



## Decent Homes- **Secure Warm Modern**

Progress Update – Dec 2009

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## 1. Secure Warm Modern Programme 2008/2013

Nottingham City Homes original budget to deliver the Decent Homes Programme (Secure Warm Modern) was £243m from 2008 to 2013. Latest estimate and analysis of the data collected indicates that the investment now required against the original AMS will be £211.8 Million, thus generating a nominal saving against the original programme of £31.2m. Further efficiencies are continually being sought with an aim of reducing the investment required down even further. These efficiencies can be set against the potential under-funding created by the reductions in capital receipts experienced due to economic circumstances since 2007 and the added impact of more houses remaining within the programme due to the same. It should be noted that these savings will be achieved without any reduction to the Nottingham Standard agreed with NCC/NCH Board and Tenants at the commencement of the programme

The programme has been revised inline with these predicted investment reductions and is still expected to deliver the following elements based on data collected to date.

- 13,671 Kitchens
- 13,397 Bathrooms
- 11,727 Heating Installations
- 13,818 Boilers
- 9,074 Doors (Properties)
- 14,900 Windows (Properties)
- 5,853 Roofing Works
- 1,915 Electrical Rewires

**Table 1: 2008/2013 Revised Overall Programme**

Scheme	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	Grand Totals
<b>Doors / Windows</b>	£3,914,386	£11,088,000	£6,000,000	£0	£0	£21,002,386
<b>Heating</b>	£3,648,754	£9,000,000	£9,000,000	£2,511,560	£0	£24,160,314
<b>Internals</b>	£4,267,446	£13,542,746	£20,827,150	£42,664,343	£31,527,237	£112,828,922
<b>Roofs/Walls/Chimneys</b>	£0	£0	£0	£11,287,835	£21,340,557	£32,628,392
<b>Garages &amp; Outbuildings</b>	£0	£0	£0	£1,147,344	£3,012,482	£4,159,826
<b>Externals (Environmental)</b>	£0	£1,000,000	£1,772,850	£4,141,080	£10,106,230	£17,020,160
<b>Communal Areas (Incl. in Internals costs)</b>						£0
<b>Specialist (Incl in R/W/C costs)</b>						£0
						£0
<b>TOTAL</b>	<b>£11,830,586</b>	<b>£34,630,746</b>	<b>£37,600,000</b>	<b>£61,752,162</b>	<b>£65,986,506</b>	<b>£211,800,000</b>

## 2. Progress against Programme 2008/2010

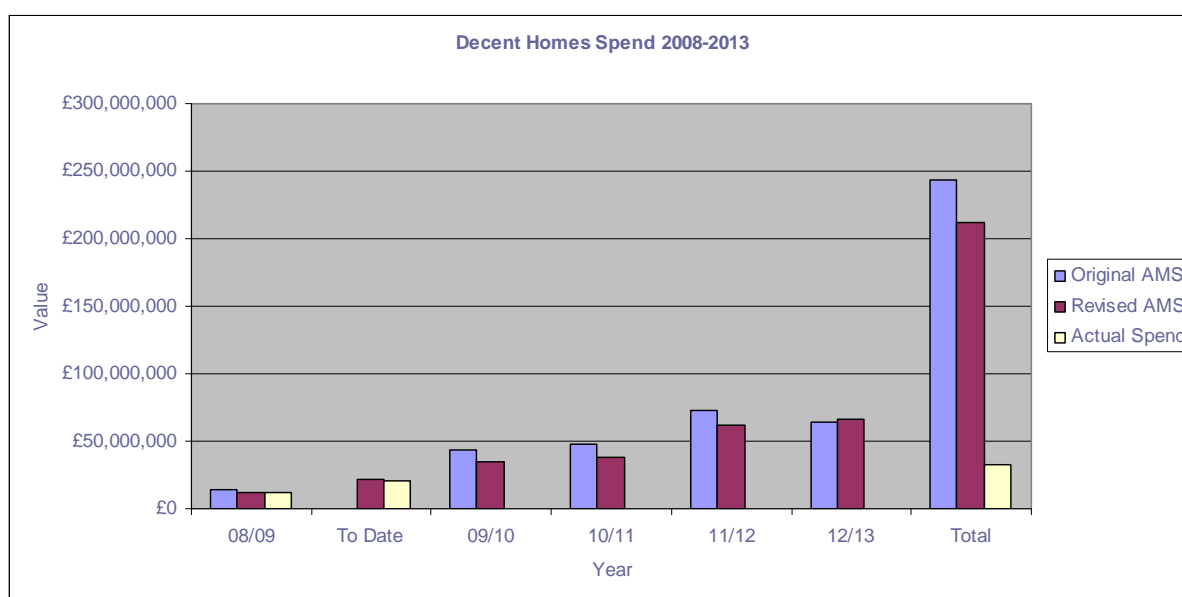
Since the start of the programme from April 2008 NCH has been carrying out works to 17,000 homes cross the City with a cumulative spend of £46.4m on its Decent Home Scheme. Up until the end of December the overall spend was £33m against a spend profile of £33.3m as shown in table 2. This has meant that NCH have completed 16,789 elemental installations to properties to the end of December, which can be broken down as follows;

- 8,792 Windows & Door Installations (Properties)
- 1,626 Kitchen Installations
- 1,297 Bathroom Installations
- 3,932 Heating Installations
- 545 Electrical rewires
- 597 Loft Insulation upgrades

**Table 2 - Actual Cumulative spend against target 2008/2013**

Programme is monitored against monthly spend profiles and is within budgets and close to target spend at December 2009

	08/09	In Year Spend	09/10	10/11	11/12	12/13	Total
<b>Original AMS</b>	£14,301,447		£43,299,000	£48,122,000	£73,067,626	£64,291,542	<b>£243,081,615</b>
<b>Revised AMS</b>	£11,830,586	£21,494,338	£34,630,746	£37,600,000	£61,752,162	£65,986,506	<b>£211,800,000</b>
<b>Actual Spend</b>	£11,900,336	£21,120,027					<b>£33,020,363</b>



### 3. Refusals

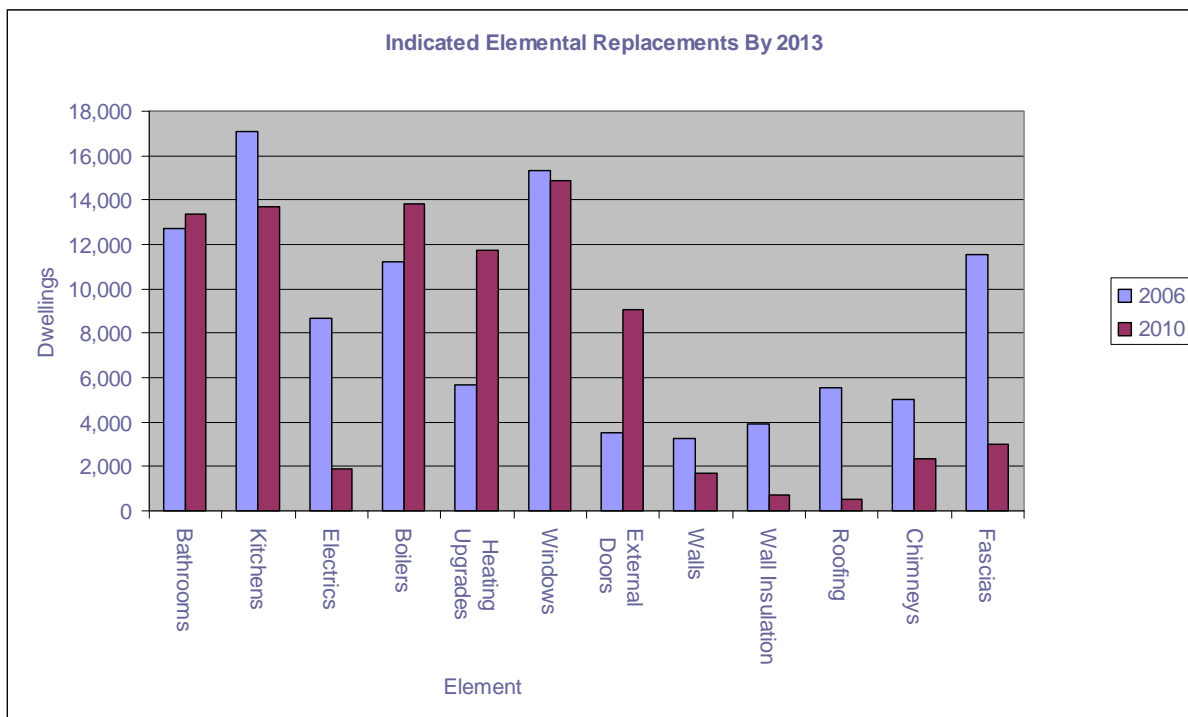
NCH's streamed approach and proactive management with regard to tenant consultation and communication has meant that we are currently running at a 2.5% refusal rate, which compares favourable with an average of 10% across other ALMO's, which has made the programme is more efficient.

### 4. Surveys and Works

19,900 Surveys have been carried out to date, which has enabled NCH to compare data originally collected in 2006 against its current housing stock. Initial analysis of the data collected indicates that the investment now required against the original AMS will be £211.8 Million, thus generating a nominal saving against the original programme of £31.2m.

This reduction is based on two thirds of the overall housing stock being surveyed to date. A more accurate picture of the city wide investment requirements will be built up as the survey process continues.

**Table 3 – Nottingham Standard DH failures at December 2009 at 66% surveyed against 2006 AMS predicted failures**



## 5. Current Procurement

### Modern Living

FHM & Wates will start work on the new contract framework on the 11<sup>th</sup> Jan 2010 with Bullocks starting in September 2010 inline with budget allocation.

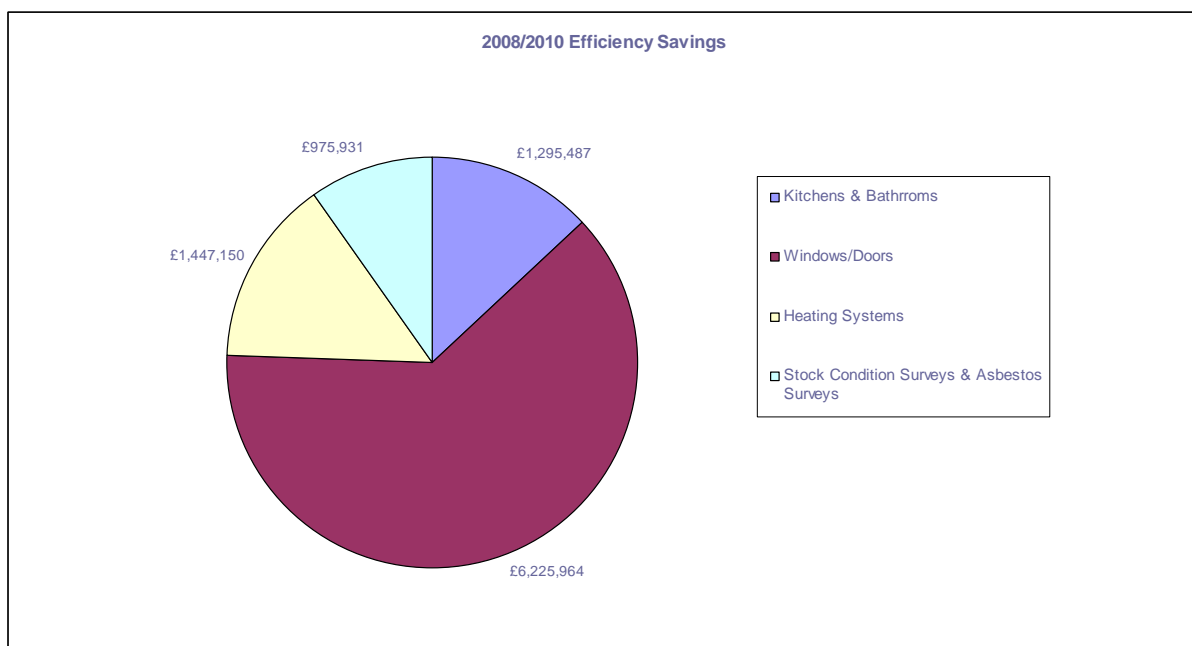
### Efficiency Savings

The updated predicted efficiencies for the overall scheme since April 2008 to March 2010 will achieve a saving of £9.9m as shown in table 4 against the base line costs of 2007/2008, which is made up of the following;

- UPVC Windows & Doors £6.2m
- Kitchen & Bathroom Installations £1.3m
- Heating Installations £1.4m
- Stock Condition Survey's £976K

These overall efficiencies have been achieved via a streamered approach against a whole house approach and modern procurement methods i.e. e-procurement being implemented across the scheme.

**Table 4 – 2008/10 Predicted Efficiency Savings**



## E-Procurement

In addition to the efficiencies identified for 2008-2010 Four e- auctions have taken place with a combined value of £25,083,172 based on rates paid through the previous contracts and have achieved an efficiency saving of £7m, which will be applied to all existing contracts. Other added value included, deliver to site, extended warranty periods and greater customer choice.

**Table 5 – Predicted efficiency savings**

<b>Product</b>	<b>Estimated Value</b>	<b>Post auction value</b>	<b>Saving</b>
Kitchen Units	£ 10,035,000.00	£6,804,877.85	£3,230,122.15
Combination boilers	£5,684,757.00	£4,700,109.08	£984,647.92
Regular heating boilers	£4,173,926.00	£3,324,998.52	£848,927.48
Bathroom Packs	£3,071,444.00	£2,230,164.00	£841,280.00
Sink tops and taps	£2,118,045.00	£931,274.25	£1,186,770.75
<b>Values</b>	<b>£25,083,172.00</b>	<b>£17,991,423.70</b>	<b>£7,091,748.30</b>

## 6. Legacy Projects

### One in a Million

The partnership has taken on 44 trainees to date and is actively recruiting another 9 to bring the total to 53 against a target of 46. Out of the 44 trainees taken to date 32 are from within the City boundary, all of the additional 9 being recruited will also be from within the City Boundary.

**Table 6 - Apprentice recruitment as at Dec 2009**

Partner	Apprentices in situ	Recruiting
KEEPMOAT	19	3
NATIONWIDE	6	0
DLO	7	0
VINSHIRE	4	2
SPI	1	3
DLO HEATING	2	0
FAITHFUL + GOULD	2	1
CTSTV (Digital TV)	3	0
Total	44	9

## 7. VMS

Vision Management Survey has proven to be a successful vehicle for improving our service delivery and as a result customer satisfaction has stayed above target. The average score for the last reported quarter July 09 – Sept 09 from the VMS team shows a combined score of 8.37, with the KPI being set at 8.00.

## SWM

### Overall Satisfaction for Period 3

July- Sept 2009

From an initial issue of 881 surveys, the following scores out of 10 have been achieved from 272 replies (31% return)

Questions	Quarter 3 Average Score
1. How do you rate the level of notice given prior to commencement of works in your property?	8.21
2. How well were you informed in how to operate your installations?	7.91
3. How would you rate the standard the contractor left your property?	8.41
4. How do you rate the time taken to complete the work on your property?	8.76
5. How do you rate the conduct of the workperson , e.g. polite and respectful?	8.63
6. How do you rate the care taken/cleanliness of your property during the improvement work?	8.14
7. How do you rate the arrangements that were made to minimise the inconvenience during the works?	8.38
8. How do you rate the quality of the completed work?	8.59
9. If a fault occurred as a result of the replacement works, how do you rate the contractor's response	8.12
10. Overall how well was this service delivered?	8.58
<b>OVERALL AVERAGE</b>	<b>8.37</b>

