

ISLE OF ANGLESEY COUNTY COUNCIL	
Report to	Executive Committee
Date	18th March 2013
Subject	Public Sector Housing Investment
Portfolio Holder(s)	Councillor O. Glyn Jones
Lead Officer(s)	Shan L Williams, Head of Housing Services
Contact Officer	Shan L Williams
Nature and reason for reporting	
To seek approval for the 2013/14 Public Sector Capital Programme and allocation of budget	

A – Introduction / Background / Issues	
1.0	INTRODUCTION
1.1	The attached Planned Maintenance Programme for 2013 – 14 (Appendix 1) in the sum of £4.15m allocates the capital resources previously included in our approved HRA Business Plan.
1.2	Members will note that the programme does not involve unsupported borrowing which was, in previous years, utilised to support delivery of the Welsh Housing Quality Standard (WHQS) Internal Investment Programme.
2.0	WHQS INTERNAL INVESTMENT PROGRAMME UPDATE
2.1	During 2012 – 13 the Housing Service entered into the fifth and final year of the Investment Plan to deliver works required in order to comply with the WHQS. In accordance with previously reported timescales the Housing Service is pleased to confirm that our main programme of works procured in order to comply with WHQS reached a successful conclusion during December, 2012.

2.2 Progress by both Partnering Contractors, namely the BMU and G Purchase Construction Ltd, on Year 5 properties and for the whole of the programme is summarised in Table 1 below:

Table 1 – Programme Summary

		BMU	G Purchase
Annually (Yr 5)	% of annual footprint completed	100%	100%
	Number completed	97	396
	Number of properties in annual footprint	109	465
	Number of properties refused	13	69
Project	Total properties completed in 5yr Plan	478	2853
	Total properties refused in 5yr Plan	40	213
	Change of Tenancy	226	

To date, the programme has delivered 2865 new kitchens, 2711 replacement bathrooms and 2354 full re-wires. Please note, these figures include elements of work carried out at Change of Tenancy.

We are satisfied that, wherever practically possible, all properties meet primary WHQS compliance with the exception of refusals or acceptable fail criteria. Improvement work on past refusals is automatically carried out at Change of Tenancy. We would only consider recording an acceptable fail if the cost of remedy was economically impractical.

This programme has delivered on key objectives and outcomes which involved the installation of modern kitchens, bathrooms, re-wiring and heating improvements. Notable achievements include:

- Contract completion on time and within budget
- Client and customer expectations have been met
- Increased Tenant Participation and wider community benefits
- The programme has, almost exclusively, employed local labour.

2.3 The Housing Service intends, in the near future, to commission an Exit Stock Condition survey. The main objectives of this proposal are:

- To seek independent verification that WHQS compliance has been achieved
- To inform future investment planning priorities and financial requirements, and

- To update stock condition data prior to the adoption of asset management software, namely Keystone, during 2013. This forms part of the 2nd phase of the installation of a complete new Housing Management System.

2.4 The Department wishes to acknowledge that successful completion of the Internal Investment Programme would not have been possible without the Contractor's commitment, customer co-operation and patience during the course of the works and the hard work invested by Tenant Representatives who volunteered their time and energy for the benefit of others.

3.0 2013 – 14 INVESTMENT PROGRAMME

3.1 Internal Investment Programme

During 2013, the Council's BMU will be tasked with re-visiting all households which have previously declined to have certain elements of work carried out. We are confident that this pro-active approach will further reduce the number of acceptable fails. In addition, as clearly demonstrated in Table 1, work carried out at Change of Tenancy has already made a positive contribution towards WHQS compliance. We expect that this will continue to be the case during 2013 – 14.

In view of the above, we will continue to allocate capital funding for internal works until we are satisfied that all of the Housing Stock reaches WHQS compliance.

In addition, asbestos management functions, procured as part of the WHQS programme, will continue during 2013 – 14. Specialist sub-contractors employed as an integral part of the works are currently undertaking a programme of Asbestos Management Inspections on all of the Housing Stock to inform future capital investment requirements for the continued management of asbestos or, where appropriate, the removal of asbestos containing materials.

3.2 SOCIAL HOUSING OFF-GAS PROPERTIES

As reported during 2012 – 13, the Council has a significant number of properties which are not served by the mains gas network. Residents in this category face considerably higher costs associated with running electric, oil and LPG heating systems which increases the number of our tenants exposed to fuel poverty.

The Housing Service is pleased to confirm that, following consultation with Wales and West Utilities (WWU) and British Gas, a total of 235 new gas connections have already been ordered.

External funding, namely Fuel Poverty vouchers, have attracted external funding of £275k to offset infrastructure costs involved with extending the gas network.

The installation of mains gas central heating systems will commence during April, 2013.

3.3 OIL FIRED CENTRAL HEATING

The Housing Service has 296 properties which have oil as the primary fuel source for space and water heating.

Due to increasing number of complaints regarding unaffordable costs by our tenants the Housing Service engaged the services of Groundwork North Wales during 2012 to undertake a survey of all properties with oil heating. The main findings are summarised below:

- Unacceptably high occurrences of properties which had long periods of no heating or domestic hot water.
- Some residents were heating water for washing dishes and personal hygiene using kettles and saucepans.
- Incidences of oil boilers not being used at all.
- 47% of households visited were spending 10% or more of their income on fuel bills.
- An additional 29% of households visited were spending 20% or more of their income on fuel bills.
- 10% of households were purchasing oil in 20 litre containers.

The above, although not unexpected, demonstrates an unacceptably high occurrence of fuel poverty and financial hardship. The price of oil, which sometimes varies daily, and especially the fact that oil is only available as a bulk purchase has a huge impact on fuel poverty. Welfare reform changes to be introduced during 2013 have obvious potential to further impact negatively on households already struggling to manage fuel bills.

In view of the above, Housing Services are of the opinion that the current situation is unsustainable and that direct intervention is required to address this increasing problem.

It is proposed that during 2013 – 14 tenants with oil central heating will be further consulted and offered the opportunity of having alternative heating and domestic hot water systems installed. In practise, this would involve the installation of modern E7 electric storage heating and a hot water cylinder.

The Housing Service accepts that this course of action does not offer a more fuel efficient solution but we believe it will assist vulnerable tenants who are unable to cope with the bulk purchase of oil.

3.4 ENERGY EFFICIENCY PROJECTS – ‘ARBED’

We are pleased to inform that the Welsh Government (WG) confirmed during January that our bid in respect of Maes yr Haf, Vulcan Street and Maes Hedd which involves assessments of properties and potentially external funding for certain energy efficiency measures was approved during January of this year.

The properties at the aforementioned estates are of solid random stone construction and will now be assessed by appointed WG Scheme Managers in order to determine eligibility, if any, for energy saving measures. We anticipate that surveys will confirm external wall insulation as the primary measure required in order to improve energy efficiency. This scheme, if approved following evaluation by WG, will involve properties in both the public and private sector.

Any scheme approved by the WG is procured and managed by the appointed Scheme Managers, namely Wilmott Dixon Ltd. It is our intention to investigate with Wilmott Dixon the possibility of including our wider planned maintenance requirements such as re-roofing and environmental works within the same works package.

If deemed feasible and appropriate any ancillary works and associated costs to public sector housing will be borne by the Capital Programme for 2013 – 14.

3.5 TRADITIONAL EXTERNAL PLANNED MAINTENANCE

Members will recall that a report entitled Procurement of Capital Works in connection with Council Housing Stock was presented to the Executive Committee on 10th December, 2012.

In summary, the report confirmed that during 2013 - 14 the Housing Services proposes to develop a Procurement Strategy to comply with procurement rules and address future investment needs of the Council's Housing Stock. It was resolved that, during the interim period, the Housing Services procure building maintenance Contracts via traditional routes e.g. individual contract notices posted on approved web portals up to April, 2014.

Four estates have already been identified as potential priority schemes for 2013 – 14.

Any additional schemes to be procured will be influenced by the proposed WHQS exit survey and updated stock condition information.

3.6 SECURITY DOORS AND ELECTRONIC DOOR ENTRY SYSTEMS

During 2013 – 14 we propose to continue a scheme of replacement security doors which serve communal entrances to flats at several locations across the Island. Completion of this proposed phase of works will complete all necessary renewals and upgrades in connection with security doors.

3.7 ENVIRONMENTAL WORKS

In the wake of the WHQS internal refurbishment programme, Housing Services launched the Environment and Community Improvement Fund in September 2012. This marks a new approach to delivering environmental improvements driven by our commitment to ensure that the residents enjoy the benefit of living

in safe, attractive inclusive and sustainable communities. This is a pot of money earmarked for environmental and community improvements and which offers tenants and residents the opportunity to identify projects that will bring about lasting sustainable improvements to their local communities. Projects will be expected to improve the general appearance of the area, improve safety and security, and help reduce anti-social behaviour for the tenants to get involved in local decision- making.

The tenant can submit bids up to the value of £5,000. Following the first bidding round in November 2012, 5 projects were approved by a panel comprising officers and tenants.

The allocation of budget for environmental works has and will continue to fund projects to improve existing communal footpaths and car parking areas. Historically works of this nature have been arranged via colleagues in the Highways Services.

B - Considerations	

C – Implications and Impacts		
1	Finance / Section 151	Consulted
2	Legal / Monitoring Officer	Consulted
3	Human Resources	No comments
4	Property Services (see notes – seperate document)	N/a
5	Information and Communications Technology (ICT)	N/a
6	Equality (see notes – seperate document)	N/a
7	Anti-poverty and Social (see notes – seperate document)	N/a
8	Communication (see notes – seperate document)	N/a

C – Implications and Impacts		
9	Consultation (see notes – separate document)	N/a
10	Economic	N/a
11	Environmental (see notes – separate document)	N/a
12	Crime and Disorder (see notes – separate document)	N/a
13	Outcome Agreements	N/a

CH - Summary
Members are asked to note and approve the allocations of capital budget for 2013 – 14.

D - Recommendation
R1 To note and approve the allocation of budget for 2013- 14 (Appendix 1)

Name of author of report: Shan L Williams
Job Title: Head of Service, Housing
Date: 7th March, 2013

Appendices:
Appendix 1

Background papers

Estimate 2013-2014

PLANNED MAINTENANCE CONTRACTS AS FOLLOWS

1 Balance on current contracts	£ 50,000.00
2 WHQS Internal Package (BMU)	£ 750,000.00
3 Energy Efficiency Measures including Fuel Switching	£1,000,000.00
4 Arbed	£500,000.00
5 Traditional Planned Maintenance	£1300,000.00
6 Security Doors	£350,000.00
7 Environmental works	£250,000.00

TOTAL ESTIMATED EXPENDITURE £4,150,000.00

RESOURCES

Major Repair Allowance	£2,600,000.00
Capital Receipts	£100,000.00
Revenue Contribution	£1,450,000.00

TOTAL APPROVED BUDGET £4,150,000.00

Note

Further schemes requiring capital expenditure will reflect the results of detailed survey work. Any further identified schemes will be agreed with the Director of Finance in consultation with the Portfolio Holder for Housing