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Michael Laing Chief Executive

8th August 2007

Dear Councillor,

I hereby give you Notice that a Special Meeting of the **HOUSING SERVICES COMMITTEE** will be held in the **COUNCIL CHAMBER, CIVIC CENTRE, CROOK** on **THURSDAY 16th AUGUST 2007** at **6.00 P.M.**

AGENDA

Page No.

1. Apologies for absence.
2. To consider the proposed decent homes programme for Dale and Valley Homes 1 - 27

Yours faithfully

Chief Executive

Members of this Committee: Councillors Bailey, Mrs Bolam, Mrs Burn, Mrs Carrick, Mrs Douthwaite, Ferguson, Gale, Mrs Hardaker, Henry, Kay, Murphy*, Mrs Seabury*, J Shuttleworth, Sinclair, Stonehouse, Ward and Yorke.

*Ex-officio, non-voting capacity

Chair: Councillor Gale

Deputy Chair: Councillor Sinclair

TO: All other Members of the Council for information
 Management Team



SPECIAL HOUSING SERVICES COMMITTEE

16 AUGUST 2007

Report of the Director of Development
DALE & VALLEY HOMES DECENT HOMES PROGRAMME

purpose of the report

To report to Members of Wear Valley District Council the proposed draft programme for Decent Homes and associated services.

background

- 1 Dale & Valley Homes was established to deliver additional resources to achieve Decent Homes in the Council owned stock in Wear Valley. Funding to undertake this programme was released once the Almo achieved a “two star” rating from the Audit Commission earlier this year. The procurement for a Decent Homes partner was begun earlier this year through the European procurement system. The successful partner will be appointed at the end of September 2007. The selection process follows the model set by Wear Valley District Council in the procurement of capital works, involving a mixed selection panel, including representation from officers, Dale and Valley Homes Board members and the Customer Panel.
- 2 The selection process considers cost, quality, performance management, ability of the company to deliver through the life span of the programme, and the wider benefits they will bring to the area in terms of economic and social regeneration.
- 3 In 2002 a 10% stock condition survey determined that 42% of the stock was classed as none decent. This proportion has been reduced through the intervention of the Councils Capital Works over the last few years to 36.8%.
- 4 In order to evaluate the exact work to each property, a 100% stock condition survey is almost complete for the first 1000 homes in the programme.
- 5 The value of the prospective Decent Homes works over five years up to £35M.

the local context

- 6 There is a continued need in Wear Valley for good quality, well managed rented accommodation. This area of the housing market is vital to meet the needs of local households.
- 7 Wear Valley experiences high levels of deprivation, (in particular fuel poverty) and proportions of people have limiting long term illness are well above the national average. This group of households will continue to need

accommodation which is energy efficient and can meet their needs in terms of disability access.

- 8 House prices in Wear Valley vary, in some wards the average price for a property is well above the regional average (particularly Wolsingham/Witton le Wear/ St Johns Chapel). Income levels have not risen in line with this trend. Owner occupation is now more difficult for newly forming households. A steady supply of affordable, properties "to let" is critical to maintain the population balance in the area, retaining younger working households.

policy context

- 9 Dale and Valley Homes Programme of improvements meets the targets set out for public sector housing in the Government paper "Quality and Choice A Decent Home for All".
- 10 It also gives emphasis on customer care, together with the establishment and continuous monitoring of Best Value principles as set out by referral to the principles of Egan, Latham and Constructing Excellence.

proposal for delivery of the programme

- 11 Dale and Valley Homes propose to deliver the Decent Homes Programme on an incremental basis across every community in Wear Valley.
- 12 The intention is to maximise the number of homes made decent in the early years of the programme by ensuring that in each year the properties tackled include a mix of smaller works and costly upgrades. Some properties can become Decent through minimal intervention. Concentration on those homes which are more expensive in the early years will not produce such impact in the numbers of homes made decent.
- 13 Decent Homes spending is linked to better outcomes for tenants, and is more than a programme of Capital Works. The programme must take into account how the needs of tenants will be met in preparation, through the process of works and on follow up. Dale & Valley Homes has very high proportions of vulnerable and older tenants who may require extra support and help throughout the programme. (52% are over 65 years of age and 38% experience mobility problems). By mixing house types and areas throughout the programme the demands of this large group of tenants can be better managed and resourced.
- 14 The incremental approach has been proposed so that throughout the life of the programme:
 - the Council and Dale and Valley Homes can evidence continuous improvement in the numbers of properties made Decent each year across every community in Wear Valley, which represents equity of investment.
 - clusters of properties where unforeseen issues or circumstances arise during the course of the five years (e.g. failure of heating systems) can be brought forward as necessary.

- investment is controlled and appraised year on year in areas judged less sustainable particularly in areas already identified in the Council's sustainability index such as Woodhouse and Coundon.
- there will be a steady flow of work (and subsequent economic benefits) to small and medium enterprises contractors and supplies. This avoids peaks and troughs in demand on particular trades and guarantees steady income for local firms

value for money

- 15 Value for Money will be demonstrated through improved key performance indicators and increased tenant satisfaction. KPIs will be challenging and set to achieve continuous improvements. It is intended that the programme will produce improvements in the following areas:
- SAP ratings of local authority owned dwellings.
 - proportion of Local Authority homes which are non decent.
 - proportion of planned repairs and maintenance spend compared to responsive maintenance spend.
 - average time taken to re-let voids.
- 16 Decent Homes works in other areas has produced improved levels of tenant satisfaction in the following areas of service/consultations:
- overall rating of landlord.
 - state of repair of property.
 - state of estate/environment
 - involvement in decision making processes.
- 17 Improvements will be delivered on what is known as a “whole house” concept, there will be one stages of internal works only, rather than the elemental approach to modernisation whereby a tenant may receive an upgrade each year, one year electricals, the second kitchens and bathrooms. “Whole house” delivery means that all internal works will be completed at the same time. This minimises disruption to the tenant and is at lower cost than elemental works, as it only involves one set of overhead/management costs and one set of “make good” costs to the property.
- 18 There will be other wider benefits to the communities of Wear Valley – constructors will source suppliers, local sub-contractors and labour locally. They will also be contractually obliged to:
- Offer training programmes to young people which address the trade and skills shortages in the construction trade which result in actual job placements within the life of the programme.
 - Offer training/mentoring opportunities for those young people who are marginalised and socially excluded (including the group known as NEETs)

decency standard

- 19 The standard for decency is being developed, using feedback from the surveys completed by visitors to a show home in Wellington. The standard will concentrate on how Decent Homes works can make facilities and systems in the home more accessible for people with disabilities; increase safety measures for children and vulnerable people; help tenants get the maximum benefit from their home through improved knowledge of how the systems work.
- 20 Individual tenants will have choices about the specification/size/colour and types of kitchens/bathrooms/doors and windows.

consultation

- 21 The programme will continue to remain as a draft until the contractor is appointed and detailed costs, mobilisation and delivery plans are agreed for each quarter. The programme will be continuously reviewed throughout its five year life to ensure performance on unit numbers and funding profile is maintained.
- 22 The draft programme has been considered by Housing Committee earlier this summer. Where issues were raised about individual properties or groups of properties the following action has been taken:
 - properties where they may be sustainability issues have been transferred to the latter part of the programme to allow time for further options to be considered.
 - if issues were raised about the state of individual properties at the latter end of the programme, further investigations have taken place to establish if they should take priority.
- 23 Consultation on the programme will begin immediately after presentation to Council:
 - a letter to each home informing the tenant where their property is on the programme.
 - roll out visits to all resident groups during summer and September about the programme and how the works will be delivered.
 - series of one off workshops with particular tenant groups who may be under represented in the current tenant involvement structure such as those with high levels of disability and younger tenants.
 - attendance and written information to stake holder groups such as community partnerships.

risk management

- 24 The risks associated with the funding, procurement and delivery of Decent Homes are set out in the Risk Map for Dale and Valley Homes. Risk will be managed and mitigated in the following ways:
 - set of written standards and quality performance measures set out in contract documentation and partnering agreement.

- systematic ongoing audit of work on site, tenant satisfaction feedback, progress against key performance indicators (which will include estate specific standards).
- formal quarterly reviews at Director level, taking into account performance against release of funding.
- health and safety on site will be audited on a weekly basis.
- use of mystery shopper initiatives and ad hoc validation visits to site and tenants to obtain instant feedback.
- written reports to the Council through the existing liaison arrangements
- monthly monitoring meetings with the Corporate Resources team within the Council to consider cash flows and borrowing implications
- external validation of the value of works by partnering consultant (already appointed through tender process).

financial implications

25 There are no direct financial implications arising from this report. The final costs associated with the delivery of Decent Homes are subject to negotiation with the appointed contractor. A detailed budget and cash flow projection will be prepared for the Councils consideration following appointment of the contractor.

legal implications

26 There are no direct legal implications arising from this report.

human resource implications

27 There are no implications from this report.

it implications

28 There are no direct implications at this time

conclusion

29 The Decent Homes Draft Programme represents an opportunity for the Council and Dale & Valley Homes to improve the sustainability of existing communities through social and economic regeneration. Upgrading of the existing social housing stock will make it more viable and attractive to emerging households and those wishing to move into the area. Decent Homes works contribute to the confidence of areas as estate and street appearance is enhanced.

30 A programme of such extensive works to all properties presents an opportunity for tenants who may not previously have been involved in consultation or influencing what happens in their area to become more involved in community initiatives.

31 There will be direct improvements to the quality of life for tenants across Dale & Valley in terms of increased energy efficiency, improved access and facilities for older and disabled people, which will allow them to remain independent in their homes for longer.

- 32 The appointed contractor will have a local office and site presence and links with local small and medium sized enterprises will increase employment opportunities in the area.

RECOMMENDED

- 1 That Members note Draft Decent Homes Programme and Members comments are invited.

Officer responsible for the report

Amanda Senior
Director for Development
Ext 506

Author of the report

Amanda Senior



SPECIAL HOUSING SERVICES COMMITTEE

16 AUGUST 2007

Report of the Strategic Director for the Community
DALE & VALLEY HOMES – DECENT HOMES PROCUREMENT

purpose of the report

To seek Committee's agreement to the proposed decent homes programme for Dale & Valley Homes.

background

- 1 As part of Dale & Valley Homes' Delivery Plan this Committee receives the proposed decent homes investment programme for agreement.
- 2 This programme is an important factor in ensuring Dale & Valley Homes has planned appropriately towards achieving the decent homes standard. Members should therefore consider fully the attached report of Dale & Valley Homes' Director for Development (Annex 1), and contemplate if the report and programme sufficiently covers the following issues.
 - Extent and responses to consultation with –
 - Customers and the Customer Panel;
 - staff
 - Current repairs operatives and analysis of data
 - Corporate Management Team
 - Members
 - Regeneration Department
 - Social Services
 - Police Liaison Officer
 - voluntary sector, such as 2D
 - Are all risks adequately explained and managed?
 - What are the options available for delivery of the works and have these been adequately explained, for example, are works based on 'worst first', 'best first' or a 'scatter' approach?
 - Are members satisfied with the proposed 'whole house' concept whereby only internal works are undertaken at one state and external works, for example, windows undertaken later?

- Is there to be a separate window contract or is this part of the overall works programme, and are reasons satisfactorily explained in the report?
- Do members consider Dale & Valley Homes' programme is achievable with wide ranges of customer choice a potential problems around skilled resource availability?
- Has Dale & Valley Homes' Board received sufficient training and clear, unambiguous reports to enable them to agree and debate the programme prior to the council being asked to agree?
- Are all implications adequately covered in the report?

RECOMMENDED

- 1 Committee considers the attached report from Dale & Valley Homes and give officers instructions.

Officer responsible for the report
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 Strategic Director for the Community
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Author of the report
 David Milburn
 AD Policy and Resources
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