

**South Lakes Housing**

**Decent Homes**

**Quarter 1—2007/8**



# The Decent Homes Programme

## Progress to date

| <b>Contract</b>                    | <b>No. of properties completed to date</b> | <b>% handovers of total contract complete</b> | <b>% Satisfaction Questionnaire return rate to date</b> | <b>Comment</b>                  |
|------------------------------------|--------------------------------------------|-----------------------------------------------|---------------------------------------------------------|---------------------------------|
| <b>Rinkfield</b>                   | <b>78</b>                                  | <b>100%</b>                                   | <b>88.5%</b>                                            | <b>Works complete</b>           |
| <b>Kirkbarrow Ext</b>              | <b>213</b>                                 | <b>100%</b>                                   | <b>-</b>                                                | <b>Works complete</b>           |
| <b>Kirkbarrow Int</b>              | <b>261</b>                                 | <b>100%</b>                                   | <b>32%</b>                                              | <b>Works complete</b>           |
| <b>Sandylands Ext</b>              | <b>170</b>                                 | <b>100%</b>                                   | <b>-</b>                                                | <b>Works complete</b>           |
| <b>Sandylands Int</b>              | <b>176</b>                                 | <b>100%</b>                                   | <b>51%</b>                                              | <b>Works complete</b>           |
| <b>Sedbergh Estate</b>             | <b>116</b>                                 | <b>100%</b>                                   | <b>65%</b>                                              | <b>Works complete</b>           |
| <b>Castle Estate</b>               | <b>91</b>                                  | <b>100%</b>                                   | <b>52%</b>                                              | <b>Works complete</b>           |
| <b>Burneside</b>                   | <b>56</b>                                  | <b>100%</b>                                   | <b>65%</b>                                              | <b>Works complete</b>           |
| <b>Hallgarth</b>                   | <b>136</b>                                 | <b>74%</b>                                    | <b>45%</b>                                              | <b>Works commenced 29/01/07</b> |
| <b>Waterside/Fellside</b>          | <b>145</b>                                 | <b>99%</b>                                    | <b>59%</b>                                              | <b>Works commenced 29/01/07</b> |
| <b>Kirkby Lonsdale</b>             | <b>84</b>                                  | <b>100%</b>                                   | <b>63%</b>                                              | <b>Works complete</b>           |
| <b>Milnthorpe</b>                  | <b>0</b>                                   | <b>0</b>                                      | <b>0</b>                                                | <b>Works commenced 11/06/07</b> |
| <b>Arnside/Burton/Levens/Holme</b> | <b>0</b>                                   | <b>0</b>                                      | <b>0</b>                                                | <b>Works commenced 02/07/07</b> |
| <b>Disabled Adaptations</b>        | <b>54</b>                                  | <b>-</b>                                      | <b>46%</b>                                              | <b>Ongoing</b>                  |

## Customer Satisfaction

Satisfaction with the finished product remains high and the work is still on target to be complete by April 2009. There continues to be complaints from tenants regarding communication and supervision whilst the work is underway. SLH and Bramall's are determined to resolve these complaints and a number of measures have been introduced which should alleviate tenant's concerns. These include a visit log placed in each property which Bramall staff are required to sign at least twice a day to show that they have communicated with the tenant and inspected the work. If tenants are out during the day the Resident Liaison Officer will attempt to make contact with them that evening. Tenants will also be contact by 10.00am if a trades-person is unable to keep an appointment. Finally, as contracts come to a close and others start up there has been a drop in satisfaction on the sites which are closing. This is felt to be largely due to increased pressure on staffing levels and Bramall's have recently recruited additional Site Supervisors and Resident Liaison Officers to supplement the existing team.

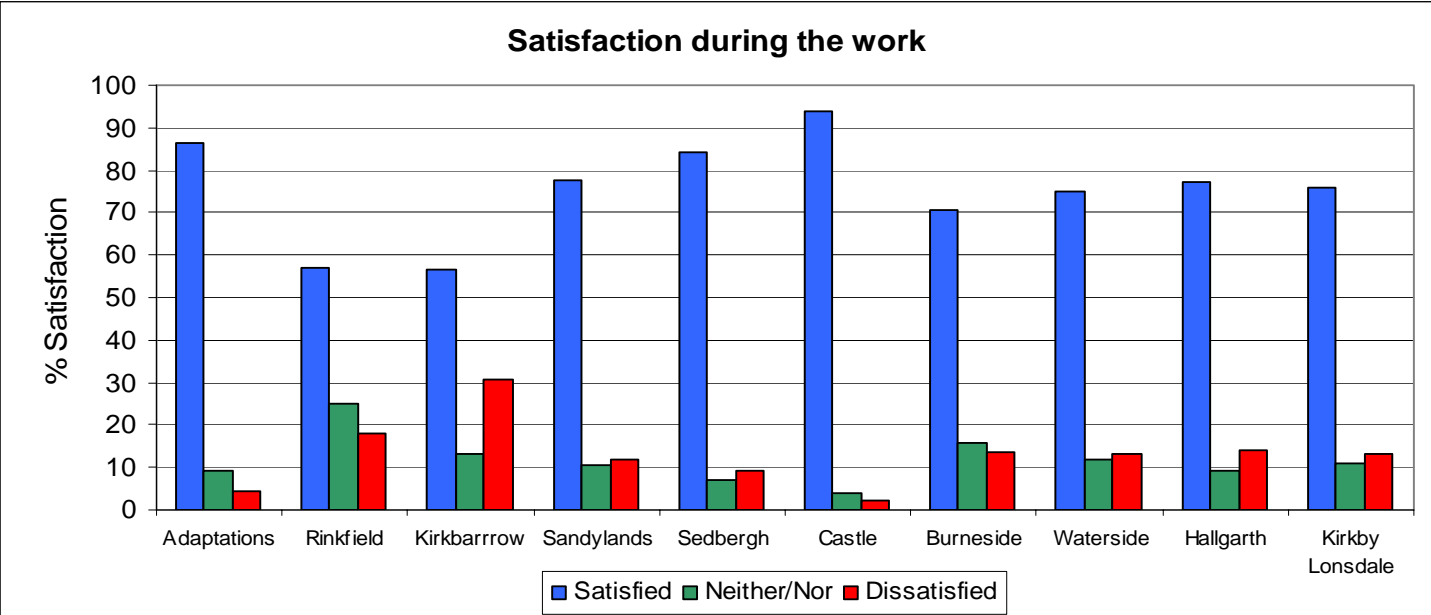
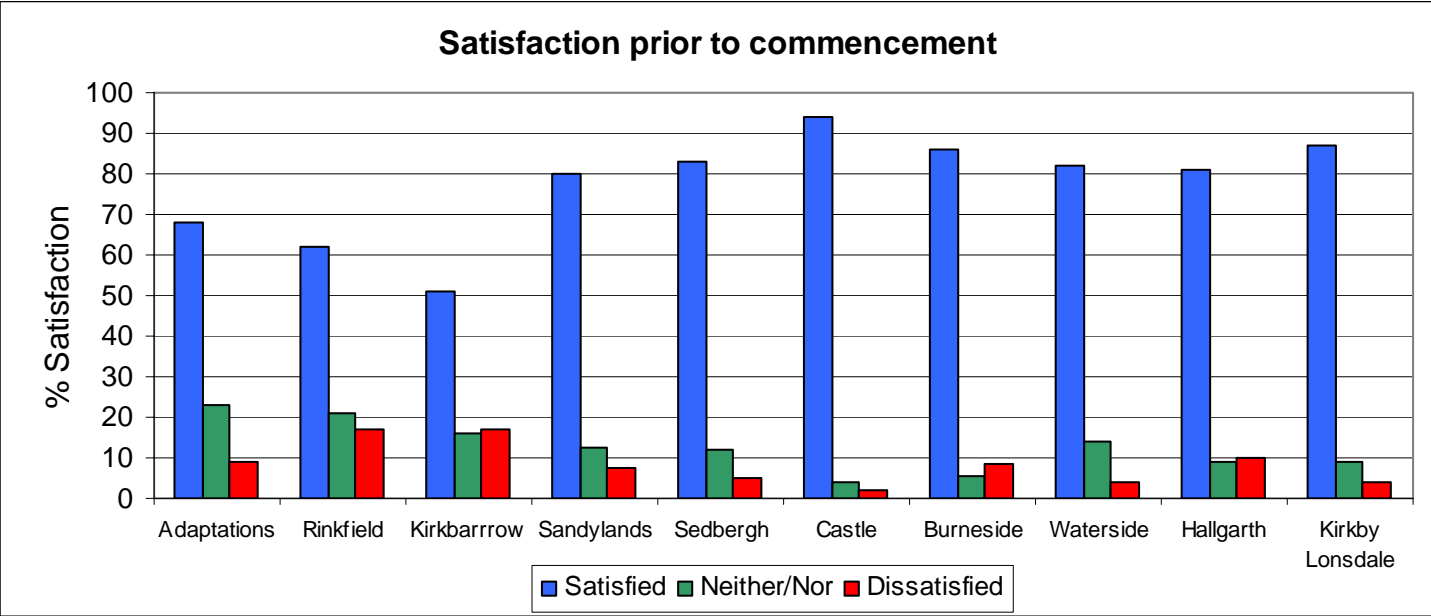
With the exception of essential gas or electrical safety works tenants have the option of refusing any other internal works to their property if they feel that they will be unable to cope with the disruption. Levels of refusals are being monitored and where appropriate properties will be included in a 'mop up' programme to run at the end of the Kendal contracts and the Ulverston and Lakes contracts. Waterside had a 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.

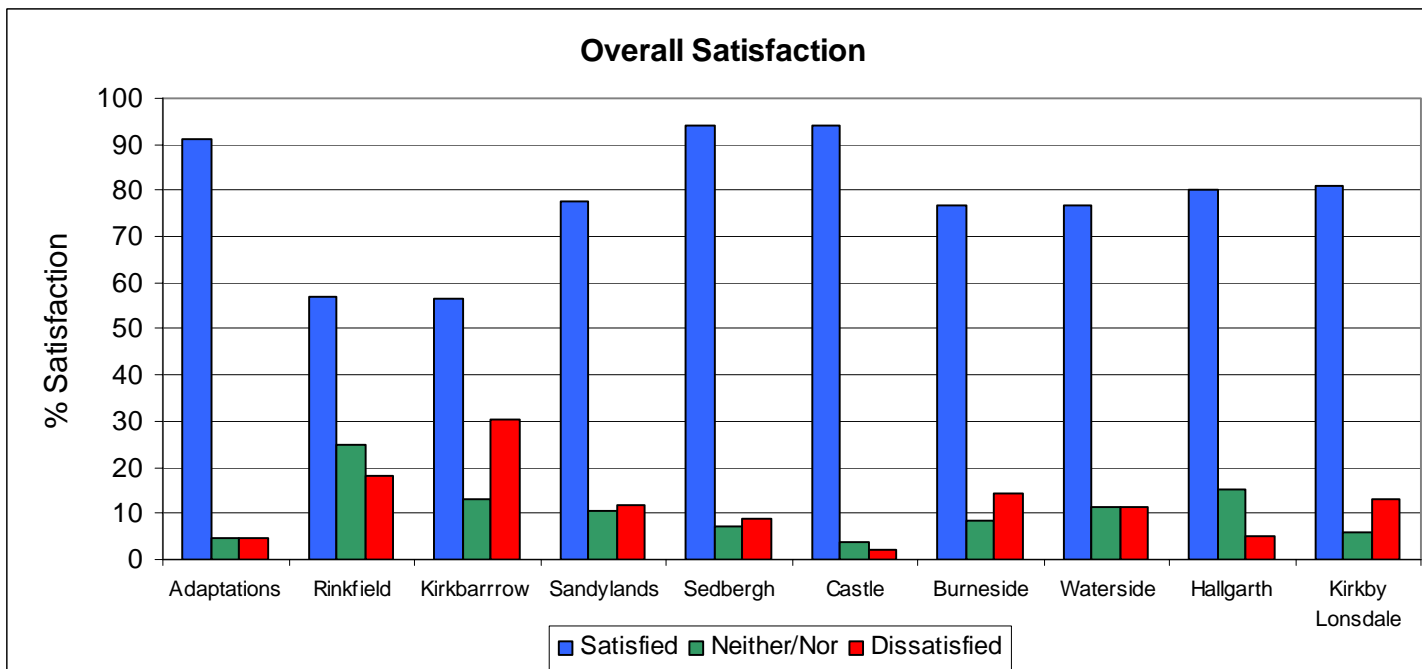
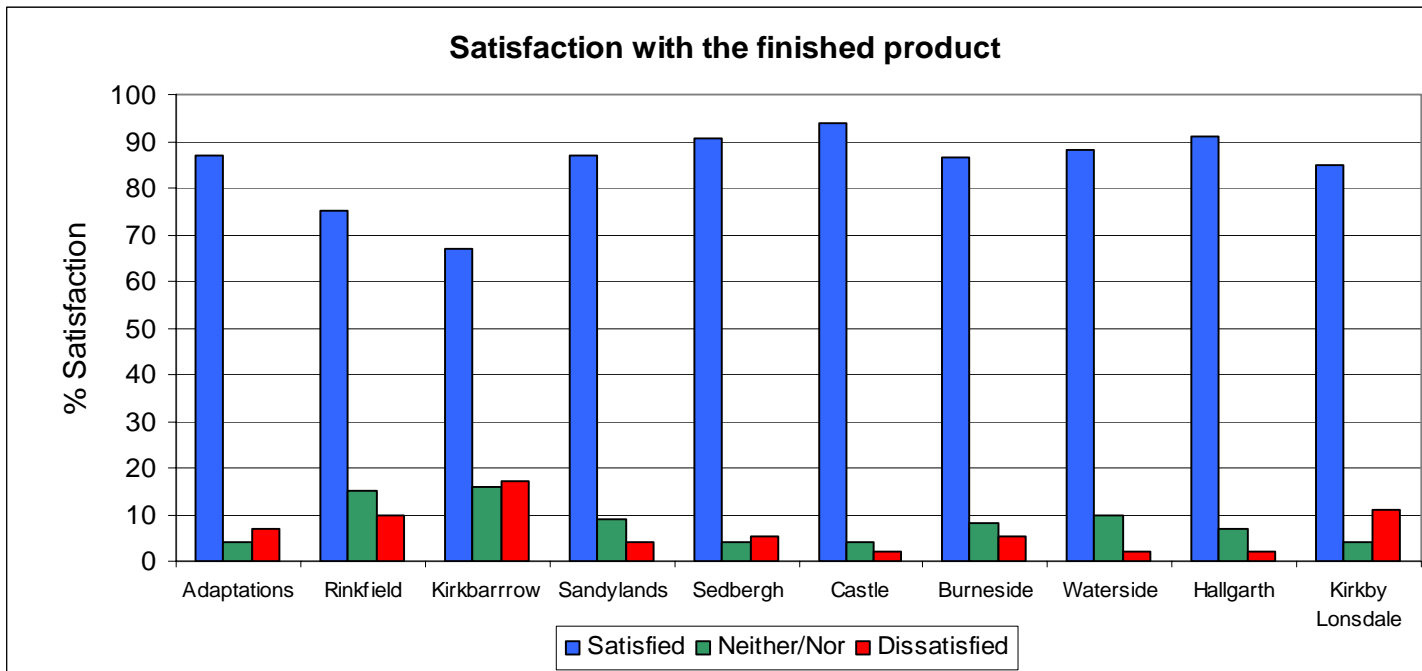
| Contract        | % of Refusals |
|-----------------|---------------|
| Rinkfield       | 1%            |
| Kirkbarrow      | 12%           |
| Sandylands      | 4%            |
| Sedbergh        | 11%           |
| Castle          | 1%            |
| Burneside       | 1%            |
| Hallgarth       | 1%            |
| Waterside       | 16%           |
| Kirkby Lonsdale | 4%            |

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 remain high.

The Rinkfield Pilot, Kirkbarrow, Sandylands, Sedbergh, Castle, Burneside and Kirkby Lonsdale contracts are complete. Waterside (to include Fellside and the Yards) is virtually complete. Hallgarth is due to be completed by the end of July 2007 and Milnthorpe and Levens, Arnside, Burton and Holme contracts have just commenced. As yet we have had no satisfaction returns for the latter two contracts. We are also now measuring satisfaction specifically on disabled adaptations and leaseholder properties. We have not had any returns yet for the latter.

# Satisfaction Results (In order of contract commencement)





## Cost Control

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 by approx. £7.5m from the Council's HRA. £2.5m of this was spent on immediate implementation of some decency work, leaving a working budget of £26m. The stock has been grouped into twenty-one separate contracts and the appropriate apportionment of the budget has been identified to provide a 'Benchmark Cost' for each 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 £26m 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.

### Progress to date

Eight area contracts are complete, two (Waterside and Hallgarth) are almost complete, and two (Milnthorpe and Arnside / Levens / Burton / Holme) have just commenced. The properties in the 'Kendal Rural' contract were re-distributed to other appropriate contracts for logistical reasons. The current Strategic Programme shows twenty-one area contracts, and four other contracts implementing boiler renewal, disabled adaptations, external environmental improvement works, and a 'mop-up' contract to return to some of those properties where work was refused, or cancelled because of tenant ill-health. The work is provisionally programmed to be complete by April 2009.

### Current Position

The current strategic cost model shows a forecast cost of £27.8 against the £26m budget. The contractor has identified £1.78m of cost 'opportunities' and is currently reporting an estimated final cost of £26.02m. 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

| <b>COST HEAD</b>                                | <b>BUDGET COST MODEL £<br/>(Benchmark Cost, set Nov. 06)</b>     | <b>STRATEGIC COST MODEL £<br/>(Forecast Cost end 02/ 07)</b>     | <b>EXPENDITURE TO DATE £<br/>(end 03/07)</b>                     |
|-------------------------------------------------|------------------------------------------------------------------|------------------------------------------------------------------|------------------------------------------------------------------|
| Strategic Preliminaries                         | 1 588 816                                                        | 1 277 152                                                        | 812 695                                                          |
| Rinkfield                                       | 546 663                                                          | 544 677                                                          | 544 677 (complete)                                               |
| Kirkbarrow                                      | 2 115 139                                                        | 2 027 145                                                        | 2 061 222 (complete)                                             |
| Boiler installations                            | 394 682                                                          | 402 027                                                          | 427 147 (complete)                                               |
| Sandylands                                      | 1 979 478                                                        | 1 903 917                                                        | 1 863 754 (complete)                                             |
| Sedbergh                                        | 808 597                                                          | 738 143                                                          | 742 399 (complete)                                               |
| Castle                                          | 652 461                                                          | 689 553                                                          | 655 219 (complete)                                               |
| Burneside                                       | 473 063                                                          | 428 000                                                          | 447 834 (complete)                                               |
| Waterside and Kendal Yards & Fellside           | 888 270                                                          | 901 000                                                          | 739 800                                                          |
| Hallgarth (incl. 8no. props. from Kendal Rural) | 1 535 503                                                        | 1 602 000                                                        | 1 209 700                                                        |
| Kirkby Lonsdale (incl. 6no. Kendal Rural)       | 735 160                                                          | 645 000                                                          | 462 453 (complete)                                               |
| Milnthorpe (incl. 17no. Kendal Rural)           | 1 233 331                                                        | 1 336 000                                                        | 23 372                                                           |
| Kendal Rural: re-distributed to other contracts | Included in Hallgarth, Kirkby Lonsdale,<br>Milnthorpe, & Arnside | Included in Hallgarth, Kirkby Lonsdale,<br>Milnthorpe, & Arnside | Included in Hallgarth, Kirkby Lonsdale,<br>Milnthorpe, & Arnside |
| Arnside, Levens, Burton & Holme (inc. 1no.KR)   | 888 618                                                          | 1 125 000                                                        | 0                                                                |
| Other Contracts                                 | 10 641 690                                                       | 12 676 386                                                       | 0                                                                |
| Fees & other Costs                              | 1 518 529                                                        | 1 520 000                                                        | 936 041                                                          |
| <b>TOTAL</b>                                    | <b>26 000 000</b>                                                | <b>27 816 000</b>                                                | <b>10 926 313</b>                                                |