



## The Gateshead Housing Company Asset Management Committee

Friday 25 June 2010 at 11am  
Board Room 1, The Gateshead Housing Company, Keelman  
House, Fifth Avenue Business Park, Fifth Avenue, Team Valley  
Trading Estate, Gateshead NE11 0XA

### *Agenda*

Item	Business
1.	<b>Apologies for Absence</b>
2.	<b>Declarations of Interest</b>
	<b><u>ITEMS FOR DECISION</u></b>
3.	<b>Minutes (Pages )</b> To approve as a correct record the minutes of the last meeting of the committee held on 4 March 2010
4.	<b>Matters Arising</b>
	<b><u>ITEM FOR INFORMATION</u></b>
5.	<b>Gas Care Plan</b> Report of Acting Director of Property and Technical Services
6.	<b>Capital Budget Outturn - 2009/10</b> Report of Acting Director of Property and Technical Services

Contact: Stuart Gibson Tel: (0191) 433 5308 Date: 3 June 2010

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Item	Business
7.	<b>Responsive Repairs Activity 2009/10</b> Report of Acting Director of Property and Technical Services
8.	<b>HomeLoans Activity 2009/10</b> Report of Director of Finance
9.	<b>Responsive Repairs Variations</b> Report of Acting Director of Property and Technical Services
10.	<b>Items for Future Agendas</b>
11.	<b>Date and Time of Next Meeting</b> The next Thursday 30 September 2010 at 9am in Board Room 1, Keelman House, Fifth Avenue Business Park, Fifth Avenue, Team Valley, Gateshead
12.	<b>Exclusion of the Press and Public</b> The committee may wish to consider excluding the press and public from the meeting during consideration of the remaining items in accordance with Category 5 of the company's Access to Information Rules



## ASSET MANAGEMENT COMMITTEE

4 March 2010

### PRESENT:

#### Directors

Sara Woolley (Chair)  
 Robert Buckley  
 Allan Curry  
 Peter Mole  
 Bill Patterson  
 Jim Willis

#### Advisers

Bill Fullen	Chief Executive
Paul Proud	Acting Director of Property and Technical Services
Neil Bouch	Director of Housing Management
Stuart Gibson	Company Administrator

#### Apologies

Stan Dawson  
 Pauline Dillon

### 8 MINUTES

The minutes of the inaugural meeting of the committee held on 26 November 2009 were approved as a correct record and signed by the Chair.

### 9 CAPITAL BUDGET 2010/11

The Council agreed, at its meeting on 25 February 2010, an allocation of £23m in 2010/11 to the company to implement projects as agreed in its Delivery Plan.

At the Council Meeting, held on 26 February 2009, a number of schemes to enhance the Decent Homes programme to be delivered through the company were agreed. The schemes are to be funded through prudential borrowing supported through the Housing Revenue Account. These schemes were over a three year period for which 2010/11 is Year 2 of this programme.

Details of the proposed capital budget for 2010/11 and schemes to be delivered by the company and funded through prudential borrowing were submitted. The schemes to be funded through prudential borrowing are planned for 2010/11, however these can be rolled over into 2011/12 should this be required as they are to be funded through prudential borrowing.

- RESOLVED – (i) That the Board be recommended to approve the capital budget funded from the Council’s capital resources and prudential borrowing.
- (ii) That details of the number of properties that have been made decent during the last year, including those that have been brought forward in the programme, be publicised.

## 10 REVIEW OF SUSTAINABILITY FUND

The committee received an update on Board Member involvement in the development of sustainability schemes.

A budget was included in the ALMO funding for the delivery of sustainability works. The budget, of up to 5% of the value of the works, was allocated to fund improvements designed to enhance the long term sustainability of estates following Decent Homes.

In May 2006, the Board approved the introduction of local task groups comprising of a Board Member, residents, Councillors, officers and other stakeholders. The role of the Task Group is to lead the delivery of the Sustainability Fund.

Since their introduction, task groups have successfully delivered a range of sustainability schemes. Board Members have played an active role in the 45 schemes that are currently being developed or have been delivered across the borough. The schemes with no Board Member involvement are predominantly schemes where there has been no task group due to there only being one sustainability option or low value works. A list of the schemes was submitted.

In the last 18 months, it has become increasingly difficult to deliver sustainability schemes. Improvements that are commonly a high priority for tenants such as play facilities and landscaping are subject to ongoing maintenance requirements. Whilst works to the highway, such as new paths or improved parking, can only be designed and delivered by the Council.

Following discussions with the Council, the company is no longer able to include any future maintenance provision for landscaping or play facilities within the scheme cost.

Future maintenance of any scheme must be budgeted for annually through revenue. The company is unable to budget for this type of maintenance. The Council has confirmed that they are unable to increase their revenue budget to cover any additional costs due to sustainability improvements. This means that sustainability works cannot increase the existing maintenance requirements of any piece of land or play facility.

The high number of schemes requiring work to the highway and the demand for the Council’s Transport Strategy Section has made it difficult to deliver works of this nature within the timescales required for a sustainability scheme. These changes have resulted in the scope of sustainability schemes becoming limited and reduced the impact of the schemes and the company’s ability to deliver customers priorities.

In partnership with customers and other stakeholder, the Board has played an active role in developing and prioritising sustainability schemes across Gateshead. Due to the delivery barriers that have developed, the scope and impact of sustainability improvements has now become limited. To continue to meet customer's priorities the scheme needs to be reviewed.

Any future schemes should not have ongoing maintenance costs for the company or the Council.

- RESOLVED – (i) That the update on Board Member involvement in the development of sustainability schemes be noted.
- (ii) That a review of the Sustainability Fund be carried out.

## **11 DECENT HOMES PROGRAMME**

The committee received a presentation on the decent homes programme. In particular, consultation on the programme, progress to date, challenges and the remaining years and future investment needs were highlighted.

- RESOLVED – (i) That the presentation be noted.
- (ii) That arrangements be made for any Board Member wishing to view a decent homes property before and after it is made decent.
- (iii) That a report be submitted at a future meeting of the committee on the Tenant Improvement Loan Scheme.

## **12 DECENT HOMES AND GATESHEAD STANDARD**

The committee received an update on the Decent Homes and the Gateshead Standard.

The company has delivered decent homes to the Gateshead Standard to over 15,000 homes. This will bring the total number of properties achieving the decent homes standard to over 20,000 by the end of 2009/10.

The Decent Homes standard was introduced to bring social housing up to a minimum standard. Details of the criteria to meet this standard were reported.

The Decent Homes Standard is considered to be a minimum standard. In Gateshead, a higher standard has been developed with customers, which is the Gateshead Standard. Details of what this standard includes were also reported.

In addition to the Gateshead Standard, the company has secured additional funding of £16 million from the Council to replace all non composite external doors and windows to all sustainable properties. This work will take place within the next two years.

This work will further deliver on the priorities identified during customer consultation. The additional costs of achieving the Gateshead Standard will be £25 million by the end of the Decent Homes programme.

RESOLVED – That the information be noted.

### **13 SUMMARY OF DECENT HOMES SATISFACTION**

The committee received an update on customer satisfaction with completed Decent Homes improvements.

On completion of Decent Homes improvement work, all residents are asked to complete a satisfaction questionnaire. The survey asks customers to score the service based on four levels of satisfaction, details of which were reported.

Since the introduction of a new style survey in July 2008, both the number of surveys completed and the overall satisfaction score has increased.

At the end of the first quarter of 2008/09, overall satisfaction with Decent Homes was 89.20%; by the end of 2008/09 performance had increased to 97.22%. At the end of the third quarter of 2009/10, overall satisfaction has risen to 99.02%.

In June 2009, customers in the Decent Homes Service Improvement Group set the target for overall satisfaction with improvements at 98% for the financial year 2009/10. This will be reviewed again by the group in April 2010 to ensure a challenging target is set for the next financial year.

A summary of performance by the individual strategic partners for the year to date from April to December 2009 was submitted.

The company is learning from customer feedback and have made many changes to the way Decent Homes is delivered. Some examples of these were reported.

RESOLVED – That the information be noted.

### **14 AWARD OF GRANT FUNDING BY THE ENERGY SAVING TRUST TO THE GATESHEAD HOUSING COMPANY**

Decent Homes works are currently on site at Redheugh and Eslington Courts in the Teams area.

Consultation was carried out with residents, local councillors and officers to obtain suggestions for an environmental scheme to be funded from the Sustainability fund. During consultation, residents identified that the internal lighting in the corridors should be improved as part of any scheme.

The company identified that the Energy Saving Trust offer a grant to replace either fluorescent or incandescent lighting with LED lighting in communal areas. The company submitted a grant application to the Energy Saving Trust in November 2009. This was in competition with over 40 authorities and housing associations who submitted bids for a proportion of the £330,000 fund.

In December 2009, the Energy Saving Trust announced that the company had been successful in its bid and offered the company a grant of £92,162. This equates to 70% of the purchase cost for the LED lights at the blocks. The new lights will have the impact of reducing energy usage, carbon emissions and maintenance in the blocks as well as increasing the lighting levels in both the corridors and stairwells. The energy saving alone is estimated at over £7,000 per annum and the lights (including the bulbs) are guaranteed for five years. They are designed as 'fit and forget' lights.

The lights will be installed by Gateshead Council's Local Environmental Services as they are currently on site with the Decent Homes work.

RESOLVED – That the information be noted.

## **15 REPAIRS AND MAINTENANCE STRATEGY – ACTION PLAN UPDATE**

The Repairs and Maintenance Strategy was agreed by the Board at its meeting held on 25 September 2008. The strategy sets out priorities for maintaining and improving the stock and carrying out statutory servicing within the resources available to the company.

Since its introduction, the strategy has delivered a range of benefits for both the company and customers. Progress against the action plan was reported.

RESOLVED – That the information be noted.

## **16 ITEMS FOR FUTURE MEETINGS**

RESOLVED – That the following reports be submitted at future meetings of the committee: -

- Tenant Improvement Loan Scheme
- Methods of working in multi-storey blocks.

## **17 DATE AND TIME OF NEXT MEETING**

The next meeting of the committee will be held on Thursday 10 June 2010 at 9am in Board Room 1, Keelman House, Fifth Avenue Business Park, Fifth Avenue, Team Valley, Gateshead.

## **18 EXCLUSION OF THE PRESS AND PUBLIC**

RESOLVED – That the press and public be excluded from the meeting during consideration of the remaining business in accordance with Category 5 of the company's Access to Information Rules.



## Report to Asset Management Committee

25 June 2010

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**Title:** Gas Care Plan

**Report of:** Acting Director of Property and Technical Services

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### **Purpose of Report**

1. To update the committee on the Gas Care Plan agreement with Morrison Facilities Services (MFS).

### **Background**

2. As part of the repair and maintenance contract, MFS carry out annual gas servicing and responsive repairs to heating breakdowns.
3. Gas servicing is delivered as an annual programme with five fixed costs ranging from £23 to £43 depending on the type of appliance.
4. There is a schedule of rates in place for routine repairs to gas appliances. As breakdown repairs to gas appliances are purely responsive it is very difficult to anticipate and control annual expenditure.

### **Proposal**

5. An alternative method of delivering gas servicing and repairs is to enter into a Gas Care Plan which fixes the annual cost. TGHC will pay MFS a fixed price per property to carry out an annual service and any responsive repairs.
6. The proposed Plan will include the following: -
  - A new fixed cost
  - Gas Boiler Repairs.
  - Boiler Control Repairs including pumps, divertor valves and time clocks including wiring from the fused spur.
  - Parts and Labour Costs.
  - Unlimited Call-Outs.
  - An Annual Service of the Boiler including the issuing of the CP12.
  - Calls attended within 24hours November to April inclusive.
  - Calls attended within 72hours May to October inclusive.
  - Vulnerable customers will always receive assistance within 24 hours regardless of the time of year.



- Appointments available a.m. or p.m. for repairs
  - The re-pressuring of the heating system twice per year. One of these will be at the annual service.
  - The thawing of the condensate pipework. It is agreed though that this will be monitored and that the winter of 2009/2010 would be classed as exceptional and if these levels were reached again that we will negotiate a fee.
  - Negotiated price for second appliance of £35.00.
7. Further details of the proposed Gas Care Plan are attached at the Appendix to this report.

### **Summary**

8. TGHC currently pay £1,048,000 per year for Gas Servicing which include the cost of the Access Squad.
9. The cost of heating out of order repairs was £1,485,080 in 2009/10.
10. The projected cost of gas heating repairs and servicing in 2010/11 is approximately £2,500,000. This is based on historical volumes of repairs.
11. The negotiated rate for the Gas Care Plan is £95 per property with an addition of £35 per fire. Advice from Housing Quality Network (HQN) is that a competitive price for a comparable service would be between £100 and £120. In the private sector British Gas are charging £156 for a similar service (additional £100 for a fire).
12. The estimated annual cost of the Gas Care Plan is: -

Boilers	19,018 x £95 =	£1,806,710
Fire	3,701 x £35 =	£ 129,535
Access Squad	=	<u>£ 63,755</u>
Total		<u>£2,000,000</u>

13. The projected saving to TGHC of entering into the Gas Care Plan is £500,000 in 2010/11. In addition to this the fixed price charge has enabled TGHC to transfer the uncertainty of expenditure on the demand led element (repair) to Morrisons.

### **Links to Values**

14. This report links to the following company values: -
- Being customer focused, innovative and professional
  - Being honest, accountable and transparent.

### **Impact on Tenants**

15. The fixed price will incentivise Morrison's to increase the number of repairs carried out right first time at the first visit .

### **Risk Management Implications**

16. By entering into this arrangement TGHC will be able to remove the cost uncertainty of the responsive gas installation repairs.

### **Financial Implications**

17. There will be a projected saving on the repairs budget of £500,000 in 2010/11.

### **Value for Money Implications**

18. The gas care plan will generate a value for money savings of 20% per annum on the previous charge. If we compare with charge with the equivalent British Gas service we are paying 40% less.

### **Equality and Diversity**

19. The improvements in performance will further reduce the length of time vulnerable customers are without heating or hot water.

### **Health Implications**

20. An effective and efficient system for delivering central heating repairs will reduce any potential risks to customer's health through the loss of heating or hot water.

### **Environmental Implications**

21. The effective maintenance and servicing of appliances ensures optimum efficiency, reducing excessive energy use.

### **Consultation**

22. There was no consultation carried out relating to this report.

### **Recommendation**

23. The committee is recommended to note the introduction of the Gas Care Plan negotiated with MFS.



## THE MORISON GAS CARE PLAN

**An agreement between Morrison Facilities Services and the Gateshead Housing Company**

**The Morrison Gas Care Plan Range Terms and Conditions**

**SUMMARY OF CARE PLAN (fixed price £95.00 per property)**

**The Care Plan will include:**

- Repair and maintain all domestic gas appliances which come under the responsibility of the Gateshead Housing Company (customers cookers are not included). see section 1.
- One annual gas appliance service per property
- Additional cost of £35.00 for second gas appliance per property, see section 2
- Repair and maintain all internal gas appliance controls.
- Repair and maintain external gas appliance controls.
- Repair and maintain all gas pipe work from the gas meter outlet (see section 3)
- Repair and maintain all gas appliance sealed fan flues throughout.
- Unlimited Call-Outs.
- Appointments available am and pm.
- Calls attended within 24 hours November to April inclusive.
- Calls attended within 72 hours May to October inclusive.
- Calls attended within 24 hours for all vulnerable customers
- All parts and labour costs are inclusive.

**The Morrison Gas Care Plan Promise:**

Morrison Facilities Services aim to provide a safe, high-quality service to 'repair' or 'maintain and repair' the equipment included in the Gateshead Housing Company agreement.

### **DEFINITIONS**

Wherever the following words and phrases appear in these Terms and Conditions, they will have the following meaning:

## Section 1

### **Combination Gas Appliance, Flue and Controls Breakdown Cover:**

- Repairs initiated in the event of breakdown of a single gas appliance and controls in a Gateshead Council property
- Parts and labour, there is no age limit on the gas appliance, as long as all the essential working parts are available
- Repair and maintain all gas, electrical and water internal parts e.g. Water to water heat exchangers, gas to water heat exchangers, gas valves, fans, circuit boards etc
- Initiate one boiler re-pressurization per year
- Initiate one boiler re-pressurization per Gas service
- Repair and maintain external programmer and thermostat
- Repair and maintain sealed horizontal and vertical flue, to include all sections including brackets, seals, terminals and guards
- Repair and maintain condensate pipe work from boiler trap to discharge point e.g. drain or soak away
- Repair and maintain frozen condensate pipe work
- Repair and maintain boiler reset facilities
- Check and maintain combustible and compartment ventilation
- Check and maintain as per Gas Safety Regulations

### Not covered options:

- Boiler flue when connected to chimney, copex and rite vent
- Re-installing combustion /cooling ventilation due to removal by third party
- Frozen condensate pipe work will be monitored and in exceptional weather conditions a charge may be applied
- Damage by misuse or vandalism (must inform Housing Company before work commences)
- Boiler replacement under the circumstances and in accordance with the terms and conditions of the Gas Care Plan.
- Remove sludge and hard water scale from boiler, system and ancillaries
- Chemical flushing of heating system
- Kettling and noisy boilers are to be forwarded to the Gateshead Housing Company

### **Back Boilers with Fire Front, Flue and Controls Breakdown Cover:**

- Repairs initiated in the event of breakdown of a single gas appliance and controls in a Gateshead Council property
- Parts and labour, there is no age limit on the gas appliance, as long as all the essential working parts are available
- Repair and maintain all gas, electrical and water internal parts e.g. gas to water heat exchangers, gas valves, burners, circuit boards etc
- Repair and maintain external programmer and thermostat
- Repair and maintain external pump
- Repair and maintain diverter valve, head and valve
- Repair and maintain flue to secondary flue connection
- Repair and maintain flush, inset and offset fire fronts
- Check and maintain combustible and compartment ventilation
- Check and maintain as per Gas Safety Regulations

Not covered options:

- Boiler flue when connected to chimney, copex and rite vent
- Renewal of back boiler water to gas heat exchanger
- Damage by misuse or vandalism (must inform Housing Company before work commences)
- Boiler replacement under the circumstances and in accordance with the terms and conditions of the Gas Care Plan.
- Re-installing combustion /cooling ventilation due to removal by third party
- Remove sludge and hard water scale from boiler, system and ancillaries
- Chemical flushing of heating system
- Kettling and noisy boilers are to be forwarded to the Gateshead Housing Company
- Fire front replacement under the circumstances and in accordance with the terms and conditions of the Gas Care Plan.

**System Boilers, (Floor and Wall Mounted Flue) and Controls Breakdown Cover:**

- Repairs initiated in the event of breakdown of a single gas appliance and controls in a Gateshead Council property
- Parts and labour, there is no age limit on the gas appliance, as long as all the essential working parts are available
- Repair and maintain all gas, electrical and water internal parts e.g. Water to water heat exchangers, gas to water heat exchangers, gas valves, fans, circuit boards etc
- Initiate one boiler re-pressurization per year
- Initiate one boiler re-pressurization per Gas service
- Repair and maintain external programmer and thermostat
- Repair and maintain sealed horizontal and vertical flue, to include all sections including brackets, seals, terminals and guards
- Repair and maintain boiler reset facilities
- Repair and maintain external pump
- Repair and maintain diverter valve, head and valve
- Repair and maintain flue to secondary flue connection
- Check and maintain combustible and compartment ventilation
- Check and maintain as per Gas Safety Regulations

Not covered options:

- Boiler flue when connected to chimney, copex and rite vent
- Damage by misuse or vandalism (must inform Housing Company before work commences)
- Re-installing combustion /cooling ventilation due to removal by third party
- Remove sludge and hard water scale from boiler, system and ancillaries
- Chemical flushing of heating system
- Kettling and noisy boilers are to be forwarded to the Gateshead Housing Company
- Boiler replacement under the circumstances and in accordance with the terms and conditions of the Gas Care Plan.

### **Warm Air Appliances: Flue and Controls Breakdown Cover**

- Repairs initiated in the event of breakdown of a single gas appliance and controls in a Gateshead Council property
- Parts and labour, there is no age limit on the gas appliance, as long as all the essential working parts are available
- Repair and maintain all gas and electrical internal parts e.g. gas to air heat exchangers, gas valves, fans, circuit boards, burners etc
- Repair and maintain external programmer and thermostat
- Repair and maintain boiler reset facilities
- Repair and maintain flue to secondary flue connection
- Check and maintain appliance base plenum ducted airway connection
- Check and maintain combustible and compartment ventilation
- Check and maintain as per Gas Safety Regulations

#### Not covered options:

- Boiler flue when connected to chimney, copex and rite vent
- Damage by misuse or vandalism (must inform Housing Company before work commences)
- Re-installing combustion /cooling ventilation due to removal by third party
- Warm Air replacement under the circumstances and in accordance with the terms and conditions of the Gas Care Plan.
- Integral water heater and wet system circulator (eljan and hijan)
- Pre-fabricated ducted air ways and registers
- Repair appliance base plenum ducted airway connection

### **Water Heaters, (external) Flue and Controls Breakdown Cover**

- Repairs initiated in the event of breakdown of a single gas appliance and controls in a Gateshead Council property
- Parts and labour, there is no age limit on the gas appliance, as long as all the essential working parts are available
- Repair and maintain all gas, electrical and water internal parts e.g. gas to water heat exchangers, gas valves, fans, circuit boards, water governor etc
- Repair and maintain sealed horizontal and vertical flue, to include all sections including brackets, seals, terminals and guards
- Repair and maintain boiler reset facilities
- Check and maintain combustible and compartment ventilation
- Check and maintain as per Gas Safety Regulations

#### Not covered options:

- Damage by misuse or vandalism (must inform Housing Company before work commences)
- Re-installing combustion /cooling ventilation due to removal by third party
- Remove sludge and hard water scale from boiler, system and ancillaries
- Water Heater replacement under the circumstances and in accordance with the terms and conditions of the Gas Care Plan.

### **Water Heaters, (integral eljan and hijan) Flue and Controls Breakdown Cover**

- Repairs initiated in the event of breakdown of a single gas appliance and controls in a Gateshead Council property
- Parts and labour, there is no age limit on the gas appliance, as long as all the essential working parts are available
- Repair and maintain all gas, electrical and water internal parts e.g. gas to water heat exchangers, gas valves, fans etc
- Repair and maintain flue to secondary flue connection
- Repair and maintain boiler reset facilities
- Check and maintain combustible and compartment ventilation
- Repair and maintain external programmer and thermostat
- Repair and maintain external pump

Not covered options:

- Damage by misuse or vandalism (must inform Housing Company before work commences)
- Re-installing combustion /cooling ventilation due to removal by third party
- Remove sludge and hard water scale from boiler, system and ancillaries
- Water heater replacement under the circumstances and in accordance with the terms and conditions of the Gas Care Plan.

### **Gas Fires, (open flue and sealed flue) Flue and Controls Breakdown Cover**

- Repairs initiated in the event of breakdown of a single gas appliance and controls in a Gateshead Council property
- Parts and labour, there is no age limit on the gas appliance, as long as all the essential working parts are available
- Repair and maintain all gas and electrical internal parts e.g. gas to air heat exchangers, gas valves, burners etc
- Repair and maintain flue to secondary flue connection (including room sealed flues, terminals and guards)
- Check and maintain combustible ventilation (if required)
- Repair and maintain closure plate
- Check and maintain as per Gas Safety Regulations

Not covered options:

- Boiler flue when connected to chimney, copex and rite vent
- Damage by misuse or vandalism (must inform Housing Company before work commences)
- Fire replacement under the circumstances and in accordance with the terms and conditions of the Gas Care Plan.

### **Cookers, Flue and Controls Breakdown Cover**

- Repairs initiated in the event of breakdown of a single gas appliance and controls in a Gateshead Council property (Council owned cookers)
- Visually check tenants own cooker as per Gas Safety regulations
- Parts and labour, there is no age limit on the gas appliance, as long as all the essential working parts are available (Council owned cookers)

- Repair and maintain all gas, electrical and mechanical internal parts e.g. gas valves, burners atmospheric sensing devices etc (Council owned cookers)
- Check and maintain combustible ventilation (if required)
- Check and maintain as per Gas Safety Regulations

Not covered options:

- Damage by misuse or vandalism (must inform Housing Company before work commences)
- Cooker replacement under the circumstances and in accordance with the terms and conditions of the Gas Care Plan.



## Section 2

### Annual Gas Safety Check and Service Breakdown cover

- One annual gas appliance service per property
- Check system programmer and external controls and adjust as required
- Initiate service as per Manufacturers instructions
- Initiate one boiler re-pressurization per gas appliance service
- All remedial work required to complete a gas check/service is included
- Check and maintain combustibles and compartment ventilation
- Check and maintain as per Gas Safety Regulations
- Issue a Gas Safety Certificate (CP12) to customer and Housing Company
- To include tenants temporary sleeping in living room procedure

### Not covered options:

- Damage by misuse or vandalism (must inform Housing Company before work commences)
- Re-installing combustion /cooling ventilation due to removal by third party
- Remove sludge and hard water scale from boiler, system and ancillaries
- additional cost for second gas appliance £35.00

### **Section 3**

#### **Gas Meters and Pipe work Breakdown cover**

- Repairs initiated in the event of breakdown of a gas meter and pipe work in a Gateshead Council property
- Parts and labour, there is no age limit on the gas meter and pipe work, as long as all the essential working parts are available
- Repair and maintain all pipe work from meter outlet to all gas appliances, e.g. pipe work, gas fittings, clips, etc
- Co-ordinate all meter, pipe work and fittings repairs with gas suppliers and engineers

#### Not covered options:

- Full re-pipe of gas mains pipe work from meter to appliances, when buried in the structure of a building i.e. concrete floors or unacceptable voids
- Damage by misuse or vandalism (must inform Housing Company before work commences)

**Gary Stirling**  
**Gas Service Manager**

**12 March 2010**



## Report to the Asset Management Committee

25 June 2010

**Title:** Capital Budget Outturn 2009/10

**Report of:** Acting Director of Property and Technical Services

### Purpose of Report

1. To report the capital outturn against the budget for 2009/10

### Background

2. The Board were advised of the capital resources to be provided by the Council at the meeting on 12 March 2009. £7.5 Million MRA and £8.5 Million ALMO funding was subsequently brought forward from 2010/11 at the request of the Homes and Communities Agency.

### Summary

3. The expenditure for 2009/10 is £62,630,000 against a revised budget of £62,628,000 and the outturn statement for the financial year is attached in Appendix 1.
4. An analysis of the Decent Homes portion of the capital budget is provided at Appendix 2 broken down by strategic partner.
5. An analysis of the Prudential Borrowing outturn, by scheme is provided at Appendix 3.

### Link to values

5. This report relates to the values of
  - being honest, accountable and transparent – *delivering excellent services with integrity;*
  - being positive and responsive – *constantly striving to achieve excellence;*
  - being a listening and learning organisation – *staying in touch with what customers want.*

### **Impact on tenants**

6. Over 4261 properties have benefitted from having the decent homes work carried out to their homes. More tenants will benefit from the additional work funded through prudential borrowing.

### **Risk Management Implications**

7. There are no risk management implications of the report since the majority of the works are on programme and the overall expenditure is on target to meet the budget provision.

### **Financial Implications**

8. The financial implications are detailed in the report.

### **Equality and Diversity Implications**

9. There are no Equality and Diversity implications associated with this report.

### **Value for Money implications**

10. The capital works programme is delivered mainly through the long term partnering arrangements with LES, FHM and MFS. The partnering arrangements along with the savings generated by the VBS exercise have generated significant efficiencies during the course of the programme.

### **Consultation carried out**

11. No consultation has been carried out for the preparation of this report.

### **Health Implications**

12. The additional insulation measures, the double glazed windows and the new external doors will help to reduced fuel poverty and cold related illnesses.

### **Environmental Implications**

13. The improved thermal efficiency of the properties will reduce the level of CO2 generated thus reducing the carbon footprint of that household.

### **Recommendations**

14. To Committee is asked to note the report.

<b>THE GATESHEAD HOUSING COMPANY CAPITAL BUDGET 2009/10</b>			
<b>SCHEME HEADING</b>	<b>BUDGET</b>	<b>OUTTURN</b>	<b>NOTES</b>
Decent Homes	£52,570,000	£52,500,000	
Decent Homes Sustainability	£1,925,000	£2,061,000	
Revenue Support	£5,000,000	£4,000,000	Reduced revenue support due to reduced major works on repairs and voids
One off central heating replacement	£1,450,000	£2,009,000	
Lifts	£320,000	£239,000	Ongoing programme of lift replacements
Warden Call	£200,000	£221,000	Ongoing programme of replacements to the warden call equipment
Security & Environmentals	£150,000	£186,000	
Sheltered Communal Area refurbishment	£200,000	£6,000	Works planned for 2010/11 and 2011/12 following the review of Older Persons Housing
Multi-storey refurbishment	£263,000	£384,000	Increased works in relation to multi storey blocks
One off structural repairs	£250,000	£0	Works funded through revenue support
Demolitions	£100,000	£22,000	
Preparation of future schemes	£200,000	£319,000	Surveys programme accelerated to complete 2010/11 and 2011/12
Co Detector Installation	£0	£91,000	Additional Co Decetor Installations carried out
Asbestos	£0	£410,000	Increased costs in relation to asbestos testing and removal as all properties now require an asbestos management survey prior to works being carried out
Borough wide Insulation	£0	£182,000	Insulation works carried out in partnership with Warmzone to properties outside the programme
<b>SUB TOTAL</b>	<b>£62,628,000</b>	<b>£62,630,000</b>	
Prudential Borrowing Schemes	£20,948,000	£6,620,000	Changes in the prudential borrowing schemes during the year - more spend expected in 2010/11
<b>TOTAL</b>	<b>£83,576,000</b>	<b>£69,250,000</b>	

<b>Decent Homes Monitoring</b>							<b>Appendix 2</b>
<b>2009/10 Quarter 4</b>							
<b>Contractor</b>	<b>Budget</b>		<b>Spend to date</b>		<b>Properties Programmed</b>		<b>Properties Complete</b>
<b>FHM</b>	<b>22,226,363</b>		<b>21,157,000</b>		<b>3,009</b>		<b>1,960</b>
<b>LES</b>	<b>19,081,310</b>		<b>18,955,000</b>		<b>1,937</b>		<b>1,514</b>
<b>Morrison</b>	<b>11,262,327</b>		<b>12,388,000</b>		<b>1,109</b>		<b>787</b>
<b>TOTAL</b>	<b>52,570,000</b>		<b>52,500,000</b>		<b>6,055</b>		<b>4,261</b>

<b>THE GATESHEAD HOUSING COMPANY</b>			
<b>PRUDENTIAL BORROWING SCHEMES TO BE DELIVERED BY TGHC</b>			
<b>SCHEME HEADING</b>	<b>BUDGET</b>	<b>OUTTURN</b>	<b>NOTES</b>
Decent Homes Sites	£3,346,800	£2,014,000	Renew doors to all homes in the decent homes programme
DDA Works to Council Stock	£2,250,000	£1,582,000	Carry out physical works to meet statutory requirements for accessibility in Multi-Storey Blocks and Communal Lounges
Wardley Bungalows	£660,000	£1,293,000	Extensions to 20 one bed bungalows to convert to 2 bed bungalows - increased spend due to main drain renewal, additional unforeseen structural works and carry forward from 2008/09
McErlane Square	£560,000	£0	Conversion of bedsits to 1 and 2 bed flats for older people - designs progressing
High Lanes	£2,530,000	£1,490,000	Structural Works to 48 Airey Properties in conjunction with Decent Homes Work - reduced spend in 2009/10 due to spend in 2008/09 (total cost of scheme £1,808,176)
Kibblesworth	£4,500,000	£72,000	Develop and deliver options for Kibblesworth New Build - this will now be funded from HCA grant and loan from the Council
Harras Bank	£375,000	£0	Conversion of Council property into one house and 10 flats - scheme currently under review
Newbolt & Tennyson Court	£1,000,000	£0	External works to blocks - scheme developed and will delivered through sustainability fund
Multi-Storey Communal Entrances	£2,250,000	£0	Works deferred to follow decent homes
Multi-Storey Door Entry & CCTV	£122,800	£118,000	Works to Crowhall Towers, Bensham Court and Park, Peareth and Priory Courts
Demolition	£0	£14,000	Costs associated with service disconnection in relation to the decommissioning of the Lonnen following the Older Persons Housing Review
<b>TOTAL</b>	<b>£17,594,600</b>	<b>£6,583,000</b>	



## Report to Asset Management Committee

25 June 2010

**Title:** Responsive Repair Activity 2009/10

**Report of:** Acting Director of Property and Technical Services

### Purpose of Report

1. To update the committee on activity in the responsive repairs service during the financial year ended 31 March 2010.

### Background

2. Responsive repairs are co-ordinated through our repair-reporting centre, which can be accessed by freephone, text and email. Over 73,000 repairs were completed in 2009/10.
3. Repair requests are diagnosed by our Customer Service Assistants (CSA's) within the centre and the most appropriate schedule of rates attached to the order.
4. The repairs are categorised and the appropriate timescale is attached as follows:
  1. Emergency (24 hours),
  2. Urgent (3 days),
  3. Routine (20 days), and
  4. Planned (40 days).
5. Once the repair has been diagnosed and categorised appropriately, appointments are offered to customers.
6. A works order is then raised with Morrison Facilities Services (MFS) or Local Environmental Services (LES) to carry out the repair. MFS carry out most of our internal and external repairs and LES carry out all of our highway related repairs such as pavements repairs and drainage repairs.
7. Each month an analysis of completed invoiced work is carried out to show average repair cost per category, comparison against the previous financial year, and numbers and costs of jobs invoiced.
8. This is further broken down to show the highest usage schedule of rates (SOR) items both by month and cumulatively.



9. An analysis is then prepared showing annual expenditure by estate, average cost per property and cost and job numbers per local office.

### **Summary**

10. There have been 73,210 responsive works orders invoiced from April 2009 to March 2010 (value £7.07m). This has reduced in comparison to 2008/09 where 79,491 responsive works orders were invoiced (value £10.497m).
11. The average job cost has reduced from £132.06 in 2008/09 to £96.62 in 2009/10.
12. Appendix 1 details the average cost per job, number of jobs invoiced and the cost of jobs invoiced for 2008/09 and 2009/10 split down by Area and Category of repair. This appendix shows that the number and cost of repairs in each area has fallen in 2009/10 which is consistent with the overall results. A review of repairs by category is shown below.

### **Emergency Repairs**

13. The number of emergency repairs increased slightly in comparison to the prior year and the overall cost of these emergency repairs increased, although the average cost fell slightly. The increase in the number of emergency repairs was mainly due to the cold winter months that were experienced between December 2009 and February 2010 where there was an increase in the number of boiler breakdowns/repairs which are classed as emergency repairs.

### **Urgent Repairs**

14. There was a reduction in the number of urgent repairs and a reduction in the cost of the urgent repair jobs invoiced. This is consistent with the overall picture, although there does not appear to be one specific reason for this fall.

### **Routine Repairs**

15. The number of routine repairs increased slightly in comparison to the prior year, although the overall cost of these jobs invoiced fell. The fall in the cost is due to the higher value works being programmed into a batched works programme where a number of similar jobs are carried out to ensure that we obtain efficiencies from this work.
16. The number of routine repair jobs has increased due to the SOR codes being reviewed and amended to reduce the timescales attached to them.

### **Planned Repairs**

17. The number of planned repairs and the costs of these jobs invoiced has fallen significantly in comparison with the prior year. This is due to some of the SOR codes being realigned as routine repairs and due to the higher value works being programmed into a batched works programme where a number of similar jobs are carried out to ensure that we obtain efficiencies from this work.

## **Specific Work Undertaken by MFS**

18. An analysis of the cumulative value of the repair codes invoiced by MFS shows that the highest value 15 codes relate to a total of 45.78% of the overall repair spend. The top 15 repair codes are included within Appendix 2.
19. The following is a breakdown of the top 15 types of repairs: -
  - Nine plumbing type repairs
  - Two electrical type repair
  - One roofing type repair
  - One day works repairs
  - One subcontractor type repair
  - One glazing type repair
20. The top nine plumbing repairs make up 30.87% of overall repair spend. This is consistent with the increase in the number of emergency repairs due to the cold winter months which resulted in an increase in plumbing repairs in relation to boilers.
21. Daywork repairs are charged for additional work which the SOR code does not cover. They can be charged as an additional cost to a repair which has been carried out using an SOR code and the additional element only is charged as dayworks. They can also be charged to undertake works where there is no specific SOR code which covers the works required.
22. In relation to other repairs within the top 15, roofing repairs, electrical repairs, and glazing repairs are generally the most common type of repair and although they may not be costly the high number will increase the overall spend on these areas.
23. The subcontractor repairs are for instances where MFS have had to use a specialist subcontractor to undertake the works as the works are outside the SOR codes. Specific instances of these are where scaffold is required. MFS invoice us for the subcontractor charges plus a management fee of 7.5% for these works.

## **Repairs by Estate Undertaken by MFS**

24. A breakdown of the annual repairs expenditure and average cost per property undertaken by MFS by estate is included within Appendix 3. This breakdown also includes the year that the decent homes work is due to be completed or whether it has already been completed. However, it has been found that there is no specific correlation between the decent homes work carried out and the repair spend.
25. Appendix 3 shows that the estate with the highest cost per property is Clasper Village at £519.82. The estate with the lowest cost is Mulgrave Villas at a cost per property of £43.65.
26. Further analysis of reasons for repairs has highlighted that the level of spend is generally dependent on the type of properties within the estates, the age of the properties and the type of repairs required.

### **Links to Values**

27. This report links to the company values of being honest, accountable and transparent.

### **Impact on Tenants**

28. Accurate diagnosis of the repair will improve the right first time performance reducing inconvenience to tenants and leaseholders.

### **Risk Management Implications**

29. The review of our repair activity on a monthly basis ensures that any risks associated with the management of the responsive repair service are controlled.

### **Financial Implications**

30. The financial implications of the number and types of repairs carried out are included within the report. Any increase in the number of repairs could have an impact on the cost of the repair service.

### **Health Implications**

31. Ensuring that repairs are carried out right first time and within our published timescales will ensure that there is no detriment to our tenants and leaseholders' health and wellbeing.

### **Value for Money Implications**

32. By ensuring the correct scope of work is identified at first point of contact the repair will be carried out right first time reducing disruption to the customer and abortive costs for MFS and LES.
33. Completing repairs within the batched works programme will ensure that we can obtain economies of scale and efficiencies from undertaking these works together.

### **Equality and Diversity Implications**

34. Repairs are carried out to the timescale dependent on the category to which they relate and therefore, emergency repairs are prioritised by operatives.

### **Environmental Implications**

35. Ensuring that the repair operatives have the appropriate materials to complete the repair they are undertaking right first time will have a positive impact on the environment as it will reduce the number of journeys required to undertake the work and potential waste from materials.
36. Completing repairs within the batched works programme means that repairs can be grouped by location to reduce the travel time required by the operatives which will have a positive impact on the environment.

### **Consultation**

37. There was no consultation carried out relating to this report.

### **Recommendation**

38. The committee is asked to note the report.

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Contact: Paul Marshall, Repairs Partnering Manager

Tel No: (0191) 433 5313

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**Average cost per job (£)****Responsive Repairs by Area**

	2008/09	2009/10	% Change
West	131.64	98.93	-24.85%
Inner West	136.75	97.18	-28.94%
Central	123.01	98.84	-19.65%
South	139.20	96.26	-30.85%
East	126.99	93.04	-26.74%

**Responsive Repairs by Category**

	2008/09	2009/10	% Change
Emergency	94.73	94.71	-0.02%
Urgent	92.99	86.84	-6.61%
Routine	114.23	90.86	-20.46%
Planned	212.82	120.87	-43.21%
Total	132.06	96.62	-26.84%

**Note**

2008/09 figures based on full year average costs

**No of jobs invoiced****Responsive Repairs by Area to 31/3/10**

	2008/09	2009/10	% Change
West	12,959	12,274	-5.29%
Inner West	15,442	13,626	-11.76%
Central	13,626	12,729	-6.58%
South	20,184	18,544	-8.13%
East	17,280	16,037	-7.19%

**Responsive Repairs by Category to 31/3/10**

	2008/09	2009/10	% Change
Emergency	20,702	21,113	1.99%
Urgent	16,345	15,887	-2.80%
Routine	20,452	22,736	11.17%
Planned	21,992	13,474	-38.73%
Total	79,491	73,210	-7.90%

**Note**

2008/09 figures based on figures to 31/3/09

**Cost of jobs invoiced (£)****Responsive Repairs by Area to 31/3/10**

	2008/09	2009/10	% Change
West	1,705,875	1,214,208	-28.82%
Inner West	2,111,739	1,324,195	-37.29%
Central	1,676,078	1,258,079	-24.94%
South	2,809,559	1,785,079	-36.46%
East	2,194,345	1,492,003	-32.01%

**Responsive Repairs by Category to 31/3/10**

	2008/09	2009/10	% Change
Emergency	1,961,111	1,999,585	1.96%
Urgent	1,519,999	1,379,700	-9.23%
Routine	2,336,139	2,065,714	-11.58%
Planned	4,680,345	1,628,565	-65.20%
Total	10,497,594	7,073,564	-32.62%

**Note**

2008/09 figures based on figures to 31/3/09

## SOR Codes with the highest expenditure April 2009 - March 2010

<b>SOR Code</b>	<b>Description</b>	<b>Value</b>	<b>% of total spend</b>
PB1897	Combination boiler out of order	1,009,989.92	15.90%
RF1003001	Carry our repair to tiled roof	224,133.97	3.53%
PB1001	Repair Burst Pipe	222,954.52	3.51%
DAY1001005	Dayworks	177,385.98	2.79%
BEL2059001	Repair/Replace electric accessory	167,810.33	2.64%
SC0001	Subcontractors	160,668.40	2.53%
PB1925	Service or repair gas appliance	143,839.63	2.26%
BEL2731	Repair storage heater	134,771.29	2.12%
PB1337	Repair w/c pan	128,248.87	2.02%
PB1281	Repair wc cistern	100,371.64	1.58%
PB1701	Repair radiator	89,978.97	1.42%
PB1393	Clear blocked waste pipe	89,812.80	1.41%
PB1841	Repair gutters / rainwater pipes	89,665.60	1.41%
PB1926	Gas Safety check	86,517.86	1.36%
GL1003	Hack out and regalze double glazed unit	82,280.08	1.30%
		<b>2,908,429.86</b>	<b>45.78%</b>

## Repairs Cost by Estate

Estate	Decent Homes	No. of Properties in estate	Annual Expenditure	Average Cost per Property
Clasper Village	2009/10	258	134,112.76	519.82
Deckham	2009/10	124	63,004.16	508.10
Millbrook	2009/10	58	28,618.02	493.41
Derwentwater	Completed	31	14,805.12	477.58
Holly Hill	2010/11	20	9,381.86	469.09
Blackhall Mill	Completed	21	9,395.62	447.41
Bleach Green	2011/12	181	80,159.88	442.87
Centurion Way	2009/10	68	28,204.24	414.77
Lyndhurst South	2011/12	92	37,630.82	409.03
Birtley East	Completed	169	68,508.45	405.38
Blue Quarries	Completed	57	22,256.79	390.47
Springwell	2008/09	723	276,639.21	382.63
Eslington Park	Completed	153	57,948.55	378.75
Swalwell	2010/11	210	79,508.48	378.61
Carlisle Street	Completed	4	1,495.44	373.86
High Spen	2009/10	111	41,431.30	373.25
Chandless Maisonettes	2011/12	157	58,595.62	373.22
St Marys Green	2011/12	6	2,185.45	364.24
Marian Court	2009/10	74	26,622.77	359.77
Carr Hill	Completed	153	54,585.40	356.77
Argyle Estate	Completed	87	30,919.50	355.40
Racecourse	Completed	248	86,333.68	348.12
Byermoor	Completed	27	9,383.97	347.55
Watergate	Completed	84	28,892.27	343.96
Rickgarth	2009/10	333	114,145.08	342.78
Ellen Wilkinson Estate	Completed	154	52,759.30	342.59
Chopwell	2009/10	291	99,665.89	342.49
Sheriff Hill	Completed	487	165,924.30	340.71
Rose/Milling	2011/12	256	87,119.68	340.31
Portmeads	2010/11	171	57,876.66	338.46
Old Fold	2011/12	148	50,003.72	337.86
Heworth Grange	2009/10	79	26,656.08	337.42
Coatsworth	2009/10	86	28,939.62	336.51
Abbotsford Road Estate	Completed	74	24,834.25	335.60
Hallgarth	2009/10	441	147,882.73	335.33
South Sherburn	2009/10	115	38,479.89	334.61
Team Colliery	Completed	12	4,013.73	334.48
Birtley West	Completed	290	96,773.82	333.70
Snookhill/St Pauls	Completed	125	41,541.29	332.33
Lower Rowlands Gill	Completed	38	12,567.10	330.71
Holmeside Estate	Completed	172	56,867.46	330.62
Low Greenside	Completed	92	30,370.92	330.12
Shibdon Bank	Completed	86	28,351.93	329.67
Kateregina	2011/12	71	23,379.43	329.29
Elisabethville	2009/10	179	58,625.71	327.52
Dunston Road Estate	Completed	171	55,488.46	324.49
Worcester Green	Completed	53	17,140.14	323.40
Whickham North	Completed	280	88,747.63	316.96
Warwick Court	2009/10	111	34,929.27	314.68

<b>Estate</b>	<b>Decent Homes</b>	<b>No. of Properties in estate</b>	<b>Annual Expenditure</b>	<b>Average Cost per Property</b>
Windy Nook	2011/12	237	74,256.59	313.32
Claremont	2009/10	117	36,330.57	310.52
High Lanes	Completed	144	44,714.38	310.52
St James Village	Completed	144	44,375.57	308.16
Rectory/Glebe	2009/10	144	44,156.11	306.64
Highfield	Completed	146	44,568.29	305.26
Cedars Green	Completed	11	3,341.33	303.76
Lobley Hill	Completed	371	112,124.58	302.22
Chopwell Gardens	2011/12	106	32,016.98	302.05
Parkfield/Tower Gardens	Completed	180	54,137.68	300.76
Parkhead	2009/10	276	82,964.69	300.60
Boghouse	2011/12	422	126,848.48	300.59
Allerdene	Completed	233	69,816.83	299.64
Allerdene Multi's	2009/10	145	43,446.08	299.63
Barlow	2009/10	10	2,988.72	298.87
Wardley	Completed	242	71,637.36	296.02
Dunston Hill Estate	2009/10	82	24,191.08	295.01
Low Crawcrook	Completed	125	36,776.00	294.21
Barley Mow Old	Completed	114	33,311.97	292.21
Beacon Lough Upper	Completed	247	71,768.85	290.56
Dunston Park Estate	Completed	197	57,149.56	290.10
Kibblesworth	Completed	211	61,065.40	289.41
Coach Road		94	27,194.60	289.30
Vigo	2010/11	187	53,779.52	287.59
Bill Quay	2009/10	78	22,337.36	286.38
St Cuthberts Court	2009/10	85	24,252.91	285.33
Millford/Ridgeway	2010/11	402	113,540.99	282.44
Eighton Banks	Completed	89	25,076.27	281.76
Pelaw	Completed	272	76,148.43	279.96
Harlow Green	Completed	238	65,905.85	276.92
Grange Crescent	Completed	314	86,197.11	274.51
Abbey Court	2009/10	52	14,176.12	272.62
Barley Mow New	Completed	159	43,236.32	271.93
Beacon Lough Lower	2009/10	137	37,009.47	270.14
High Crawcrook	2009/10	38	10,211.20	268.72
Hole-in-the-Wall	Completed	272	72,616.67	266.97
Lower Teams	Completed	109	29,091.93	266.90
Pipebridge	Completed	192	50,915.12	265.18
Redemmarsh	Completed	368	96,888.08	263.28
Nest House	Completed	332	86,976.70	261.98
Redheugh/Eslington Court	2009/10	334	87,410.40	261.71
Lyndhurst Upper	2009/10	161	42,130.81	261.68
Lyndhurst Lower	Completed	209	54,678.80	261.62
Victoria	2010/11	95	24,577.16	258.71
Barns Close	2009/10	193	49,827.64	258.17
Northside	Completed	222	57,294.27	258.08
Sunnside	Completed	183	47,214.35	258.00
Wellington Street	2009/10	162	41,698.01	257.40
Sunderland Road	Completed	53	13,623.03	257.04
Bagnall Grange	Completed	189	48,197.74	255.01
Beacon Lough East	Completed	330	83,673.05	253.55
Chandless Multi-Storey	2011/12	383	97,089.99	253.50



<b>Estate</b>	<b>Decent Homes</b>	<b>No. of Properties in estate</b>	<b>Annual Expenditure</b>	<b>Average Cost per Property</b>
Ridley Terrace	2011/12	52	13,172.57	253.32
Stoneygate	Completed	128	32,378.55	252.96
Wrekenton	2010/11	310	78,206.96	252.28
Acquired Property Central	Completed	172	43,317.31	251.84
Runhead	Completed	127	31,841.95	250.72
Emmaville	Completed	52	12,824.37	246.62
Bensham Court	2009/10	126	30,696.08	243.62
Crowhall Towers	2009/10	88	21,435.02	243.58
Flowershow Field	N/A	47	11,272.79	239.85
Ryton Central	Completed	116	27,820.24	239.83
Acquired Properties Low Fell	Completed	27	6,450.14	238.89
Acquired Ex-Railway	Completed	48	11,384.17	237.17
Staneway	Completed	232	54,430.23	234.61
Harlow Green Multi's	2011/12	264	61,713.07	233.76
Furrowfield	2011/12	114	26,372.23	231.34
Wrekenton Multi's	2011/12	143	31,922.66	223.24
Falla Park	2010/11	182	40,355.28	221.73
Mount Pleasant	2009/10	106	23,285.68	219.68
Hexham Old Road	Completed	88	19,188.53	218.05
Florence Avenue	Completed	100	21,757.74	217.58
High Greenside	Completed	56	12,063.52	215.42
Newbolt/Tennyson Courts	2009/10	136	29,259.01	215.14
William Pitt	2010/11	135	28,443.57	210.69
Upper Rowlands Gill	Completed	115	23,964.75	208.39
Joyce Close	2009/10	41	8,513.45	207.65
Ventnor Crescent	2009/10	75	15,357.14	204.76
Sunhill	N/A	33	6,641.69	201.26
East Street	Completed	123	24,650.17	200.41
Fieldhouse	Completed	142	28,061.38	197.62
Regent Court	2009/10	154	30,078.59	195.32
Lyndholme	N/A	27	5,220.79	193.36
Albert Place	Completed	4	772.60	193.15
Victoria House	N/A	29	5,497.57	189.57
Lakes Estate	Completed	151	27,921.06	184.91
Derwentside	N/A	36	6,496.54	180.46
Dunston, West Park	2009/10	33	5,732.33	173.71
Longshanks	Completed	59	10,156.26	172.14
Long Bank Estate	2010/11	73	12,476.67	170.91
Crookhill	Completed	92	15,668.85	170.31
Ravensworth Rd	N/A	110	16,183.83	147.13
Milvain Close	Completed	45	5,949.54	132.21
Winlaton Mill	Completed	11	1,015.50	92.32
Mulgrave Villas	Completed	58	2,531.85	43.65



## Report to Asset Management Committee

25 June 2010

**Title:** HomeLoans Activity 2009/10

**Report of:** Director of Finance

### Purpose of Report

1. To update the committee on the use of the HomeLoans Scheme within 2009/10.

### Background

2. The Tenants Improvement Loans Scheme (TILS) was introduced before the Housing Company was set up and was administered by the Benefits Section at the Council. However, in July 2004, we renamed this scheme as the Home Loans Scheme and this was administered by the Housing Company.
3. Tenants can apply for a loan via their local Housing Office and loans are offered for items which would improve the tenants property including showers, external security and safer by design doors.
4. Tenants can claim for loans for any amount up to a maximum of £870 for those claiming benefits and £2,300 for those not on benefit. Loans are repaid over one to five years on a tapered interest rate, current rates are as follows:-
  - 1 year 1.20%
  - 2 years 1.35%
  - 3 years 1.63%
  - 4 years 1.88%
  - 5 years 2.11%
5. Tenants must have a clear Rent and Council Tax account with no arrears and they must have no outstanding amounts such as garage rent, rechargeable repairs, court costs or any former tenant debt. Where tenants do have any of these then applications will be rejected.
6. Work must be carried out by a contractor of The Gateshead Housing Company.

### HomeLoan Procedure

7. Tenants apply for a HomeLoan through their Housing Office. An estimate of the works is then obtained from our contractors.

8. If the tenant wishes to proceed with the estimate then they must submit copies of their payslips so that their application can be reviewed.
9. The tenants rent and council tax account is checked to ensure that there are no arrears as noted above. If there are no arrears then a calculation is undertaken to determine how much the tenant can lend and the repayment plan.
10. If the tenant has arrears then the application is rejected.
11. Once the tenant receives the accepted application they then decide whether to proceed and over what period they wish to take the loan out over. If they agree to proceed they must pay the first week's instalment as a deposit when they sign their agreement and before the works are undertaken. The works will then be undertaken and the tenant will receive an invoice for the loan less the deposit.
12. The income is collected by the Council once the invoice has been raised and the works completed. The Council will invoke any debt collection arrangements as necessary.

### **HomeLoans in 2009/10**

13. During 2009/10, there were a total of 38 applications for HomeLoans. Of these seven were refused due to the tenant having arrears, 11 are still pending and 20 applications were accepted and have been invoiced to tenants. A detailed analysis is provided in Appendix 1.
14. From a review of the applications it has been noted that the main areas that tenants appear to be applying for loans is in relation to a vehicle crossing and/or hardstand, there were 19 of these applications. There were seven applications for a shower installation and four applications for fencing.
15. Other areas that tenants applied for loans were in relation to radiators, internal doors, fire & surround, intruder alarms and an outside tap. Detail is provided within Appendix 1.

### **HomeLoans 2004/05 to 2008/09**

16. Appendix 2 shows the breakdown of the types of HomeLoans that were accepted between 2004/05 and 2008/09. This shows that the number of HomeLoans which are accepted has been fairly constant over the past five years.
17. This shows that the main reasons for tenants applying for and being accepted for a loan was for a vehicle crossing and/or hard stand, followed by showers and alarms. Over this period loans were provided to the amount of £106,792.

### **HomeLoans Going Forward**

18. We are currently reviewing the HomeLoans procedures to ensure that they provide the most effective procedure for our tenants so that they offer an affordable alternative to private works.

### **Links to Values**

19. This report links to the company values of being customer focused, innovative and professional.

### **Impact on Tenants**

20. A HomeLoans procedure which offers affordable loans enables tenants to make improvements to their homes that they may not otherwise be able to do.

### **Risk Management Implications**

21. The financial review to ensure that tenants do not have any arrears ensures that there is a reduced risk of non collection of loan. The Council chase the collection of income with the tenant and will invoke their debt collection procedures should the tenant refrain from paying the invoice.

### **Financial Implications**

20. The collective value of loans raised to tenants in 2009/10 was £16,739 which will be collected over the next 1-5 years.

### **Value for Money Implications**

21. By ensuring that tenants have no arrears we maximise the potential for the loans to be repaid in full.

### **Equality and Diversity Implications**

22. There are no equality and diversity implications associated with this report.

### **Environmental Implications**

23. There are no environmental implications associated with this report.

### **Health Implications**

24. By enabling tenants the opportunities to take out a loan at a reasonable rate to undertake improvement works to their homes, we are providing health benefits to tenants as we are providing them with the support to make their home improvements where previously they may have been worried about the affordability of the works.

### **Consultation**

25. There was no consultation carried out relating to this report.

### **Recommendation**

26. The committee is asked to note the contents of the report.

## Appendix 1

### HomeLoans Analysis

2009/10

**No**

Applications Received	38
Applications Accepted	20
Application Pending	11
Applications Rejected	7

### Types of HomeLoans

**No**

Vehicle Crossing & Hardstand	19
Shower	7
Fencing	4
Intruder alarm	2
Radiator	2
Fire & Surround	2
Internal doors	1
Outside Tap	1
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	<b>38</b>
	<hr/> <hr/>

### Reasons for Rejection

**No**

Rent Arrears	3
Council Tax arrears	3
Capital over £5,000	1
	<hr/>
	<b>7</b>
	<hr/> <hr/>

## Previous loans provided through the Home Loans Scheme

	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
	No	No	No	No	No	No
Vehicle Crossing & Hard Stand	18	11	20	12	16	12
Shower	7	5	6	4	2	4
Alarm	4	3	2	-	1	1
Bathroom Improvements	1	-	-	-	3	-
Gas Fire	-	1	-	-	-	1
Fencing	-	1	-	2	3	1
Bathroom & Kitchen Improvements	-	-	-	1	-	-
Windows	-	-	-	1	-	-
External Doors	-	-	-	1	3	-
Radiator	-	-	-	-	-	1
Cooker Switch	-	-	-	1	-	-
	<b>30</b>	<b>21</b>	<b>28</b>	<b>22</b>	<b>28</b>	<b>20</b>
<b>Value of Loans</b>	<b>£ 38,869.67</b>	<b>£ 11,898.74</b>	<b>£ 16,669.62</b>	<b>£ 16,564.38</b>	<b>£ 22,790.03</b>	<b>£ 16,739.40</b>

**Variations Analysis 2009/10**

<b>Variations</b>	<b>No of jobs</b>	<b>Total Invoice Value</b>	<b>Total Order Value</b>	<b>Total Variation</b>	<b>Average Variation</b>	<b>Percentage</b>
No Variation	39,334	2,708,188	2,708,188			43%
Variations under £100	16,079	1,544,442	826,639	717,802	44.64	24%
Variations between £100 - £500	4,927	1,310,294	367,618	942,675	191.33	21%
Variations over £500	353	349,375	40,527	308,848	874.92	5%
Variations in TGHC favour	7,528	444,972	829,582	(384,610)	(51.09)	7%
	<b>68,221</b>	<b>6,357,270</b>	<b>4,772,555</b>	<b>1,584,716</b>		<b>100%</b>
<b>Avg additional cost of each variation to original order</b>					<b>54.86</b>	

**Variations Analysis 2008/09**

	<b>No of jobs</b>	<b>Total Invoice Value</b>	<b>Total Order Value</b>	<b>Total Variation</b>	<b>Average Variation</b>	<b>Percentage</b>
No Variation	37,257	2,853,232	2,853,232			35%
Variations under £100	14,170	1,477,592	832,669	644,923	45.51	18%
Variations between £100 - £500	5,994	1,902,844	621,781	1,281,063	213.72	23%
Variations over £500	1,152	1,424,468	158,473	1,265,995	1,098.95	17%
Variations in TGHC favour	7,581	577,303	1,604,582	(1,027,278)	(135.51)	7%
	<b>66,154</b>	<b>8,235,441</b>	<b>6,070,738</b>	<b>2,164,703</b>		<b>100%</b>
<b>Avg additional cost of each variation to original order</b>					<b>74.91</b>	

**Notes**

Jobs not included as not on Northgate (8,147 worth £1,590,292)