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| REPORT TO: | HOUSING AND COMMUNITY SERVICES COMMITTEE | AGENDA ITEM: 12 |
| DATE OF MEETING: | 27 APRIL 2006 | CATEGORY: DELEGATED/ RECOMMENDED |
| REPORT FROM: | DIRECTOR OF COMMUNITY SERVICES | OPEN PARAGRAPH NO: |
| MEMBERS' CONTACT POINT: | LEE CARTER EXT 5957 | DOC: GAC\lu:\reports\ Housing committee report 2006 |
| SUBJECT: | PROPOSED MAINTENANCE AND IMPROVEMENT PROGRAMMES FOR COUNCIL HOUSING 2006/2007 | REF: |
| WARD(S) AFFECTED: | ALL | TERMS OF REFERENCE: HSC01 |

1.0 Recommendations

1.1 Planned Maintenance Programme

Approve content of the scheme, enter into the third year of the five-year partnership agreement with Harvey and Clark and suspend Financial Procedure Rules (Contract Rules).

1.2 Central Heating Improvements

Approve content of the scheme, enter into the third year of the five-year partnership agreement with the current contractor, Robert Prettie Ltd and suspend Financial Procedure Rules (Contract Rules).

1.3 Kitchen Replacements

Approve content of the scheme, enter into the third year of the five-year partnership agreement with Harvey and Clark and suspend Financial Procedure Rules (Contract Rules).

1.4 Bathroom Refurbishments

Approve content of the scheme, enter into contracts with Harvey & Clark and Robert Prettie Ltd and suspend Financial Procedure Rules (Contract Rules).

1.5 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.

- b) To increase the MRA allowance by a further £150,000 in accordance with Committee resolution from 21 April 2005 report concerning 'Proposed distribution of ringfenced housing capital receipts'.

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, 05 February 2004, and to confirm the content of 2006/2007 Improvement contracts.

3.0 Executive Summary

- 3.1 This report outlines the Council's proposed work programmes for 2006/2007.
- 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 prioritise 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 60:40 split on planning/responsive works as recommended good practice.
- 3.4 Currently we offer choice of finishes and layout to tenants primarily on kitchen upgrades. During 2006/2007 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 more choice in the specification of finishes and colours for kitchens, bathrooms and external door replacement.

4.0 Detail

4.1 Decent Homes and Partnering

- 4.1.1 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. Our progress in relationship to the following targets is:

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

2006 - to make decent 50% of our original non-decent properties - ACHIEVED

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

- 4.1.2 Progress on meeting the Decent Homes targets is monitored through our asset management software and reported to the ODPM annually.
- 4.1.3 The base stock condition survey indicated that at 01 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.

- 4.1.4 When this report was drafted, 12.3% (397 properties) were recorded as non-decent. These figures will improve when the software is update with the cavity wall and insulation data. As a direct result of the Improvement partnering contracts being carried out, 377 properties have been made decent.
- 4.1.5 This year it is proposed to increase the level of stakeholder involvement, primarily South Derbyshire Tenants Forum, 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.

4.2 Planned Maintenance Programme 2006/2007

Introduction

- 4.2.1 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.
- 4.2.2 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.
- 4.2.3 It is proposed to enter into the third year of the five-year cyclic programme to the housing stock as detailed in the Annexe attached to this report.
- 4.2.4 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 the end of 2007/2008 financial year.
- 4.2.5 With the completion of the replacement window programme, 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, eg 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 up to 2010.
- 4.2.6 The 2006/2007 is the third year of the five year cycle of Planned Maintenance and covers all Council owned properties in Southern and North Western Parishes. A detail of the properties, together with the type of work to be included in the contract is set out in the Annexe attached to this report. The fitting of new PVCu/composite doors on an ad-hoc basis will continue with priority being given to meeting decent homes and Sheltered Housing properties. The detailed work content has been determined by the Council's

Project Officers and Harvey and Clark's site representative. The contract is programmed to start on site in April 2006 and be substantially complete by December 2006. The available budget for this work is £651,000 from the HRA and £555,000 from the MRA.

4.2.7 The partnering contract has been negotiated with Harvey & 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.

4.3 Major Repair Allowance - Improvements

4.3.1 The Major Repairs Allowance (MRA) for 2006/2007 will be approximately £1.8 million, which whilst it is an increase on 2005/2006, the actual spending power is reduced as the increase is less than the construction industry inflationary increases.

4.3.2 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.

4.3.3 It is proposed to expend the 2006/2007 budget on the following:

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| • Central heating upgrades | £400,000* |
| • Window replacements | £210,000* |
| • Kitchen replacements | £200,000* |
| • Bathroom replacements | £260,000* |
| • Re-roofing (2006/2007 Planned Maintenance Area) | £25,000* |
| • Adaptation improvements | £160,000 |
| • HRA supplement for responsive and void repairs | £45,000 |
| • Environmental works | £10,000 |
| • Door replacements | £310,000* |
| • Unforeseen Decent Homes work | £80,000* |
| • Capital Salaries | £106,500 |

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

4.4 Window Refurbishments

- 4.3.1 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.
- 4.3.2 A total of 126 properties require replacement PVCu double glazed windows over the next two years with 66 properties included in the 2006/2007 Planned Maintenance Scheme, which will ensure that all the timber, metal and single glazed PVCu windows in these areas have been replaced.

4.5 Kitchen Replacements

- 4.5.1 Following the result of the stock condition survey, and to ensure Decent Homes targets are met, the kitchen replacement programme for 2006/2007 includes 61 properties which are detailed in the Annexes attached to this report.
- 4.5.2 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.
- 4.5.3 The work to each property will include renewal of all kitchen units, worktops, flooring and wall tiles, upgrading electrical installations and redecorating.
- 4.5.4 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 2006/2007.
- 4.5.5 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.
- 4.5.6 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.
- 4.5.7 This contract is currently partnered with Harvey & Clark and will enter the third year of the proposed five year partnering contract. Negotiations have commenced in line with the model proposed by the Building Cost Information Services, a division of the RICS.
- 4.5.8 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 contract. 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.
- 4.5.9 Surveying commenced April 2006 with work expected to commence in May 2006 and anticipated completion by December 2006.

4.6 Central Heating Upgrades

- 4.6.1 It is proposed to continue with the central heating improvements partnering contract with Robert Pretties of Nottingham entering the third year of the agreed five-year partnership. Replacing the heating systems will significantly help the Council maintain and increase our SAP rating in line with government requirements relating to energy efficiency.
- 4.6.1 The properties to benefit from this work are identified in the Annexe attached to this report.
- 4.6.2 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.

4.7 Bathroom Improvements

- 4.7.1 It is proposed to negotiate the 2006/2007 bathroom contract based on the current contractors who have successfully performed on 2004/2005 and 2005/2006 contracts, namely Harvey & Clark and Robert Pretties. It was proposed during 2005/2006 that we advertise for contractors interested in undertaking an initial five-year partnering contract for bathroom refurbishments but this has not taken place. It is now proposed, in line with good practice, to seek to involve stakeholders in reviewing the procurement process in line with the Audit Commission recommendations and consider negotiating contracts with Harvey & Clark and Robert Pretties.
- 4.7.2 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 previously stated in this report.
- 4.7.3 The 122 properties to benefit from bathroom replacements in 2006/2007 are detailed in the Annexe attached to this report.

4.8 Adaptation Improvements

- 4.8.1 At the Community Services Committee, 21 November 2002, Members approved that public sector adaptations 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 2006/2007 will be delegated to Environmental Health, who will be responsible for procuring all the works.
- 4.8.2 Due to the continues high demand for Disabled Facilities Grants it is proposed to increase the MRA allowance by a further £150,000 in accordance with Committee resolution from 21 April 2005 report concerning 'Proposed distribution of ringfenced housing capital receipts'.

- 4.8.3 To ensure consistency in specification, etc, the Improvements Section of Housing arranges for their partnered contractor to carry out the installation of new heating systems.

4.9 Insulation Upgrades

4.9.1 A number of properties currently fail decent homes standard due to inadequate thickness of loft insulation or the lack of cavity wall insulation. As previously reported to Committee, Energy Efficiency Commitment (EEC) funding from ScottishPower and discounted prices offered by Rockwarm Insulation Limited have allowed us to enter into a partnership to provide cavity wall and loft insulation to all of our properties, at no cost to the Council. The programme commenced in September 2005 and is expected to be complete by December 2006. An end of year report has not yet been received from ScottishPower, but it is anticipated that we have received works to the value of £300,000.

4.10 HRA Supplement 2004/05

4.10.1 The allowance of £45,000 (MRA) is to supplement the HRA responsive repairs for major refurbishment works which will predominantly be carried out by the DLO.

5.0 Financial Implications

5.1 A continuation of committing resources along the lines detailed in this report up to 2008 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, eg rewiring.

6.0 Corporate Implications

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

7.0 Community Implications

7.1 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.

7.2 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.

7.3 The 'Standard Assessment Procedure' (SAP) will be applied to these properties. This provides energy rating with potential fuel savings and reductions in CO² emission.

8.0 Conclusions

8.1 By continuing our partnership Improvement programmes for 2006/2007 identified in the report and the proposed April/May 2006 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 2010. Partnering continues to be recognised as good practice in terms of securing Best Value.

9.0 Background Papers

9.1 Housing and Community Service Committee - February 2005.