

AGENDA ITEM: 12

SUMMARY



Report for:	Housing and Community Overview & Scrutiny
Date of meeting:	31st October 2012
PART:	1
If Part II, reason:	

Title of report:	Planned Maintenance Programme 2013-14
Contact:	Cllr Margaret Griffiths, Portfolio Holder for Housing Elliott Brooks, Assistant Director (Housing Landlord) Fiona Williamson, Group Manager (Property and Place) (ext 2855).
Purpose of report:	<ol style="list-style-type: none">1. To provide the background detail upon which the Planned Maintenance Programme for 2013-14 has been developed in line with the business plan and investment levels available under self financing.2. To advise upon the delivery model for investment and resourcing implications of the increased work programmes.
Recommendations	<ol style="list-style-type: none">1. To note the Planned Maintenance Programme budget proposal for 2013-14 for inclusion in the HRA budget submission and Capital Programme, subject to approval by Council in February 2013 as part of the formal Budget Setting process.
Corporate objectives:	Effective asset management and maintenance of the housing stock to maximise the value and provision of good quality affordable housing.
Implications:	<u>Financial</u> The Planned Maintenance Programme and Budget implications are contained within the report
'Value For Money Implications'	<u>Value for Money</u> The need to maximise resources and secure efficiencies have been considered in the development of the programme and ensure programmed works are targeted at the areas of

	greatest need and/or risk to the Council are included within the programme.
Risk Implications	<p>Health and Safety Rating System Risks have been reviewed when developing the priorities for expenditure in the Planned Programme of work.</p> <p>Statutory obligations and duty of care have also been considered to reduce the Council's exposure to risk.</p> <p>The Health and Safety budget provision includes a contingency for any newly arising unforeseen risks that may require urgent investment in the financial year.</p>
Equalities Implications	Equality Impact Assessment of the Repairs and Maintenance service has been carried out. (Annex B)
Health And Safety Implications	Failure to deliver the programme would increase Health and Safety risks associated with the deterioration of the Housing stock and could compromise structural integrity, Carbon Monoxide and electrical safety.
Consultees:	<p>Stock condition surveyors Savills,</p> <p>Surveyors and Technical Officers in Property and Place.</p>
Background papers:	
Glossary of acronyms and any other abbreviations used in this report:	<p>HRA Housing Revenue Account</p> <p>RCCO Revenue to Capital Contribution</p> <p>RICS Royal Institute of Chartered Surveyors</p> <p>ECO Energy Companies Obligation</p> <p>SAP Standard Assessment Protocol</p> <p>DECC Department for Energy and Climate Change</p> <p>CIH Chartered Institute of Housing</p>

1.0 BACKGROUND

- 1.1 The Planned Programme for 2013-14 proposed in this report is compatible with and aligned to the 30 year Business Plan. It has been developed using the information extracted from Savills stock condition survey, carried out in 2009 and 2011-12, the servicing information provided during the cyclical maintenance of the domestic and communal boilers, and existing internal intelligence from surveyors within the Property and Place team.
- 1.2 The programme is designed to meet both the Decent Homes standard and the Dacorum Standard, which was developed in consultation with tenants and forms the baseline level of investment for the Business plan.
- 1.3 The provisional programme will be subject to further review by the tenant representatives on the Maintenance Focus Group, prior to finalising the budget working papers.

2.0 CONTEXT AND APPROACH

- 2.1 In order to develop more robust investment plans in the short, medium and long term a requirement to improve the quality and management of the asset data was identified. An asset management team was established as part of the restructure of the Property and Place division to develop the asset management function within housing who have the responsibility for the compilation and management of the information that this necessary to enable the production of a robust Asset management strategy.
- 2.2 Whilst the Property and Place team held a large volume of information on the condition and historic investment on the housing portfolio, it was stored on a number of individual spreadsheets and access databases. In order to assess the priorities for investment, a number of spreadsheets and databases had to be interrogated. Some of the information was out of date and the lack of resource to update the databases, with the work that had been completed in each year, had resulted in a reliance upon external consultants to provide annual reports on the indicators for Decent Homes and the average SAP rating.
- 2.3 In order to improve the quality and access to information on the housing assets, it was agreed to increase the percentage of stock condition information and procure an asset management database. The existing Savills stock condition survey, which was commissioned in 2009, provided data on a representative 10% sample of the housing stock, based upon the different property types and locations. Whilst not a full sample, the methodology for cloning ensures that the data is relevant and representative at a broad and overview level. In order to further refine the information an additional 50% of the properties were surveyed, now providing information on 60% of the stock. In addition the Council have procured an Asset Management System, PIMSS, which houses the stock condition data and details of any improvement work carried out at each property.
- 2.4 The enhanced level of information and asset management system, enable the technical team to interrogate the system to develop the investment programmes each year. PIMMS can also be interrogated to provide scenario plans that are able to track the long-term impact of deferring spend or increasing investment in one area.

- 2.5 The access to this information has provided extensive and comprehensive details regarding the required levels of investment and has been used to inform the areas where the additional £6M of Capital, available in the current financial year, 2012-13, has been targeted.
- 2.6 The improved level of information, combined with a developed 30 year business plan, which provides a higher level of Capital investment and better budget certainty has enabled accurate and targeted investment planning for future programmes. The stock condition survey data has been internally reviewed and is currently being validated on site to ensure the data quality is robust.
- 2.7 The programme has been developed to address those building components where there is no potential to extend the life for another year or where a high cost to repair makes it more cost effective to replace. By adopting this approach, it will avoid the potential for carrying out wasted work, which can arise from using a higher percentage of cloned survey data. Cloned information is still required for the 40% of properties that have not been included in the recent surveys and for this reason all work will be pre-surveyed by the contractors prior to commencement on site to ensure that all works are necessary and the approach is consistent across all elements of work.
- 2.8 There are a number of areas of investment that have arisen as the result of compliance issues, such as upgrading fire safety in communal areas within sheltered schemes or blocks of flats, which have been identified from the programme of fire risk assessment surveys or the deterioration of asbestos containing materials which require removal . The budget has been adjusted to reflect the ongoing requirements to effectively manage and address such compliance risks in line with the legislative requirements.
- 2.9 The energy efficiency and thermal performance of the stock has become increasingly important both in terms of the Council's requirement to adhere to the carbon reduction targets and also to assist those vulnerable tenants who are in or close to fuel poverty. The Council has developed a cross tenure approach to the Green Deal, which is more relevant to the private sector housing and also ECO funding that may still be available in 2013-14.
- 2.10 Whilst the Council has been able to leverage grant funding to supplement the investment in insulation upgrades for cavity walls and lofts in this financial year it is important to retain and plan for increased investment in energy efficiency measures, as the future of external grant funding within the sector is not guaranteed. However, it is acknowledged that the Council will need to address those properties that have the lowest SAP rating, indicating the energy efficiency of the property is poor. The Standard Assessment Procedure (SAP) is DECC's methodology for assessing and comparing the energy and environmental performance of dwellings. Its purpose is to provide accurate and reliable assessments of dwelling energy performances that are needed to underpin energy and environmental policy initiatives.
- 2.11 The budget has been increased substantially in 2012-13 and this has been replicated in 2013-14 and a dedicated Home Energy officer was appointed as part of the restructure to ensure that the available budget can be supplemented by securing any available grant funding.

- 2.12 Increasingly onerous statutory requirements following the Fire Reform Act 2005 and the Asbestos Management Regulations amendments 2009 will increase the strain on the HRA revenue budget in 2013-14.

3.0 PROGRAMME SCOPE

- 3.1 The programme has been developed to ensure the minimum landlord obligations are met, whilst enabling the additional money available under self financing to be invested in line with the Dacorum Standard and business plan. This report is confined to work on the housing portfolio and does not include programmed work to garages.
- 3.2 As outlined above the stock condition survey data has been further enhanced using knowledge from the Council's historic planned programmes. This ensures that any cloned data has been updated, to capture work that had been carried out to these properties. Additionally, intelligence is further increased using the data provided by the service contractors and surveyors within the Property and Place team.
- 3.3 There are a number of priority areas identified within the survey to ensure effective maintenance and management of the stock, including compliance with legislation, and in order to maintain the Decent Homes and Dacorum standard over the next thirty years.

As a result the Priority Areas of Expenditure are:

- Maintenance of Decent Homes Standard
- Health and Safety Upgrades including Fire Safety
- Major component renewal (not covered by Decent Homes i.e. lifts)
- Structural works
- Aids and Adaptations
- External Redecoration
- Estate Improvements
- Thermal Upgrades

4.0 WORKS PROGRAMME

The following narrative provides the detailed rationale behind each element of the budget provision for 2013-14. See Annex A

4.1 Heating replacement Budget £ 2.5M

The budget reflects the backlog of boiler replacements arising from historic under investment and a high number of Cat 1 breakdowns (requiring boiler and often whole system replacement). The gas servicing contract database was interrogated to prioritise the central heating replacement programme. The programme targets the oldest appliances, often back boilers, which have higher risks associated with the potential escape of carbon monoxide.

4.2 Rewiring Budget £1.5M

The budget has been developed from the Savills requirements and reflects the level of under investment over the past three years and associated safety risks identified during

periodic testing of electrical installations. The properties identified for inclusion in the rewiring programme have been selected using the original installation dates and intelligence arising from electrical testing and minor works completion certificates.

4.3 Kitchens Budget £2.5M Bathrooms Budget £1.2M

The survey data indicates a higher proportion of expenditure is required to replace kitchens than bathrooms and this is reflected in the profile of budget. The decent homes compliance will be achieved by replacing either a kitchen or bathroom except in cases where both are old and in poor condition. The property list has been compiled using all available data.

4.4 Windows Budget £900K

The initial window replacement programme is nearing completion and there have been a number of properties have been identified for individual windows that had not been replaced in the programme to be replaced in the current year. There are a number of properties, which were completed in the first phases of the programme, with single glazed UPVC windows. In order to upgrade these properties to improve thermal performance the programme has been compiled to continue investment in 2013-14.

4.5 Roof Renewal Budget £1.0M

Savills survey has been supplemented by investigations carried out by the Council's surveyor that is undertaking the upgrade of the loft insulation. There have been a number of roofs that will require replacement of the roof covering including some remaining slate roofs. It is recognised that over the next five years there is a capital shortfall in the investment in roofs and therefore spend is on critical roofs only, adopting a just in time approach until the detailed strategy is developed.

4.6 External Door Upgrade Budget £1.5M

The replacement of composite external doors was piloted in 2012-13 to establish the best designs for the general needs street properties and those for sheltered schemes and flat block which have differing technical requirements in terms of thermal performance and fire resistance. The full programme has been include in 2013-14 in line with the stock condition survey and to address the under investment that arose from the decision to upgrade the windows in advance of doors due to the fact that the biggest thermal benefits would be gained from window replacements. The improved thermal performance and security features have made the installation of these doors popular with tenants and provide a low maintenance alternative to timber doors.

4.7 Replacement of fascias and soffits in UPVC Budget £1.0M

The upgrading of external fascias and soffits in UPVC has been ongoing for the past 4 years and is being used to reduce the requirement to decorate high level areas where access is only available using scaffolding. The unit cost is initially higher than the redecoration cost but this is offset by a considerably longer life expectancy and reduction in cyclical redecoration costs.

5.0 Health and Safety Upgrades

5.1 Compliance, Falls from Height Budget £200K

In order to comply with Building Regulations, investment is required to upgrade balcony railing heights and baluster intervals. Keepmoat, who are delivering the planned programmes of work, have been undertaking a survey of properties to ascertain the extent and cost implications of a programme of upgrades. The information is currently being collated and will inform the ongoing programme.

5.2 Contingency for walkway repairs Budget £400K

A structural collapse of walkways to a block of flats in Blackpool had highlighted a potential problem with flat blocks of a similar construction in the Borough. A specialist survey of the blocks has been commissioned and a contingency sum has been included within the budget for any remedial work that may be required.

5.3 Fire Doors and Fire Upgrade work Budget £300K

Fire Risk Assessments are due to be completed to all communal areas of flat blocks and sheltered schemes by the end of the current financial year 2010-11. The work resulting from risks identified within these surveys has been prioritised and will be included in the forthcoming programmes of work dependent on severity of risk. The budget has been set based upon the high-risk areas, which will need to be addressed in the 2011 programme.

5.4 Fire Alarms Budget £100K

There is an ongoing programme of work identified by a specialist consultant. The work is required to address system upgrades to sheltered schemes where current systems are non-compliant or obsolete.

5.5 Extractor Fans New installations Budget £200,000

Assessment under the Health and Safety Rating system HHSRS requires the control of condensation to prevent the growth of mould within properties. The increased budget allows for the installation of new fans in Kitchens and Bathrooms where high humidity is causing problems.

5.6 Lift Renewal Budget £120K

The budget was determined in order to ensure adherence to the lift renewal programme that has been developed by external specialist consultants. The programme is prioritised dependent upon the age and condition of the lifts.

5.7 Major Structural Budget £750K

The budget has been revised from the stock condition survey detail, to reflect the reduced demand over the past three years. Work is demand driven and often requires a period of monitoring to ascertain the correct diagnosis of the failure and appropriate remedial work. Major levels of expenditure are being reviewed in the asset management strategy, which may further reduce this area of spend as options such as redevelopment or disposals are further considered.

5.8 DFG Grant Major Adaptations Budget £500K + £140K extension provision

The budget is based upon consistent ongoing demand for adaptations and is retained at the current level. Aids and Adaptations are not included in the Self-financing arrangements; however the Council currently funds these within the capital programme. Detailed analysis of the impact the Comprehensive Spending Review will have in this regard is being undertaken. – There is an additional provision of £140K for 3 extensions that have currently been referred from the Occupational therapy team.

5.9 External Redecoration Budget £1.0M

Improved specification has extended the cycle by 3 years; however a backlog of properties is starting to build-up. Replacement of fascias and soffits in UPVC will reduce the future ongoing redecoration costs but has not impacted to date. The improved stock condition information has been used to inform the programmes for 2013-14.

5.10 Estate maintenance and improvements Capital £150K Revenue £250K

The budget has been determined from the Savills survey and historic demand. The Estate Improvement Officers will be involved in identifying projects in line with the Local Offers agenda and asset management priorities. The CIH are running a pilot scheme to address estate improvements and the project is being led by one of the graduates on the graduate placement programme. The project will require Capital investment in order to deliver the major works to the properties and communal areas in the target area.

5.11 Energy Efficiency Measures Budget 200K

Fuel poverty and sustainability are important Corporate and Tenant-led priorities. The current budget is supplemented through grant funding. The grants have enabled the programme of loft and cavity wall insulation to be carried out to the majority of the housing stock. The budget has been substantially increased to maximise the opportunity for accessing the remainder of the match funded grants that will be available in 2013-14 and to address a number of hard to treat solid wall properties.

5.12 Cyclical Servicing and Infrastructure Work

The budget provision has been determined for these elements of work, based upon the historic demand and out-turn figures or fixed term tendered contract rates e.g. the gas and lift servicing contracts.

5.13 Longlands Flats – Feasibility Study for major upgrading work and the provision of additional accommodation Budget £1.4M

The flat roof, on the block of flats in Longlands, opposite Queens Square, is nearing the end of its life. There is a water storage tank located in a store on the roof and there are some problems with the ongoing stability and maintenance of the parapet wall. A scheme is being developed to upgrade the external walls and construct additional accommodation on the existing flat roof. The item has been deferred from 2012-13 due to planning issues with the original proposal which was to undertake a flat to pitch conversion of the roof.

