

Wear Valley District Council
Housing Services Department

Decent Homes Strategy

August 2005

DECENT HOMES STRATEGY

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1. Introduction

This document outlines the proposals of Wear Valley District Council to achieve the 'decent homes standard' by 2010. The achievement of this target is a challenging one for the Council and has resulted in the Council, staff, elected members, customers, residents and other stakeholders in making some tough and difficult decisions. The Council alone cannot achieve the target, it needs a further vehicle to access the resources required to allow it to do so.

Achievement of the decent homes target is not just about good asset management or project management, its about providing the Council's customers with a home and neighbourhood which they can be proud to live in. It is at the heart of the Housing Services Department and is directly linked to the Department's vision of –

'Leading the way to the very best housing of choice for everyone that contributes to sustainable communities which learn and grow'

The document is supported by other Council strategies and policies such as –

- Housing Strategy
- Community Plan
- Council Plan
- Asset Management Plan
- Capital Strategy
- Procurement Strategy
- Standing Orders in Relation to Contracts
- Financial Regulations
- Customer Compact
- Housing Services Business Plan
- Communications Strategy
- Empty Homes Strategy
- Service Improvement Plans

The Council and its customers have chosen Arms Length Management Organisation (ALMO) as the preferred option to deliver the additional resources to achieve decent homes. This followed a rigorous process that had the customer at its heart and that was supported by the Community Housing Task Force and was signed off by the Government Office in November 2004. It is anticipated that the ALMO will embrace this Strategy as one of its key drivers towards achieving decency.

2. What is a 'decent home'

In July 2000, following its Spending Review, the Government announced a significant increase in resources for housing, especially social housing. As part of its desire to link increased spending to better outcomes, the Government established a target to:

'ensure that all social housing meets set standards of decency by 2010, by reducing the number of households living in social housing that does not meet these standards by a third between 2001 and 2004, with most of the improvement taking place in the most deprived local authority areas'

A decent home is a home that is warm, weatherproof and has reasonably modern facilities.

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 2010. It also wants to improve conditions for vulnerable households in privately owned housing.

In 1997 there were 2,100,000 houses owned by local authorities and housing associations that did not meet the decent homes standard. Local authorities had a £19 billion backlog of repairs and improvements.

A decent home meets the following four criteria:

a - It meets the current statutory minimum standard for housing

Dwellings below this standard are those defined as unfit under section 604 of the *Housing Act 1985* (as amended by the *1989 Local Government and Housing Act*).

b - It is in a reasonable state of repair

Dwellings which fail to meet this criterion are those where either:

- one or more of the key building components are old and, because of their condition, need replacing or major repair; or
- two or more of the other building components are old and, because of their condition, need replacing or major repair.

c - It has reasonably modern facilities and services

Dwellings which fail to meet this criterion are those which lack three or more of the following:

- a reasonably modern kitchen (20 years old or less);
- a kitchen with adequate space and layout;
- a reasonably modern bathroom (30 years old or less);
- an appropriately located bathroom and WC;
- adequate insulation against external noise (where external noise is a problem);
- adequate size and layout of common areas for blocks of flats.

A home lacking two or less of the above is still classed as decent therefore it is not necessary to modernise kitchens and bathrooms if a home passes the remaining criteria.

d - It provides a reasonable degree of thermal comfort

This criterion requires dwellings to have both effective insulation and efficient heating.

General principles of achieving decency

In applying the decent home standard, the Council should bear in mind the following :

- decent homes must be sustainable in the long term. Decisions on which homes to invest in must be made in the context of the long term demand for the stock;
- it is a **minimum** standard that all social housing should meet by 2010 and which can be measured consistently across all social housing stock;
- it is a standard that **triggers action**, not one to which work is necessarily carried out;
- the Council are not expected to make a home decent if this is against a tenant's wishes as work can be undertaken when the dwelling is next empty. For reporting purposes, these properties should be counted as non-decent; and

- the Council are not expected to carry out only that work which contributes to making homes decent. Other factors may be considered:
 - building components may fail early, typically these should be dealt with on a responsive basis;
 - environmental and security works, which are not included in the decent home standard, may be considered high priority in some areas; and
 - whether the work to be undertaken can be modified to help meet the needs of people with disabilities.

Decent homes standard – Corporate Objectives

Achievement of the decent homes standard by 2010 supports all of the Council's Corporate Objectives and, ultimately, assists in the aim to 'become the best District Council in the country'. This is clearly illustrated in the Council Plan, where reference 2h refers to the delivery of the Decent Homes Standard as being a key statutory commitment for the Council in order to deliver on its objectives.

Working with customers, residents, Customer Panel, members, resident groups, contractors and other stakeholders to develop systems and strategies to deliver on the decent homes standard enables each of the six objectives to be achieved.

The six objectives include:

- **Population:** The Council will use its statutory powers, resources and influence to help create a balanced, vibrant and growing population across the whole of the Wear Valley District.
- **Environment:** The Council will aim to secure new public and private investment to improve the built and natural environment.
- **Economy:** The Council will enable the development of a continuously improving economic infrastructure and environment in Wear Valley.
- **Community Safety:** The Council will design its services to increase community safety and crime prevention and will work closely with key partners to improve crime reduction.
- **Health:** The Council will use its services to improve the health and well being and Wear Valley residents and promote healthy lifestyles.
- **Lifelong Learning:** The Council will encourage the development of continuous lifelong learning in Wear Valley.

Decent homes and meeting the corporate objectives

Population

Decent homes improvements are vital to the achievement of the population objective. The Council has set about exploring issues of unpopularity and low demand in relation to housing by monitoring the reasons for a refusal of a property and a customer's reasons for

leaving a property. This has enabled the Council to determine a detailed picture of the requirements and aspirations of our customers and potential customers. Concentrated investment in addressing these challenging issues will achieve the population objective by encouraging new tenancies, sustaining existing tenancies and balancing the community.

Environment

The additional funding that the ALMO may release to improve and repair the Council's homes also enables the Council to address key environmental issues such as:

- The poor condition of housing
- Empty homes
- The sustainability of estates and wards
- The need to maintain the natural and built environment

The Decent Homes programme in the public sector will be complemented by the Council's support of improvements to private sector housing stock and encouraging a mixed community in the area.

Economy

The Council will use the "Corporate Procurement Strategy" to seek to employ local contractors and encourage the use of local material suppliers or sub contractors. The Council has also established partnering arrangements for the long term delivery of works. This has enabled our contractors to establish strong supply chain arrangements with small and medium local enterprises. The decent homes programme will deliver approximately £40M in construction work within the years 2006-2010. It is envisaged that this investment will benefit the local economy.

Community Safety

The Council adheres to section 17 (Community Safety) recommendations and ensures community safety is an important consideration in the planning of the undertaking of decent homes improvement works. The Council uses "Secure by Design" on window and door replacement schemes and has invested in security measures on various estates. The programme of works is planned by using a multi agency approach to address the community's need for a reduction in crime figures and to feel safe in their homes and neighbourhoods.

Health

38.3% of the district's residents describe themselves to be in fairly good health or not in good health. A significant proportion of customers renting their home from the Council have major health issues in relation to disability, arthritis and associated mobility problems and asthma. All of these illnesses are exacerbated by poor living conditions. The Council continues to invest in improving homes through energy efficiency schemes such as double glazing and efficient heating systems. The provision of a warm home is regarded as central to achieving the Decent Homes Standard.

Lifelong Learning

The Council has established long term partnering arrangements that support continual training and apprenticeships. There is a recognised national skills gap in trained construction operatives and staff and the Council seeks to work with its partners and local colleges in addressing this concern. It is also anticipated that contracting partners employ and train, where possible, local employees to reduce the qualification gap within Wear Valley in delivering the Decent Homes programme.

3. Wear Valley's position

The Council commissioned consultants Property Tectonics to undertake a survey of the condition of the Council's housing stock in April 2002. The survey was carried out in accordance with the ODPM publication 'Collecting, Managing and Using Housing Stock Information' and covered a statistically random sample of the stock, with a 10% internal and external sample undertaken.

The sample included flats, houses, bungalows and sheltered flats schemes. Homes were divided into dwelling archetypes, this being a group of similar properties with regard to their age, size and construction type.

Survey results

The survey found that the Council's housing is generally in reasonable condition. The main structural elements to traditional built buildings were found to be generally sound, but a significant number of the properties surveyed suffered from single glazed windows, many of which were noted to be in poor condition. As a consequence many properties failed the Decent Homes Standard on this basis. In addition a high proportion of the kitchens and bathrooms surveyed were considered old and in poor condition. This was reflected in the Cost Maintenance Plan. Despite this a majority of the properties benefited from full central heating and many had cavity wall insulation.

The final report, produced by Property Tectonics in April 2002 highlighted the following in relation to the Decent Homes Standard:

- **49%** were classed as decent homes
- **42%** were classed as non decent homes
- **9%** are classed as potentially non decent homes

Property Tectonics cost summary was as follows:

Total cost over 30 year period	£141,195,939
Breakdown of total cost over 30 year period	
Catch up repairs	£4,674,025
Future major works	£124,787,633
Cyclical costs	£11,734,281

Average cost per house per annum	£891
No houses in stock	3739
Total cost over 30 years	£100,015,969
Average cost per bungalow per annum	£726
No of bungalows in stock	1459
Total cost over 30 years	£31,799,387
Average cost of flats/maisonettes per annum	£558
No of flats/maisonettes in stock	560
Total cost over 30 years	£9,380,583

These figures do not include the cost of contract preliminaries, VAT, professional/statutory fees, inflation, cost of day to day repairs and cyclical maintenance, and also exclude external painting and communal area decoration.

The report has been used as the basis of investment plans for the stock. Following the report the council commenced a programme of major works that sought to improve homes towards achieving the decent homes target. These works have been funded from the Major Repairs Allowance (MRA) and have included projects that have not been undertaken by Wear Valley council for a significant number of years, such as replacement kitchens, bathrooms and windows.

Historically the council undertook capital works programmes focussed on central heating upgrades/installations and improvements to the insulation of homes. This is reflected in both the findings of the stock condition survey and also in the councils overall SAP rating for their properties. These works were not, however, complemented by other works as outlined above, thus leading to overall deterioration with the external envelop and the fittings of the properties.

Non traditional stock

The council has also identified a number of non traditional dwellings within the housing stock. There are various categories of non traditional houses that suffer from particular problems inherent to their form of construction. Categories include –

- in situ poured concrete
- precast concrete frame
- steel frame
- timber frame
- large precast concrete panel, and
- Drury housing

The council has addressed some of these problems, either through refurbishment or demolition. Refurbishment has included –

- In situ poured concrete – Wimpey no fines homes have all received external insulation improving the previous poor insulative properties of these houses;

- Precast concrete frame – Airey homes at Frosterley and Rookhope have been either demolished or received replacement external walling, doors, windows and additional bracing;
- Steel frame – Dorlonco homes at Leeholme have received improved insulation and structural stiffening and at West Auckland, external insulation. Doxford and Hawthorn Leslie houses have received brick outer skins, new doors and windows and structural improvements;
- Timber frame – Spooner houses at Bishop Auckland have, to date, no identifiable structural problems;
- Drury housing – major structural problems identified at Bishop Auckland resulting in the decision to demolish the entire estate. Works to commence early 2005.

It can, therefore, be seen that the council have identified and reacted to inherent problems with the non traditional stock and future works are anticipated to be of a similar nature, in terms of cost and type, to those undertaken on traditional properties.

Sustainability links

The Decent Homes programme must be delivered in the context of the sustainability of neighbourhoods and the wider housing market. The Council commissioned a Housing Needs Survey in 2002 and has developed a sustainability index, complete with detailed Neighbourhood Profiles.

The Housing Needs Survey (HNS) identified that there were 26,353 households in the district in 2001. 24.9% of these households rented their homes from the Council. The Council has recognised that housing customers face multiple social, economic and environmental factors. These include:

- A majority of households living in Council accommodation have a lower than average income, with 52% of Council tenants receiving full housing benefits. Research indicates that these households are more likely to remain within the same tenure.
- 51.3% of Council customers reported that they were either satisfied or very satisfied with the state of the repair of their homes, but 21.8% of customers responding to the HNS reported dissatisfaction with the repair of their homes.
- 38.3% of the district's residents describe themselves as in fairly good health or not in good health. 73.7% of households responding to the HNS contained a person with an illness of disability and rented their homes from the Council. Arthritis and problems associated with mobility and asthma are key illnesses or disabilities associated with Wear Valley residents.
- Council tenants were the least satisfied of residents with their neighbourhood. 17.8% of Council customers expressed dissatisfaction with their area when they responded to the HNS. This could be attributed to issues of neglected or run down areas, neglected gardens, dumping of rubbish, poor street lighting and footpaths and litter. Despite this 64% of Council tenants have lived in their homes for at least 5 years.

Due to the decline of many traditional industries, such as coal mining and heavy industry, there has been a shift in employment throughout the county and the region. There have been an increasing number of households moving into the district, although working outside and commuting to their place of employment. There are a variety of reasons for this, including:

- Access to better quality homes
- Availability of larger homes
- Better neighbourhoods.

A majority of these moves have concentrated on the Weardale area of the district. However, very few households moving into the area choose to move into Council properties, but the popularity of these areas, and improved perceptions have meant that the Council does not have enough properties to accommodate those wishing to live there.

In contrast, issues of low demand for Council housing in some areas of the district have worsened, with households indicating their preference to buy properties in areas set away from Council housing estates. Poor perceptions have made it difficult for the Council to rent properties in low demand, unpopular areas. The HIP data for 2001 indicated that there were 2,494 vacant properties in the district, 17.8% of which were Council owned.

The HNS recommended that the Council explore better management of the capital programme to improve the public housing stock, explore potential demolitions, provide new affordable accommodation and improve the management of older terraced housing stock. The Council has since developed and implemented a Capital Works Programme, which is directed by the Housing Business Plan and is funded by the Major Repairs Allowance (MRA).

The Council has also developed a "Sustainability Index" which relates to the quality of Council housing and quality of life. This enables the Council to measure whether the social, economic and environmental systems that make up an area are providing a strong enough infrastructure for local people. The Council has applied the Index to twenty wards. The Index highlighted that two wards, which are Woodhouse Close and Coundon, are unsustainable at present, with high void rates, high receipt of benefits, low right to buy uptake and low owner occupation. Both of these wards are in the most deprived 10% of wards nationally.

The Index also found that 2 wards in the district are potentially unsustainable, these being Willington East and St Helen's. These areas face the same social exclusion and deprivation issues as Woodhouse Close and Coundon, but feature improved private sector development and more owner occupation.

The Council is currently preparing a Neighbourhood Profile, which will set out key strategic objectives for tackling the multiple deprivation issues of these areas. This will inform the targeting of regeneration funds to improve quality of life, balance the community and make these areas more sustainable.

The Council believes that investment in bringing Council homes up to the Decent Homes Standard can maximise the effect of other regeneration activities including health and education programmes, the revitalisation of housing markets, and can effectively tackle poverty and deprivation.

Investment requirements

The council has utilised independent consultants, Hacas, Chapman Hendy (HCH), to assist in the financial modelling of future requirements to achieve decent homes by 2010 and also a 30 year investment requirement. The stock condition information was ratified by HCH as part of the financial appraisal process and the survey database has been continually updated by additional surveys and completed works.

From this modelling it is estimated that the council require £37.38 m to meet the decent homes standard by 2010, and nearly £230m over 30 years. Current projections indicate the council will only have £11.67m in terms of major repairs allowance available between now and 2010. This leaves a shortfall of £25.71m in the cost of meeting decent homes by 2010. To achieve decent homes the council have considered all options available, these being –

- Stock retention with no additional investment – this would result in the council not achieving the decent homes standard;
- PFI scheme – this would only improve a number of properties, not the whole stock;
- Arms Length Management Organisation (ALMO) – would make finance available to achieve the standard; or
- Large scale Voluntary transfer (LSVT) – would allow decent to be achieved and also generate additional finance for other works

Following two years of consultation with all stakeholders it was decided that the ALMO option offered the best solution to Wear Valley District Council. A bid for a place on Round 5 of the ALMO programme was submitted in January 2005. The bid requested the 'gap funding' of £25.71m together with an additional 5% for environmental improvement works. This bid was accepted and Wear Valley District Council have been included on the round 5 programme.

4. Consultation and customer involvement

The council has always seen their customers as being at the heart of decent homes. The service has become focussed on delivery of social housing and meeting customer's priorities. These priorities have to be balanced against the wider picture of sustainability and the housing market. To deliver on acceptable proposals for the future of customer's homes the council has fully engaged customers in all steps of the process.

Stock options process

The Council has undertaken two years of in depth consultation with the Customer Panel, resident groups, customers, councillors, leaseholders, staff and key local stakeholders. Customer and leaseholder involvement has been a central part of the stock options appraisal process and the Council's decision to apply for a place on the ALMO programme. The Council intends that this involvement will continue throughout the ALMO establishment process and once the company is established.

Customers will continue to have a vital role in working with both the ALMO and the Council in developing and improving services. The Council will also continue to engage and consult with customers on key strategic issues such as developing the Decent Homes programme, community safety, benefits, equalities and diversity the Local Development Framework and the Housing Strategy.

Capital programme

A long-term capital programme has been developed in partnership with customers. A working group was established that had expertise and knowledge in repairs, neighbourhood sustainability, programme delivery and customer requirements. This working group produced a draft seven-year programme of major works that was made available to all customers and stakeholders via the tenants' newsletter and the Councils' website. This period of consultation enabled responses to be considered and, where applicable, adopted into the programme. The seven-year programme was accepted by Housing Services Committee on 26th April 2004. It is, however, flexible to allow for changes in priority or customers needs. This has been evidenced in January 2005 where a large number of properties suffered from wind and storm damage. The major repairs programme was adjusted in order to undertake an emergency re-roofing project.

The seven year programme is based on the existing levels of finances available to the Council in terms of major repairs allowance and other limited capital monies. Obviously the stock option process and the realisation of ALMO finances will greatly effect this programme. Using the existing programme, establishing customers' priorities, contractor capacity and the works required to achieve decent homes standard has enabled the Council to produce a draft programme of works. This is further detailed in Section 8 of this document.

It is important that the aspirations and needs of the Councils customers are identified and, where possible, incorporated into the delivery of decent homes. As the requirements of achieving decency are seen as a 'minimum' it is necessary to establish alternative funding sources to support customers aspirations. The Council have worked closely with customers to identify works over and above the decent homes delivery. A full survey of all our customers was undertaken in April 2005 to identify requirements and customer priorities. This has enabled the Council to revisit the seven year long term capital programme. Due to the earlier period of consultation for the development of the seven-year programme the responses received from customers on this survey are reflective of the current programme of works. This includes window and door replacements and new kitchens and bathrooms. This process will ensure that customers have homes they appreciate and in an environment they can be proud to live in.

5. Neighbourhood renewal

The delivery of a decent homes programme cannot be considered in isolation. The Councils bid for ALMO funding included for 5% towards environmental works, in addition capital monies have been allocated for estate improvement projects. This seeks to complement the improvements to the housing stock with improvements to the neighbourhood.

The governments decency target was specifically focussed on making the most significant reductions in those areas of high deprivation. This is to ensure that investment in decent homes forms part of a comprehensive regeneration strategy.

Physical regeneration

It can be seen there are clear links between improvements to housing and the physical regeneration of estates and areas. Examples of this regeneration can be illustrated in areas that are borderline in terms of sustainability. Through investment in Council owned properties, this sustainability level can be positively adjusted. A good example of this physical regeneration through decent homes improvements can be seen at the Low Mown Meadows estate within Wear Valley, where previous properties were unpopular and now, following investment, have become sustainable. This investment, however, cannot be undertaken in an isolated manner. It is important to link the improvements in decency standards and, ultimately, in regeneration of estates, to the overall Council's regeneration programmes. Decency improvements must work alongside and complement regeneration requirements. Accordingly, full consultation with the Council's Regeneration department, County Council and other stakeholders must be undertaken during design and programming of future decent homes improvement works.

The delivery of a decent home estate regeneration programme assists the Council in achieving its Corporate Objectives and this is reflected in the ALMO submission that incorporates a 5% additional expenditure figure for environmental works. In addition, the Council have identified the requirement to link the revitalisation of homes with the regeneration of estate areas and have subsequently established a £245,000 budget allowance for projects directed towards estate improvements. These improvements will be designed with input from customers, resident groups, police, housing officers, maintenance staff, Groundwork West Durham, the Councils Regeneration department and other external organisations. This will ensure customers and stakeholders aspirations are developed into meaningful improvements in terms of 'decent homes plus' schemes.

Social Regeneration

Physical regeneration is only one form of assistance decent homes can make. Social regeneration is equally important.

Social regeneration is achieved by involving residents fully in schemes. This is currently undertaken by consultation with customers in designing and programming future works to their homes and in assisting in the selection of contractors.

To extend this current level of involvement, the Council are to include social issues within the requirements for contractors to achieve as part of the delivery of the decent homes programme.

Social issues to be considered will include the use of local labour. Local labour will be sought, employed and trained to industry standards to be employed on contracts within their neighbour and within Wear Valley district areas. This will have a number of beneficial affects:

- ◆ Pride in the community will increase leading to less vandalism and lower void rates
- ◆ Unemployed residents will be employed and gain a recognised qualification thus improving levels of unemployment and educational attainment and
- ◆ Assisting in achieving the Corporate Objective of lifelong learning.

Additionally, contractors will be encouraged, where applicable, to consider the use of local subcontractors and supplies. This will be undertaken to comply with the EU Procurement regulations. The use of local subcontractors and suppliers has obvious advantages to the local economy and again clear linkage to assisting achieving the Council's Corporate Objectives.

It is important to recognise the social regeneration issues that can be achieved by procurement factors within the contracts for decent homes improvements. These procurement factors are to be included within all long term partnering agreements that enable contractors to invest in and plan for the requirements within the contract. There will be the requirement to incorporate amendments into the Council's procurement strategy and best value performance plan to support local employment and supplies.

6. Achievements to date and current progress

The ODPM first published the Decent Homes Standard in 2000 as a floor target announced in a 'New Commitment to Neighbourhood Renewal: National Strategy Action Plan'. This gave a target for all social housing providers the target to meet decency by 2010. The Council has begun a programme of major repairs on its housing stock. The levels of investment are in the order of £3 million per year, funded by both the major repairs allowance and capital funds from the Council.

From 2003 the Council have begun a programme of major works directed towards achieving the decency target. Works carried out up to 1 June 2005 have included –

- Replacement windows and doors to 1,426 properties;
- New central heating to 878 properties;
- Replacement roof coverings to 119 properties;
- Installed 337 new kitchens;
- Replaced 151 new bathrooms;
- Improved insulation to over 1,000 properties;
- Made 1,426 customers feel safe through our 'secure by design' works; and
- Demolished over 300 unwanted houses

These works, where possible, have included for the largest possible range of choices for customers. This extends beyond the choice of door colour to include bay windows, leaded glazing, colour and layout of kitchen units, wall and floor tile options, bathroom suite choices and choices on fire surround and style. In addition working closely with customers the delivery of kitchen works incorporates the options to utilise addition space by altering layouts and removing walls. This choice also includes the option not to have any works undertaken to customers' homes if they so require.

The improvements undertaken also feed into the housing department's commitment towards the provision of 'safe and warm' homes. Home security is an important factor in delivery of the replacement doors and windows programme. All properties receive windows and doors that have been independently tested to withstand impact and forced entry. Working with the Police Architectural Liaison Officer the Council considers all safety and crime aspects prior to specifying works. Improvements to the fuel efficiency of homes are carried out in partnership with the Councils Agenda 21 officer and is supported by additional funding from utility companies and EAGA. Works to identify properties that do not reach the required level of insulation has resulted in over 1,000 homes receiving upgrades to loft or cavity wall insulation. In addition the replacement of single glazed windows with double

glazing has a beneficial effect on warmer homes. Out of date solid fuel heating systems have been replaced with high efficient combi and condensing gas boilers that not only provide warmer and cost effective heating but also improve the air quality.

The development of the seven year programme enables the Council to identify and plan forthcoming works in partnership with its contractors and customers. The early engage of all stakeholders has enabled the Council and its contractors to achieve impressive levels of customer satisfaction feedback on works carried out. The Council are focussed on the customer throughout all stages in the delivery of the decent homes programme. Customers are –

- Consulted fully on options for unpopular housing stock;
- Involved in the design of the seven year programme;
- Asked to comment on the design of works specifications;
- Part of the evaluation panel assessing contractors bids;
- Invited to attend exhibitions to 'show-case' proposed works and choice of material;
- Invited to attend pre-start meetings to ask questions and familiarise themselves with contractors and Council staff;
- Invited to attend mid contract meetings to question direct to all parties including assessment of progress and quality; and
- Asked to provide post contract feedback via the satisfaction survey, allowing concerns to be addressed and future specifications to reflect customer concerns.

This '360 degree' involvement of customers has enabled the Council to deliver projects to budget and within agreed timescales, however the Council are continually assessing further areas where customers can become involved in major works projects.

Delivery of these projects has been very successful; expenditure is controlled and progress reported monthly. This has enabled the Council to ensure that proposed works are carried out in accordance with those works planned. A major factor in this success has been the contractors undertaking the works. Currently 70% by value of the major works projects are delivered on a partnership basis. This allows the contractors to have input into the design, specification, programming and delivery of the project. This is further strengthened by the involved of a well-developed supply chain of material suppliers who influence delivery through their knowledge and experience and their ability to speak directly with Council design staff to suggest innovation.

The Council currently works with a number of contractors and suppliers for project delivery, but is in the process of establishing a wider body of organisations to ensure delivery of the proposed ALMO works programme can be achieved. The Council recognises the need to ensure these organisations are as customer focussed and of sufficient quality and experience to deliver at least as effectively as current providers. Excellent procurement practices and the involvement of customers throughout the process will achieve this.

The Council has laid the foundations that will deliver an increased programme of works. Yearly expenditure will almost treble from the current £3 million per year to an average of around £9 million per year via additional ALMO funding. Implementing the processes currently undertaken and embracing best practice and innovation will enable the Council to achieve the delivery of the decent homes programme.

In 2002 the Council stock was assessed as being 42% non decent. At 1 April 2005 this figure was 41.9%. Despite the improvements highlighted above the amount of non decent stock has remained fairly static. This is a result of newly failing properties during the period, and this process will continue during the years up to 2010. The ALMO bid highlighted this fact and, even with the additional ALMO finances the achievement of decency is subject to fluctuation –

<u>Year</u>	<u>No. of properties</u>	<u>% of properties considered to be decent</u>
April 2006	4622	55%
March 2007	4378	85 %
March 2008	4148	48%
March 2009	3931	69%
March 2010	3801	81%
December 2010	3711	100%

The extent of future works required is established using the consultants stock condition database. It is important that this database is as accurate and up to date as possible. The Council regularly updates the database on both completed works and also additional surveys. Updates on completed works are carried out shortly after completion and include major repairs, properties demolished or sold and properties receiving major repairs as part of the day to day repairs service. Within the Council there are two officers with access to make the necessary changes. Additional surveys are carried out by staff using hand held computers containing stock condition software that allows completed surveys to be directly downloaded onto the database. To keep the database as accurate as possible the Council need to carry out approximately 150 additional surveys per year.

The presence of asbestos containing materials (ACM's) not only affects peoples health and safety, it can also have a major influence on costs. The Council is at present approximately half way through a programme of having all properties surveyed for the presence of ACM's. To date surveys have identified one area for concern and the Council reacted swiftly in informing residents and taking further action. The Councils asbestos policy ensures that asbestos is fully considered and correctly managed.

7. Risk management

The Council recognises that, as with many major projects, there are elements of risk attached to the achievement of the decent homes standard. Risk management follows the cycle of identification of risk, analysing, controlling and then monitoring and reporting on the risk. Risks can be both strategic or operational, both must be considered.

Once identified the Council needs to decide how to manage the risk. Risks can be 'lived with', transferred or controlled, depending upon the results of the analysis of the risk.

Major risks associated with the achievement of decent homes for Wear Valley District Council include-

- Failure to access additional funding as a result of failure to obtain two stars
- Lack of capacity to design, implement, oversee and monitor progress against targets
- Failure of contractors to carry out works programmes
- Unreliable stock condition assessment
- Achieving value for money
- Good investment decisions

It is proposed that the risks outlined above are addressed as part of the Council's Risk Management Strategy and actions taken to address specific areas.

8. Delivery plans

As previously stated the Council has developed a seven year programme based on existing levels of finance. The ALMO has provided a potential source of additional finances to be made available and it is important that an accelerated programme of works is agreed with all stakeholders based on this level of finances. The stock condition survey enabled the Council to forward a bid that would seek to obtain the funding to achieve decency by 2010 and also to identify the extent of works required.

The ALMO bid document illustrated the following works required -

Total number of improvements required to meet the Decent Homes Standard

Component	Number of properties
Electrics	451
Roof structure	1472
Roof covering	1159
Windows	1860
Doors	1233
Structural works	1990
Central heating	1186
Insulation	644
Kitchens	3156
Bathrooms	2971
Environmental works	1592

The ALMO will target additional resources on ensuring that all properties meet the Decent Homes Standard by 2010. Utilising the information from the Stock Condition Survey, the following table illustrates the works the Council must undertake to ensure properties are brought up to the Decent Homes Standard.

Total number of improvements required by year

Component	Year 1	Year 2	Year 3	Year 4	Year 5
Electrics	442	9	0	0	0
Roof structure	445	195	193	431	209
Roof coverings	227	226	223	259	224
Windows	134	135	1,275	180	135
Doors	708	0	76	2	447
Structural works	260	950	259	260	261
Central heating	503	197	14	461	12
Insulation	319	325	0	0	1
Kitchens	647	287	311	1,084	827
Bathrooms	88	1,881	98	235	670
Environmental works	166	699	179	394	154

If the Council was to follow these recommendations as a programme of works, a significant strain would be placed on the local construction industry in particular years. Therefore the above table has been broken down to improvements being undertaken evenly on a yearly basis, and to average out the number of repairs in each of the key elements and not exert undue pressure on the local construction industry:

Average proposed smoothing of improvement works per year to meet the Decent Homes Standard

Works	Number of properties improved per year
Electrics	90
Roof structure	294
Roof coverings	232
Windows	372
Doors	247
Structural works	398
Central heating	237
Insulation	129
Kitchens	631
Bathrooms	594
Environmental works	318

The actual programme of addresses and individual properties will be developed and prioritised with the involvement of all stakeholders. This is an on-going project that involves full communication with all parties and is, obviously, subject to accessing ALMO funding.

The programme provides a realistic reflection of the works required. Peaks and troughs have been identified and works more evenly spread. The Council need to ensure consultation with all stakeholders to continually develop, design, revisit and monitor this programme up to 2010 and beyond.

Programme delivery - procurement

The works will be delivered by a number of partners working with the Council to ensure the Council do not rely on a limited number of contractors that puts undue pressure on all parties. This process of selecting a number of partners allows the Council to benchmark different partners in terms of cost, quality and service delivery.

The Council select partners for major works schemes based on agreed cost/quality ratios and adopt the principles of the 'Rethinking Construction' agenda and the Egan report. The selection process includes customer involvement in assessing quality aspects.

The Council are committed to the 'Respect for People' agenda and have identified that contractors and partners can invest in this process only through establishing longer-term contracts. Accordingly the Council look towards partnering agreements that, subject to achieving agreed performance targets, are on average of a period of three years. One of the major outcomes of this process is the training and apprenticeship schemes that will ensure good quality workmanship and employment opportunities for local people. This contributes to one of the Council's corporate objectives of promoting life-long learning.

Efficiency of service delivery and ensuring value for money are vital in achieving the best services. Working closely with the Councils partners has enabled both parties to look at areas of service over-lap, duplicated efforts, design and specification to drive out in-efficient practices. In addition the Council and its partners have established a working group chaired by a neighbouring beacon status authority on furthering joint working between all partners.

All partners are also required to join the 'Considerate Constructors' scheme that ensures our partners are assessed independently on a number of key criteria. In addition completed works are also submitted to the Building Cost Information Service for national comparison with similar schemes on a number of Key Performance Indicators.

The Council will continue to seek innovative procurement practices and identify areas of best practice to enable all procurement to be undertaken in a clear and open manner and in accordance with the Housing Department's procurement strategy and the Councils Standing Orders. The Council recognise the achievement of best value priorities is underpinned by excellent procurement practices. To assist in this process the Council are working closely with the North East Centre for Excellence in developing procurement throughout the department. This will ensure that capacity issues are addressed that tackles both local and national procurement issues. This openness and self-assessment of potential problem areas has been realised and the Council has reacted to minimise and respond to delivery risks.

Programme delivery – monitoring

To ensure programmes are delivered to cost, time, quality and satisfaction of the end user, the Council will continue to follow the established procedures that have enabled successful delivery of previous years programmes. Monthly budgetary information is provided from the Agresso financial system allowing accurate, up to date statements on expenditure. This enables any problems to be identified at an early stage and actions to be taken. Monitoring information is also presented to Members on a quarterly basis incorporating both financial and operational data. This enhances both accountability and governance.

Close working relationship with our partners has resulted in yearly works programmes being developed and agreed before works commence. This allows progress to be closely monitored and programmes to be adjusted accordingly to reflect major alterations. Quality aspects will continue to be assessed at all stages of the works delivery. Dedicated Clerk of Works will work alongside partners supervisory staff in ensuring compliance with the specification and Councils requirements. Supporting this are members of the supply chain, who regularly visit installations to ensure quality of workmanship and also the Considerate Constructors scheme which independently assess the works against national guide-lines. Ultimately, satisfaction of the end user illustrates how well the Council have communicated prior to and during the works, how well the contractor and their operatives performed and what difference the works have made to the customers homes. Using the Visions Management system of surveying satisfaction has enabled the Council and its contractors to review certain working procedures to address concerns or comments made by customers.