

South Lakes Housing

Decent Homes

Quarter 2 — 2008/9



The Decent Homes Programme

Progress to date

| Contract | No. of properties completed to date | % handovers of total contract complete | % Satisfaction Questionnaire return rate to date | Comment |
|-----------------------------|--|---|---|-------------------------|
| Rinkfield | 78 | 100% | 88.5% | Works complete |
| Kirkbarrow Ext | 213 | 100% | - | Works complete |
| Kirkbarrow Int | 261 | 100% | 32% | Works complete |
| Sandylands Ext | 170 | 100% | - | Works complete |
| Sandylands Int | 176 | 100% | 51% | Works complete |
| Sedbergh Estate | 116 | 100% | 65% | Works complete |
| Castle Estate | 91 | 100% | 52% | Works complete |
| Burneside | 56 | 100% | 65% | Works complete |
| Hallgarth | 187 | 100% | 62% | Works complete |
| Waterside/Fellside | 147 | 100% | 59% | Works complete |
| Kirkby Lonsdale | 84 | 100% | 69% | Works complete |
| Milnthorpe | 161 | 100% | 43% | Works complete |
| Arnside/Burton/Levens/Holme | 95 | 100% | 73% | Works complete |
| Ulverston Rural | 160 | 100% | 62% | Works complete |
| Ulverston North | 167 | 100% | 63% | Works complete |
| Grange | 169 | 100% | 62% | Works complete |
| Ulverston South | 230 | 100% | 68% | Internal works complete |
| Lakes Rural | 57 | 100% | 58% | Works complete |
| Windermere | 149 | 53% | 51% | Works commenced 26/5/08 |
| Ambleside | 87 | 54% | 82% | Works commenced 7/7/08 |

Customer Satisfaction

Satisfaction in all areas of product and service remains over 90%.

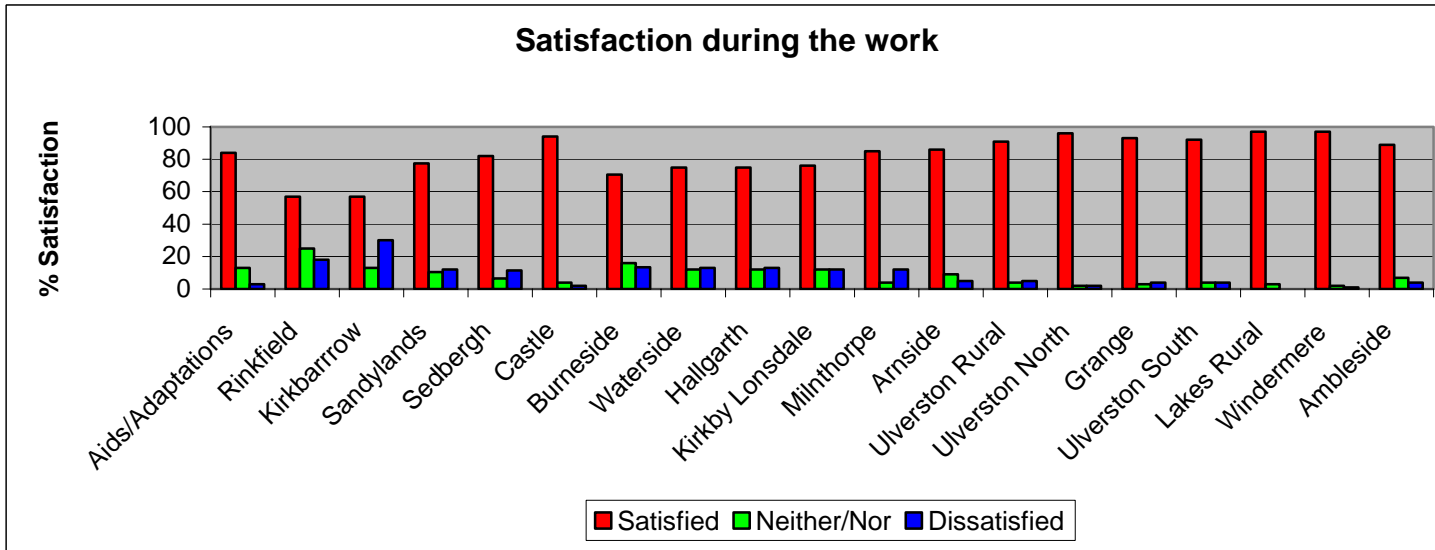
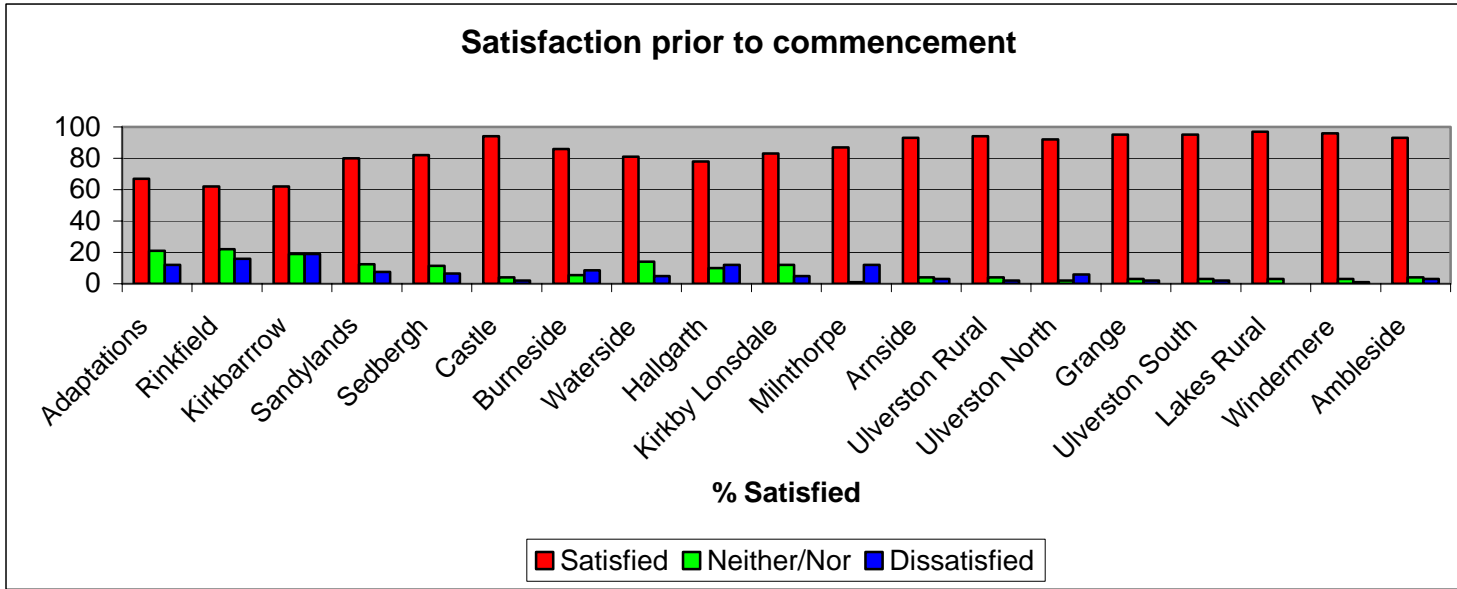
Refusal rates remain low. Waterside had an unusually high level of refusals because it includes Edgecombe Court Sheltered Scheme which is occupied by a high number of very elderly / frail tenants who were unable to cope with the work.

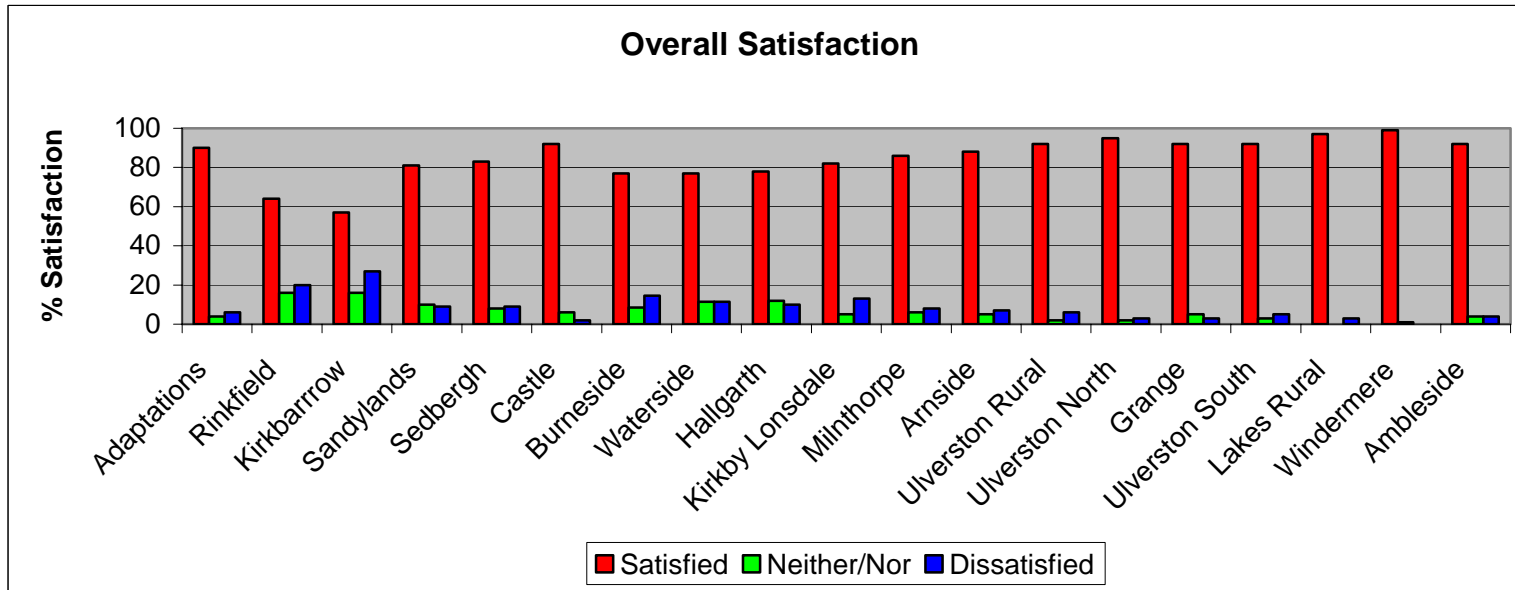
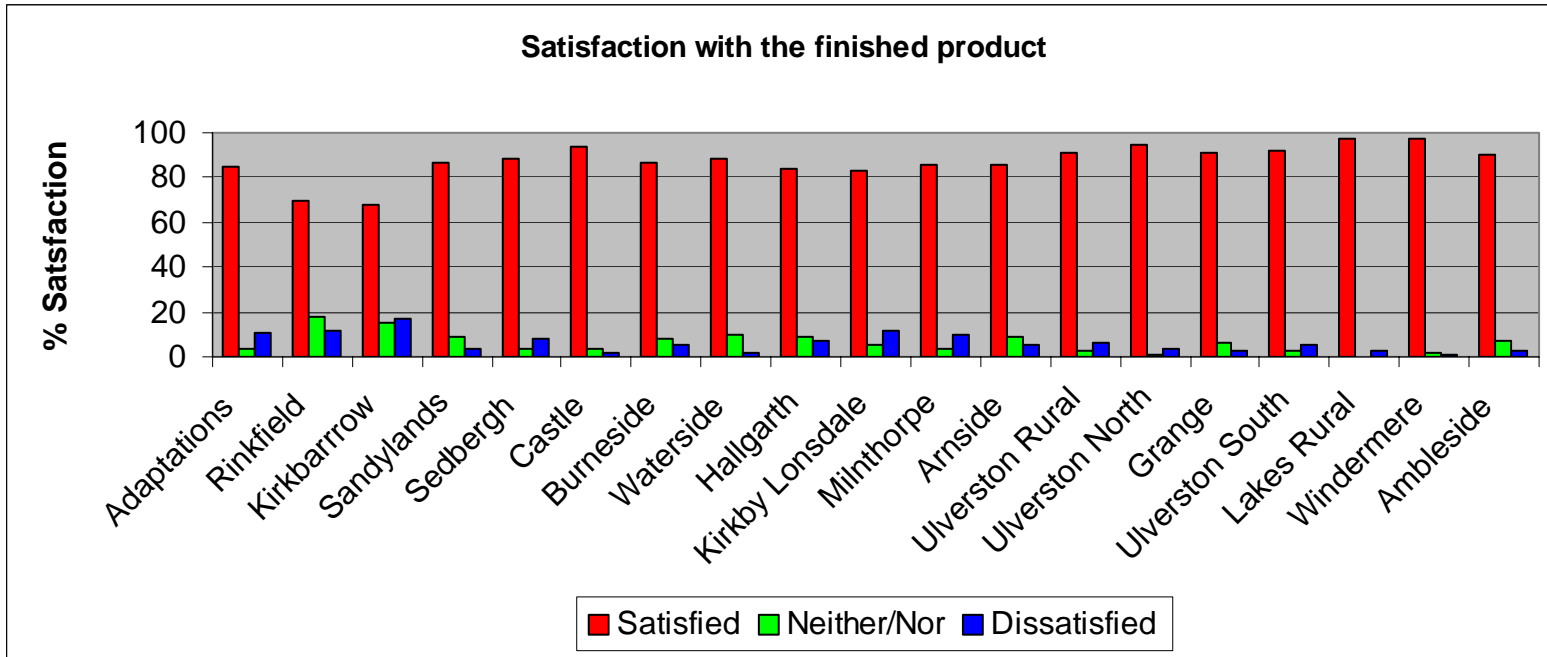
| Contract | % of refusals | Contract | % of refusals |
|-----------------|----------------------|-----------------|----------------------|
| Rinkfield | 1% | Milnthorpe | (Less than) 1% |
| Kirkbarrow | 12% | Arnside | (Less than) 1% |
| Sandylands | 4% | Ulverston Rural | 0.6% |
| Sedbergh | 11% | Ulverston North | 2.9% |
| Castle | 1% | Grange | 1.1% |
| Burneside | 1% | Ulverston South | 3% |
| Hallgarth | 1% | Lakes Rural | 2.9% |
| Waterside | 16% | Windermere | 2.2% |
| Kirkby Lonsdale | 4% | Ambleside | (Less than) 1% |

The Tenant Satisfaction Questionnaire enables performance to be measured prior to, during and after the work has been completed. Response rates for Tenant Satisfaction Questionnaires this quarter on completed contracts remain high. Where response rates remain below 50% at the end of the contract, a follow-up survey will be conducted. For the Milnthorpe contract it was decided to pilot sending TSQ's out to tenants after the 7 day call back. This resulted in a reduction in the number of TSQ's returned and consequently TSQ's on subsequent contracts have been issued at handover.

The Rinkfield Pilot, Kirkbarrow, Sandylands, Sedbergh, Castle, Burneside, Kirkby Lonsdale, Hallgarth, Waterside, Milnthorpe and Arnside/Burton/Levens/Holme, Ulverston Rural, Ulverston North, Grange and Lakes Rural contracts are complete. Ulverston South internals are complete and Windermere and Ambleside contracts are underway. Staveley contract is due to commence on 13/10/08. All contracts are running to time, although Ulverston South externals may run slightly over due to delays caused by weather.

Satisfaction Results





Cost Control (Updated for Q2 2008-9)

Cost control in the Decent Homes Programme is achieved by creating a Budget Cost Model, based on the funding bid, and a Strategic Cost Model, based on a fully detailed assessment of the work, and taking steps to align the latter with the former as work proceeds. This process has been described in detail in earlier reports and is summarised below.

Budget Cost Model

Approved central government funding of approx. £21m was supplemented from the Council's HRA to create a working budget of £26m. Following further analysis of future housing funding the budgetary provision has recently been increased to £26.5m. The appropriate apportionment of the budget has been identified to provide a 'Benchmark Cost' for each individual area contract. The benchmarks have been combined with an allowance for other overall costs, to create a Budget Cost Model defining the build-up of all costs within the £26.5m budget.

Strategic Cost Model

A full survey of the stock has been carried out to schedule the specific work required to each property, and an estimate of the actual cost of each contract (a Forecast Cost) has been made by applying the tendered rates to these schedules. From the 'Forecast Costs' a Strategic Cost Model has been created, showing the estimated cost of the programme based on the best information available at any time. As contracts are completed, and their final costs are confirmed, any under- or over-spend is re-distributed amongst the remaining contracts (in proportion to their value); in this way the 'Benchmark' costs are updated to reflect the actual budget available at any time. In the cost report table below the original 'Benchmark' figures are used, in order to provide a constant reference point.

Implementation

Each Forecast Cost in the Strategic model can be compared with its Benchmark from the budget model. If the forecast

exceeds the benchmark for any contract, the work schedules are reviewed in more detail to identify where there is scope to reduce the work content and therefore the cost. The general scope of work within properties exceeds the minimum needed to comply with the Decent Homes Standard, and from the Strategic model it is anticipated that this position can be maintained for the remainder of the programme.

In implementing the work, the 'Lakes Rural' works have been re-allocated to Coniston, Ambleside and Staveley contracts. The budget for these works is included under 'completed contracts' on the chart below, but the expenditure is included under the Coniston, Ambleside and Staveley headings, where it is actually occurring.

Progress to date

Eighteen area contracts are complete, three (Windermere, Ambleside and the last, Staveley) are in progress, and Ulverston South is about to complete. Work to over three-quarters of the Council's stock has now been completed. The current Strategic Programme shows the twenty-one area contracts programmed to be complete by Christmas 2008. The final year of the programme, 2009-10, will entail:

- an ongoing boiler renewal contract dealing with urgent installations
- an environmental 'community investment' contract (including games areas) has begun and will largely be implemented in 2009-10.
- the 'Mop-up' contract, revisiting properties where work was refused, or omitted for other reasons, and giving those tenants another opportunity to receive the work.

Current Position

The current strategic cost model shows a forecast final cost matching the £26.5m budget. Progress to date suggests that, at the end of the programme, work beyond the minimum required to meet the Decent Homes Standard will have been completed.

DHP Expenditure to date

| COST HEAD | BUDGET COST MODEL £ (Benchmark Costs set Nov. 06) | STRATEGIC COST MODEL £ (Forecast Cost end 09/08) | EXPENDITURE TO DATE £ (end 09/08) |
|---|--|---|--|
| Strategic Preliminaries | 1 588 816 | 1 519 000 | 1 325 000 |
| COMPLETED CONTRACTS: | 16 987 126 | 14 985 000 | 14 765 250 |
| - Rinkfield , Kirkbarrow, Sandylands, Castle | | | |
| - Sedbergh, Burneside, Waterside, | | | |
| - Kendal Yards & Fellside, Hallgarth, | | | |
| - Kirkby Lonsdale, Kendal Rural, Milnthorpe | | | |
| - Arnside, Levens, Burton & Holme | | | |
| - Ulverston Rural, Ulverston North, Grange, Disabled Adaptations, Coniston & Lakes Rural | | | |
| CURRENT CONTRACTS: | | | |
| Boiler installations | 361 529 | 525 000 | 533 000 |
| Ulverston South | 2 161 000 | 2 111 000 | 2 035 000 |
| Windermere | 1 170 000 | 1 629 000 | 846 250 |
| Ambleside | 596 000 | 986 000 | 472 000 |
| Staveley | 321 000 | 416 000 | 4 000 |
| Community Investment works | 987 000 | 1 080 000 | 231 000 |
| Mop-up contract | 809 000 | 809 000 | 0 |
| FEES & OTHER CLIENT COSTS | 1 518 529 | 2 440 000 | 1 887 000 |
| TOTAL (total budget increased Nov 07, works benchmarks increased pro-rata) | 26 500 000 | 26 463 000 | 22 098 500 |