central heating contract was also due to finish 31<sup>st</sup> March 2013, but has been extended until 30<sup>th</sup> September 2013, in agreement with the Procurement Team and the Director of Finance and Corporate Services. This is to ensure that no tenants are without replacement heating and hot water facilities, while the new contract is being tendered. The procurement process for 2013/2014 is underway following the delays associated with the corporate review and a new start on site date of 1st October 2013 is planned.

3.3.4 The external insulation contract has only recently been awarded, following lengthy investigations into potential grant funding streams for the project, and the delays associated with the procurement review. The Council has been able to secure £130,000 in grant towards the total £457,249 costs of the works on the 53 properties involved.

3.3.5 The Council continues to improve the loft insulation standards to the latest requirement, currently 275mm in the loft space. Following the tender process the whole contract was proposed to be completed with full grant. However, as the grant market has changed so significantly over the last few months, this has not been entirely possible. During 2012/2013 we spent £16,000, still significantly below the original budget of £168,000. As previously agreed this underspend will be used to accelerate other priority programmes such as electrical rewires.

3.3.6 The re-roofing programme started on site 7<sup>th</sup> January 2013, and committed just over its original budget by £15,000, this was however, contained within the overall budget for 2012/2013.

- 3.3.7 The Council has made a commitment to tenants that all properties will have an over bath shower installed by 2017. There was a short term separate contract to install showers pending their inclusion in the new bathroom specification. The contract start date was 7<sup>th</sup> January 2013 and completed on 31 March 2013. Unfortunately the Contractor did not perform as anticipated and therefore the Council was unable to install as many showers as originally envisaged (274 against a target of 400). The Contractor decided not to accept the 1 year extension that was offered. The underspend from 2012/2013 has been carried forward into 2013/2014 to be spent as part of the bathroom replacement contract, which will include the shower upgrades. It is still considered realistic to install over the bath showers to all properties by 2017, as part of this contract.
- 3.3.8 The Council has committed to ensuring that all 3031 properties have the latest mains connected smoke detectors installed and these replacement works started via the 2012/13 electrical rewire programme and have been incorporated into the new electrical rewire contract, which started in January 2013. Even those properties which are not due to receive a full rewire will have their smoke detectors upgraded, as part of this contract. This will ensure that all properties will have the latest technology installed, as well as retro-fitting all other properties.
- 3.3.9 The pilot garage site improvements works were also delayed due to the Corporate review of the procurement process which meant this project did not start in 2012/13, as programmed. The pilot scheme, now expected to complete in November 2013 (subject to procurement), will be reviewed to determine how the wider garage site programme moves forward in future years subject to the approval of the Committee.
- 3.3.10 The Council continues to receive requests for parking upgrades from around the district and these are being assessed and prioritised to be incorporated into the environmental improvements programme, which is due to start during 2013/2014. A separate report will come before Committee in the autumn with the details of this proposed programme.
- 3.3.11 Improvements and modernisations to a number of supported housing communal rooms have been completed for 2012/2013, and the full budget allocation of £10,000 for 2012/2013 was spent. The remaining 4 years of the programme have budgets allocated to upgrade all other communal rooms and areas.
- 3.3.12 Lift upgrades/replacements to flat accommodation blocks were anticipated to be complete by 31<sup>st</sup> March 2013. However, complications with one of the lift installations, namely Unity Close, Church Gresley, required an alteration to the original specification. The recommended contractor has proposed completing all works by August 2013. These works will be co-ordinated, planned and carried out in consultation with the residents who rely on such essential facilities, to ensure that little or no loss of amenity is experienced whilst the works are being undertaken. In addition the contractor and Housing Service will provide additional support to residents during the three weeks the lifts will be out action i.e. practical help with shopping bags, additional warden visits, etc.
- 3.3.13 The Council has 222 properties classed as non-traditional construction. The Council has undertaken an initial investigation into the future of these properties, and requires some external specialist advice to formulate a strategy for the future

of non-traditional properties. The appointment of a specialist is currently being procured. One of the key considerations will be to take a view on the lifespan of the property balanced against the potential investment needed in the short to medium term.

3.3.14 The table below shows anticipated spend to 31 March 2013 and gives detail for actions on any under/overspends:

*Table 1: Progress on Spending Plan 2012/13 (Excluding Disabled Adaptations and Capital Salaries)*

<b>EXPENDITURE PROFILE</b>	<b>Total Budget 2012-2013</b>	<b>Actual Spend to 31.3.13</b>	<b>Comments</b>
Planned external maintenance	635,000	635,000	Complete
Kitchen replacements	750,000	662,000	Underspend carry forward to 2013/2014
Bathroom replacements	270,000	357,000	Bathrooms brought forward from 2013/2014
Central heating upgrades	750,000	938,000	A number of properties brought forward from 2013/2014
Electrical rewires	550,000	588,000	Rewires brought forward from 2013/2014
Roofing	300,000	315,000	Properties brought forward from 2013/2014
External insulation	160,000	0	All carried forward to 2013/2014.
Loft Insulation	168,000	16,000	Mostly grant funded works following tender
Door replacements	150,000	192,000	Doors brought forward from 2013/2014
Window replacements	100,000	193,000	Windows brought forward from 2013/2014
Showers	400,000	222,000	Slippage carry forward to 2013/2014. 274 showers installed.
Smoke Alarms	120,000	Inc.	Included as part of rewire contract. 250 properties to 31 <sup>st</sup> March.
Non traditional properties	20,000	0	Delayed to allow concentration on larger scale projects.
Environmental and garage site Improvements	150,000	0	Carried forward to 2013/2014 completion of pilot due November 2013
Community Rooms /communal areas	10,000	10,000	Complete
Lift replacements	30,000	0	To be completed 2013/2014
55 George Street	-	72,000	Structural Improvements
Balancing figure for unforeseen Decent Homes work.	54,673	25,000	Heating and other unforeseen failures
<b>Sub-total</b>	<b>4,617,673</b>	<b>4,225,000</b>	
<b>Disabled persons adaptations</b>	<b>500,000</b>	<b>326,000</b>	£28,000 Minor, £298,000 Major and £174,000 to be allocated against carry forward (see item 3.5.1)
<b>Total</b>	<b>5,117,673</b>	<b>4,551,000</b>	

### 3.4 Proposed Alterations to Agreed Five Year Programme

- 3.4.1 The Council agreed a Sheltered Housing Vision Standard in November 2003. It has taken 10 years to complete the internal and external works associated with the vision due to the lack of available finance in the intervening years. However completion will be achieved in 2013. One of the aspirations was for the Council to have no bed sits within its stock on the basis that living and sleeping in one room was not 21<sup>st</sup> century provision. This has been largely achieved via the disposal and redevelopment of a number of schemes. However, four bedsits remain at Peartree Court, Etwall. Two have recently become empty and adjoin each other, which gives the Council an opportunity to convert them into a more modern and acceptable form of accommodation in line with the long established vision.
- 3.4.2 The bedsits are relatively small and do not lend themselves, in their own right, to conversion. However, because the two adjoin, it is proposed to convert the two bedsits into one larger two bed flat. The proposal would have wheel chair accessible doors installed to provide increased flexibility when letting the property.
- 3.4.3 The cost of the works has been budgeted at approximately £15,000 and this would be contained within existing budgets, made possible by the substantial grant allocation for the external walls insulation contract of £130,000. The project would be fully specified and quotations sought from appropriate contractors.

### 3.5 Disabled Adaptations

- 3.5.1 The disabled adaptations function had a total budget of £500,000, for 2012/2013, a combination of major repairs allowance and housing revenue account monies. As at the 31<sup>st</sup> March 2013 all backlog jobs had been completed, which was the primary aim of increasing the budget for 2012/2013. The adaptations process and budget monitoring continues to be managed and procured as part of the Housing Strategy team's responsibilities. The £174,000 'underspend' for 2012/2013 has been allocated against specific adaptations i.e. work had started or been commissioned at year end but was not due to be completed until the new financial year. It is proposed this commitment amount is carried forward into 2013/14. Now that the backlog has been eliminated it is proposed to decrease the total budget allocated (including the carry forward) for disabled adaptations to £350,000 (£300,000 major works and £50,000 minor works) for 2013/14.

## 4. Financial Implications

- 4.1 The report is not proposing an increase of previously planned expenditure. It is proposing adjustments to previously profiled spend for 2013/2014 to ensure that the agreed five year programme is achieved.

## 5. Corporate Implications

- 5.1 The corporate implications of the approved five year programme has direct relevancy on all four of the Council's corporate themes and specifically on a number of priorities contained within each theme.

**6. Community Implications**

- 6.1 The approved five year programme is delivering on tenant priorities of replacing tired and outworn internal fittings, environmental improvements and the provision for overbath showers.

**7. Background Papers**

- 7.1 Housing and Community Services Committee – February 2012  
7.2 Housing and Community Services Committee – October 2012  
7.3 Housing Revenue Account Business Plan June 2011