



## Report to:

Northwards Housing Board  
12 January 2010

## Item No:

# 12e

<b>Title:</b>	Home Improvements Programme 2010/11		
<b>Date:</b>	16 December 2009		
<b>Author(s):</b>	Claire Hopkins	<b>Tel No:</b>	0161 720 5838
<b>E mail:</b>	<a href="mailto:c.hopkins@northwardshousing.co.uk">c.hopkins@northwardshousing.co.uk</a>		
<b>Confidential:</b>	No		
<b>For:</b> (Please tick action required)	<b>NOTING</b>	<b>DISCUSSION</b>	<b>APPROVAL</b>
<b>PURPOSE OF REPORT</b>			
To seek approval to the Home Improvement Programme for 2010/11.			
<b>RECOMMENDATION</b>			
That the Board approves the Home Improvement programme 2010/11, as recommended by the Asset Management Sub Committee.			
<b>IMPLICATIONS</b>			
<b>Equality &amp; Diversity:</b>	The Home Improvements Programme is delivered with full regard to Northwards Housing's Equality and Diversity policy and, as such, benefits all sectors of the community.		
<b>Financial:</b>	There are no financial implications.		
<b>Staffing:</b>	There are no direct implications on staffing.		
<b>Decency Target:</b>	The prime objective of the Home Improvements Programme is to achieve 100% decency in all our homes by December 2010.		
<b>Governance:</b>	There are no governance implications in this report.		
<b>Risk Assessment:</b>	There are no risks directly associated with this report.		

<b>Equality Impact Assessment</b>	
When a new policy, procedure or initiative is being submitted for approval an Equality Impact Assessment must have been completed. Please give details below.	
Function being assessed	Not applicable
Section	Not applicable
Date of assessment	Not applicable
Person Responsible for assessment	Not applicable
Is this a new or existing policy?	Not applicable
If there are significant implications in terms of equality please append a summary report.	Not applicable

## Consultation/Consideration:

	Yes, No or N/A:	Name:	Date:
Sub-Committee:	Y	Asset Management	9 December 2009
Area Panel:			
Task Groups:			
Ward Councillors:			

### 1.0 Background

- 1.01 A 5 year Home Improvement Programme was approved by the Northwards Board in April 2006.
- 1.02 The Board subsequently agreed that, because of reprofiling of ALMO Supported Capital Expenditure by the Government, the programme would not complete until 2011/12. However, we are confident of still achieving full decent homes standard by December 2010. The balance of funding due in 2011/12 will mainly be spent on work outside of the decent homes standard (but in the original investment plan), such as environmental improvements and communal area upgrades. Any funding not already committed in 2011/12 from the approval of the 2010/11 programme will be the subject of a report to the Board next year.

### 2.0 Anticipated budget 2010/11

- 2.01 The anticipated funding for the 2010/11 programme is as follows (but please see item 4.02 below)

Anticipated funding source	Amount
ALMO Supported Capital Expenditure	£9.210m
Major Repairs Allowance - Annual	£7.878m
Major Repairs Allowance – MCC Reserve	£0.821m
Capital Receipts	£1.522m
Local Authority Supported Capital Expenditure	£1.085m
Energy Efficiency Grant Funding	£0.044m
<b>Total</b>	<b>£20.560m</b>

### 3.0 Ongoing commitments into 2010/11 from 2009/10

- 3.01 At this point in time it is estimated that commitments into 2010/11 from 2009/10 will amount to £17.889m. Orders will be placed with partner contractors on almost all of the remaining decent homes contracts by March 2010, to enable schemes to be completed and the decent homes standard achieved for all of Northwards managed stock by December 2010.

### 4.0 New work programme 2010/11

- 4.01 The new work programme, a summary of which is appended to this report, indicates a spend in 2010/11 of £3.871m. When this is added to the £17.889m in commitments referred to above, it gives a total programme of £21.76m, which is £1.2m in excess of the budget (6%). This is 'overprogramming', and throughout the year we will continue to make efficiency savings to reduce this to zero by year end.

4.02 As Board members may be aware, there has been a reduction in capital receipts for Manchester City Council over recent months because of the economic downturn. Whilst the Council are supportive towards our target of achieving decent homes by the end of 2010, there is some doubt over whether the level of capital receipts referred to in item 2.1 above will be available. They have requested that we look to make further savings in the delivery of the programme where possible.

4.03 The new work programme for 2010/11 is made up of the following:-

- a) **Monsall multi storey blocks communal boiler replacement.** £271,000 in 2010/11. These boilers were last replaced in 1995 and are coming to the end of their life. Ongoing repairs and maintenance costs are high (nearly £100,000 in the last 12 months), and the stock condition survey indicates that they fail the decent homes standard between 2009 and 2011.
- b) **One off boiler replacements** at £200,000.
- c) **Communal area upgrades.** £20,000 in 2010/11, £530,000 in 2011/12. This is the balance of the sum for communal areas identified in the original investment plan. We will be surveying all communal areas during 2010 and compiling a priority list, to commence in 2011/12. Moston Court has however already been identified as a priority, for security works and communal area upgrade, and it's proposed to carry out this work first, at the end of 2010/11.
- d) **Higher Blackley Finningly/Parksway provision of ramps to bungalows.** These properties are let as 'over 60's or wheelchair symbol 50' but have been difficult to let because of the number of steps there are to climb to reach the properties – in some cases a total of 22. £10,000 has been set aside in 2010/11 and £70,000 in 2011/12 to enable a start on site in March 2011 with the provision of ramps. The funding of this will be deducted from the balance of the environmental budget for 2011/12.
- e) **External insulation to Wimpey “no fines” properties.** £150,000 in 2010/11 and £350,000 in 2011/12. In total we have 745 Wimpey “no fine” properties which are of a non traditional solid concrete wall construction and have poor insulation (except for the gable ends which have a cavity and have been insulated). The properties do not fail the decent homes standard under current Government guidance, but were always seen as a priority for Northwards for post decent homes. The total cost of installing insulation to all the properties will be in excess of £4m.

The insulation of solid wall properties is emerging as a key Government priority, and external funding sources have recently been announced. We are currently developing various bids and hope to secure grant funding for some of the work from the likes of the Community Energy Saving Programme, European Regional Development Fund and the Low Carbon Communities Challenge. If the bids are successful, a further report will be submitted to the Asset Management Sub Committee setting out the full scope of work that is possible (we don't know at present what level of grant funding we might get). At this stage we have included the sum of £500,000 in the Northwards Home Improvement Programme as match funding for the grant, which represents a 'marker', to enable initial work to commence as and when necessary. It is proposed that this is funded from the balance of the environmental budget, this being the only available funding source in 2011/12.

The installation of the insulation will significantly reduce carbon dioxide emissions and help to reduce fuel poverty. The SAP (energy) rating will increase from 60.7 to 72, and save 1.8 tonnes of CO<sup>2</sup> per annum per property (based on a 3 bed house).

- f) Decent homes 'mop ups'. £1m in 2010/11 and £1m in 2011/12. Since the Home Improvement Programme began in 2006, a number of properties have been omitted from programmes for a variety of reasons which can range from straight refusals or no access, to omissions due to ill health. The decent homes standard states that where a tenant does not want the work carried out on their home to bring it up to the standard, then the home can remain below the standard until the property is vacated (unless there's a health and safety issue). Therefore omissions will not prevent Northwards from achieving the decent homes standard, unless the tenancy changes - in which case the work is carried out.

Some omitted properties have been done at a later date if the tenant subsequently decides that the work can go ahead. The figures below represent all schemes completed to date, or on site, up to the end of October

No. of properties where work initially omitted	1,400 (11%)
No. of properties subsequently included at a later date	422 (3%)
Balance for number of current omissions	992 (8%)

As, on average, around 30% of original omissions have subsequently been included in schemes at a later date, we have assumed that a further 30% (approx 280) of current omissions will also be completed over the next two years. We have, therefore, set aside £2m for these properties in 2010/11 and 2011/12.

It is our intention to prioritise tenancy changes and omissions due to ill health, before ascertaining the demand from other tenants who initially refused the work, but have now changed their minds. Depending on demand, we may have to further prioritise work for these tenants, as the budget is likely to only be sufficient for around 140 properties in each of the next 2 years.

Going forward beyond 2011/12, we will continue to budget for a number of properties to receive the omitted decent homes work, either because of tenancy changes or changes in individuals' circumstances.

- g) **Salaries and fees.** This is made of up £120,000 as the ongoing contribution to staffing and running costs of the Framework Contract (awaiting confirmation of exact amount), and £2.1m for salaries and fees in relation to delivering the decent homes programme. A review of the salaries and fees required for delivering the remainder of the decent homes programme and beyond has taken place, and a report will be submitted to the next Sub Committee meeting. This £2.1m represents a decrease of £800,000 from 2009/10, and is due to a number of fixed term contracts coming to an end.

## **5.00 Post 2010 decent homes programme**

- 5.01 From April 2011, some properties will begin to fail decency again as components such as boilers, wiring and roofs, reach the end of their life. We are currently compiling data on this from our Promaster asset management system, which will then be verified by our Home Improvement Team surveyors in the new year. Post decent homes proposals will be submitted to the Board in 2010.

## **6.00 Recommendation**

- 6.01 That the Board approves the Home Improvement programme 2010/11, as recommended by the Asset Management Sub Committee.

**Northwards Home Improvement Programme 2010-11 (new work) - APPENDIX 1**



**HIP Head 03.40 - Programmed Maintenance**

Reference No.	Location	Title	No. of Units	Unit Cost	Total Cost £000's	Previous Cost £000's	2010/11 Cost £000's	2011/12 Cost £000's	Future Cost £000's	Ward	Description of works / Comments
V492	Various locations	Communal area upgrades	-	-	550	0	20	530	0	Various	Communal area upgrades, plus security improvements where necessary. Further surveys to be undertaken and a priority list drawn up. Moston Ct priority for 2010/11.
<b>Total for HIP Head 03.40</b>					<b>550</b>	<b>0</b>	<b>20</b>	<b>530</b>	<b>0</b>		

**HIP Head 04.10 - Heating & Insulation**

Reference No.	Location	Title	No. of Units	Unit Cost	Total Cost £000's	Previous Cost £000's	2010/11 Cost £000's	2011/12 Cost £000's	Future Cost £000's	Ward	Description of works / Comments
V515	Monsall - Multis	Communal Boiler Replacement	186	£1,458	271	0	271	0	0	Harpurhey	Communal Boiler replacement at Hayden, Sanderson and Sheridan Courts.
V519	Wimpey "no fines" properties	External insulation	TBI	-	500	0	150	350	0	Various	Match funding for potential grant from the Community Energy Saving Programme, European Development Fund and Low Carbon Communities Challenge for external insulation to solid wall Wimpey no-fine properties. Bids for grant funding are currently being developed.
	Various locations	One off boiler replacements	-	-	200	0	200	0	0	Various	One off boiler replacements as required
<b>Total for HIP Head 04.10</b>					<b>971</b>	<b>0</b>	<b>621</b>	<b>350</b>	<b>0</b>		

**HIP Head 04.40 - Improvements**

Reference No.	Location	Title	No. of Units	Unit Cost	Total Cost £000's	Previous Cost £000's	2010/11 Cost £000's	2011/12 Cost £000's	Future Cost £000's	Ward	Description of works / Comments
V490	Higher Blackley - Finningley / Parkway	Provision of ramps to 16 bungalows	16	£5,000	80	0	10	70	0	Higher Blackley	Provision of ramps to properties designated as 60's and over or 'wheelchair symbol 50'. Some of the properties have up to 22 steps to climb, and as a result are becoming difficult to let.
V491	Various Locations	Decent homes contingency sum for mop ups etc	-	-	2,000	0	1,000	1,000	0	Various	Mop up for any outstanding decent homes work required following tenancy changes or previous refusals
<b>Total for HIP Head 04.40</b>					<b>2,080</b>	<b>0</b>	<b>1,010</b>	<b>1,070</b>	<b>0</b>		

**HIP Head 08.10 - Salaries & Fees**

Reference No.	Location	Title	No. of Units	Unit Cost	Total Cost £000's	Previous Cost £000's	2010/11 Cost £000's	2011/12 Cost £000's	Future Cost £000's	Ward	Description of works / Comments
V517	Impact Manchester	Impact Manchester	-	-	120	0	120	0	0	Various	Contribution for staffing and running costs for Impact Manchester. Benefits of this are further efficiency gains as well as non-cashable community benefits.
V518	Various Locations	Salaries & Fees	-	-	2,100	0	2,100	0	0	Various	Salaries and fees in relation to the delivery of the Home Improvement Programme.
<b>Total for HIP Head 08.10</b>					<b>2,220</b>	<b>0</b>	<b>2,220</b>	<b>0</b>	<b>0</b>		
<b>GRAND TOTAL</b>					<b>5,821</b>	<b>0</b>	<b>3,871</b>	<b>1,950</b>	<b>0</b>		