

1.1 Report Title: This report sets out proposals for Years 2-5 of the Decent Homes programme. The detailed programme is set out at appendix 2.

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Wards(s) affected: ALL

Report for: Key Decision

## 1. Purpose of the report

1.1 This report sets out proposals for Years 2-5 of the Decent Homes programme. The detailed programme is set out at appendix 2.

## 2. Introduction by Cabinet Member

2.1 It gives me pleasure to present this report, a report that shows the improvements and benefits that we are providing to an increasing number of our tenants and leaseholders. You will observe that many lessons have been learnt from the first year of the programmes and have been incorporated into the programme for years 2 – 5.

## 3. State link(s) with Council Plan Priorities and actions and /or other Strategies:

3.1 Homes for Haringey supports the Council's Housing Strategy and is committed to providing an excellent housing service while effectively delivering the Decent Homes programme for the residents of Haringey. As its strategic delivery partner, Homes for Haringey is committed to ensuring that the Decent Homes programme meets the aspirations of residents and Members.

3.2 Homes for Haringey have in place an Asset Management Strategy and Environmental Sustainability Strategy which provide a strategic framework for delivery of the Decent Homes and associated Environmental Improvements programme. The objectives of these strategies are closely linked to the Council's Greenest Borough Strategy, the Sustainable Procurement Strategy, Regeneration Strategy and Asset Management Plan.

3.3 The Decent Homes and Environmental programmes will contribute to the achievement of Council Priorities 1,2,3, and 5 by:

- Improving the environmental performance of Council Housing stock
- Providing a cleaner and greener environment for residents
- Providing decent homes and improving well-being
- Delivering cost effective services through partnering

#### **4. Recommendations**

4.1 That the Cabinet is asked to agree the proposed Years 2-5 Decent Homes programme as set out at appendix 2.

#### **5. Reason for recommendation(s)**

- 5.1 The requirement for all local authority homes to meet the Decent Homes Standard was set out by The Office of the Deputy Prime Minister (ODPM) now known as Department for Communities and Local Government (DCLG) in February 2003.
- 5.2 The Decent Homes programme is a long term programme of major investment to bring all tenanted homes up to a decent standard. Environmental improvements, including sustainability issues, may represent up to 5% of the overall programme.
- 5.3 In February 2007, following a robust and extensive partner selection process, administered by Homes for Haringey, four constructor partners were appointed in accordance with the Council's procurement procedures.
- 5.4 In January 2008, the Department of Communities and Local Government (DCLG) confirmed the Council's overall indicative decent homes funding allocation in the sum of £198.58m. This includes £11.4m earmarked for environmental projects.
- 5.5 Managing and delivering the Decent Homes Programme to cost, time and to the expectation of the tenants and residents of Haringey is paramount and as such requires the appointment of Constructors with a proven track record of delivering a similar programme for other local Authorities/ ALMO's.

#### **6. Other options considered**

n/a

#### **7. Summary**

7.1[click here to type]

#### **8. Chief Financial Officer Comments**

8.1 The Council has been allocated a Decent Homes funding allocation of £198.579m for the period 2007/08 to 2013/14 including £11.4m for environmental improvements. It must be noted that the funding is only confirmed up to 2009/10 and that subsequent years are indicative. These are likely to be confirmed in the Government's Spending Review for 2010, but will also be subject to Homes for

Haringey retaining two stars in its inspection in 2010.

- 8.2 The Council's bid for decent homes funding and the allocation from CLG is on the basis that flats roofs would be replaced like for like and not with pitched roofs, which are more costly and currently there is no budget provision for this additional cost. Furthermore the costs in relation to the digital satellite system enhancements are also not currently included in the budget. Appropriate funding must be clearly identified and approved before these options can be implemented.
- 8.3 Appendix 2 is a list of the properties that need to be brought up to the Decent Homes Standard. At this stage, detailed costings are not available as these are dependent on detailed surveys of properties yet to be undertaken. However, details of properties where work is planned to be undertaken in 2009/10 are being finalised; these will be reported to the Procurement Committee during February and March 2009.
- 8.4 The use of capital receipts for the Environmental Programme in 2009/10 is not included in the capital schedule recommended for consideration by Cabinet as part of the financial planning process for 2009/10 to 2011/12.

## **9. Head of Legal Services Comments**

- 9.1 The Decent Homes programme is a long term programme of major investment to bring all Council-owned homes up to a decent standard. The requirement for all local authority homes to meet the Decent Homes Standard was set out by the Office of the Deputy Prime Minister (ODPM) in February 2003.
- 9.2 In January 2008, the Department of Communities and Local Government (DCLG) confirmed the Council's overall indicative Decent Homes funding allocation in the sum of £198.58m. This included £11.4m earmarked for environmental projects.
- 9.3 The Head of Legal Services has been involved in the Council's Decent Homes programme and has been light-touch monitoring the work of the appointed external legal advisers (Trowers and Hamlin) in relation to the programme including the establishment of two respective Decent Homes Framework Agreements – the Constructor Partner Framework Agreement and the Compliance Partner Framework Agreement - from which selection of contractors for the respective project contracts are made.
- 9.4 Leaseholders were consulted in relation to the two Decent Homes Framework agreements referred to in paragraph 9.3 above, and the Head of Legal Services is satisfied that the statutory consultation requirements for those agreements have either been met or dispensed with by the Leasehold Valuation Tribunal. The Council as landlord is further required to consult leaseholders on each project carried out under the Framework Agreements. That consultation takes the form of a notice to the leaseholder describing the proposed works, giving the reason for undertaking the works and inviting observations on the proposed works within a 30-day period. Works must not begin within the 30-day period nor can instructions be given to begin the works within that period. The Legal Service approves the statutory consultation notices for each project before those notices are sent to leaseholders by Homes for Haringey.

9.5 The Head of Legal Services notes the proposed Decent Homes programme for Years 2-5 as set out at Appendix 2 hereto, and should continue to be consulted in relation to the respective project contracts let under the programme.

## **10. Head of Procurement Comments.**

10.1 Not Applicable.

## **11. Equalities and Community Cohesion Comments**

11.1 Homes for Haringey's Asset Management Strategy, 2007/2017, covers all investment in the Councils housing stock, including decent homes. In drawing up the Strategy, an Equalities Impact Assessment was undertaken. The findings have been incorporated into Homes for Haringey's planning processes for delivering decent homes. This includes ensuring that all residents receive the same standard of work, and consideration of specific language and other needs are identified and addressed when drawing up programmes of work.

## **12. Consultation**

12.1 Homes for Haringey have consulted council officers in the preparation of the proposed year 2-5 programme, which was approved by the Homes for Haringey Board in July 2008.

12.2 The Leader of the Council and the Cabinet Member for Housing have been consulted in the formulation of the proposed programme. Ward member comments have also been considered.

12.3 Residents have been consulted through the Homes for Haringey Asset Management Panel and Leasehold Panel. Leasehold consultation forms part of the overall consultation process and is a statutory requirement.

12.4 Homes for Haringey have a dedicated team in place to manage resident consultation and involvement throughout programme delivery. They work closely with the constructor partners' Resident Liaison Officers.

## **13. Service Financial Comments**

13.1 The indicative funding allocation for the Decent Homes Programme of £198.5m represents considerable financial investment for the borough of Haringey. There is a need to ensure that there is significant and robust management and monitoring of the programme to ensure that the total commitment expenditure does not exceed the allocations throughout the life of the programme and that value for money is achieved through the contractor framework.

## **14. Use of appendices /Tables and photographs**

14.1 Appendices 1 & 2 at the end of the report.

## 15. Local Government (Access to Information) Act 1985

- 15.1 a. no background documents applicable.

## 16. Background

- 16.1 The requirement for all local authority homes to meet the Decent Homes Standard was set out by The Office of the Deputy Prime Minister (ODPM) now known as Department for Communities and Local Government (DCLG) in February 2003.
- 16.2 The Decent Homes programme is a long term programme of major investment to bring all tenanted homes up to a decent standard. Environmental improvements, including sustainability issues, may represent up to 5% of the overall programme.
- 16.3 In February 2007, following a robust and extensive partner selection process, administered by Homes for Haringey, four constructor partners were appointed in accordance with the Council's procurement procedures.
- 16.4 In January 2008, the Department of Communities and Local Government (DCLG) confirmed the Council's overall indicative decent homes funding allocation in the sum of £198.579m. This includes £11.4m earmarked for environmental projects.
- 16.5 Works undertaken as part of the programme include: the installation of double glazed windows, front entrance doors, roof works, renewal of fascias, soffits and rainwater goods, rewiring and heating; kitchen and bathroom refurbishment.
- 16.6 As at 1<sup>st</sup> April 2008, 6,819 or 42% of council homes were deemed to be non-decent. In addition, we need to address homes with the potential to fall into non - decency during the 5 year delivery period for the decent homes programme. Appendix 2 sets out an address list for the Years 2-5 programme. We estimate that approximately 11,500 homes will benefit from the overall programme. The definitive number will be dependent on the outcome of detailed surveys, access and refusals, and resident aspirations.
- 16.7 The first year of the Decent Homes programme, involving 36 packages of work costing a total of £34m, commenced in April 2008, and is expected to improve 1,894 homes, once refusals and no access cases are excluded.
- 16.8 Since then, work has progressed in drawing up proposals for the overall Years 2-5 programme. Pre-commencement activity for Year 2 is well advanced. All works proposed for year 2 will be submitted to the Procurement Committee for approval in February and March 2009.
- 16.9 In July 2008, the Homes for Haringey Board agreed the proposed programme for Years 2-5, now being presented to Cabinet, as set out at appendix 2.
- 16.10 This report sets out the resources available for Years 2-5 of the Decent Homes programme, the proposed programme of properties for these years and

methodology for prioritisation. It also includes an analysis of progress on Year 1.

## 17 Summary of Year 1

17.1 The summary headline indicators for year 1 as at 30<sup>th</sup> November 2008, are as follows:

- Over 1000 units have been brought up to the decent home standard against a programme of 1,124 at this stage, and an annual target of 1,894.
- Total expenditure is £11.395m against a month end profile of £13.712m.
- 361 leaseholders are included in Year 1 of the programme with an estimated total contribution of £3.389m.
- Resident satisfaction is running at an average of 94% broken down as follows: Hornsey 86%, Wood Green 99%, South Tottenham 96%, North Tottenham 95%. This is based on 305 returned survey forms.
- The number of residents declining works is 83. These are defined as cases where either; contractors have been able to carry out essential works, such as double glazing and rewiring, but where the tenant has declined kitchen and/or bathroom improvements; or cases where no essential works have been identified but the tenant has declined kitchen/bathroom improvements. We have written to residents who have refused works to confirm their reasons for refusal. When refusal is due to difficult personal circumstances, e.g. illness or bereavement, they have the option to ask to be reinstated in the programme at a later date.
- The number of 'no access' is 37. This includes cases where no access has been provided for either surveys or works. We have dedicated staff in the Asset Management team who are working with local Tenancy Management officers, the contractors and residents on an individual basis to try and resolve, where possible. We have a legal right of access, and will instruct Tenancy Management accordingly to instigate appropriate legal action on the basis of breach of tenancy in all cases.
- Against the total number of units where access has been gained; over 3,000, the no access concerns are comparatively low and being managed.
- The number of complaints received to date is 91, 47 of which are stage 0, 41 stage 1, and 3 stage 2. The majority of complaints are not about the actual works being undertaken as part of the Decent Homes programme. In many instances residents were complaining about repairs issues or when they are to be included in the programme.
- To date there has been one health and safety reportable incident. The contractors are responsible for the health and safety of their work force, and not the Council, and operate under the regulatory requirements set out at para. 22.
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## 18. Learning and Development

- 18.1 With good progress being made on the delivery of the first year of the programme, including high levels of resident satisfaction, we now have an opportunity to reflect on lessons learnt, and what improvements can be made for future years.
- 18.2 Issues identified include the need for greater pre-planning to deal e.g. with residents not providing access or refusing to have the works carried out. We now have a dedicated team in place working on these and other resident consultation and involvement issues, whose aim is, not only to ensure the smooth delivery of the programme, but also that resident's specific needs and preferences are fully considered. They are working with local Tenancy Management Officers and the contractors to identify and deal with potential problems at the pre-commencement stage.
- 18.3 We have also identified the need to continuously update and maintain accurate information systems including stock data, to facilitate the planning and implementation process.
- 18.4 One issue that has arisen relates to the Council's current policy on replacement of flat roofs with pitched roofs, where practical. The current funding profile was not designed to accommodate this. Homes for Haringey are, however, working closely with council officers to review the options to ensure that the full requirements of the programme can still be met, if we take this policy into account.
- 18.5 One learning issue for Homes for Haringey, which will result in change for Year 2, is the reduction in number of work packages from 36 to 8, to improve efficiency and the manageability of the programme. Efficiencies can be achieved through economies of scale, by streamlining the approvals process, and reducing the number of reports, meetings etc.
- 18.6 Homes for Haringey are proposing to hold a follow up event in May 2009, building on the success of the Decent Homes Road show held in March 2008, where approximately 1,000 residents attended. The event will provide the opportunity for residents, Homes for Haringey and the constructor partners/compliance teams to reflect on the delivery of Year 1. From this, Homes for Haringey will consider lessons learnt, what changes need to be made, and what new or further measures can be taken to assure resident satisfaction.
- 18.7 One of our aims is to ensure that the Decent Homes programme has a lasting legacy which can support and help deliver wider objectives which will benefit our residents. This includes ensuring that we maximise the benefits this major investment brings for the local economy by working closely with the Council and our partners to expand opportunities for local employment and training initiatives. To this end Homes for Haringey are organising a construction related jobs fair in Spring 2009. The objective is to increase awareness of construction jobs available and maximise the level of local labour used by our constructor partners.
- 18.8 The constructor partners are actively seeking to employ local contractors and labour in each of their respective areas. Mulalley has engaged a BME contractor who is recruiting local people. 48 local people have been employed broken

down as follows; Wates 6, Mullalley 8, Lovell 12, Apollo 22, as well as people from neighbouring and within the London area. Each of the contractors has agreed to take on 4/ 5 local apprentices with the initial intake starting college courses in August 2009.

- 18.9 Decent Homes is not designed to address the Life Time Homes standard which will apply, in the main, to new build. Its application for refurbishment work has not been fully developed. Public sector funding does not take this into account at present so we cannot consider for current stock investment on budgetary grounds. The plan is for all new social housing to be built to the Life Time Homes standard from 2011. We do however, pick up those existing tenants who are in need of adaptation as part of the decent homes programme and have a dedicated Occupational Therapist working as part of the Asset Management delivery team.

## **19 Performance and Monitoring**

- 19.1 Contractor performance overall on year 1 of the programme has been good and they are on target to complete 1,894 homes by the end of March 2009. (details set out at appendix 1).
- 19.2 Contractor performance is measured against a series of key performance indicators (KPIs). These were developed in conjunction with the partnering team; including residents, and are based on industry standard KPIs. They include resident and client satisfaction, complaints, local employment, completions against programme and cost against profile.
- 19.3 All KPIs are reported on monthly, and form an integral part of the monthly performance report. This report is prepared by the compliance team partners and forms the basis of a review meeting with the strategic client representatives before overview at the strategic core group meetings.
- 19.4 Quality Assurance is included as a KPI and is overseen by the compliance teams. Clerk of Works are engaged while projects are on site. On completion, they undertake quality inspections of both materials and workmanship and identify any defects which need to be addressed as part of the hand over process. All completed properties are subject to these checks and the findings reported on a monthly basis. Homes for Haringey officers also carry out spot checks during the works and attend a sample of the hand over inspections.
- 19.4 Homes for Haringey have a robust Risk Management Strategy in place for delivery of the decent homes. A risk register is in place for each of the four contract areas and is reviewed as part of the monthly monitoring and reporting procedure.

## **20 Years 2 -5 Programme**

- 20.1 Appendix 2 sets out full details of the proposed decent homes programme for years 2-5 broken down by year. As stated at para. 16.6, we anticipate approximately 11,500 homes benefiting from the overall programme. Approximately, 1,960 tenanted homes are programmed for inclusion in Year 2.



This figure will be firmed up once the Agreed Maximum Price for each works package is finalised, and reported to Procurement Committee in Feb/March 2009. The resources available and rationale for prioritising properties are set out below. The only major change in approach from year 1 is the reduction in the number of work packages.

## 21. Resources

- 21.1 Table 1 below sets out the yearly profiling of funding available for the remaining years of the programme as set out in the DCLG letter of 29<sup>th</sup> January 2008. The allocation for 2009/10 is confirmed but future years' allocations are indicative only. The remaining £168.59m includes the full £11.4m allocated for environmental projects. Therefore the total budget for the years 2-5 decent homes works is £157.18m
- 21.2 There is a possibility that the programme could be accelerated following the government's November 2008 Pre Budget Review announcement about bringing forward capital expenditure from 2010/11 and 20011/12 to 2009/10. We are reviewing the programme portfolio in light of this. A request has been submitted to the Housing Minister expressing our interest in accelerating the programme. We are awaiting further details about the process from the Homes and Communities Agency.

**Table 1 DCLG Yearly Profile of Funding**

Year	Total £m
<b>07/08 and 08/09</b>	<b>29.999</b>
<b>09/10</b>	<b>30</b>
<b>10/11</b>	<b>40</b>
<b>11/12</b>	<b>44</b>
<b>12/13</b>	<b>41.580</b>
<b>13/14</b>	<b>13</b>
<b>Total</b>	<b>198.579</b>

## 22 Programme Formulation

- 22.1 The constructor and compliance team partners have developed proposals for the remaining years of the programme to match the available resources and the indicative year on year allocations.
- 22.2 They have formulated their proposals, including prioritisation, from data extrapolated from verification surveys carried out to validate the findings of the 2003 stock condition survey.
- 22.3 Each of the constructor partners have completed surveys of between 45% and 50% of the stock in their area, depending on the type and condition of the stock being surveyed. The verification surveys are ongoing and are programmed to include between 50% and 70% of the stock in total.

- 22.4 The verification surveys were based on the same set of questions across the borough. The information was then loaded into our asset management database Codeman 4. This software analyses the data and determines/confirms:
- If the stock is currently decent or not
  - What works are required to achieve decency
  - When the works need to be carried out to achieve the Homes for Haringey decency standard or prevent homes from becoming non-decent.
- 22.5 The reports in C4 were then analysed and adjusted for consistency and ease of delivery. This data forms the basis of the work instructions to the constructor partners for each individual phase of the programme and the prioritisation of the works within the overall programme.
- 22.6 The order of the works programme has been prioritised by investment need; i.e. the highest level of non-decency based on remaining life of elements, but also taking into account geographical logistics to minimise costs and achieve optimum levels of efficiency during the delivery phase.
- 22.7 The proposed programme has been drawn up in this way so that the Council, constructor partners and residents have a clear indication of what schemes will be included in the programme and in what year. Once the overall programme is agreed, work will then commence on detailed surveys, compiling phases of work, alongside extensive consultation with residents. Once the detailed surveys have been completed the actual number of units requiring works in each phase and year and the actual works being carried out to each individual units in order to achieve the decent homes standard will be agreed.
- 22.8 The supported housing stock has not been included in the detailed programme proposals, pending the outcome of the Council's review into meeting future housing needs of older people in the borough. The Council is setting up a project board to look at the possible options and solutions, which will include Homes for Haringey. In the meantime we are preparing a schedule of works for 2009/10 and 2010/11, and a detailed consultation plan for notifying residents.
- 22.9 The external decorations programme has been planned to tie in with the decent homes work. Residents are involved individually in signing off their satisfaction once works are completed on their homes, and for communal works through resident association sign off where they exist. As with the decent homes programme, resident satisfaction is monitored through feedback received from satisfaction surveys issued to all residents on completion of each contract.
- 22.10 We are also carrying out works required for digital TV provision at the same time as decent homes works. This being funded from the capital programme and provides the minimum upgrade required to comply with the proposed digital change over. The need for more extensive and comprehensive digital provision will be addressed subject to additional funds become available and demand. All satellite dishes will be removed following this work and not replaced with clear instructions that any subsequently fitted will be removed Housing management will implement this policy post decent homes.

- 22.11 As part of the decent homes programme, it is proposed that all metal grills and metal door security frames and features are removed and not replaced with clear instructions that any subsequently fitted will be removed. Housing management will implement this policy post decent homes.
- 22.12 Where the need for replacement of a flat roof is identified, we will carry out a comparative analysis of the 35 year life cycle costs with the provision of a pitched roof option, where this is practicable. The life cycle costing will include energy data and comment from the council's sustainable procurement officer. The life cycle costing, the merits/demerits of the various options and the available funding will inform the recommendations to the procurement committee.

### **23. Environmental Programme**

- 23.1 In addition to the £11.4m available for environmental projects as part of the decent homes allocation, the Council earmarked capital receipts in the sum of £2m for 2008/09 with indicative capital allocations of £1.2m in both 2009/10 and 2010/11. These indicative allocations are subject to the outcome of the Council's annual budget setting process and we are currently awaiting the outcome of the bid for 2009/10.
- 23.2 Homes for Haringey are currently working on developing a 5 Year Estates Environmental Improvement Plan which will run in parallel with the decent homes programme from year 2009/2010. This will incorporate schemes identified through the estate inspection pointing system, but will also cover larger schemes where wider estate remodelling may be required.
- 23.3 Officers, Members and residents were consulted about proposed schemes for 2008/9 which are now in development. There are more schemes than available resources so anything not funded or delivered will be rolled over into 2009/10.

### **24 Sustainability**

- 24.1 Homes for Haringey have an Environmental Sustainability Strategy in place. The objectives include improving the environmental performance of the Council's Housing stock and providing a cleaner and greener environment for residents.
- 24.2 The procurement of materials and components used during the decent homes programme involves the selection of products that have a positive impact on the environment. The new windows will improve the thermal efficiency of the properties as well as reduce future maintenance costs.
- 24.3 The dwellings that benefit from new kitchen and bathroom replacement will be fitted with two low energy light fittings. The selected kitchens have received the F.I.R.A Gold Award and Kite mark Certification with a life expectancy of thirty years.
- 24.4 The schemes have been carefully designed where possible to allow for minimising waste during the construction and consideration given to the useful life of the products.

24.5 We will explore opportunities for submitting future projects for sustainability awards in support of the council's Greenest Borough Strategy and our own Homes for Haringey Environmental Sustainability Strategy.

## **25 Health and Safety Implications**

25.1 All contractors invited to tender have been assessed as competent under the Construction Health and Safety Assessment Scheme (CHAS), which is an industry-wide body. They also comply with the requirements of the Council's Health and Safety policy.

25.2 The Construction (Design and Management) Regulations 2007 apply to all projects and the contractor's Construction Phase Health and Safety Plan will be checked and approved by the CDM Co-ordinator before works start on site.

## **Appendices**

- 1 Decent Homes Programme Year 1**
- 2 Decent Homes Programme Years 2-5**