

## NOTTINGHAM CITY HOMES

### REPORT OF THE DIRECTOR OF PROPERTY SERVICES

THE BOARD  
10 JULY 2009

### NOTTINGHAM CITY HOMES DECENT HOMES PROGRAMME

#### 1 SUMMARY

- 1.1 This report provides an update of the current Secure Warm Modern (Decent Homes) programme. The appendix provides more detailed information and schedules.

#### 2 RECOMMENDATIONS

- 2.1 It is recommended that the Board note the contents of this report

#### 3 PROGRAMME DELIVERY

- 3.1 The day to day running of the Secure Warm Modern (SWM) programme is carried out by Assistant Director, Head of Service and a team of Project Managers, one for each of the work streams. On site the team is supported by Technical Officers that carry out site inspections and handovers to check the quality of works. The delivery team is then supported by the Communications Officer and Project Liaison Officers that engage with the community and deal with customer relation activities. The management fee for delivery of the SWM programme is 4% against total spend and is inclusive of the above, admin support, Asset Management support and external consultants.
- 3.2 Tenants and leaseholders have been integral to the arrangements through the Customer Care Group which meets monthly and the Procurement Group which has been involved in specification and appointment of contractors and suppliers and are involved in the internal procurement exercise currently being undertaken.

#### 4 VALUE FOR MONEY

- 4.1
- Acquiring the right material and performance is being driven by the NCH Procurement Team and the SWM Project Management team, ensuring that the products are fit for purpose, come from sustainable sources and suite future tenant and business requirements.
  - The predicted efficiencies savings to be delivered via the SWM programme in 2009/2010 are £7.8m set against the outturn costs of 2007/2008.
  - E-procurement of key materials used to deliver the SWM

Programme (70% cost and 30% quality bid) over recent months has resulted in savings of £3.5 equating to 23.7% saving on the supply chain. It is anticipated that over £20m of cost savings will be generated through innovative procurement by the end of the programme, which is to be reinvested into the programme to aid overall delivery of the scheme. The benefits of this shows an auditable secure process for ensuring that Value for Money services and products are provided not only into the SWM programme but cross cut into efficiency savings in Voids, Corporate Properties and Repairs and Maintenance.

- With the aid of Savills and Trowers & Hamlin we are in the process of tendering the Internals Package, this is currently at the Invitation To Tender stage, which is due back on the 17<sup>th</sup> July 2009. The next stage will be to evaluate the returned tenders , which will be undertaken by NCH SWM Project Managers, NCH Procurement staff, Tenants procurement group and independently Savills. The appointment of the successful partners will be known by October.
- Stock Condition Surveys are still being carried out by Savills to ensure that we deliver the optimum works per property to meet the Nottingham Decent Homes Plus Standard. At survey stage the opportunity is taken to carry out a Type 2 asbestos survey to each of the properties, we are the first authority to make this level of commitment. Stock Condition Surveys are scheduled to be completed by December 2010. In addition we have the Cost Management support of Faithful +Gould (Quantity Surveyors) to ensure that we are maximising the output costs from the contractors on site works, variations and management fees, with this level of information we are confident of delivering the SWM streams of work within the allowable budgets.
- We are working with Efficiency North which is a benchmarking forum made up of several other social housing providers in South Yorkshire and North Nottinghamshire. We have shown by working with this group that we can influence our own procurement strategies and specifications to ensure that we are getting Best Value, and our direct comparisons of costs show that we are in the top quartile for efficient delivery of our work packages.

4.2 The Stock condition survey results being collected by Savill's are driving the SWM programme plan. The survey data collected through the 11,336 surveys carried out to date, compares to previous data collated in 2006. 11,336 surveys mean's we have collected data for approximately one third of the housing stock. The Ward areas being actively surveyed to date are Bestwood, Clifton North, Aspley, St Ann's, Bulwell Forest, Wollaton West, Dunkirk & Lenton, Wollaton East & Lenton Abbey, Bulwell, Mapperley, and Radford & Park. Analysis of the data received for these wards indicate that the investment required is comparable between the 2006 and today's surveys. Comparisons will continually be made as further areas are completed with a more

accurate picture of the citywide investment needs being built up as the survey process continues.

## **5 2009/10 PROGRAMME OUTTURN**

5.1 During 2009 to 2010 we will be carrying works out 10,000 homes across the City looking to spending £37.6m on the SWM scheme. Up until the end of June overall spend was £4.7m against a spend profile of £4.8m. This has meant that we have completed the following elements to date;

- 1,665 Windows & Doors Installations (Properties)
- 221 Kitchen Installations
- 201 Bathroom Installations
- 754 Heating Installations
- 104 Electrical Rewires

## **6 CUSTOMER SATISFACTION**

6.1 Vision Management Survey has proven to be a successful vehicle for improving our service delivery and as a result customer satisfaction has improved and the average score for the last reported quarter of the year Jan 09 – March 09 shows a combined score of 8.62, with the KPI being set at 8.00. The stream totals for the last full VMS returns (March 09) were:

- Nottingham Secure – 9.91
- Warmth for Nottingham – 8.30
- Modern Living –7.06

Where performance is below the target, performance clinics are held to identify how we can learn from the feedback and what additional measures need to be implemented to improve service delivery for the customer.

## **7 ADDED VALUE INITIATIVES**

7.1 We have introduced and implemented our 1 in a Million scheme, take up on this has been very positive and the contractors are developing relationships with NEBA (Nottinghamshire Education Business Alliance), Connexions and other local routes, further information can be seen in the main body of the report. The partnership has taken on 25 trainees to date and is actively recruiting another 17 to bring the total to 42 against a target of 41, which is set against the budget to date. Out of the 25 trainees taken to date 21 are from within the City boundary, all of the additional 17 being recruited will also be from within the City Boundary.

7.2 Spen Valley Kitchens our new kitchen supplier are manufacturing our worktops in the Bilborough Ward.

7.7 We are working closely with Nottingham Forest and Keepmoat to

introduce “The Forest Factor”. The launch of this enterprise will be at our Getting Involved event being held at the Forest Recreational Ground on the 27<sup>th</sup> July 2009.

## **9 FINANCIAL& RISK IMPLICATIONS**

- 9.1 The attached report gives an update of the financial spend to date for 2009/2010 and predicted efficiency Savings.

## **10 IMPLICATIONS FOR NOTTINGHAM CITY HOMES OBJECTIVES**

- 10.1 Meeting the Decent Homes standard by 2013 is one of the Company's objectives. This is also a Council Local Area Agreement target (LAA 158).
- 10.2 Worklessness is addressed by trainees being appointed through the 1 in a Million scheme.

## **11 VALUE FOR MONEY & EFFICIENCY ISSUES**

- 11.1 NCH officers and its partners will work in partnership to drive down costs through value engineering of the programmes and will carry out the benchmarking of rates supported by Central England Procurement Partnership and Efficiency North.

## **12 EQUALITY & DIVERSITY IMPLICATIONS**

- 12.1 The ‘forest factor’ aims to use the vehicle of football to engage with the community and help to reach our diverse customers. We believe this will particularly appeal to younger customers. Many of Forests players are from BME communities within Nottingham and it is hoped as part of the scheme that they will attend some of the community activities planned.

## **13 BACKGROUND MATERIAL AND PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT**

- 13.1 NCH Asset Management Strategy - November 2007 (Updated July 2008)

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