



**Decent Homes- Secure Warm Modern**

**Progress Update – June 2010**

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## **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.**

The programme is now in a period of intense activity.

### ***Secure:***

Every 2 minutes a new window or door is installed and the window programme will be complete by March 2011, with every single glazed element replaced by double glazed unit. The door programme is well advanced.

### ***Warm:***

Every 20 minutes a new heating system is installed and this programme will be 80% complete by March 2011.

### ***Modern:***

The modern programme (kitchen, bathroom, electrical rewire) is accelerating towards maximum output, and in addition to our two existing partners Wates and FHM our third constructor partner Bullock has commenced work. This now means that every 20 minutes an internal works package is completed.

## ***Value for Money***

NCH are achieving excellent value for money and efficiencies through the streamlined work approach re-procurement of all works packages and e-procurement of the main materials. The Secure, Warm, Modern has also resulted in considerable savings in the aid & adaptations budget and made major advances in the move towards 60% planned/ 40% reactive maintenance.

## ***Community Benefits***

Tenant satisfaction is above target and the programme is having a massive impact across the community in Nottingham.

These include over 600 new jobs, 58 new apprentices through the award winning "One in a Million" scheme, reduction in fuel poverty and improved health and security of the tenants.

## ***Future Funding***

Funding for 2010/11 is secure but there is a requirement of a further £91million from the CLG in 2011/12 and 2012/13 to complete the programme. The consequences of the withdrawal or reduction from April 2011 in the original bid figure agreed by the CLG would be catastrophic in terms of the future investment in the social housing stock in Nottingham and the additional benefits that NCH have built up would be lost.

The basic stock condition would quickly degenerate as the door and internal works programme would be less than 50% complete.

Legislative requirements such as electrical periodic checks, boiler repairs and asbestos would still need to be carried out putting immense pressure on existing budgets.

A further consequence would be large scale redundancies in the Nottingham public and private sectors and the loss of hundreds of potential new apprenticeships plus tens of thousands of broken tenant promises.

## 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. As we do more surveys, currently at 91% of total stock, we have greater certainty regarding how real these savings are and we shall be re-evaluating the total DH Programme spend over the next few weeks. 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

**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 (Environmentals)</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>

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.

- 14,205 Kitchens
- 11,280 Bathrooms
- 10,498 Heating Installations
- 11,892 Boilers
- 8,719 Doors (Properties)
- 17,095 Windows (Properties)
- 4,534 Roofing Works
- 1,062 Electrical Rewires

## 2. Progress against Programme 2008/2010

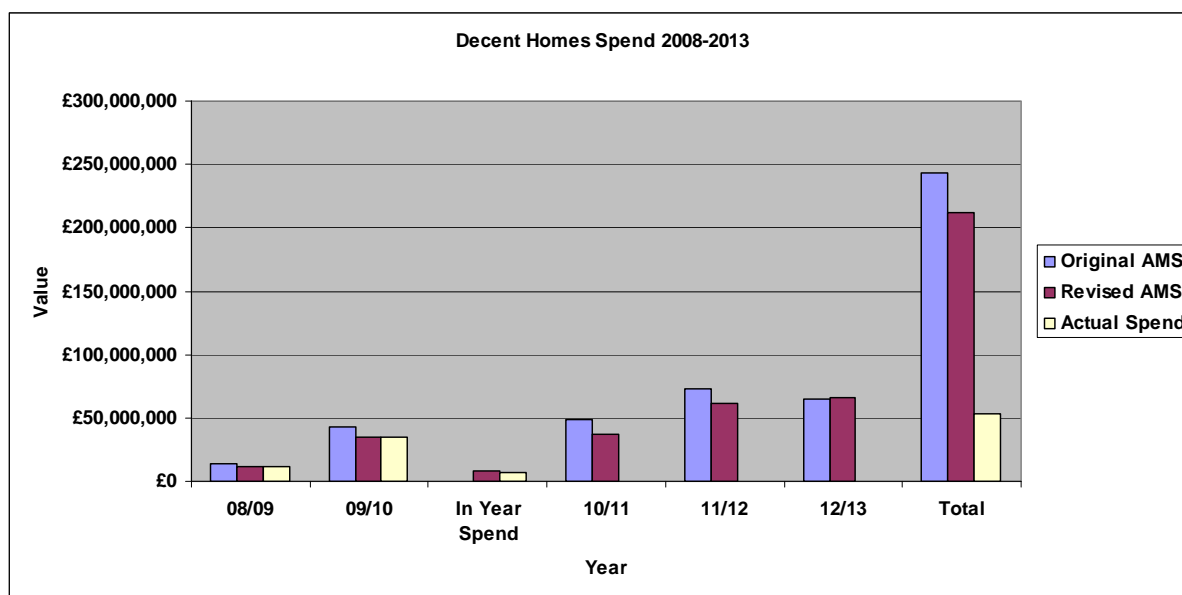
Since the start of the programme from April 2008 NCH has been carrying out works across the City with a forecasted cumulative spend of £54m on its Decent Home Scheme. Up until the end of June the overall spend was £53.7m against a spend profile of £54m as shown in table 2. This has meant that NCH have completed 27,848 elemental installations to properties to the end of June, which can be broken down as follows;

- 13,902 Windows & Door Installations (Properties)
- 3,076 Kitchen Installations
- 2,437 Bathroom Installations
- 5,609 Heating Installations
- 1829 Electrical rewires
- 995 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 June 2010

	08/09	09/10	In Year Spend	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	£34,630,746	£7,578,300	£37,600,000	£61,752,162	£65,986,506	<b>£211,800,000</b>
<b>Actual Spend</b>	£11,900,336	34,678,722	£7,122,593				<b>£53,701,651</b>



### **3. Refusals**

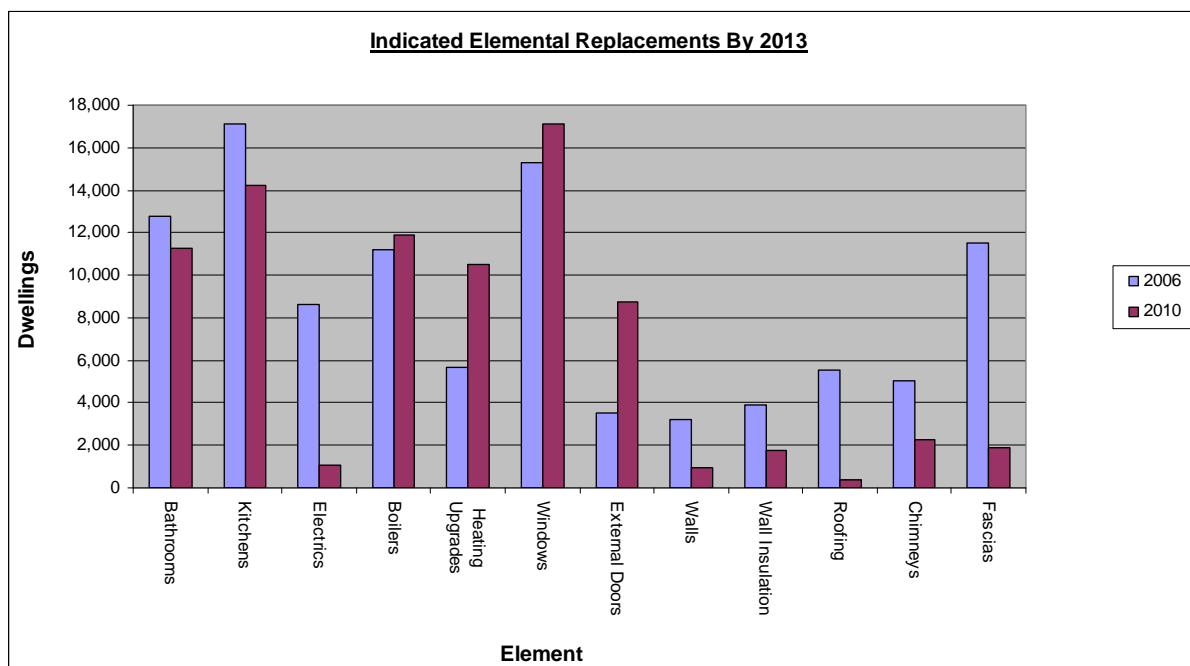
NCH's streamlined approach and proactive management with regard to tenant consultation and communication has meant that we are currently running at a 1.9% refusal rate, which compares favourable with an average of 10% across other ALMO's, which has made the programme is more efficient.

## 4. Surveys and Works

26,457 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 programme of £31.2m.

As noted above 91% of the overall housing stock has been surveyed to date and we shall be re-evaluating the total DH Programme spend over the next few weeks.

**Table 3 – Nottingham Standard DH failures at June 2010 at 91% surveyed against 2006 AMS predicted failures**



## 5. Current Procurement

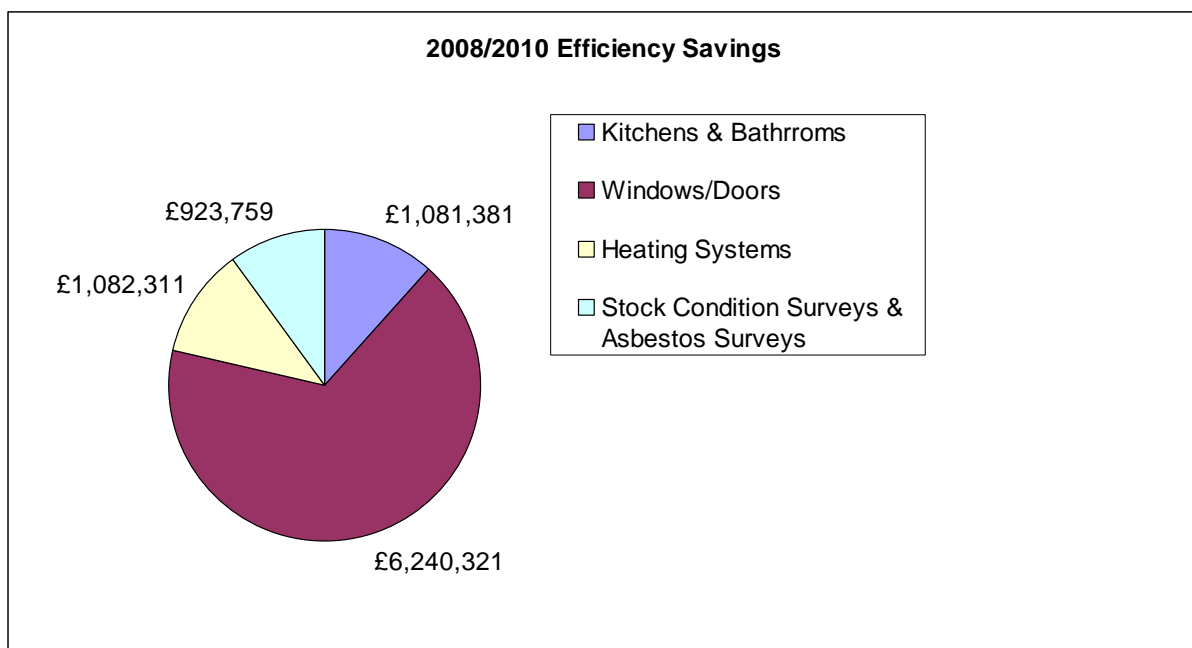
### Efficiency Savings

The updated efficiencies for the overall scheme since April 2008 to June 2010 will achieve a saving of £9.3m 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 £1.1m
- Heating Installations £1.1m
- Stock Condition Survey's £900k

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**

<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 58 trainees to date and is actively recruiting another 2 to bring the total to 60 against a target of 54. 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 June 2010**

Partner	Apprentices in situ	Recruiting
KEEPMOAT	23	0
NATIONWIDE	8	0
DLO	7	0
VINSHIRE	4	2
SPI	3	0
DLO HEATING	2	0
FAITHFUL + GOULD	3	0
CTSTV (Digital TV)	3	0
WATES	3	0
YWC	2	
<b>Total</b>	<b>58</b>	<b>2</b>

## 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 period April 10 - May 2010 from the VMS team gives a combined score of 8.54 compared with 8.31 for the period up to the 31<sup>st</sup> May 10, with the KPI being set at 8.00.

### SWM - Overall Combined

## SWM

**April 2010- May 2010**

### Satisfaction for all SWM work

From an initial issue of 1162 surveys, the following scores out of 10 have been achieved from 393 replies (33.82% return)

Questions	<i>Apr109- May 10</i>
1. How do you rate the level of notice given prior to commencement of works in your property?	8.33
2. How well were you informed in how to operate your windows and doors?	8.29
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?	8.68
5. How do you rate the conduct of the workperson, e.g. polite and respectful?	8.45
6. How do you rate the care taken/cleanliness of your property during the improvement work?	8.49
7. How do you rate the arrangements that were made to minimise the inconvenience during the works?	8.49
8. How do you rate the quality of the completed work?	8.84
9. If a fault occurred as a result of the window replacement, how do you rate the contractor's response	8.10
10. Overall how well was this service delivered?	8.79
<b>OVERALL AVERAGE</b>	<b>8.54</b>

## 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.

