

17 February 2016		ITEM: 6
Housing Overview and Scrutiny Committee		
Housing Investment & Development Programmes (2015/16)		
Wards and communities affected: All		Key Decision: Non Key
Report of: Susan Cardozo - Housing Asset Investment and Delivery Manager		
Accountable Head of Service: Richard Parkin - Head of Housing and Environment		
Accountable Director: Roger Harris - Corporate Director of Adults, Housing and Health		
This report is Public		

Executive Summary

This report provides members with an overview of the key achievements in the first three quarters of 2015/16 relating to the management of our Council Housing Assets through the Housing Investment and Development programmes

The programmes comprise of the Transforming Homes programme (which includes tackling Damp and Mould and Thermal Efficiency programmes), Planned and Preventative Maintenance programmes, the Responsive Repairs Service, New Housing Development and the Estate Regeneration programme. The key deliverables that make up the work programmes for 2015/16 are derived from the Housing Strategy and Corporate Plan 2015/16.

1. Recommendation(s)

- 1.1 Note the continued progress made in the delivery of various components of housing repairs, maintenance and capital works programmes which have a positive impact on the living conditions and quality of life for council tenants.**
- 1.2 Note the progress with the delivery of new homes within the borough.**
- 1.3 Agree the proposed outline objectives for a new Housing Asset Management Strategy.**

2. Introduction and Background

- 2.1 The Housing Department has implemented a suite of ambitious programmes designed to improve Housing assets as well as the lives and opportunities of**

our residents whilst driving efficiency savings through a stringent contract management strategy. The core principles which are central to the delivery across all programmes are to ensure investment is targeted at maximising improvements to the assets and ensuring we have internal processes in place that challenge our contractors to deliver the best possible service and quality for our residents. Our aim is to ensure that the current and future assets are maintained to an appropriate standard, maintain asset value and to fully support the needs of the local communities.

3. Issues, Options and Analysis of Options

3.1 Key Performance Highlights

- 54% of the current Council housing stock has now benefited from internal improvements under the Transforming Homes Programme (5402 homes).
- More than 1300 Council homes have improved energy efficiency.
- In Year 3, the Transforming Homes Programme has collectively achieved a resident satisfaction rating of 81% good to excellent survey responses. This is 5 percentage points higher than the 2014/15 outturn of 76% good to excellent responses.
- Resident satisfaction with the Repairs Service has continued to improve and averages 88% in 2015/16 which is 4 percentage points higher than the 2014/15 outturn and 6 percentage points higher than the 2013/14 outturn.
- Despite a 6.5% rise in void demand during 2015/16 on the previous year, void rent loss is down 19.2% (£95K) on the same period last year.
- 100% compliance has been achieved for Gas Servicing in Council properties.
- Over 30% of the programme spend is within the local economy.
- 20% of supply chain partners are registered in Thurrock.
- 27 apprenticeships have been created across all programmes.

3.2 Transforming Homes – Overview of Delivery

- 3.2.1 The programme commenced in 2013 and is currently part-way through its third year.
- 3.2.2 The original programme timeframe aimed to upgrade all major internal components and carry out any required external works in 5 years to 2018, thereby raising all domestic Council assets to the new Thurrock standard.
- 3.2.3 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.

3.2.4 Essential components will continue to age and will require on-going maintenance. There will be a requirement for a rolling programme of investment to ensure core components are updated at the appropriate time in order to continue to deliver housing at a standard which is suitable for the needs of our local communities.

3.2.5 The following table illustrates the numbers and types of works achieved by the programme to the end of December 2015:

Figure 1: Works Completed by Element

Element	Number Installed/Completed
Kitchens	3500
Bathrooms	2980
OT Showers	850
Boilers	1316
Re-wires	1160
External Works	752

3.3 Thermal Efficiency Programme

3.3.1 Across the Housing Department we are continuously working to improve our stock whilst effectively supporting our residents to live in warm and health 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.

3.3.2 Over the last two years, one of the key components of the Housing capital programme has been the thermal efficiency element. In both 2014/15 and 2015/16 we successfully secured external funding under 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 342 homes across Grays, Tilbury, and Chadwell St. Mary.

3.3.3 The external wall insulation programme delivers energy savings for the residents, improves the fabric of the building and also has a positive impact on the aesthetics of the buildings where works have been completed.

3.3.4 Further energy efficiencies have been achieved through the installation of more efficient 'A grade' boilers in over 1300 homes through the Transforming Homes programme.

3.3.5 In 2015/16, we have made a significant effort to explore the possibility of integrating renewable technologies into the asset to deliver efficiencies to our residents whilst also reducing our operational costs as a landlord. The changes in the renewable energies subsidies announced in the Governments autumn statement and official announcement on the 17 December 2015 meant the planned schemes were no longer viable.

- 3.3.6 Work continues in 2016 to continue to develop alternative solar PV schemes of which updates will be provided as further progress is made.
- 3.3.7 Within our stock, we are aware elements of the existing infrastructure are reaching the end of technical life expectancy. We are working on trialing new technologies that will replace these elements and deliver efficiencies whilst also being able to upgrade major elements within the housing asset without the need for any upfront capital expenditure.
- 3.3.8 Plans for 2016 include the development of a scheme in partnership with our responsive repairs provider Mears, to upgrade communal lighting in our residential blocks with new, energy efficient LED lighting. The aim of the scheme is to improve the asset for our residents whilst also reducing both energy consumption costs and reactive repair and maintenance costs.
- 3.4 Damp & Mould Programmes - Overview of Delivery
- 3.4.1 Damp and Mould is a major 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.
- 3.4.2 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 has taken steps to educate residents through different communication channels.
- 3.4.3 This year (2015/16) we have 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:

Figure 2: Damp/Mould Surveys & Remedial Works (2015/16)

Work Stream	Number of Jobs
Transforming Homes Mould Surveys	122
Transforming Homes Remedial Works	53
Responsive Mould Surveys	884
Responsive Remedial Works	550

3.4.4 Remedial works identified and undertaken following the surveys 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.

3.4.5 We are continuously working to ensure that our approach is fully considered and relevant and in line with the latest methods and techniques. On Friday 18 September 2015, Thurrock Council hosted a Conference in relation to the management of Damp and Mould which was attended by over 40 representatives from 14 different Local Authorities, Private Social Housing Landlords and our contracting delivery partners. The event provided a platform for all attendees share learning with a collective goal to understand the topic and ways in which it can be addressed, covering both building fabric defects and resident management and communication.

3.5 Repairs and Maintenance – Overview of Delivery

3.5.1 Following the successful mobilisation of a new Repairs & Maintenance contract in early 2015, a number of key developments and improvements are being implemented in order to further drive efficiencies in service delivery. The main focus of the new Repairs & Maintenance contract is improving efficiency of service provision while maintaining a high quality, resident focused service driving the development of the service area over the coming years. The key deliverables for 2015/16 are identified as:

- Driving value out of the contract through strong performance and financial monitoring.
- Undertaking more planned programmes to deliver long-term savings.
- Implementing new technologies - under the new Repairs and Maintenance contract a number of developments will be made with regard to the improved use of technology including use of online and mobile repairs reporting and the use of improved data analysis for the development of efficient and effective planned repairs programming.

3.5.2 Significant progress has been in the first year of the contract, and this is reflected in the improvements in resident satisfaction:

- Resident satisfaction with the Repairs Service has continued to improve and overall satisfaction with the service averages 88% in 2015/16.
- This is 4 percentage points higher than the 2014/15 outturn of 84% and 6 percentage points higher than 2013/14 outturn of 82%.
- 88% of resident rate the service as good or excellent.
- 89% of residents are happy with the quality of their repair.
- 93% of residents confirmed their appointment slot was kept.
- 97% repairs are completed in target timescales.

- 3.5.3 The new repairs policy introduced this year provides vulnerable residents with an enhanced and differentiated service. Vulnerable alerts are now in place on our systems to ensure this is offered proactively. The new policy has also meant that residents who have benefitted from the significant improvements provided under the Transforming Homes programme are now responsible for the upkeep of these improvements.
- 3.5.4 In order to drive further value in the delivery of non –urgent repairs a structured approach to batched programme delivery has been implemented. 5 batched programmes covering more than 4000 non-urgent or preventative repairs have been delivered.

Figure 3: Number of Jobs Completed by Programme 2015/16

Programme	Jobs Completed
Mould Survey Programme	1177
Gutter Clearance	824
Jetting	1910
Fencing	108
Glazing	156

- 3.5.5 Residents are integral to the development of the new arrangements and representatives from the Residents Excellence Panel continue to engage in the monitoring of the service through their attendance at operational governance meetings on a monthly basis. This enables insights and feedback from a resident's perspective.
- 3.5.6 Our aim is to simplify access to repairs ordering making use of new technology as far as possible. A new repairs reporting 'App' has now been developed for IOS and Android smart phones. This is currently being tested by the Resident Excellence Panel. Further enhancements in this respect will be implemented alongside the new Housing Management system in 2016/17. The new system will include the implementation of "Repairs Online" which enables residents to identify and report repairs without the need to make a telephone call.
- 3.5.7 Resident input at the operational level has highlighted some confusion surrounding the delivery of repairs that fall outside of the standard contract delivery. The information given to residents who have repairs of this nature has now been amended based on the recommendations made by the Excellence Panel. In addition to this further measures have been implemented in the way the service is monitored to ensure these works are delivered to the expected timescales.
- 3.6 Planned and Cyclical Maintenance – Overview of Delivery
- 3.6.1 A number of key developments have been made in planned maintenance throughout 2015/16 with the optimisation of contracts through improved procurement, consolidation and contractual specifications. Key deliverables for 2015/16 are identified as:

- Programming methodology - Dovetailing maintenance, capital and regeneration ensuring efficiencies are realised.
- Planned & Cyclical Maintenance - Prioritizing essential servicing and maintenance works for estate, communal and commercial assets.
- Delivering the 2015/16 programme which includes upgrading door entry systems and carrying out lift refurbishments.

Examples of progress with planned maintenance are:

Door Entry (Servicing, Breakdown/Repair and Installation) - A new three year contract for door entry systems was awarded in September 2015 providing a comprehensive approach to servicing, maintenance and upgrading systems by consolidating existing contracts. A door entry installation programme targeting blocks with the highest repair and maintenance costs is currently being mobilised. This programme includes all 9 high rise blocks in Grays, Tilbury Concierge (3 blocks), O'Donoghue House and all blocks at Lansbury gardens. The first phase of the programme will see 744 properties benefit from improvements in both accessibility and security.

Lifts (Servicing, Breakdown/Repair and Refurbishment) - In November 2015 a new three year contract was awarded for passenger lifts across Thurrock. This contract comprehensively includes all servicing, breakdown and refurbishment and is an amalgamation of two previous contracts ensuring continuity of service delivery for our residents by reducing breakdown times whilst also delivering savings over the term of the contract.

- 3.6.2 The first phase of a lift refurbishment programme will commence in February 2016 which includes five lifts, including a Sheltered Housing Complex and two high rise blocks located in Grays. This programme will also deliver a full stock condition survey on all of our passenger lifts within the Borough by the end of the 2015/16 financial year which will inform a 30 year life cycle costing plan prioritised on the basis of asset needs and demands.

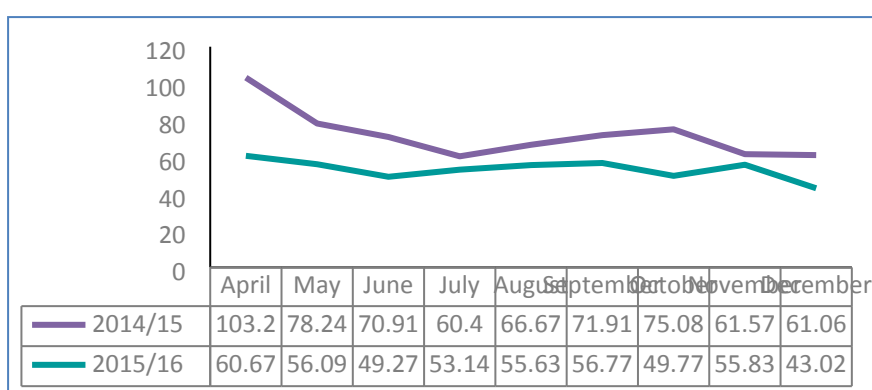
Assisted Decoration - As part of our support for our vulnerable residents we run a programme that offer redecoration of one room for those eligible. This contract was awarded in August 2015 for a period of 2 years. Each year the programme runs from January to March and this year includes the decoration of a room in 670 properties and 4 complexes. There are also plans for the full decoration of a communal hall within one of the complexes free of charge.

Gas Servicing - This contract was awarded in March 2015 for a period of 3 years. 100% compliancy has been achieved for gas servicing over the last 4 months. We are now currently working with the new contractor to smooth out the servicing programme across the year to facilitate more effective compliance management.

3.7 Voids Delivery

- 3.7.1 The fit to let standard was revised in 2015 in line with the new Repairs Policy and now all aspects of the property are covered in the standard.
- 3.7.2 The works to Void properties are delivered to two standards, Silver or Gold. Silver void works are completed by our repairs contractor and are delivered to our fit to let standard. This means that essential works take place to bring the property back to the revised corporate standard for letting. Our contractor has a target of 10 days to complete the works. Gold void works are completed by our Transforming Homes contractors. A full Transforming Homes survey is undertaken and new kitchens, bathrooms, re-wires and heating is installed where required. This means the property would be let at our Transforming Homes standard and as such takes longer than Silver void works.
- 3.7.3 Void demand has risen 6.5% so far in 2015/16 but performance has shown considerable improvements. A total of 84 void properties were carried over from 2014/15 into 2015/16. In addition to this, 467 voids have been raised so far in 2015/16 (to 1 December 2015). Last year (2014/15) 107 voids were carried over from 2013/14 with 427 voids raised in year to 31 December 2014.
- 3.7.4 Voids performance in terms of re-let times is traditionally reported by social landlords using methodology which excludes Gold (Capital) voids and voids which have undergone major structural works. However, this reporting methodology does not provide a full reflection of voids delivery overall and associated void loss.
- 3.7.5 During the 2015/16 financial year, void re-let times have improved by at least 5.74 calendar days against comparable months in 2014/15.

Figure 4: Void Turnaround Times (All Voids)



In terms of rent loss through voids, the improved performance has had a positive impact and despite a 6.5% rise in void demand in 2015/16 on the previous year, void loss is down 19.2% on 2014/15 to date.

Figure 5: Rent loss through voids by Year

Year	Rent Loss
2014/15	£497,186.00
2015/16	£401,859.00

3.8 Delivering Social Value

3.8.1 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 that works with all sectors to support training and employment opportunities for all segments of our communities.

3.8.2 The key successes during 2015/16 are:

- Over 30% of the Transforming Homes programme spend is in the local economy.
- 20% of supply chain partners are registered in Thurrock.
- 27 apprenticeships have been created across all housing investment and delivery programmes.
- 32% of the delivery workforce is based locally.
- 305 sub-contractors are registered in Thurrock
- 120 jobs have been created or retained across all delivery programmes.
- 68 residents have been supported through pathways programmes which maximise value for local residents through provision of training, work experience and job opportunities.
- 127 young people have benefitted from support from the Princes Trust with 78% participants supported moving into employment, education, training and volunteering.

3.9 Developing the Housing Asset Management Strategy

3.9.1 The delivery of housing repairs, investment and regeneration programmes, as approved by Cabinet in recent years, has driven an approach to asset management. This has emphasised an efficient, effective and long-term approach which aligns to wider corporate objectives. In parallel to the major capital works being undertaken through Transforming Homes, Cabinet has approved a new Repairs & Maintenance contract, an associated Repairs Policy, as well as planned maintenance programmes which lie behind a move from a responsive to a planned approach to asset management.

3.9.2 Work is now underway to draw the agreed principles together into a new Housing Asset Management Strategy which builds on the improved resilience achieved to date sets in place the approach, principles and objectives for housing asset management going forward.

- 3.9.3 Asset management in the context of council housing is the management of the physical assets owned by Thurrock Council Housing Division i.e. houses, land, garages. An asset management strategy aims to ensure that the current and future assets are maintained to an appropriate standard to maintain asset value and to fully support the needs of the local communities.
- 3.9.4 The new housing asset management strategy will aim to ensure that all assets are well maintained to appropriate standards, are being used to maximum benefit and that opportunities are taken to unlock any untapped potential or take action over stock that no longer meets modern needs or is no longer 'fit for purpose'. As a result, the strategy looks beyond just the physical condition of the properties, seeking to identify actions that can be taken to secure better use of land or properties. It also recognises that at times decisions may have to be made around whether to continue to invest in maintaining existing properties or whether alternative options should be considered in order to provide homes and estates that better meet the existing and future needs of local people. In this way, the housing stock can evolve over time so it better meets housing needs and optimises the use and value of the property assets.
- 3.9.5 There are three key strategic objectives that frame this approach. These objectives support the further development of an asset base that exceeds minimum required standards and meets resident's needs and aspirations now and in the future.

Objective 1: Maintaining and Improving Housing Standards in Existing Stock

To ensure that current housing assets meet the statutory requirements, the Thurrock local decency standard, as well as standards for energy efficiency.

This will encompass the delivery of a whole asset approach to capital investment, with synergies and strategic procurement across investment programmes to ensure optimised performance and return. Ensuring we maintain a housing stock that continues to meet residents' needs and aspirations in the future.

The objective is to move the balance from a responsive service to a more cost effective planned approach which targets the aspects of the asset most in need.

This supports a programmed approach to addressing particular issues and needs. For example the prevention of damp & mould, improving the energy efficiency of the assets or carrying out adaptations to meet the needs of people with physical disabilities to enhance their lifestyle and, where appropriate, enable them to remain in their current home.

Objective 2: Understanding and Optimising Performance

Optimising the value and use of housing assets, supported by an asset performance management and appraisal framework.

To better understand the relative performance, value for money and contribution of properties to the HRA Business Plan. The aim is to allow us to categorise our stock in terms of how 'fit for purpose' it is for the future.

This is still a new area of activity for the council as a landlord which will be developed looking at best practice performance assessment techniques from the social housing sector. It is envisaged that the bulk of the stock will be 'long term sustainable', but that some stock might exhibit some issues, with other stock exhibiting particular cause for concern. Property types or groups which fall into these latter two groups will, as appropriate, be the subject of option appraisals designed to determine the potential options and, ultimately, a preferred course for intervention.

Objective 3: Informing the standards and performance in new build council owned properties

Informing the standard and specification of new homes where the Council will be the landlord taking into account the operational maintenance and life time costs of the new assets.

Working together to ensure wider corporate and housing strategy objectives can be met, establishing standards and principles for future housing assets. Establishing new build quality standards: using London Space Standards, level 4 Code for Sustainable Homes, Lifetime Homes and HAPPI standards to ensure the Council is developing an asset base which has long term viability meeting space requirements, with improved sustainability, adapting to needs of different residents.

3.10 Delivering the Asset Management Strategy Objectives

Delivery of the Housing Asset Management Strategy will be supported by two associated documents - the HRA Business Plan which sets out the long term plan aligned to strategic objectives and an Asset Management Delivery Plan which sets out the medium term goals for delivery.

Housing Investment & Development recognise that this is a developing strategy - taking forward learning and improvements from the recent programmes, and implementing a comprehensive asset management strategy to ensure standards and performance meet corporate objectives and resident expectations.

The full strategy will be developed in the coming months to be taken to Cabinet for approval later this year.

Robust stock condition information forms the cornerstone of an effective asset management strategy. This stock condition information leads the programming of re-investment that ensures we maintain the stock appropriately.

While we are confident there is now a solid baseline of asset information in place, in order to maintain robust projections for future priorities it is vital that this data is continually confirmed. The planned implementation of the new Northgate Housing management system includes a new asset management IT system which will further enhance our capabilities to effectively manage this information and carry out this future planning.

3.11 Consultation and Engagement

The final strategy and implementation plan will be shaped through engagement with our internal and external partners and engagement and consultation with residents.

All the Housing Investment and Asset Management plans to date have been shaped by the ongoing consultation and engagement with residents across a range of service delivery streams. Housing Investment & Delivery work in line with the Community Engagement Strategy in planning, engagement and evaluation & feedback across repairs, capital, new build and regeneration.

4. Reason for Recommendations

- 4.1 This report is for noting and commenting on the proposed outline for the future Asset Management Strategy.

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

- 5.1 This report is for consultation with Overview and Scrutiny.

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

- 6.1 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

The different housing programmes continue to support strategic and local opportunities, investing in the long-term integrity of the Councils assets, new homes and new opportunities for our residents, contributing to their wellbeing and the long-term regeneration of Thurrock.

7. Implications

7.1 Financial

Implications verified by: **Joanne Freeman**
Management Accountant – Social Care and Commissioning

There are no financial implications arising from this report. It is a progress report update only.

7.2 Legal

Implications verified by: **Martin Hall**
Housing Solicitor / Housing Team Leader

There are no Legal implications arising from this report

7.3 Diversity and Equality

Implications verified by: **Natalie Warren**
Community Development and Equalities Manager

A full impact assessment has been undertaken of the implementation of the Housing delivery of the reactive repairs service and the transforming homes investment programme.

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

None

8. Background papers used in preparing the report (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- Housing Programme Update and Scheme Approvals, June 2013
- Housing Capital Programme Procurement February 2013
- Housing Planned & Cyclical Maintenance Programme, April 2014
- Award Repairs and Maintenance contract, November 2014
- Implication of the Housing & Planning Bill and Welfare Reform Bill 2015 on HRA Services and Affordable Housing Programme, December 2015

9. Appendices to the report

None.

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