

**MINUTES**

**Community Services Scrutiny Panel**

**8<sup>th</sup> April 2008**

**Present:** Councillors Howarth (in the Chair), Lightley, Norman, Robinson, Taylor, Walton and Young.

**Also Present:** Councillors Kellett, Kelly, Marsden and Stoddart.

**1. Apologies for Absence**

Apologies for Absence were received from Councillors Laverick, Mavin and D Smith.

**2. Minutes**

The Minutes of the Meeting held on 17<sup>th</sup> March, 2008, were confirmed as a correct record, subject to the undermentioned amendments:-

- (i) It being noted that Councillor Robinson had submitted her apologies for absence.
- (ii) That recommendation 5.3 contained in the Report on Unauthorised Encampments of Gypsies and Travellers, previously approved, now be amended to read:

*“That the Travellers Liaison Service contact details and an alternative procedure for contact outside normal working hours be supplied...”*

The Chairman advised that the Scrutiny Committee had already resolved to refer this report to Cabinet for consideration, and as the Cabinet papers had now been dispatched, she would clarify whether it was possible to amend this recommendation prior to the report being considered by Cabinet on 16<sup>th</sup> April, 2008. She would report back to the next Meeting of the Panel.

**3. Council Garages – Consideration of Review Report**

At the Meeting on 17<sup>th</sup> March, the Council's Housing Manager had been in attendance for the review of the previous scrutiny on the letting of Council Garages.

The review report was considered by the Panel and approved for submission to Scrutiny Committee with no amendments.

**4. Allocations Policy – Initial Scoping of Scrutiny**

Members considered the aims of the Scrutiny, and the particulars areas to be considered.

It was agreed that further information would be needed on the following items:-

- ◆ New Allocations System
  - Why the system had to change;
  - Number of applications made under the new banding system;
  - Details of allocations made;
  - Bands which Officers have difficulty delegating applicants to.

- ◆ Appeals
  - How the appeals system works;
  - How many appeals had been submitted and whether Officers were able to cope with these;
  - Whether there is a procedure and timescale for advising applicants of the outcome of their appeal.
  
- ◆ Medical Need
  - If the criteria for medical banding have proved controversial;
  - What constitutes medical priority;
  - Who makes the decision to award medical priority;
  - Whether it is possible to move up this list without medical need e.g. through length of time on the list.

It was agreed that initially the Portfolio Holder for Housing, Housing Manager, Homelessness Officer and Special Needs Officer be invited to attend the Panel's next meeting on this topic for further consideration of these matters.

## **5. Any Other Business**

The Chairman advised that the Head of Property Services would be reporting on the Decent Homes Standard to the May Meeting of the Panel. It was agreed therefore that further consideration of the Allocations Policy be deferred to the June Meeting.

Members expressed their disappointment over the refreshments provided for the Meeting, particularly regarding the lack of biscuits and the provision of UHT milk. These comments would be reported back to the relevant Officers for attention.

The Meeting terminated at 6.15 pm



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City of Durham Council  
Internal Audit

Final Report

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## Full Audit Report

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|----------------------|----------------------------------|
| <b>System:</b>       | Decent homes standard (Overview) |
| <b>Department:</b>   | Property Services                |
| <b>Division:</b>     | Technical Services               |
| <b>Audit Ref:</b>    | 06/10                            |
| <b>Lead Auditor:</b> | D Lewis, Auditor                 |

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| <b>Audit Opinion:</b> | 3 of 5, 1 being the best<br>Satisfactory<br>Given the nature of the risks involved in the achievement of the control objectives, key controls are adequate, but other parts of the internal control system requires corrective action. This provides reasonable assurance that risks material to the achievement of the control objectives are adequately managed. |
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| <b>Date of Issue:</b>                     | 24/08/05   |
| <b>Distribution (Client):</b>             | A Moscardini, Head of Property Services  |
| <b>Distribution (Financial Services):</b> | Elizabeth Hall, Director of Strategic Resources<br>Peter Jackson, Head of Internal Audit |

## **Background**

### **Introduction**

- 1 Officers from the Technical Services Division, of the Property Services Department administer the procedures with regards to compliance with the Decent Homes Standards.
- 2 In 2002 the Government established a target to ensure that by 2010, all social housing is brought into a decent condition. In 2002 the Durham City Council carried out an in-house survey of the housing stock and determined that 49.09% did not meet the decent home standard.
- 3 A further survey was carried out in 2004 by an external firm of chartered surveyors and property consultants, Tranter & Thomas. This survey was carried out in compliance with the requirements of Durham City Council. These were that a survey be conducted of 900 houses across the archetypes to establish the level of non-decent homes.
- 4 The results of the survey were that 69.72% of houses were considered to be of a non-decent standard. Due to the discrepancies between the two surveys it was decided to combine the two reports, which led to an increase in the budget value from £14 million to £30 million.

### **Objectives**

- 5 The objective of the audit was to examine and evaluate the adequacy, reliability and effectiveness of the internal control system that management has established to meet control objectives.

### **Scope**

- 6 The internal control system for Decent homes standard (Overview) was reviewed under four headings, namely:
  - Ensuring that financial and operational information is complete, accurate and reliable
  - Ensuring that statutory and regulatory requirements are complied with, including management policies such as Contracts Procedure Rules and Financial Regulations
  - Ensuring operations are being carried out as planned and that service and corporate objectives are being met.
  - Ensuring the economical and efficient use of resources
- 7 The audit was carried out in accordance with the Audit Plan.
- 8 The period covered by the audit review was April 2005 to August 2005, inclusive.

### **Methodology**

- 9 The audit review was undertaken using a System Based auditing approach. This involves identification, documentation, evaluation and testing in relation to system objectives and controls.

## Key Findings and Conclusions

### **Ensuring that financial and operational information is complete, accurate and reliable**

#### **Reasons for the differences between the two reports conducted by the City of Durham and Tranter & Thomas can be identified and explained**

- 10 A review of the in-house survey and the report by Tranter and Thomas was conducted. The findings of the report showed differences in the number of houses, which were classed as non-decent, as per the Decent Homes Standard.
- 11 A Housing Condition survey was carried out in May 2002 by Durham City Council, which surveyed 1211 properties covering every house types and condition.
- 12 The number of surveys actually conducted by Tranter and Thomas was 907 houses and a “stratified” sample was conducted based on archetype, age, location factors etc.
- 13 The results of the two surveys showed that there was an increase in the number of non-decent homes of 20.63% (69.72% - 49.09%).
- 14 Testing was carried out which sampled fifty non-decent homes from the Tranter and Thomas database. These were matched by the Property Number, to the original in house survey. Of which 44% were classed as non-decent houses by the Tranter and Thomas survey could not be matched to the original in house survey conducted in 2002. This demonstrated that there are discrepancies between the two reports and the increase in the percentage of non-decent homes is reasonable.
- 15 The review of the Tranter and Thomas report was considered to be properly and fairly carried out, and in a timely manner.

#### **An adequate system is in place to ensure that records are periodically updated**

- 16 Information regarding the housing stock and non-decent homes is maintained on the “dhs-t&t update” database. This contains addresses of the housing stock, the dwelling types and what sections of the Decent Home Standard the houses have failed.
- 17 An examination of the sold properties and the database showed that the records for the sold properties had been deleted from the database.
- 18 The Planned Maintenance Programme was reviewed to establish whether the database had been updated to show the houses made decent as per the programme. The Head of Property Services confirmed that the database in respect of completed properties is updated on a quarterly basis. Testing revealed that the database is up-to-date for the quarter ended June 2005.
- 19 The Head of Property Services is solely responsible for updating the sold, demolished and completed houses on the “dhs-t&t update” database. This information is then used to calculate the BVPI’s 184a and 184b each quarter. It was confirmed with the Head of Property Services that no written procedure notes are kept for updating this database.

- 20 The risks to this area are that should the Head of Property Services be absent from the authority for long periods of time, the database may not be periodically updated. This may be due to no other officer having responsibility, or being unaware, of the tasks to be carried out on a regular basis.
- 21 The need for written procedures is a key control and therefore should be in place.

***Recommendation***

*R1 Written procedures be prepared for maintaining the database and the main elements of the system*

**Budgets are approved and are adequately monitored on a regular basis**

- 22 The budgets for the renovation and replacement programmes have been approved and are recorded in the Revenue and Capital Budgets 2005/06 Book.
- 23 Monitoring of these budgets is carried out by Property and Financial Services on a quarterly basis. The financial report for the period 1<sup>st</sup> April to 30<sup>th</sup> June 2005 was reviewed and comments have been recorded in the Project Control Meetings.
- 24 The production of these financial reports and the comments in the minutes confirms that the budgets are adequately monitored on a regular basis.

**Ensuring that statutory and regulatory requirements are complied with, including management policies such as Contracts Procedure Rules and Financial Regulations****The Government's definition of a Decent Home has been applied**

- 25 The in-house survey and the consultant's reports were examined to determine whether the results complied with the definition of the Decent Homes Standard. The in-house survey database had been split into relevant sections, which could be easily traced, to the criterion of the Decent Homes Standard.
- 26 The Tranter and Thomas survey had also split their results into four sections, Fitness Standard, State of Repair, Modern Facilities and Thermal Comfort, which complied with the Decent Homes Standard criterion.
- 27 The combined database is in the similar format as the original in-house survey and therefore complies with the definition.

**Ensuring operations are carried out as planned and that service and corporate objectives are being met****Decent Homes Work Programmes have been compiled and are on target**

- 28 Work programmes are completed for all of the towns and villages in the Durham City area. These programmes contain details of the address, age, property type and the number in each street, and the type of work to be carried out on the properties.

- 29 This work is broken down into Tenant's Choice Modernisation, Planned Maintenance Schemes, Gas Central Renewal Programme, Gas Servicing Programme and Painting Programmes. Listed under these programmes is the year when the work is due to be carried out in each street.
- 30 The minutes of the Project Control Meeting were reviewed which stated that for the planned maintenance work 2004/05, work had been completed and they were awaiting clearance of the invoices. For the work programme 2005/06 the completion dates are correct.
- 31 The housing database and minutes from the Project Control Meetings confirm that the work programmes are on target.

**The budget increase is sufficiently supported by the number of additional properties now recorded as non-decent**

- 32 By combining the in-house survey and the Tranter & Thomas survey the budget was increased from £14 million to £30 million. The Head of Property Services explained that when the consultants conducted their survey they targeted certain archetypes which meant that only some houses in a street had been surveyed and classed as non-decent. This omitted a number of houses from the survey, which were in the same street or area that were known to be of the same standard.
- 33 It was decided that where the consultant's survey had said that houses in the street were classed as non-decent, it may be deemed necessary to carry out similar work to the whole street and bring them up to the decent homes standard.
- 34 To provide value for money and reduce the disturbance to the tenants, work, which is needed to a property, is carried out at the same time.
- 35 When taking these factors into account it can be considered reasonable that the increase in the budget can be justified.

**BVPI performance indicators are monitored, calculated correctly and are compared with previous years**

- 36 Decent Homes has two BVPIs, which must be monitored, calculated correctly and compared with previous years. These are BV 184a "*The Proportion of local authority dwellings which were non-decent at the start of the financial year*" and BV 184b "*The percentage change in the proportion of non-decent dwellings between the start and the end of the financial year*".
- 37 An internal audit conducted regarding the BVPI's, "06/14 Performance Indicators", highlighted that the database as at the start of the financial year 2004/05 had not been maintained and it was therefore not possible to identify which properties have been determined as having been made fit.
- 38 The report recommended that a copy of the decent homes spreadsheet should be maintained as at the start of the year to enable comparisons to be made to identify those properties which have been determined as having been made fit.
- 39 It was confirmed with the Head of Property Services that the recommendation has been implemented and a copy of the decent homes standard spreadsheet is being maintained as at the start of the financial year 2005/06.

- 40 A recalculation of BVPI 184a and 184b was carried out for the period 01/04/05 to 30/06/05, to confirm that the figures used in the indicators and PI values were correct. These figures were confirmed with the Policy Officer as those, which had been submitted for quarter 1.
- 41 Therefore the performance indicators are monitored and compared with previous years

## **Ensuring the economical and efficient use of resources**

### **Work which has been carried out, to date, is reasonable**

- 42 Based upon the findings, which were highlighted earlier in the report, it has been determined that the work that has been carried out, to date, is reasonable and there is an economical and efficient use of resources.

### **Action**

An internal auditor will contact one of the client contacts to arrange a post audit meeting to discuss the findings and conclusions, and to complete a Recommendation Action Schedule (copy attached). This meeting will normally take place within 10 working days of the issue of this report. A final Executive Summary, Full Audit Report and completed Recommendation Action Schedule will be issued to client management and the Head of Property Services and Executive Director following this meeting. Should the internal auditor and client management fail to reach agreement at this stage, the auditor in charge will report back to the Head of Internal Audit who will arrange to discuss matters with the Head of Service and, if necessary, the Executive Director, the Chief Executive and the Audit Review Committee.



## **Durham Standard / Decent Homes**

- 123 The City Council's housing stock currently comprises 6166 dwellings of mixed property types. The stock is in relatively sound condition both by nature of design and because of the modernisation and planned maintenance programmes undertaken in the past.
- 124 The City Council is committed to not only meeting the Decent Homes Standard, but also meeting the Higher Durham Standard. A survey in 2004, based on 907 houses, estimated that 69.72% of houses were considered to be non-decent.
- 125 The City Council has put plans in place to achieve the Decent Homes Standard by 2011 for all its properties. These plans are financed by the Major Repairs and Maintenance Allowance and receipts from the sale of council houses. In the last two years, receipts from the sale of council houses have declined dramatically due to higher interest rates. There is currently a risk that if these sales (and interest rates) continue at this level and other funds do not become available, the City Council may have 6% of its stock which is non decent at the end of 2010/11.





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**City of Durham Council  
Internal Audit**

**Final Report**

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Full Audit Report

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| <b>System:</b> Housing Repairs and Maintenance – Planned Maintenance |
| <b>Service:</b> Property Services                                    |
| <b>Division:</b> Operations  |
| <b>Audit Ref:</b> 08/27  |
| <b>Lead Auditor:</b> D Mitchell, Principal Auditor                   |

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| <b>Audit Opinion:</b> 2 of 5 (1 being the best)<br>Good<br>Given the nature of the risks involved in the achievement of the control objectives, key controls and most other parts of the internal control system are working effectively and provide substantial assurance that risks material to the achievement of the control objectives are adequately managed. |
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| <b>Date of Issue:</b> 07/04/08  |
| <b>Distribution (Client):</b> A Moscardini, Head of Operations<br>J Potter, Contracts Manager                                 |
| <b>Distribution (Financial Services):</b> Paul Darby, Director of Financial Services<br>Peter Jackson, Head of Internal Audit |

## **Background**

### **Introduction**

- 1 The Housing repairs and maintenance system is administered by officers from the Operations Division of Property Services.
- 2 The overall objective of the Planned Maintenance service is to modernise council owned houses in order to comply with the Decent Homes Standards by 2010.
- 3 Works involve the upgrading and installation of heating, windows, doors, kitchens and bathrooms.
- 4 The planned maintenance programme for consists of approximately 400 properties at a budgeted cost of £4 million.

### **Objectives**

- 5 The objective of the audit was to examine and evaluate the adequacy, reliability and effectiveness of the internal control system that management has established to meet control objectives.

### **Scope**

- 6 The internal control system for Housing repairs and maintenance was reviewed under five headings, namely:
  - Ensuring that financial and operational information is complete, accurate and reliable
  - Ensuring that statutory and regulatory requirements are complied with, including management policies such as Contracts Procedure Rules and Financial Regulations
  - Ensuring that financial and other assets are safeguarded, and that adequate arrangements are in place to prevent and detect fraud
  - Ensuring operations are carried out as planned and that service and corporate objectives are being met
  - Ensuring the economical and efficient use of resources
- 7 The audit was carried out in accordance with the Audit Plan.
- 8 The period covered by the audit review was April 2007 to February 2008, inclusive.

### **Methodology**

- 9 The audit review was undertaken using a System Based auditing approach. This involves identification, documentation, evaluation and testing in relation to system objectives and controls.

## **Key Findings and Conclusions**

### **Ensuring that financial and operational information is complete, accurate and reliable**

- 1.1 Properties subject to an RTB application have been removed from the annual programme of work**
  - 1.1.1 Notifications are forwarded by Legal & Administration to Property Services regarding any properties subject to Right-To-Buy. Any of these properties that are included in the annual programme of work are removed.
  - 1.1.2 A data matching exercise was carried out between the register of RTB completions and the annual programme of work. This confirmed that only properties that belonged to the council were included in the plan. No properties that had been subject to an RTB application had been included.
  
- 1.2 Checks are made to ensure that works have not already been carried out.**
  - 1.2.1 All works which have already been carried out as responsive repairs are recorded on the initial survey.
  - 1.2.2 Initial surveys are forwarded to and reviewed by the Contracts Manager and details of any works previously carried out are recorded on the annual programme of works.
  - 1.2.3 Enquiry and examination of property surveys confirmed that these arrangements were in place.

### **Ensuring that statutory and regulatory requirements are complied with, including management policies such as Contracts Procedure Rules and Financial Regulations**

- 2.1 Contract procedure rules have been adhered to for all suppliers and contractors**
  - 2.1.1 Contracts with a value of over £50,000 are subject to a formal tendering process, in line with the Contract Procedure Rules.
  - 2.1.2 The contracts for the suppliers of kitchens, windows, doors, bathrooms and electrical services were all subject to the tendering process.
  - 2.1.3 Testing carried out during last years audit found that Contract Procedure Rules had been adhered to with appropriate advertising in the European Journal. Bids had been properly recorded and evaluated, with the contract being awarded on best price, quality, and value for money. These contracts remain in place during 2007/8 therefore the repeat of the tests was unnecessary.

**2.2 Purchase orders, for each supplier have been properly completed**

- 2.2.1 An annual purchase order is completed for all suppliers each year. This allows one order to be placed, and goods/services delivered as and when they are required.
- 2.2.2 The annual purchase orders for 2007/08 were reviewed and found to have been properly completed, in accordance with financial regulations.

**2.3 Materials orders can be vouched to a schedule.**

- 2.3.1 Material schedules are not compiled for bathrooms, doors and windows as these are contracted mainly on a supply and fit basis. The contractor will survey the property and forward the requirements to the Contracts Manager for approval.
- 2.3.2 A sample of 50 properties which had undergone planned maintenance were examined. This found that where applicable materials schedules and orders could be located.

## **Ensuring that financial and other assets are safeguarded, and that adequate arrangements are in place to prevent and detect fraud**

**3.1 Delivery notes are checked against materials and signed.**

- 3.1.1 Following the delivery of an order for materials, the delivery note should be checked to ensure that the materials, as per the delivery note, have actually been delivered, and match what has been ordered. A signature is then required to confirm that the check has been undertaken. As mentioned above this usually relates to kitchens only.
- 3.1.2 Once a delivery note has been checked it is practice to forward this to Payment Services in order for it to be matched to an invoice. These are scanned into Agresso. Copies may be retained on file in property services.
- 3.1.3 Testing was undertaken on the sample to match orders to delivery notes to ensure that this check is evidenced. Of the 50 properties in the sample there were 19 where a delivery note was applicable. The majority could be located although two had been unsigned. Another two could not be located in Property Services files or on Agresso.
- 3.1.4 In order to comply with Annual Governance Statement requirements, as outlined at the end of this report, it is important to ensure that evidence is retained for all areas of work which impact on the internal control environment. It is accepted that much work on modernisation is contracted out on a supply and fit basis however where delivery notes are applicable care must be taken to ensure that a copy is retained and available for any future inspections.

***Recommendations***

- RI Properly checked and signed delivery notes should be gathered and forwarded to payment services for scanning.*

**3.2 Invoices are received from the contractor after the work has been signed off.**

- 3.2.1 While the initial cost of the works to be carried out are agreed at the tendering stage of the process, it may be necessary for a revision of the costs for individual jobs, once the work has been completed, to take account of any additional works.
- 3.2.2 Testing was undertaken on a random sample of invoices, from the range of contractors, to ensure that the invoice was received and/or paid after the works had been signed off. This was to ensure that payment had been made only after the work had been satisfactorily completed.
- 3.2.3 Testing on a random sample of properties found that this had generally been the case. A very small number of instances were found where payment appeared to have been made prior to an appropriate sign-off. This was deemed as a minor failure only although care needs to be maintained when cross-checking invoices to the relevant records.

**3.3 Invoices are checked for accuracy, and authorised.**

- 3.3.1 The sample of properties was also checked to ensure that the invoice had been checked for accuracy, was properly authorised and was coded correctly.
- 3.3.2 All of the invoices were found to have been properly checked prior to payment. This was evidenced by initials of the Contracts Manager, and date, on copies held in Property Services. Actual authorisation for payment is through the Agresso procurement module.
- 3.3.3 Coding used was found to be generally accurate and related to the relevant scheme.

**Ensuring operations are carried out as planned and that service and corporate objectives are being met****4.1 Programmes of works have been communicated to contractors**

- 4.1.1 The Head of Property Services compiles an annual programme of works to be carried out, and forwards this to the Contracts Manager. This programme is communicated to the contractors prior to commencement of work.
- 4.1.2 The programme of works was reviewed and evidence was gathered to confirm that the contractors had been properly notified of the work to be carried out, and this had been done in a timely manner. This had been done via email and pre-programme meetings with the contractors.

**4.2 Properties within the programme have had an initial survey carried out**

- 4.2.1 Surveys of properties within the programme are carried out by the contractor, the exception being for kitchens where the survey and installation is carried out in-house by council operatives.
- 4.2.2 The sample of properties selected, was tested to ensure that initial surveys are completed where appropriate, and properly recorded.
- 4.2.3 For each property appropriate evidence was available to confirm that necessary survey had been carried out as planned.

**4.3 Door, window, kitchen, and bathroom requirements have been approved by the Contracts Manager**

- 4.3.1 Requirements for works are completed by the contractor and forwarded to the Contracts Manager to be approved. This is mainly for doors and windows. Only one range of bathroom is available, and kitchens are surveyed and installed in-house. The Contracts Manager checks the requirements and sends an email to approve them or to make amendments.
- 4.3.2 For the sample of properties, it was found that the requirements had been forwarded correctly to the Contracts Manager, approved, and communicated back to the contractor.

**4.4 Planned rewires have been carried out prior to commencement of other works**

- 4.4.1 Re-wiring work is carried out prior to all other work to minimise disturbance and ensure efficiency.
- 4.4.2 Testing found that for each property, the rewire works were completed prior to any other planned work.

**4.5 Site visits are carried out to ensure progress, and quality, are suitably recorded**

- 4.5.1 Site visits are conducted to ensure that the progress and quality of the works being carried out are satisfactory.
- 4.5.2 Site diaries are used to record when sites are visited and any action that needs to be taken as a result of this visit.
- 4.5.3 Progress sheets are also used to record when planned works on doors, windows, kitchens, and bathrooms have been completed for each property.
- 4.5.4 Testing confirmed that sufficient site visits had been carried out and recorded.

**4.6 Work carried out by council operatives is properly identified, coded and charged**

- 4.6.1 The majority of works is carried out by the Contractors, as regards to supplying and installing materials.
- 4.6.2 Testing of invoices discussed earlier in this report, confirmed the correct identification, coding and charging of works carried out.

**4.7 Extra work is checked and agreed by the Contracts Manager and suitably recorded and charged**

- 4.7.1 Previously extra work was recorded and passed to the architect for approval. This would then be charged separately to the overall cost of the work.
- 4.7.2 Extra work is now charged as an actual cost directly to the job and not separately identified. Therefore costs have been covered by other tests during this audit.

**4.8 Completion sheets have been completed and signed by the tenant and supervisor where appropriate**

- 4.8.1 Following the completion of the works, a quality control inspection is undertaken, to ensure that the works is of the required quality.
- 4.8.2 The results of these inspections are recorded on Remedial Works sheet if more work is needed. When work is completed satisfactorily the tenant is required to sign a Sign-off sheet.



- 4.8.3 Testing on the sample of properties found that appropriate documentation had been completed. Any instances where the officer had been unable to gain entry had also been recorded.
- 4.8.4 It was noted that tenants signatures on the Sign-off sheet are not recorded. This would be desirable for Statement of Internal Control requirements.

**Recommendations**

- R2 *The sign-off sheets should be amended to enable the recording of the date for each tenants signature.*

**4.9 Satisfaction surveys have been issued to tenants and responses have been recorded and, if necessary, acted upon.**

- 4.9.1 Once the work has been completed, and the Quality control Inspection undertaken, the tenants are issued with a general satisfaction survey to assess the overall performance.
- 4.9.2 As surveys are automatically passed to the tenant there is no record of this on the system and therefore testing could not be undertaken on this area, but the procedure was confirmed by enquiry.
- 4.9.3 Of the 50 properties tested, only 5 of the satisfaction surveys had been returned completed by the tenant. However, often surveys are completed anonymously.
- 4.9.5 The results from returned satisfaction surveys are compiled by the Head of Property Services with a report produced at the end of the year. The actual return rate is higher than the sample suggests. For example up until the time of this audit the return rate for Brandon was 42%, and Gilesgate 33%.
- 4.9.6 The overall results reported for 2006/7 showed a 98% tenant satisfaction of the whole process from consultation to completion.

**4.10 Completed works can be vouched to a Completion Certificate, where appropriate.**

- 4.10.1 Completion certificates are no longer utilised for planned maintenance. The alternative procedure is as described in 4.8 of this report.

**4.11 Written procedures have been produced and cover the main elements of the system.**

- 4.11.1 Written procedures have been produced for the Planned Maintenance section. Examples of the procedures have been obtained. These include the key stages of pre and post works.

**Ensuring the economical and efficient use of resources****5.1 Costs are appropriately compiled and reported to management for budget monitoring purposes**

- 5.1.1 Monthly budget statements are produced by the Accountancy section to show the budgeted income/expenditure against the actual. These are forwarded to the Head of Property Services in order to assist with monitoring of financial resources and performance.

- 5.1.2 The latest copy of the budget statement was obtained showing Planned Maintenance and enquiry confirm that suitable arrangements are in place and operating as planned.

## **6.1 Painting Contract**

- 6.1.1 The Painting Contract was also examined during this review. The Painting programme is based upon a five-year cycle that covers all of the City of Durham housing stock, and is worth approximately £1.25 million. The current contracts in place will expire in 2010.
- 6.1.2 The two companies who were awarded the painting contract are Mitie Property Services and Alfred Bagnall & Sons.

### **6.2 The Tendering process has been carried out in accordance with the Contract Procedure Rules**

- 6.2.1 The Contracts currently in place were reviewed as part of the audit carried out in 2006/7, to ensure that Contract Procedure Rules had been followed. Testing confirmed that the contracts had been awarded on the basis of the best value and the best quality, and procedures had been followed.

### **6.3 A Painting plan has been devised, is carried out and is up to date.**

- 6.3.1 An annual painting programme is created by the Head of Property Services to incorporate all of the properties, which require painting work. This programme is divided between the two contractors and agreed before any work is commenced. Prices for the supply of paint, and actual work are also agreed.
- 6.3.2 Review of the painting contract records found that evidence had been retained on file to confirm that the contractors had been supplied with a painting plan.
- 6.3.3 As with Planned Maintenance notifications are received from Legal regarding any properties subject to Right-To-Buy. These properties are removed from the painting programme.
- 6.3.4 The painting programme for 2007/8 was compared to the Right-To-Buy register to ensure that painting work has only been carried out on Council owned properties. It was found that 10 of the properties had been sold during the year. Of these 6 had been correctly removed from the plan, and for 3 the RTB application had been made after the painting works had been carried out.
- 6.3.5 The one remaining property had painting works two months after the RTB completion date and should have been removed from the plan. Apart from this isolated case which appears to have been missed this control was found to be in place and working as expected.

- 6.4 Regular visits are carried out at each site to monitor progress.**
- 6.4.1 Regular visits are carried out on site and progress against each job is recorded on a Weekly External Painting Inspection Sheet. When painting is finished on a property an inspection form is completed, this is signed and dated by the Inspector and notes made of any remedial action if necessary.  
A sample of streets was selected from the programme. For each street appropriately completed, signed and dated inspection forms could be located.
- 6.4.3 Copies of all the invoices from the two painting contractors were obtained and examined. Each invoice was found to have been checked, signed and dated. Properties charged for could be traced to the plan and inspection sheets, and none were found that had been duplicated.

### **Additional Points**

The current system for administering the planned maintenance programme is at present almost wholly paper based with various documentation such as invoices, surveys, and delivery notes, held in hard-copy form on various files and progress is monitored by manually recording the dates on sheets.

As with any paper based system documents can be lost or damaged, and location of particular information can be time consuming.

It may be worthwhile for client management to consider a system of recording all information and documentation electronically, although this would be dependent on plans for preparation for LGR in April 2009. A suggestion would be to create folders on the server for each scheme and within each scheme folder could be folders for individual properties to which all relevant documentation could be scanned. This would enable a complete record to be kept in one place and greatly improve information retrieval. Spreadsheets could be created to record all key dates to enable the monitoring of progress for each scheme, or it may be possible for Sx3 could be utilised.

### **Summary**

The system for Planned Maintenance appears to be working well. Of the 8 key controls agreed with client management, all were found to be in place. There were a number of minor errors outlined in this report which may need attention, however overall the audit score for Planned Maintenance has been judged as 2 – Good.

Officers involved in the operation of Planned Maintenance are thanked for their time and assistance in the completion of the audit.

## **Audit Committee**

The Audit Overview Committee meeting on 4 October 2007 recommended changes to the timescales required for the implementation of recommendations.

Recommendations are already identified as High, Medium or Low risk, but timescales were previously agreed mutually with the Heads of Service. However, Audit Overview Committee have given instructions that the timescales for the implementation of recommendations be as follows:

- High Risks to be implemented within 3 months
- Medium Risks to be implemented within 6 months
- Low Risks to be implemented within 12 months

Protocols for agreed implementation dates outside of these, due to exceptional circumstances, are in the process of being developed. These protocols will be presented to OMT shortly before consideration / sign off by the Audit Overview Committee in January 2008.

## **Annual Governance Statement Requirements**

City of Durham Council is responsible for ensuring that there is a sound system of internal control, which facilitates the effective exercise of City of Durham Council's functions and includes adequate arrangements for the management of risk.

The Council must therefore annually review all of its systems in operation to ensure that as a minimum all internal controls (key controls) are working effectively. It is the responsibility of Heads of Service to give annual assurance to the Council in writing to support this.

To enable Heads of Service to carry out this responsibility, it is important that officers should, when carrying out their day to day activities ensure that they evidence all areas of work which impacts on the internal control environment. Work carried out by internal audit in 2005/06 highlighted many areas where officers had carried out work, but there was no physical evidence to support this. Some good examples include; the retention of documents approving measurements for windows, and the reconciliation of the valuation list.

| No | Expected Key Control   | Control in Place? |
|----|--|-------------------|
| 1  | Written Procedure notes have been prepared, are regularly updated and cover the main elements of the system  | Yes               |
| 2  | Financial Regulations and Contract Procedure Rules have been adhered to and proper procedures are in place regarding materials including ordering, delivery, and payment, which ensure the efficient and effective use of resources. | Yes               |
| 3  | Programs of work have been devised and work is carried out accordingly.  | Yes               |
| 4  | Programs of work are compared to the Right to Buy Register, and work carried out by Responsive Repairs on a regular basis and the programs updated accordingly   | Yes               |
| 5  | Documentation and evidence relating to work carried out by contractors is retained   | Yes               |
| 6  | Quality control inspections are carried out  | Yes               |
| 7  | Customer satisfaction surveys are distributed, monitored and action taken where necessary  | Yes               |
| 8  | Regular site inspections are carried out and progress properly monitored   | Yes               |



Audit Opinion Scoring

|                |          | Excellent | Good       | Satisfactory          | Needs improvement     | Unsatisfactory        |
|----------------|----------|-----------|------------|-----------------------|-----------------------|-----------------------|
| Key controls   | Internal | All       | All        | Minor fail            | Moderate fail         | Significant fail      |
|                | External | All       | All        | Minor fail            | Moderate fail         | Significant fail      |
| Other controls | Internal | All       | Minor fail | Any corrective action | Any corrective action | Any corrective action |
|                | External | All       | Minor fail | Any corrective action | Any corrective action | Any corrective action |
| Risk           |          | Very low  | Low        | Medium                | Medium – High         | High                  |





# Planned Maintenance - Consultation

## Consultation

The consultation process for both planned maintenance has continued to be highly successful. All consultations take place on a one to one basis with the tenant, at an appointed time at the tenant's home.

What the tenants said:

| <u>Planned Maintenance</u>  | 2004/05 | 2005/06 | 2006/07 | 2007/08 | Target<br>2007/08 | Target<br>2008/09 |
|---|---------|---------|---------|---------|-------------------|-------------------|
| Returned form   | 44%     | 31%     | 32%     | 24%     | 50%               | 50%               |
| Did you feel that the overall standard of consultation carried out before the works commenced was satisfactory? | 97%     | 95%     | 93%     | 92%     | 95%               | 95%               |
| If you had a home visit, did the Council's Technical Officer show you an identity card before entering?         | 77%     | 86%     | 88%     | 90%     | 95%               | 95%               |
| Were you given an appointment for this visit?   | 65%     | 64%     | 69%     | 60%     | 95%               | 95%               |
| Was the appointment kept?   | 87%     | 89%     | 87%     | 84%     | 95%               | 95%               |
| Was the Technical Officer knowledgeable about the works to be carried out?                                      | n/a     | n/a     | 99%     | 91%     | 95%               | 95%               |

## Planned Maintenance – Windows and Doors

### Windows (to 314 properties)

This was the last year of a 5-year term partnership contract with the contractor supplying windows, and has been re-tendered for the year 2008/09. As the figures below suggest, although the stringent targets we set ourselves weren't met, there was nevertheless a significant improvement in performance across the board when compared with the previous year.

What the tenants said:

| <u>Planned Maintenance</u>   | 2004/05 | 2005/06 | 2006/07 | 2007/08 | Target<br>2007/08 | Target<br>2008/09 |
|--|---------|---------|---------|---------|-------------------|-------------------|
| Was the quality of windows installed satisfactory?   |         | 99%     | 86%     | 93%     | 99%               | 99%               |
| Was the standard of workmanship in the installation of the windows satisfactory?                       | 100%    | 93%     | 83%     | 90%     | 95%               | 95%               |
| Did it take 2 days or under to complete the work?  | 96%     | 98%     | 74%     | 92%     | 99%               | 99%               |
| Was the standard of tidiness that the property was left in after the window installation satisfactory? | 98%     | 95%     | 83%     | 88%     | 99%               | 99%               |

### External Doors (to 335 properties)

This was a 5-year term partnership contract with the contractor supplying doors, and has been re-tendered for the year 2008/09. As the figures below suggest, although the stringent targets we set ourselves weren't met, there was nevertheless a significantly high satisfaction score across the board.

What the tenants said:

| <u>Planned Maintenance</u>   | 2004/05 | 2005/06 | 2006/07 | 2007/08 | Target<br>2007/08 | Target<br>2008/09 |
|--|---------|---------|---------|---------|-------------------|-------------------|
| Was the quality of doors installed satisfactory?   |         | 95%     | 93%     | 92%     | 99%               | 99%               |
| Was the standard of workmanship in the installation of the doors satisfactory?                       | 100%    | 98%     | 93%     | 95%     | 99%               | 99%               |
| Were you happy with the choices of styles and colours of the doors?                                  |         | 93%     | 98%     | 95%     | 99%               | 99%               |
| Did it take 2 days or under to complete the work?  | 99%     | 99%     | 98%     | 95%     | 99%               | 99%               |
| Was the standard of tidiness that the property was left in after the door installation satisfactory? | 98%     | 100%    | 96%     | 96%     | 99%               | 99%               |

## Planned Maintenance – Bathrooms and Kitchens

### Bathrooms (to 183 properties)

The contract for the long-term provision of supply and fix of bathroom suites and associated works was awarded in 2006/07 for a 4-year period. This will also include medical adaptation requirements where necessary. Because of the number of different trades necessary to complete a bathroom refurbishment and because of the inter-reliance also on electrical rewiring (earth bonding etc.), a new target of 5 days was introduced (instead of 3 days previously). Some of the scores, although good, are lower than last year. This was due to problems on one site only and has now been rectified.

What the tenants said:

| <u>Planned Maintenance</u>   | 2004/05 | 2005/06 | 2006/07 | 2007/08 | Target<br>2007/08 | Target<br>2008/09 |
|--|---------|---------|---------|---------|-------------------|-------------------|
| Was the quality of the bathroom suite installed satisfactory?  |         | 100%    | 100%    | 95%     | 99%               | 99%               |
| Was the standard of workmanship in the installation of the bathroom suite satisfactory?                        |         | 100%    | 100%    | 78%     | 99%               | 99%               |
| Did it take 5 days or under to complete the work?  |         |         |         | 74%     | 90%               | 90%               |
| Was the standard of tidiness that the property was left in after the bathroom suite installation satisfactory? |         | 100%    | 100%    | 74%     | 99%               | 99%               |

### Kitchens (to 186 properties)

The contract with the kitchen manufacturer is due to be re-tendered in 2008. In 2006/07 the kitchen units were installed in-house but for 2007/08, and in future years, the installation will be carried out by external contractors along with the complete refurbishment of the kitchens.

As with the bathrooms, because of the number of different trades necessary to complete a kitchen refurbishment and because of the inter-reliance also on electrical rewiring (earth bonding etc.), a new target of 5 days was being introduced. Overall the scores show high satisfaction levels amongst tenants.

What the tenants said:

| <u>Planned Maintenance</u>  | 2004/05 | 2005/06 | 2006/07 | 2007/08 | Target<br>2007/08 | Target<br>2008/09 |
|---|---------|---------|---------|---------|-------------------|-------------------|
| Was the quality of the kitchen units installed satisfactory?  |         | 100%    | 100%    | 96%     | 99%               | 99%               |
| Was the standard of workmanship in the installation of the kitchen units satisfactory?                  |         | 100%    | 100%    | 91%     | 99%               | 99%               |
| Were you happy with the choices of colours of the kitchen units and workbenches?                        |         | 80%     | 100%    | 82%     | 99%               | 99%               |
| Did it take 5 days or under to complete the work?   |         |         |         | 93%     | 90%               | 95%               |
| Was the standard of tidiness that the property was left in after the kitchen installation satisfactory? |         | 100%    | 100%    | 91%     | 99%               | 99%               |

## Planned Maintenance – Rewiring and Heating

### Electrical Rewiring (to 101 properties)

The contract for the long-term provision of electrical rewiring and associated works was awarded in 2006/07 for a 4-year period. The improvement in satisfaction over 2005/06 can be attributed to the high standards shown by this external contractor.

Because of the inter-reliance also on gas central heating installation, and kitchen refurbishments, a new target of 3 days is being introduced (instead of 2 days previously).

What the tenants said:

| <u>Planned Maintenance</u>   | 2004/05 | 2005/06 | 2006/07 | 2007/08 | Target 2007/08 | Target 2008/09 |
|--|---------|---------|---------|---------|----------------|----------------|
| Was the standard of workmanship in the electrical installation satisfactory?                               |         | 83%     | 89%     | 74%     | 90%            | 90%            |
| Did it take 3 days or under to complete the work?  |         |         |         | 74%     | 95%            | 95%            |
| Was the standard of tidiness that the property was left in after the electrical installation satisfactory? |         | 73%     | 92%     | 92%     | 90%            | 95%            |

### Gas Central Heating (to 598 properties)

A contract for Gas Central Heating works for 2006/07 has been negotiated based upon a previously won tender. The contract was awarded in 2006/07 for a 4-year period. There has been an improvement, over the previous year, in all areas of satisfaction except one.

What the tenants said:

| <u>Planned Maintenance</u>  | 2004/05 | 2005/06 | 2006/07 | 2007/08 | Target 2007/08 | Target 2008/09 |
|---|---------|---------|---------|---------|----------------|----------------|
| Was the standard of workmanship in the heating installation satisfactory?                               | 100%    | 86%     | 89%     | 93%     | 90%            | 95%            |
| Do you rate the performance of your new heating system as being satisfactory?                           |         | 93%     | 77%     | 89%     | 95%            | 95%            |
| Did it take 2 days or under to complete the work?   | 98%     | 72%     | 85%     | 95%     | 90%            | 97%            |
| Was the standard of tidiness that the property was left in after the heating installation satisfactory? | 98%     | 79%     | 89%     | 84%     | 90%            | 90%            |

# Planned Maintenance – Complaints and Satisfaction

## Complaints

Complaints received from tenants are treated seriously.

The complaints referred to below are minor day-to-day complaints which are usually resolved on site – they are not “official” complaints.

If, after the works are completed and a returned satisfaction survey still contains a complaint or a negative comment, then this is given to the Technical Officer in charge, who contacts the customer directly in order to finally resolve the issue.

What the tenants said:

| <u>Planned Maintenance</u>                                  | 2004/05 | 2005/06 | 2006/07 | 2007/08 | Target<br>2007/08 | Target<br>2008/09 |
|---|---------|---------|---------|---------|-------------------|-------------------|
| Did you find it necessary to make a complaint at any stage? | 9%      | 35%     | 26%     | 37%     | 20%               | 20%               |
| What was your complaint about?                              |         |         |         |         |                   |                   |
| Technical Officer in charge of the work?                    |         | 3%      | 1%      | 2%      | 2%                | 1%                |
| a site operative?   |         | 8%      | 3%      | 7%      | 7%                | 5%                |
| quality of materials?                                       |         | 2%      | 14%     | 5%      | 1%                | 1%                |
| workmanship?  |         | 29%     | 36%     | 21%     | 25%               | 20%               |
| time taken to complete the work?                            |         | 15%     | 4%      | 17%     | 10%               | 10%               |
| untidiness after completion?                                |         | 10%     | 14%     | 21%     | 5%                | 5%                |
| other?  |         | 33%     | 28%     | 28%     | 25%               | 25%               |
| Was your complaint dealt with to your satisfaction?         | n/a     | n/a     | 46%     | 46%     | n/a               | 75%               |

## Overall Satisfaction

This is a measure of the whole process, from consultation to completion.

The data shows that although tenants may have minor complaints or dissatisfactions (as shown in previous tables), they are still highly satisfied with the overall work carried out on their home, from consultation to the completed works.

What the tenants said:

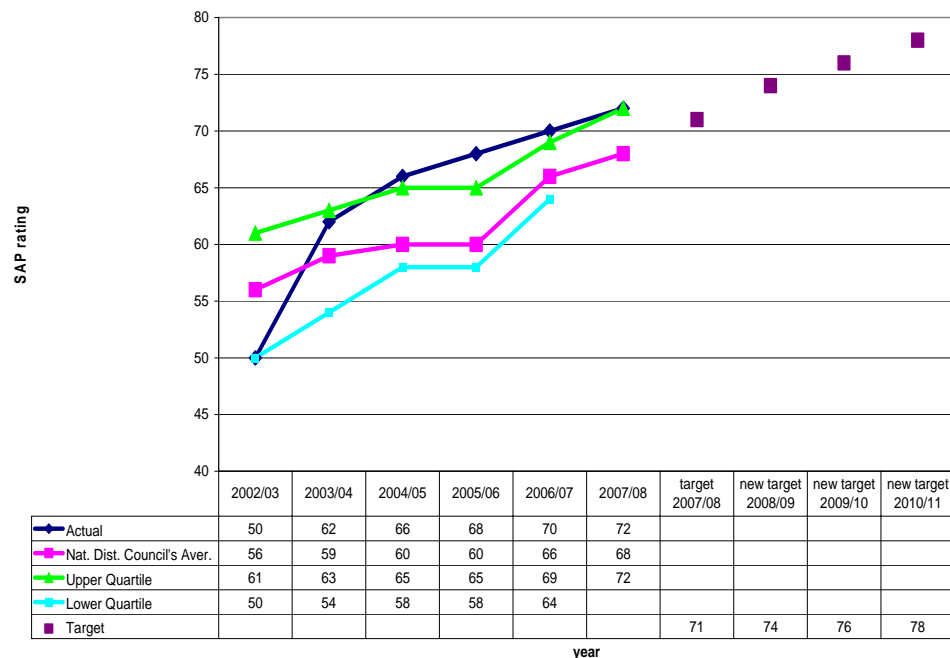
| <u>Planned Maintenance</u>  | 2004/05 | 2005/06 | 2006/07 | 2007/08 | Target<br>2007/08 | Target<br>2008/09 |
|---|---------|---------|---------|---------|-------------------|-------------------|
| Overall would you rate the work carried out on your home as being satisfactory? |         | 90%     | 97%     | 85%     | 95%               | 95%               |



## Best Value Performance Indicators

**BVPI 63** – Energy Efficiency – the average SAP (Standard Assessment Procedure) rating of the local authority owned dwellings.

PURPOSE - This is to encourage improvement on the SAP rating of the local authority owned dwellings. The higher the SAP rating the better.

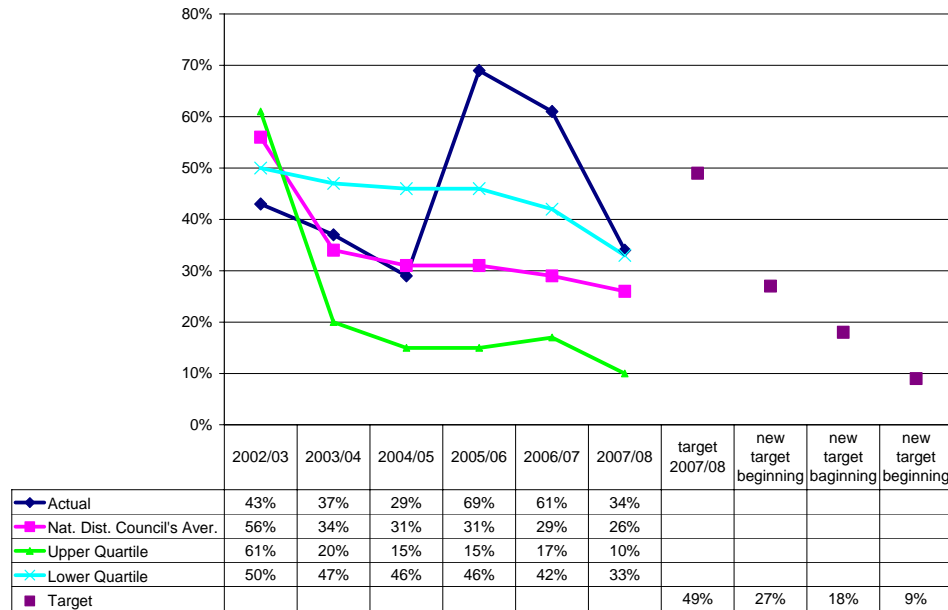


Over the last five years the authority has improved the thermal efficiency of its housing stock and the average SAP rating has risen from 47 in 2002 (lower Quartile) to a rating of 72 (upper quartile) as of 31<sup>st</sup> March 2008. All improvements are recorded on our Energy Efficiency database (UNO) which allows accurate SAP ratings to be calculated. Areas for improvement are also monitored and targeted by this system.

## Best Value Performance Indicators (contd.)

**BVPI 184a** – The proportion of LA homes which were non-decent at the start of the financial year.

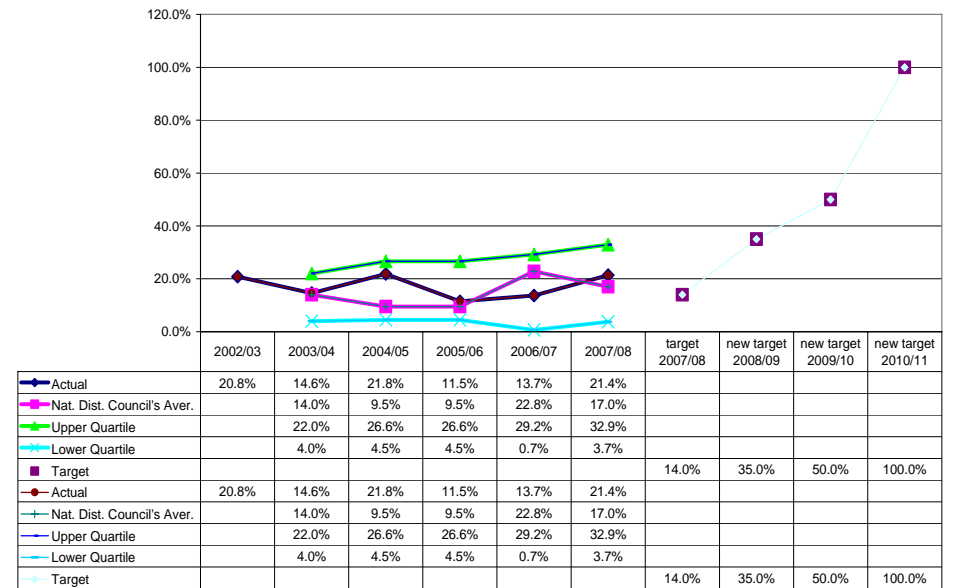
**PURPOSE** – This BVPI monitors year-on-year improvement in the quality of local authority housing stock. The Government believes that everyone should have the opportunity to have a decent home. It is aiming to make all Council and Housing Association housing decent by December 2010.



The data table commences from 2002/03. The figures were then recalculated in 2005/06 after commissioning an independent firm of surveyors to carry out a comprehensive condition survey to comply with Government guidelines. Although we are presently in the “bottom quartile” our future works programmes will enable us to achieve the Government target by the end of 2010.

**BVPI 184b** – The percentage change in proportion of non-decent LA homes in the financial year.

**PURPOSE** – This BVPI monitors year-on-year improvement in the quality of local authority housing stock. The Government believes that everyone should have the opportunity to have a decent home. It is aiming to make all Council and Housing Association housing decent by December 2010.



This table shows the percentage change (from non-decent to decent) within any given year.



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# Internal Audits

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## **Definition of Scores**

1 – Excellent. Given the nature of the risks involved in the achievement of the control objectives, key controls and other parts of the internal control system are working effectively and provides full assurance that risks material to the achievement of the control objectives are adequately managed.

2 – Good. Given the nature of the risks involved in the achievement of the control objectives, key controls and other parts of the internal control system are working effectively and provides substantial assurance that risks material to the achievement of the control objectives are adequately managed.

3 – Satisfactory. Given the nature of the risks involved in the achievement of the control objectives, key controls are adequate, but other parts of the internal control system require corrective action. This provides reasonable assurance that risks material to the achievement of the control objectives are adequately managed.

4 – Needs Improvement. Given the nature of the risks involved in the achievement of the control objectives, neither the key controls nor the other parts of the internal control system are working effectively, and some corrective action is needed in both areas. This provides only limited assurance that risks material to the achievement of the control objectives are adequately managed.

5 – Unsatisfactory. Given the nature of the risks involved in the achievement of the control objectives, key controls and other parts of the internal control system are inadequate, and significant corrective action is required in both areas. This provides little or no assurance that risks material to the achievement of the control objectives are adequately managed.

## **Results of Internal Audit**

|                     | <u>July 2006</u> | <u>Dec 2006</u> | <u>March 2007</u> | <u>March 2008</u> |
|---------------------|------------------|-----------------|-------------------|-------------------|
| Planned Maintenance | 3 – satisfactory |                 | 3 – satisfactory  | 2 - good          |



## **DECENT HOMES STANDARD**

### **Introduction**

- At the meeting of the Council on 27<sup>th</sup> September 2002, Members formally adopted the Housing Business Plan which included a 7-year plan to ensure that the Council's housing stock met the Government's Decent Homes Standard (DHS) by the end of 2010.
- This has now been revised and extended up until the end of 2010.
- Officers from the Technical Services Division, of the Property Services Department administer the procedures with regards to compliance with the Decent Homes Standards.
- In 2002 the Government established a target to ensure that by 2010, all social housing is brought into a decent condition.
- In 2002 the Durham City Council carried out an in-house survey of the housing stock (1211 properties covering every house types and condition) and determined that 49.09% did not meet the decent home standard.
- A further survey was carried out in 2004 by an external firm of chartered surveyors and property consultants, Tranter & Thomas. This survey was carried out in compliance with the requirements of Durham City Council. The survey consisted of 907 houses based on archetype, age, location factors etc. The results of the survey were that 69.72% of houses were considered to be of a non-decent standard.
- Due to the discrepancies between the two surveys it was decided to combine the two reports, which led to an increase in the number of non-decent homes of 20.63% (69.72% from 49.09%).

### **Housing Stock Data**

- The housing stock as of 31<sup>st</sup> December 2007 comprised 6,166 dwellings of mixed property types. A large proportion of this housing stock is of traditional construction and there are no property types with any significant problems relative to their design or structure. The stock is in relatively sound condition, both by nature of design and because of the modernisation and planned maintenance programmes which have been undertaken in the past.
- Information regarding the housing stock and non-decent homes is maintained on the "dhs-t&t update" database. This contains addresses of the housing stock, the dwelling types and what sections of the Decent Home Standard the houses have failed.
- The Head of Property Services is solely responsible for updating the sold, demolished and completed houses on the "dhs-t&t update" database. This information is then used to calculate the BVPI's 184a and 184b each quarter. Written procedure notes are kept for this function.

### **Budgets**

- By combining the in-house survey and the Tranter & Thomas survey the budget was increased from £14 million to £30 million (2004 prices). The Head of Property Services explained that when the consultants conducted their survey they targeted certain archetypes which meant that only some houses in a street had been surveyed and classed as non-decent. This omitted a number of houses from the survey, which were in the same street or area that were known to be of the same standard.

- The budgets for the renovation and replacement programmes have been published in the medium term financial plan and are recorded in the Annual Revenue and Capital Budgets Book.
- However, these budgets have been subsidised annually with approximately £0.5m from capital receipts (RTB's and other capital sales) and other direct funding. This next year 2008/09, for the first time, we will not be receiving this additional funding and therefore **if** this continues then there will be an overall shortfall of £1.5 m (3 x £0.5m each year) by the end of 2010/11. It will therefore be impossible for us to achieve the DHS standard by the Government's deadline.
- Monitoring of budgets is carried out by Property and Financial Services on a monthly basis and by The Capital Works Steering Group (until recently).

#### Decent Home Standard definition

- The surveys were carried out in compliance with the Government criteria for decent homes:-
  - Is the dwelling above the current statutory minimum standard for housing?,
  - Is the dwelling in a reasonable state of repair?,
  - Has the dwelling modern facilities and services?, and
  - Does the dwelling provide a reasonable degree of thermal comfort?

#### The "Durham Standard"

- The "Durham Standard goes further than the DHS e.g.:-
  - replacement windows are double glazed upvc windows with thermal glass and "Secure by Design",
  - replacement external doors are GRP doors with thermal qualities and are warp and maintenance free, and are of a colour and pattern chosen by the tenant,
  - refurbishment of kitchens include high-quality fittings of a colour and type chosen by the tenant,
  - refurbishment of the bathroom includes an overbath shower and tiling in all cases (except where a flat floor shower is necessary for tenants with disabilities),
  - electrical rewiring includes an external light with sensor, and
  - replacement/upgrading of central heating systems are with high efficiency condensing combi boilers which have low running costs as there is no storage of water necessary.

#### Non-Decency

- Projected data for each of the next few years shows the levels of non-decency.
 

|                  |                        |
|------------------|------------------------|
| ○ End of 2007/08 | 27% (1,668 properties) |
| ○ End of 2008/09 | 23% (1,474 properties) |
| ○ End of 2009/10 | 18% (1,147 properties) |
| ○ End of 2010/11 | 14% ( 877 properties)  |
- However, it must be emphasized that these projections are based on a lower than expected budget for 2008/09 and presumably therefore also for the following two years.
- Also, these non-decency figures contain a 757 properties which are classed as non-decent due to their roofs. The independent survey compiled this data on the basis of the date of last renewal of the roof coverings etc only. However, we disagree with this analysis as Government guidelines clearly state that "*dwelling which fail to meet this criterion are those where the component is old **and** because of their condition*". We strongly feel that some of the roofs in question do not fail this criterion as they are still, in our opinion, in

“sound” condition. If we say, therefore, that only 350 properties need their roof renewing then this would be more realistic.

- End of 2010/11           6% ( 350 properties)
- As stated previously, to meet the Government target of all Council houses made decent by end of 2010/11, an additional £1,500,000 would have to be made available over the next three years - 2008/09, 2009/10, 2010/11 to re-roof these 350 properties.

### Decent Homes Work Programmes

- The programmes of work are based upon the premise that a systematic and planned approach to renewal and improvement works will:-
  - Prolong the life of the housing stock,
  - Reduce the number of responsive repairs required in future years, and
  - Optimize the use of maintenance budgets.
- These future works programmes were also developed to fulfil the need for essential works and to meet tenants’ aspirations.
- Work programmes are completed for all of the towns and villages in the Durham City area. These programmes contain details of the address, age, property type and the number in each street, and the type of work to be carried out on the properties.
- Works programmes cover either one, all or a combination of component renewals based on need:-
  - the replacement of windows,
  - the replacement of external doors,
  - full refurbishment of the kitchen,
  - full refurbishment of the bathroom,
  - electrical rewiring, and
  - replacement/upgrading of central heating systems.
- It was decided that where the consultant’s survey classed individual properties (or a small number of properties) within a street as non-decent, it may be deemed necessary to carryout similar works to the whole street and bring them up to the same standard. This would also negate tenant’s complaints within the same street.
- To provide value for money and reduce the disturbance to the tenants, associated work which is needed to a property, is carried out at the same time e.g. kitchens refurbishment is always combined with an electrical rewire due to the increased number of electric points and sockets now required in kitchens.
- As part of ongoing maintenance and upkeep of the housing stock, the following works are also carried out on a cyclical programme:-
  - gas central heating servicing (annually)
  - solid fuel fire servicing (annually)
  - external painting (five-yearly – this time will reduce gradually reflecting the maintenance-free window and door renewal programmes to be carried out in future years)

### Contractors

- For each component renewal we use specialist sub-contractors. In-house supervisors project manage the sub-contractors on site. In-house workforce are used sometimes to supplement the external workforce as required.

### Satisfaction

- Every tenant whose property has received planned maintenance works receives a satisfaction survey to complete. The surveys are acted upon as required and the analysis of them are reported yearly to Members and Senior Officers.

### Performance indicators

- Decent Homes has two BVPIs, which must be monitored, calculated correctly and compared with previous years. These are BV 184a *“The Proportion of local authority dwellings which were non-decent at the start of the financial year”* and BV 184b *“The percentage change in the proportion of non-decent dwellings between the start and the end of the financial year”*.
- Data for compiling Local Performance Indicators is also collected and reported to Senior Managers and Members quarterly.