



Decent Homes- Secure Warm Modern

Progress Update – March 2010

Executive Summary

1. Secure Warm Modern Programme 2008 -2013

2. Progress against Programme 2008/2010

3. Refusals

4. Surveys and Works

Nottingham Standard failures against 2006 AMS

5. Current Procurement

Efficiency Savings 2008/2010

e-procurement

Housing Heroes Awards

6. Legacy Projects

One in a Million

7. VMS

April 09 - Feb 10

8. Environmental Impact

9. 2008 – 2013 Programme Map

Executive Summary

The NCH Decent Homes Programme (Secure Warm Modern) is the biggest single social housing refurbishment scheme to have ever taken place in Nottingham.

We are now entering a period of intense activity on the programme, every two minutes a new window is completed and every 20 minutes a heating system is installed. We are also accelerating towards maximum output on the Internal Works (Kitchen, Bathroom, Electrical Rewire) with our second Constructor Partner “Wates” who started in January 2010 in St Ann’s and our third Constructor Partner (CP) “Bullock” starting in June 2010 with initial works in Clifton. Our existing CP “FHM” have started their new streams of work and are currently working on an immense number of properties to meet the year end spend, delivered through ten work streams. We are not aware of any single CP delivering at this level on any other DH programme in the country, past or present. We are now completing an internal refurbishment every 20 minutes. The speed and scale of the delivery of this type of refurbishment programme is only possible through true partnership working.

In addition to the delivery of the programme we are passionate about delivering the maximum community benefits and are also striving to ensure that the Nottingham Secure Warm Modern programme is the greenest most sustainable DH programme in the country.

As reported in January our “One in a Million Training Scheme” was short listed for the regional CIOB East Midlands awards. We attended the awards evening with our tenant representatives and were delighted when we were announced as the winners.

A particularly high profile award is the “**Housing Heroes Awards**” Inside Housing magazine and the Chartered Institute of Housing’s annual Housing Heroes Awards evaluated Nottingham City Homes Procurement Team as a finalist for the award of “Best Financial or Procurement Team” of the year. The awards event is on 14.05.10

Nottingham’s submission focused on close partnership working with the Residents Procurement Group using innovative methods such as reverse electronic auctions.

As reported in January we have been successful in our KTP bid. The Knowledge Transfer partnership has seen us join forces with Nottingham Trent University to look at the impact our Secure Warm Modern programme has on local communities. From the effect on tenants’ health and finances, to the impact on community spirit, this analysis gives us a true insight into the outcomes of the programme. The Researcher has now started on the two year project.

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

2. Progress against Programme 2008/2010

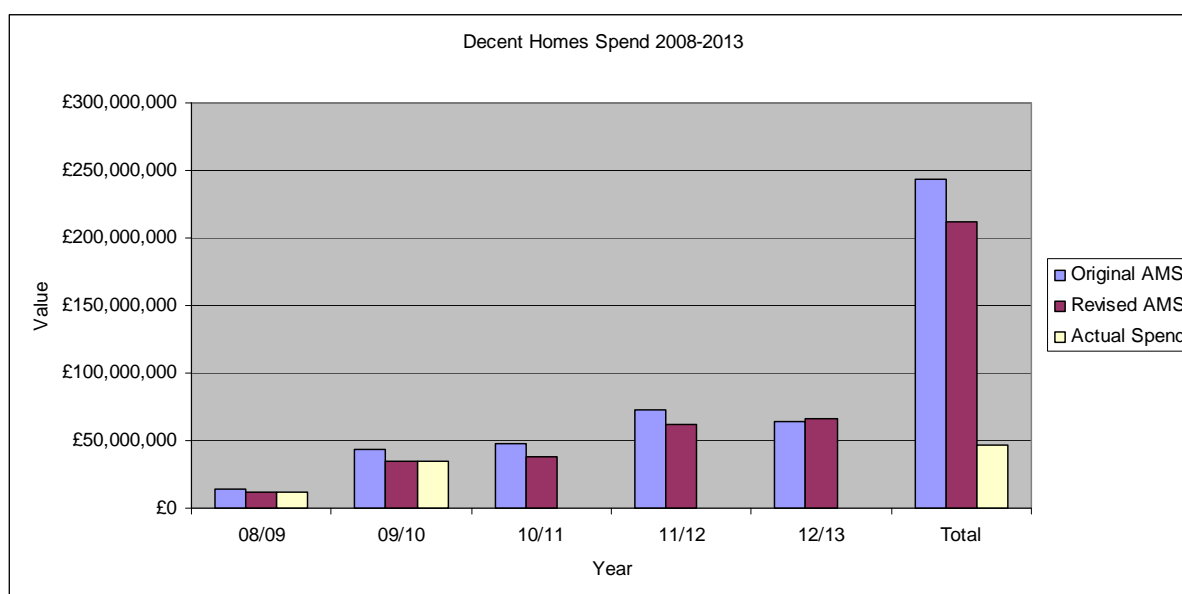
Since the start of the programme from April 2008 NCH has been carrying out works across the City with a forecasted cumulative spend of £46.4m on its Decent Home Scheme. Up until the end of March the overall spend was £46.2m against a spend profile of £46.4m as shown in table 2. This has meant that NCH have completed 26,411 elemental installations to properties to the end of December, which can be broken down as follows;

- 12,375 Windows & Door Installations (Properties)
- 5,530 Kitchen Installations
- 2,088 Bathroom Installations
- 4,719 Heating Installations
- 825 Electrical rewires
- 874 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 March 2010

	08/09	09/10	10/11	11/12	12/13	Total
Original AMS	£14,301,447	£43,299,000	£48,122,000	£73,067,626	£64,291,542	£243,081,615
Revised AMS	£11,830,586	£34,630,746	£37,600,000	£61,752,162	£65,986,506	£211,800,000
Actual Spend	£11,900,336	£34,342,682				£46,243,018



3. Refusals

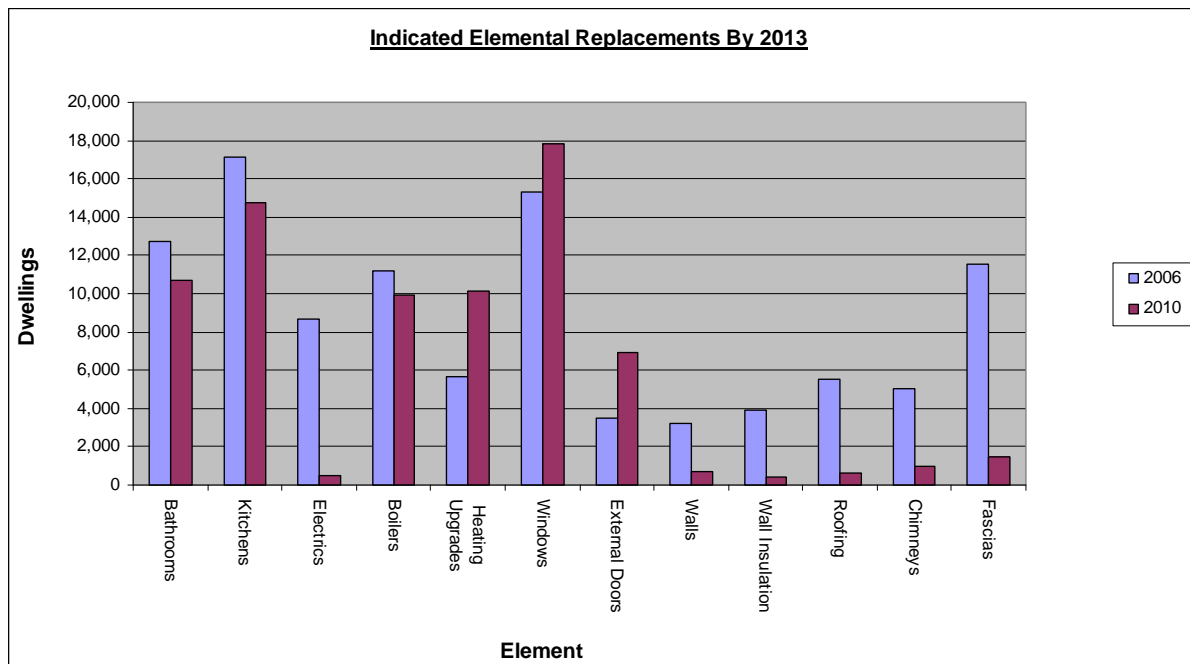
NCH's streamed approach and proactive management with regard to tenant consultation and communication has meant that we are currently running at a 1.9% refusal rate, which compares favourably with an average of 10% across other ALMO's, which has made the programme more efficient.

4. Surveys and Works

23,891 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 83% of the overall housing stock being surveyed to date. A more accurate picture of the citywide investment requirements will be built up as the survey process continues.

Table 3 – Nottingham Standard DH failures at March 2010 at 83% surveyed against 2006 AMS predicted failures



5. Current Procurement

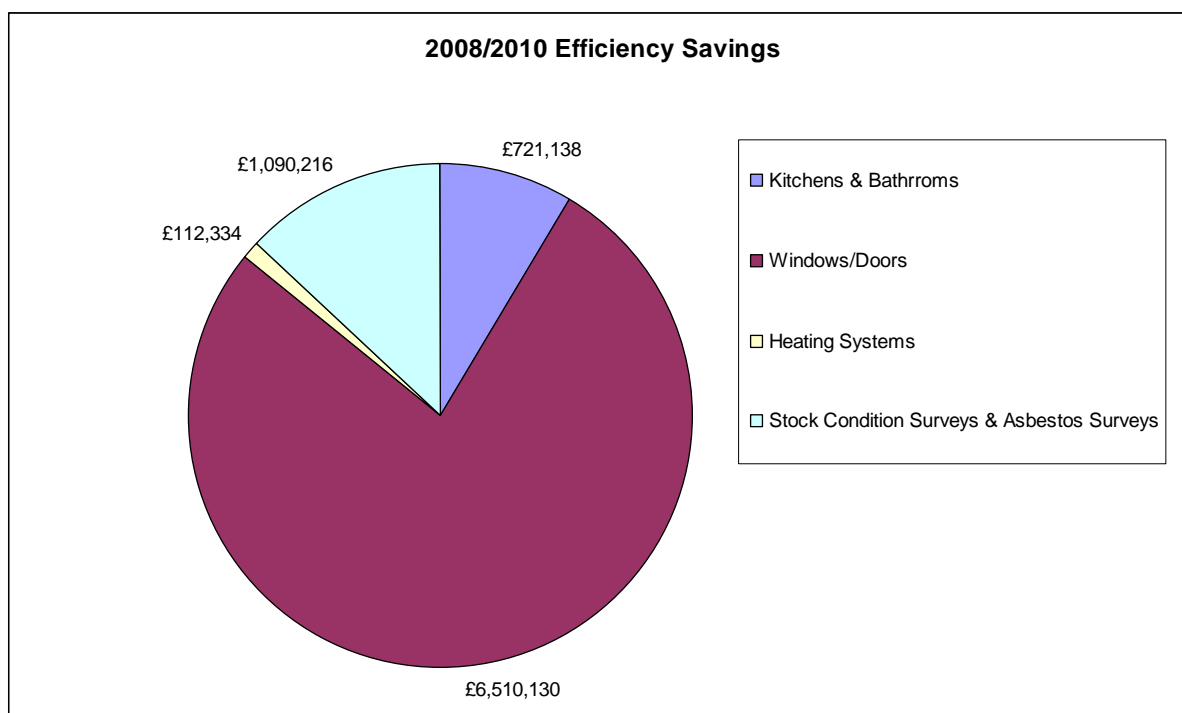
Efficiency Savings

The updated efficiencies for the overall scheme since April 2008 to March 2010 will achieve a saving of £8.4m as shown in table 4 against the base line costs of 2007/2008, which is made up of the following;

- UPVC Windows & Doors £6.5m
- Kitchen & Bathroom Installations £721k
- Heating Installations £112k
- Stock Condition Survey's £1.1m

These overall efficiencies are being achieved via a streamed 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

Product	Estimated Value	Post auction value	Saving
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
Values	£25,083,172.00	£17,991,423.70	£7,091,748.30

6. Legacy Projects

One in a Million

The partnership has taken on 58 trainees to date and is actively recruiting another 2 to bring the total to 60 against a target of 46. Out of the 58 trainees taken to date 42 are from within the City boundary, all of the additional 2 being recruited will also be from within the City Boundary.

Table 6 - Apprentice recruitment as at March 2010

Partner	Apprentices in situ	Recruiting
KEEPMOAT	22	0
NATIONWIDE	8	0
DLO	7	0
VINSHIRE	4	2
SPI	4	0
DLO HEATING	2	0
FAITHFUL + GOULD	3	0
CTSTV (Digital TV)	3	0
WATES	3	0
YWC	2	
Total	58	2

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 cumulative score for the year ending March 2010 from the VMS team gives a combined score of 8.31 compared with 8.4 for the period up to Jan 10, with the KPI being set at 8.00.

SWM - Overall Combined

SWM

April 2009- March 2010

Satisfaction for all SWM work

From an initial issue of 7118 surveys, the following scores out of 10 have been achieved from 2206 replies (30.99% return)

Questions	<i>Apr 09- Mar 10</i>
1. How do you rate the level of notice given prior to commencement of works in your property?	8.26
2. How well were you informed in how to operate your windows and doors?	8.03
3. How would you rate the standard the contractor left your property?	8.31
4. How do you rate the time taken to complete the work on your property?	8.51
5. How do you rate the conduct of the workperson, e.g. polite and respectful?	8.72
6. How do you rate the care taken/cleanliness of your property during the improvement work?	8.07
7. How do you rate the arrangements that were made to minimise the inconvenience during the works?	8.27
8. How do you rate the quality of the completed work?	8.53
9. If a fault occurred as a result of the window replacement, how do you rate the contractor's response	7.90
10. Overall how well was this service delivered?	8.45
OVERALL AVERAGE	8.31

8. Environmental Impact

Every year, the UK construction sector produces 120 million tonnes of waste, of which 25 million tonnes goes straight to landfill. Nottingham City Homes (NCH) and its constructor partners have in place site waste management plans outlining waste minimisation through segregation to reduce this amount of landfill but increase the recycling of materials to be used elsewhere. This has reduced the amount of waste we take to landfill and we are achieving a consistent 90% level of recycling against a target of 80% through the scheme. Other ways are also be considered for items that are currently not recycled or reused to find ways to further reduce our landfill deposits.

Workforce Training

All those working onsite receive relevant training at their induction, attend workshops and regular tool box talks where roles and responsibilities are clearly highlighted including duty of care. Employees are made aware of waste procedures and clear guidelines are provided for the safe storage of materials and disposal of hazardous waste.

Procurement of the supply chain

The procurement process of our supply chain quality control is considered in the manufacturing process and on the finished product planning for the reduction of long term maintenance costs. Tenants and officers monitor the type of material, recycling, waste management and reusing of materials with site visits, and inspections

Recycling opportunities

- **Timber/Chipboard**

Waste Timber/Chipboard is for recycling where it is chipped for remanufacture of new chipboard products. Previously lead paint problems have reduced recycling, but due to the small volumes of the paint on it has meant that acceptable levels have been achieved in the finished products.

- **Glass**

All glass from old windows is removed and is recycled.

- **PVCu**

All NCH first generation PVCu windows are removed and recycled into second generation plastic products. As the plastic is no longer a virgin material and discolours under UV light it is used for building products that are either below ground or inside another element. The plastic which is recycled by NCH is used by the window profile manufacturer (the frame) as a thermal barrier in the window to achieve “A” rated windows which we then install, which gives a 360 degree recycling process.

- **Hardcore/ Builders Waste**

This is taken away and crushed to produce different grades of hardcore materials for the building industry. This reduces the need for use of further quarried aggregates giving a more sustainable product.

- **Plasterboard**

This is separately from other waste and sent for recycling where the paper is stripped and the plaster mixed with new quarried gypsum to create second generation plaster products.

