



Report to Property and Assets Committee

4 February 2019

Title: Housing Capital Programme – Third Quarter 2018/19

Report of: Head of Planned Investment and Cyclical Works

Purpose of Report

1. To provide the committee with a progress update on the delivery of the 2018/19 Housing Capital Programme to the end of the third quarter.

Summary

Improvement Works

2. Lift Refurbishment works is occurring under the current maintenance framework with KONE. At the end of the third quarter, lift works at Ripley Court, McErlane Square, East Lea, Birtley Villas, St Cuthbert's Court and one lift at Stretford and Barford Court were completed.
3. The second lifts at Stretford Court and Barford Court are currently receiving lift refurbishment works completing the planned delivery in year.
4. Rewiring of the landlord services to Bedale Court remained on site throughout the third quarter and is programmed to be completed late January. The electrical works being delivered consists of communal works only.
5. Rewiring of the landlord services to Harrison Court is to follow on from the electrical delivery at Bedale Court. Along with the electrical works package, the suspended ceiling will be renewed accommodating the new lighting along with roof covering refurbishment which commenced late November in advance of the electrical and ceiling works.
6. Works planned to address hard to heat, non-traditional properties at Whickham Rectory Glebe estate commenced March. Works are programmed for 42 weeks with 60 bungalows and the communal lounge set to benefit from the external works package. 36 bungalows were complete at the end of the third quarter.
7. The rolling programme of T-Fall works addressing the recurring condensation issues through additional internal insulation is continuing. 105 properties had received the insulation works at the end of the third quarter.

8. The scheme continues to prove challenging due to many property and customer considerations and work refusals are running at an inflated level. Additional customer support is being provided to mitigate against refusals.
9. The Warden Call Renewal programme is providing modern healthcare technology to many sheltered care sites across the borough. Further investment priorities are continuing to be identified by Gateshead Council and will be delivered in year by the service provider Tunstall.

Exceptional Extensive Works

10. Equality Act Works to Adelaide, Brisbane, Melbourne and Sydney Courts have completed with the works delivered consisting of entrance door replacement, refurbishment of access ramps, internal floor covering refurbishment along with, internal and external handrail renewal.

Catch Up and Major Future Works

11. The Maintaining Decency programme is comprising largely of internal upgrades to properties with individual elements such as electrical re-wiring, heating replacements, kitchen replacements, bathroom and wet room renewals as well as external works including chimney repairs, roof renewals, wall tie renewal, brickwork repointing and lintel works.
12. A maintaining decency scheme at Wrekenton estate that included the demolition of internal walls in the bungalow house types to improve the layout and storage of the small kitchens has been completed. In total 53 bungalows and 78 houses benefitted from the works package.
13. Runhead Estate maintaining decency works commenced February 2018 and the works to the remaining 21 properties were successfully completed in May.
14. Grange Estate maintaining decency works remains on site. 50 properties have received the works at the end of the third quarter with the remaining works planned to 66 homes programmed to complete late March 2019.
15. Holly Hill maintaining decency works remains on site. 17 properties have received the internal works package at the end of the third quarter with the remaining external works programmed to complete March 2019.
16. The maintaining decency works to Swalwell Estate commenced November. Works are programmed to 101 properties with 21 properties completed up to the end of the third quarter.
17. 5 York Close was purchased by Gateshead Council and TGHC have undertaken the refurbishment works recently converting the property back to a residential bungalow. The conversion works was part funded by Homes England.
18. The flat roof refurbishment, insulation and waterproofing works at Fontwell Drive commenced July with 104 properties set to benefit from the works package that will eradicate the problematic roofing and balcony details inherent with this house type that historically resulted in water ingress and high repair costs. At the end of the third quarter, 37 properties had received the works package.

19. During August we introduced a planned boiler replacement programme targeting approximately 50 properties that have either a warm air or back boiler appliance that are irreparable and inefficient replacing with a new 'A' rated energy efficient combination boiler. This delivery is proving extremely challenging with a current refusal or no access rate standing 90%. The properties are former refusals with many addresses known to the Customer Care Team. Due to customers continuing to refuse the works boiler replacement will occur in the programme reactively as and when appliances fail.
20. This capital work is delivered alongside a programme of 'one-off' responsive boiler replacements that occur continuous throughout the year.
21. Communal door and door entry renewal is continuing in year with the 26 blocks that derived phase 1 successfully delivered. The 23 mid-rise blocks programmed for phase 2 have been committed to manufacture and is programmed to commence late January with this additional volume planned to deliver fully in year.

Link to Values

22. This report relates to the following company values of being: -
 - Fair
 - Customer Focused
 - Open and Honest
 - Accountable
 - Inclusive, valuing diversity
 - Innovative
 - Passionate about what we do

Impact on Customers

23. Following on from the investment that was made during the Decent Homes programme, TGHC will continue to invest in maintaining the decency of the housing stock to ensure the Council housing assets are sustainable for future generations whilst in turn protecting and sustaining the Housing Revenue Account.
24. Satisfaction surveys are carried out with customers and leaseholders that receive investment works. Results are showing that 95.38% of customers expressed satisfaction with overall improvements delivered against the satisfaction target of 98.50%. We are continuing to evaluate customer survey feedback so that we can improve the service being provided to our customer base during investment works.
25. Multi Storey Blocks continue to receive works packages that enhances the block communal facilities. We will be delivering communal lighting upgrades at Barford Court and Harrison Court later in year providing modern energy efficient fittings, undertaking lift refurbishment providing safe and reliable modern access that has in turn reduced responsive repair costs and the disruption that responsive maintenance brings to customers. Furthermore, continued investment in making reasonable Equality Act Work adjustments is ensuring that blocks are accessible and have improved communal circulation areas, all of which positively enhance the appeal and ambience of the blocks.

Risk Management Implications

26. The failure to achieve a Commercial Model for repairs, maintenance & capital delivery has been identified as a strategic risk and controls and future actions have been agreed to mitigate the risk. The Strategic Risk Register is reviewed annually by the senior management team and monitored by the Board.
27. Customers will continue to benefit from increased fire safety measures that will provide a safer home and communal block environment.
28. The works to improve the thermal efficiency of homes by installing modern heat sources and insulate cold areas of building fabrics will reduce the risk of condensation related repairs and provide for a healthier internal environment.

Financial Implications

29. The capital delivery accounts including non-housing work show an efficiency of £545,000 until the end of November (Quarter 2 £226,000) in comparison to the budget for the year of £860,000. This compares to £699,000 to the end of December last year.
30. The required efficiency target equates to 5% of the budget allocated by the Council to deliver the capital schemes.
31. 73% of the housing capital programme had been delivered by the end of December 2018.

Equality and Diversity Implications

32. The Equality Act works being identified by the Council's Asset Management Service continue to deliver accessibility works to sheltered housing schemes and multi storey blocks.
33. Customers living in the blocks that are benefitting in year from the Equality Act works will receive improved entrance accessibility, communal mobility and safety with improvements made to the internal facilities particularly surface finishes.

Value for Money Implications

34. Investment works will continue to be managed to ensure that value for money remains a golden thread throughout the approach to housing capital works.
35. Procurement exercises are continuous across many schemes and this is resulting in economically advantageous tendered rates. Procurement activity has been aligned within the company where possible with a number of tendering exercises providing for capital and repair deliveries. This may result in savings against budgets that would allow for further investment opportunities.
36. Procurement frameworks are being considered where deemed appropriate and a cost-effective route to market.

Health Implications

37. The improvement works detailed in this report, replacement windows and improvements to the thermal efficiency of homes, will reduce the risk of customers living in cold damp homes, reducing the risk of heart, stroke, respiratory and cold related illness.
38. Properties constructed with a T-fall roof type will see condensation levels reduce in the home by insulating the cold bridge that is inherent with this roof design thus improving thermal comfort.
39. Continued investment in Tunstall Healthcare systems will provide advanced technological upgrades to customers covered by the sheltered scheme management.

Environmental Implications

40. Through the catch up and major future works planned, insulation and boiler replacement schemes, properties that have the oldest most inefficient heating systems will receive replacement boilers this year.
41. The EWI schemes to harder to heat properties along with window replacement works aims to tackle the twin challenges of reducing fuel poverty and carbon emissions within the older non-traditional housing stock.

Consultation Carried Out

42. Ward Councillors continue to be updated and advised of the Capital scheme proposals in their wards.
43. Customers are consulted and kept fully informed on a scheme by scheme basis through dedicated customer care resource.

Recommendation

44. The views of the committee are sought on whether the committee is satisfied with progress on the management of the Housing Capital programme delivery to the end of the third quarter 2018/19 and agree to receive further capital monitoring updates at the end of each quarter.