

Committee(s):	Date(s):
Projects Sub Committee	25 February 2014
Subject: Project Proposal – to carry out Decent Homes works to properties previously omitted from programmes.	Public
Report of: Director of Community and Children’s Services.	For Decision

Overview

1. Spending Committee	Community and Children’s Services										
2. Senior Responsible Officer	Eddie Stevens, Director Housing Services										
3. Project Board	Not recommended, owing to the low levels of cost and risk.										
4. Context	<p>In 2000, the government announced that all social housing properties were required to meet the ‘Decent Homes Standard’ by 2010. In summary, for a property to achieve the standard it must have no outstanding health and safety related repairs, be weatherproof and have ‘reasonably modern’ kitchen, bathroom and heating facilities.</p> <p>Programmes of works to bring the majority of properties up to standard were carried out to City of London Corporation housing stock to meet the initial 2010 deadline.</p> <p>A number of properties did not receive the works during the initial programmes. The reasons for the property not having the works completed may include the property meeting the standard at the time, or it may have been unsuitable timing for the individual resident. Throughout the year, as properties become void or requests are made by residents, the department carry out the necessary works to those properties. This is known as a ‘call-back’. Below are numbers of call-backs carried out in the last 4 financial years:</p> <table border="1"> <thead> <tr> <th>Number of properties</th> <th>Financial Year</th> </tr> </thead> <tbody> <tr> <td>22</td> <td>2009-10</td> </tr> <tr> <td>6</td> <td>2010-11</td> </tr> <tr> <td>14</td> <td>2011-12</td> </tr> <tr> <td>14</td> <td>2012-13</td> </tr> </tbody> </table> <p>To date, 14 properties have been identified as currently requiring the works. We are seeking to establish a budget and a programme for 2014/15, 2015/16 and 2016/17 to complete them.</p> <p>Housing stock requires continual maintenance, Decent Homes works are therefore carried out on rolling estate-wide programmes. This project seeks to address those properties missed from former programmes, where future programmes are not due to commence for a number of years and the condition of the property requires some urgency.</p>	Number of properties	Financial Year	22	2009-10	6	2010-11	14	2011-12	14	2012-13
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5. Brief description of	Identify properties that require works.										

Appendix 1

<p>project</p>	<p>Undertake surveys of each property to confirm the works required. Present an Options Appraisal report based on the surveys. Confirm contractor(s) to undertake the work. Seek authority to commence works and complete required works.</p>
<p>6. Business case</p>	<p>It is uneconomical to allow ongoing repairs and maintenance works to be carried out to bathrooms and kitchens that are more than 20 years old and central heating boilers that are over 15 years old. Due to the age of the installations, it becomes harder to source the necessary spare parts and frequent attendance for repairs has a high staff and contractor cost.</p> <p>Some items will degrade without entirely failing, and may not be reported as a repair. It is important to replace sub-standard facilities in order to maintain the asset and preserve the property for future use.</p> <p>By setting a budget for the callbacks, there will be a positive impact on the reactive repairs and maintenance and voids budgets. At present, there is a high level of unpredictability in these budgets caused by the need to undertake Decent Homes works to these properties.</p>
<p>7. Consequences if project not approved</p>	<p>The internal condition of the properties will continue to degrade, and individual items will fail.</p> <p>Continued and frequent spending on repairs and maintenance to the current installations.</p> <p>The City of London Corporation failing to provide the required facilities to residents, with both statutory consequence and the likely dissatisfaction this will cause.</p>
<p>8. Success criteria</p>	<p>Completion of works to identified properties, meeting the Decent Homes standard requirements and extending the lifetime of our housing assets.</p> <p>Reduced spending through the repairs and maintenance response budget.</p> <p>Improved facilities for the residents living in the properties where works are completed. Measured by reduced complaints relating to replaced installations in those properties.</p>
<p>9. Notable exclusions</p>	<p>Properties requiring the works on Avondale Square Estate, Holloway Estate and William Blake Estate, which form part of a Decent Homes Programme due to commence in 2014/15.</p>
<p>10. Key options to be considered</p>	<p>The following options are presented for consideration:</p> <p>Option 1 To establish a budgeted programme of works to capture those properties which were not completed during the initial programmes for each estate. This option is recommended.</p> <p>Option 2 To continue carrying out ad-hoc repairs and replacements via the responsive repairs process and voids budgets. Owing to the higher levels of uncertainty and cost, this option is not recommended</p>

Prioritisation

11. Link to Strategic Aims	SA2: 'To provide modern, efficient and high quality local services and policing within the Square Mile for workers, residents and visitors with a view to delivering sustainable outcomes'.
12. Link to departmental business plan	Key priority 1 Improving the health and wellbeing of communities and individuals Key priority 4 Supporting and empowering our communities Key priority 5 Making best use of resources and improving the way we work. The planned works would help meet all the above three key priorities of the Departmental business plan.
13. Links to other existing strategies, programmes and/or projects	The proposed works will meet strategic objectives SO1 and SO2 of the Corporate Property Asset Management Strategy 2012/2016 by ensuring that the "assets remain in a good, safe and statutory compliant condition" and the "assets are fit for purpose and meet service delivery needs".
14. Within which category does this project fit?	2. Statutory 7a. Asset enhancement/improvement (capital)
15. What is the priority of the project?	Essential.

Financial Implications

16. Likely capital/ supplementary revenue cost range	<p>The project lies within the £250,000 - £2m range. The predicted capital cost is circa £400,000.</p> <p>On average, over the last 4 financial years, there have been 14 call-back properties per year. Each callback property may require replacement of one or all of kitchen, bathroom and central heating therefor each callback will cost a different amount. Equivalent numbers of callbacks are anticipated for the next 3 financial years.</p> <p>Budgetary estimates:</p> <ul style="list-style-type: none"> • 40 kitchen replacements at an average of £5000 per kitchen - £200,000 • 33 bathroom replacements at an average of £3000 per bathroom - £100,000 • 33 central heating replacements at an average of £3000 per system - £100,000 <p>Total: £400,000</p> <p>The budget will be flexible and not set for each item, for example, more bathroom replacements may be required than kitchens. The £400,000 will cover a 3 year period – 2014/15, 2015/16 and 2016/17.</p>
17. Potential source(s) of	The Housing Revenue Account (HRA) – Capital.

funding	
18. On-going revenue requirements and departmental local risk budget(s) affected	The responsive repairs and maintenance budget will resume responsibility for these assets following the completion of the works. The responsive repairs budget will benefit from savings as fewer repairs will be required to the replaced installations.
19. Indicative Procurement Approach	The option of appointing a contractor with a set schedule of rates will be explored by the department. A lower cost is hoped to be achieved by undertaking the works through a structured 3 year programme. Advice from CLPS will be sought for the procurement.

Project Planning

20. Estimated programme and implications	Gateway 1 – January 2014. Gateway 2 and Initial Surveys – February 2014. Gateway 3/4 Options Appraisal – March 2014 Gateway 5 Authority to commence works – April 2014 Begin works – April/May 2014. Undertake works through 2014/15, 2015/16 and 2016-17.
21. Potential risk implications	The risk implications are low as the extent of the works required will be known prior to commencement.
22. Anticipated stakeholders and consultees	Members, Department of Community and Children’s Services, Chamberlains and Town Clerks. Tenants will be consulted; leaseholder consultation will not be required for this project, as works are solely to tenant’s homes and funded from the HRA.
23. Equality Impact Assessment	No equality impact assessment will be carried out for the project; on-site assessments will be carried out to reduce any negative impact on vulnerable residents during the works.
24. Sustainability Implications	Newly installed facilities such as central heating boilers will improve the sustainability rating of individual properties.

Recommended Course of Action

25. Next Steps	Should the project receive approval to commence, the next step would be carrying out surveys to those properties that have been reported as requiring works in order to inform Gateways 3 and 4 with a better estimate of the amount of works required.
26. Resource requirements to reach next Gateway	Nil spend. Staffing costs to undertake surveys, at an estimated £30 per survey. There are currently 14 properties requiring survey, therefore the expected cost is £420.
27. Funding source to reach next	Nil spend.

Appendix 1

Gateway	Internal staffing cost as above.
28. Standard or Streamlined Approval Track	Streamlined.

Appendices

N/A

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