

| | | |
|---|--|----------------|
| 6 October 2016 | | ITEM: 6 |
| Housing Overview and Scrutiny Committee | | |
| Transforming Homes Update | | |
| Wards and communities affected: All | Key Decision: Not Applicable | |
| Report of: Susan Cardozo – Housing Asset Investment and Delivery Manager | | |
| Accountable Head of Service: Richard Birchett - Interim Head of Housing Adults, Housing & Health | | |
| Accountable Director: Roger Harris – Corporate Director of Adults Housing and Health | | |
| This report is public | | |

Executive Summary

This comprehensive internal and external refurbishment programme is now in year 4 of an 8 year programme. The programme brings significant improvements to the long term viability of the council housing assets and to the living conditions for our residents.

This report provides an update on the Transforming Homes programme to end of year 3 and an outline of the plans for the delivery of the programme for the remaining years 4 - 8.

Headline milestones:

- 6085 properties benefitting from the programme
- 84% customer satisfaction good to excellent rating
- 981 properties adapted for specific needs of residents
- 11 resident engagement events held
- 45% of the construction spend is in the local economy
- 55% of supply chain partners registered in Thurrock

1. Recommendation(s)

- 1.1 That the progress with the Transforming Homes programme be noted and the key benefits that will be delivered through year 4 of the programme for 2016/17.**

2. Introduction and Background

- 2.1 Two key principles have been central to delivery of this programme of work. The first, to ensure investment is targeted at maximising improvements to the Councils assets and the second, to ensure our internal processes support a mechanism for challenging our contractors to deliver the best service for our residents. With these two key principles in mind, the programme has progressed with improving the Councils assets, the lives and opportunities for our residents while also driving efficiency savings through stringent contract management .
- 2.2 The programme commenced in 2013 and is currently part-way through its fourth year. The original programme timeframe aimed to upgrade all major internal components and carry out any required external works in 5 years to 2018/19, thereby raising all domestic Council assets to the new Thurrock standard.
- 2.3 In December 2015, Cabinet reviewed the financial implications of the budget announcements and key policy changes through the government's introduction of the Housing and Planning Bill and Welfare Reform Bill 2015. Cabinet subsequently approved an extension of the Transforming Homes programme by up to 1 year for internal improvements (1,000 homes) and up to 3 years for external improvements (5,000 homes), where the asset can withstand delayed completion. This extends the timeframe for full completion of the programme to 2021 for all property elements.
- 2.4 It is important to note that essential components in our properties will continue to age and will require on-going maintenance. There will be a requirement for a rolling programme of investment after Transforming Homes to ensure core components are updated at the appropriate time in order to continue to ensure our housing is maintained at a standard which is suitable for the needs of our local communities.

3. Issues, options and Analysis of Options

- 3.1 This report provides an update on the Transforming Homes programme to end of year 3 and an outline of the plans for the delivery of the programme for the remaining years 4 - 8.

4. Milestone Completions

- 4.1 The milestone target for the end of year three was to ensure that 6,000 of the circa 10,000 Council homes were at the new Thurrock standard. At the end of year three the programme achieved this target with 6085 homes completed.
- 4.2 The following table illustrates the numbers and types of works achieved by the programme to the end of Year 3:

Figure 1: Internal Works Completed by Element

| Element | Number Completed |
|-------------|------------------|
| Kitchens | 3909 |
| Bathrooms | 3296 |
| Adaptations | 981 |
| Boilers | 1348 |
| Re-wires | 1235 |

- 4.3 Year 3 of the programme also saw the commencement of the comprehensive external upgrades and 614 properties benefitted from these works in the last year, the breakdown is as follows:

Figure 2: External Works Completed

| Location | Element | Number of properties |
|------------------------------|--|----------------------|
| Seabrooke Rise | Roofing/Rainwater goods/soffits and concrete repairs | 257 |
| Broxburn Drive | Window Replacements | 216 |
| Coronation Avenue | Roof Repairs/rainwater goods /soffits | 63 |
| Tasmania and Brisbane Houses | Roof Repairs | 128 |

5. Resident Engagement

- 5.1 Resident focused delivery is key to the success of the programme. From the outset residents were able to inform the choices in products and all residents continue to have the opportunity to choose from a range of colours and finishes for their new kitchens and bathrooms.
- 5.2 Before works start in a new area, face to face events are held. These have worked well in helping residents understand what the programme will be doing in their area and how they can best prepare ahead of the works. These sessions also give the opportunity for residents to meet the teams from both Thurrock and the contactors, ask any questions they might have and view samples of floor coverings, wall tiles, bathroom fittings, kitchen units and paint colours.
- 5.3 Separate sessions have been held specifically for leaseholders who own properties in blocks where communal or external works are planned. These have given leaseholders the opportunity to discuss the type of works that are required to their blocks and also the apportionment of the charges that will apply under the terms of their lease.

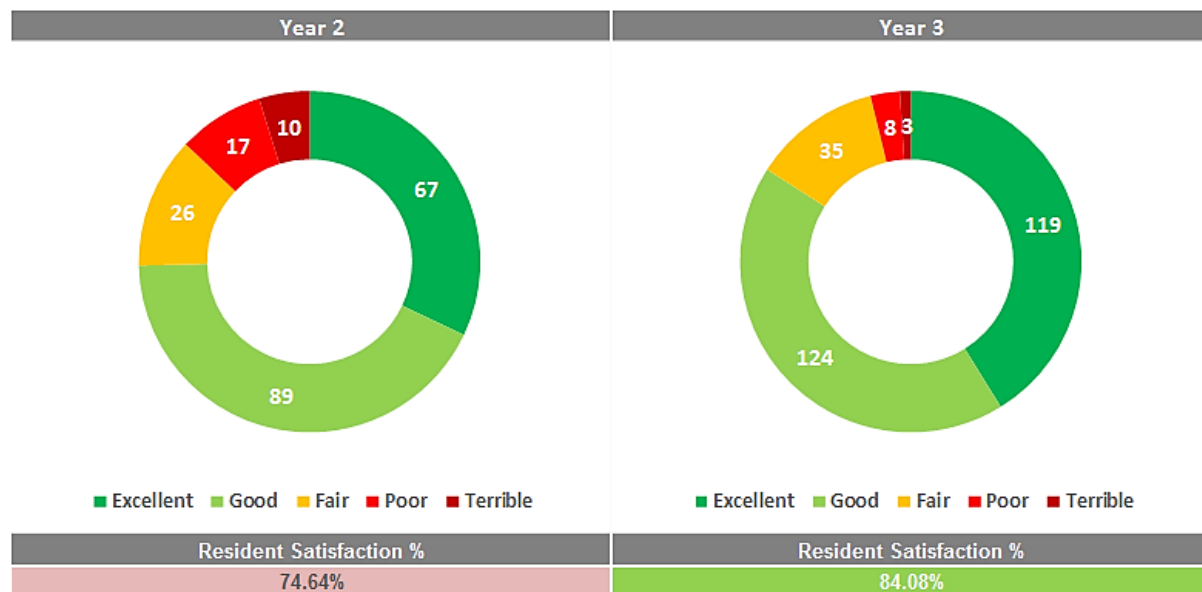
5.4 Resident Engagement Events held in the last year:

| Number | Target Group |
|--------|---|
| 5 | Face to face sessions held locally on estates where works are currently scheduled |
| 2 | Sessions held on site at sheltered complexes |
| 4 | Sessions specifically for leaseholders |

6. Customer Feedback

- 6.1 It is a priority for all partners to ensure emerging issues are addressed as quickly as possible to minimise disruption to residents. The key performance target is to achieve 80% resident satisfaction across the programme. In future years our aim is to increase this.
- 6.2 In Year 3 the programme has seen significant improvements in resident satisfaction achieving 84% good to excellent rating overall. This is 10 percentage points higher than the Year 2 outturn of 74%.

Figure 1 : Resident Satisfaction for Year 2 and Year 3



These results are based on independent telephone surveys conducted and the average response rate from residents is 22.13%

- 6.3. There has been a decrease in complaints received for 2015/16 compared with 2014/15.

| | 2014/15 | 2015/16 |
|---------------------------|------------|------------|
| Concerns | 90 | 38 |
| Stage 1 Complaints | 48 | 48 |
| Stage 2 Complaints | 26 | 15 |
| Stage 3 Complaints | 7 | 6 |
| Total | 171 | 107 |

- 6.4 We continue to learn from the customer feedback and in response we have implemented an enhanced inspection process for works in progress to address any concerns as they arise and are also closely monitoring the percentage of properties handed over by the contractors snag free.
- 6.5 The programme supports residents during the works process through the Resident Liaison team and the success of this support is reflected in the resident satisfaction results. In addition to this some of our residents take the time to write to us formally to record their compliments about the service they have received.
- 7 formal compliments have been recorded for 2015/16
 - A further 6 compliments have been received this year to date

7. Supporting Independent Living

- 7.1 The Transforming Homes programme supports independent living ensuring our stock meets the specific housing needs of elderly, vulnerable or disabled households through the provision of appropriate attributes and facilities. Where our initial visit highlights a household with that may require some adaptation of facilities in order to continue to live independently in their homes Occupational Health assessments are undertaken. Occupational Therapists embedded within the Quality Assurance Team visit these properties to undertake detailed assessments of needs of the residents. The recommend adaptations relevant to the household are then carried out as part of the works programme.
- 7.2 To the end of year three, 981 adaptations have been delivered across the programme. The majority of these are adapted bathroom facilities.

8. Delivering Social Value

- 8.1 The significant investment which is currently taking place in the Council's housing stock represents a real opportunity to provide additional social value to the local communities in the borough. Our commissioning, contract management and partnering approach supports a framework for social value

delivery to support training and employment opportunities for all segments of our communities and maximise spend in the local economy.

8.2 The key successes achieved during 2015/16 are:

- Over 45% of the Transforming Homes programme spend is in the local economy.
- Over 50% of supply chain partners are registered in Thurrock.
- 9 apprenticeships made available this year across the programme
- 40% of the delivery workforce is based locally.
- 54 unemployed young people have benefitted this year from support programmes. To date, 53% of these young people have progressed into employment, education, training or volunteering.

9. Thermal Efficiency

9.1 We are continuously working to improve our stock whilst effectively supporting our residents to live in warm and healthy homes. A key contributing factor is to improve the overall thermal efficiency of our homes and support some of our most vulnerable residents out of fuel poverty. Through the Transforming Homes Programme we achieve a number of measures that will improve the energy efficiency of homes, including but not limited to roof insulation, boiler replacement, and cavity wall insulation and window replacements.

9.2 In both 2014/15 and 2015/16 we successfully secured external funding under the Energy Company Obligation via a partnering scheme with Eon Energy as well as additional funding from the Government as part of the Green Deal. These funding streams supplemented the capital investment made by the Council and facilitated installation of external wall insulation to a total of 342 homes.

9.3 Further energy efficiencies have been achieved through the installation of more efficient 'A grade' boilers in over 1348 homes through this Transforming Homes programme.

9.4 We continue to explore new funding opportunities to address the most thermally inefficient solid wall properties in the stock. We are working closely with energy partners to identify possibilities for securing funding under a new energy obligation scheme as soon as it becomes available.

10. Tackling Damp and Mould

10.1 Damp and Mould is an issue faced by a number of our residents and this is a common theme with large social landlords. Mould and dampness are often considered as the same issue and therefore, over the delivery of our programmes, we have embedded an approach that ensures the matter is

appropriately understood and addressed based on the physical findings within the home.

- 10.2 Predominately within the housing stock, mould and dampness can be attributed to condensation. The cause of condensation is associated to inadequate space heating and ventilation meaning the environment within resident's homes becomes humid and causes condensation to form on cold surfaces and associated mould to form throughout the home. There are a number of everyday normal household functions which increase moisture within a home environment and in a number of instances residents are often unaware of the impact they are making. To address this factor, the Housing department is taking steps to educate residents through different communication channels.
- 10.3 The programme has continued to allocate resources to address the damp and mould issues with surveys and remedial works. This is achieved both through reactive maintenance and proactive identification as part of the Transforming Homes programme. In years 1 to 3 of the programme over 800 surveys have been carried out and over 600 remedial works.
- 10.4 Remedial works include:
- Mechanical and passive ventilation, insulation, heating, proprietary decorative treatments and on-going advice to residents.
 - Resolution of building defects such as leaks, damage to structures etc.
 - Provision of chemical or physical damp proof courses.
 - We are also looking to change how we deal with issues around damp and mould to ensure that problems are identified and tackled earlier.

11. Programme Budget Position

- 11.1 In 2015/16 the Transforming Homes outturn was £19.59m against the overall budget of £58.4m spread across the remaining 6 years of the programme.
- 11.2 A mid term financial review of the programme has highlighted that additional funding will be required in the region of £10.4m in order to achieve the full internal programme specification by 2019 and the external programme by 2021.

There are a number of reasons for this which mostly are due to the poor quality of some of our stock and so requiring a higher level of remedial works:

- A number of high cost properties that have required extensive structural works such as underpinning
- High level of spend on voids requiring major works to bring them up to a lettable standard.
- Higher than anticipated spend on combatting damp and mould

- Funding required for the energy efficiency programme
 - The inclusion of Fire Safety Works
 - Improvements to the original specification
 - The need to undertake reactive boiler replacements arising from breakdown visits ahead of programme timeframes
 - We will be investigating the number of double visits.
- 11.3 The HRA business plan is looking to address this additional requirement across then next 5 years from within existing HRA resources. The revised HRA business plan will be reported as part of budget setting to Cabinet in February 2017.

12. Key deliverables for Year 4 of the Programme 2016/17:

- 12.1 Undertaking internal improvements works to 65% of the council housing stock, helping to improve long term viability of council properties while improving the wellbeing of residents and creating social and economic opportunities.
- Resident focused delivery: continue resident engagement in choice in internal works, and extend this to consultation and engagement regarding external works programmes where appropriate;
 - Extending strong partnerships: with contractors delivering works, ensuring ongoing improvement in performance and partnership working, underpinning the ability of the Council to bring additional tangible benefits to local residents.
 - Commence procurement of delivery arrangements to take the programme through to year 8.
- 12.2 A key focus across the programme is to drive improvement by continuing to monitor the satisfaction and ensure robust challenge of contractor performance. Resident feedback allows for the identification of areas of poor performance and ensures that the services that are delivered reflect our residents' needs. In addition to this, the Housing team will continue to review and implement processes and procedures in response to resident's feedback and contractor performance gaps to ensure effective management and control of the programme.

13. Reasons for Recommendation

- 13.1 The programme supports strategic and local opportunities, investing in the long-term integrity of the Councils assets, contributing to resident wellbeing and the long-term regeneration of Thurrock and through the provision of employment opportunities.

14. Consultation (including Overview and Scrutiny, if applicable)

Not applicable

15. Impact on corporate policies, priorities, performance and community impact

15.1 The improvement of the Council's assets is linked to key corporate priorities:

- Creating a great place for learning and opportunity
- Encourage and promote job creation and economic prosperity
- Building pride, responsibility and respect
- Improve health and well-being

16. Implications

16.1 Financial

Implications verified by: **Julie Curtis**
HRA and Development Accountant

The HRA business plan is looking to address the additional requirement of the Transforming Homes programme across the next 5 years from within existing HRA resources. The revised HRA business plan will be reported as part of budget setting to Cabinet in February 2017

16.2 Legal

Implications verified by: **Chima Obichukwu**
Housing Solicitor

There are no legal implications from this report

16.3 Diversity and Equality

Implications verified by: **Rebecca Price**
Community Development and Equalities Team

A full impact assessment has been undertaken of the implementation of the Housing delivery of the Transforming Homes investment programme.

16.4 Other implications (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

Not applicable

17. Background papers used in preparing the report

- Implications of the Housing and Planning Bill and Welfare Reform 2015 on the HRA Services and Affordable Housing Programme – Report to Cabinet December 2015

18. Appendices to the report
None

Report Author:

Susan Cardozo

Housing Asset Investment and Delivery Manager