

Assessment of the Decent Homes Programme

by

Ashfield Homes Limited and Ashfield District Council

1. Introduction

- 1.1 Ashfield Homes (AHL) was created on 1 April 2002 by Ashfield District Council (ADC) to undertake Landlord functions of its Housing Service. Under Section 27 of the Housing Act 1985, and with the approval of the Secretary of State, the following functions were delegated to Ashfield Homes:-
- Arrears Management and Debt Counseling
 - Tenant Participation, Information and Consultation
 - Enforcement of Tenancy Conditions
 - Similar functions for Leaseholders
 - Stock Investment and Repairs Ordering
 - Managing Lettings, Voids and Under occupation
 - Estate Management, Caretaking, and Support Services under Supporting People
 - Anti-Social Behaviour Policy (involving the Council)
- 1.2 Ashfield District Council serves the District of Ashfield, which contains approximately 50,000 homes of which 7075 were Council owned as at the 1st April 2009.
- 1.3 Ashfield was ranked 31st out of 354 Councils in the index of local deprivation in 2002, with an unemployment rate of 4.5 per cent compared to the East Midlands average of 3.2 per cent (source: Dept. of Employment 2000) and 10% Income Support beneficiaries compared to the East Midlands average of 8 per cent. (Source EMDA, 2000). It was estimated that 11.6% of households in Ashfield includes a person with a disability or long term illness.
- 1.4 Ashfield District Council (through Ashfield Homes) completed its Decent Homes programme in October 2005, making all of its properties 'Decent' in accordance with the UK Government Standard. A subsequent contract was entered into in 2006 to maintain the Council's housing stock to the Decent Homes Standard, with a third contract being entered into in December 2009 to continue this theme for the period up to and including March 2015.
- 1.5 These contracts predominantly involve the replacement of a number of key building elements including:-
- Kitchen replacement
 - Bathroom replacement
 - Central heating replacement
 - Electrical rewiring
 - Window replacement
 - Roof covering replacement (including soffit/fascia and gutter/downpipes replacement)

Plus the option to carry out other works including:-

- Render/insulated render replacement
- External Wall Insulation to Non-traditional properties

1.6 Other capital expenditure is undertaken through separate procurement routes and contracts where it is deemed more economically advantageous.

1.7 The current level of Decent Homes stands at 98.5%, with the majority of the residual 1.5% being in relation to sheltered premises currently under review regarding viability and consequently 'On-hold'. The remainder predominantly constitutes properties which had previously refused the works, and which have recently had a change of tenancy. Such properties are packaged into geographical areas and works are carried out when our respective Constructor(s) are next working in the area (on the grounds of efficiency). Thus it is anticipated that in the near future there will continually be a very small percentage (say 0.5%) which will become Non-Decent as a consequence of tenancy changes at the point of reporting quarterly Decent Homes figures.

2. Responses to Questions (as listed below)

1) How their local standard reflects or exceeds the Decent Homes standard and where they chose to re-provide homes rather than improve

What benefits has the Decent Homes Programme delivered locally, particularly any local issues or lessons learnt?

- 2.1 ADC / AHL considers that there has been significant local benefit as a consequence of the requirements of the Contact Documentation, which have always stressed a commitment to local sustainability.
- 2.2 Key performance Indicators (aspirational) including:-
- Local Trainees
 - Local Labour
 - Local Supply
 - BME Employment
 - Female Employment
 - Direct Employment
- 2.3 Training partnerships with local funders and facilitators (such as Job Centre Plus) to make traineeships and apprenticeships available, with emphasis on minority groups such as the long term unemployed. The original Decent Homes contract (2002-2005) utilised over 100 trainees, of which 50 were from within Ashfield. This partnership provided numerous opportunities and succeeded in genuinely transforming the lives of a number of such trainees from long term unemployed to skilled tradespersons.
- 2.4 Female employment was encouraged as Ashfield had historically a high number of unemployed single mothers.
- 2.5 Local Suppliers and local labour were used significantly which in turn would boost the local economy through the multiplier effect.
- 2.6 *It may be noted that there is an argument that as a consequence of the tight timescales for delivery, and the scale of resources needed, that local firms may have been precluded from works that they may have ordinarily had the opportunity to tender for (i.e. small scale works comprising single elements of work).*

How their local standard reflects or exceeds the Decent Homes standard and where they chose to re-provide homes rather than improve?

- 2.7 ADC / AHL considers that the local standard exceeds the Decent Homes Standard, aiming to provide homes that tenants are proud to live in and keen to maintain. Examples include:-
- Electric over-bath showers were provided for the first time in Ashfield allowing tenants the choice of bathing. Additionally, tenants could have the option of shower trays where it was deemed that this would be beneficial to the tenant (e.g those who were unable to enter or exit a bath safely). The provision of showers was in response to one of many significant and ongoing consultation exercises with tenants and residents prior to the commencement of the Decent Homes Programme.

- Kitchen refurbishment included plaster skimming to walls, floor coverings, and full decoration such that the finished product was of an equivalent standard to that achieved in the construction of a new home.
- Choices for kitchen units, colours of tiles, emulsion, floor coverings etc. were also determined through consultation and monitored/adapted through ongoing consultation as the contracts progressed.
- Consideration to the tenant is paramount in delivering a quality service and therefore by carrying out elements of work simultaneously, this minimises the number of visits/disruptions to the tenant and is important in achieving this level of quality. Although carrying out multiple elements is potentially disruptive in the short term, this avoids the need to disturb the tenant by coming back year after year to carry out further elements of work. It also avoids the possibility of duplicating work which will have an overall cost saving.
- Additional programmes of work were carried out which although not strictly necessary to meet the Standard, were considered high priority for tenants and consequently continued through the Decent Homes programmes e.g. Composite external doors to increase security (and thermal efficiency) for the more vulnerable tenants and residents.

What contribution has the Decent Homes Programme played in wider regeneration activity?

2.8 As stated above, ADC / AHL considers that the significant investment in local companies, the supply of local labour and materials, and the success of apprenticeship schemes, has definitely contributed to the local economy and longer term sustainability.

- By 2007, Ashfield's new ranking was 81st out of 354 Councils in the index of local deprivation in 2002 (an improvement of 50 places), and the percentage of unemployed and income support beneficiaries against the East Midlands average had also improved.

Does the Decent Homes Programme meet the priorities and needs of tenants?

2.9 The needs and priorities are established through extensive consultation including:-

- Ashfield Homes carries out regular surveys of Council tenants to identify levels of satisfaction with the service and areas for improvement. Every tenant who receives Decent Homes related works is sent a Customer Satisfaction Questionnaire to establish customer satisfaction levels, provide opportunity to give feedback, and voice any additional views and comments. Ashfield Homes has a robust Tenant Participation Strategy, detailing the mechanisms the Company has in place to consult and involve tenants, leaseholders and service users in the decision making process and the provision of services.
- A Status Survey is carried out every two years, together with surveys covering Repairs and Maintenance, New Occupiers, Anti-Social Behaviour, Supported Housing Services, Estate Management, Income Management, Resident Involvement, Money Management Service, Major Refurbishments, Gas Servicing,

new users of the Community Alarms Service, Tenancy Support Service, Neighbourhood Wardens, and the Care Co-ordinator Visiting Service. New surveys introduced in 2005/06 included Leaseholders, Partner Survey, a new Home Safety Survey to replace the Gas Servicing Survey, Out of Hours Repairs Service, Aids and Adaptations for older and disabled people.

- Tenants and residents are consulted annually about the content of service standards. This consultation programme was further improved in 2008 with a consultation programme taking place via the Ashfield Homes website.
- Ashfield Homes holds an Annual Tenants and Residents Conference, which includes a 'graffiti' wall allowing an extra avenue for tenants and residents to anonymously make their comments and views known.
- Ashfield Homes also actively encourages and supports numerous Tenants and Residents Groups, holds regular Roadshows, holds a variety of Forums specific to certain areas of service, and actively utilises 'pure' tenant satisfaction questionnaires across all areas of service to gauge genuine viewpoints, comments and levels of satisfaction attained, as well as specific areas requiring improvement.
- ADC / AHL is currently undertaking a full fundamental Review of tenant participation, in advance of the Tenancy Services Authority taking over its role in respect of ALMO's from April 2010. This will further enhance customer involvement and empowerment in the services they receive.

What role did tenants play in decision making?

2.10 Tenants are involved in decision making via a number of means including:-

- The Board of Ashfield Homes (12 in number) includes 4 Tenant Representatives and 4 Elected Members of the Council, providing significant tenant representation and input into the decision making process of the Company. The remaining 4 seats on the Board are taken up by independent business people from within the local community.
- At the start of the Decent Homes programme in 2002, Ashfield Homes developed a Major Works Compact (an agreement between Ashfield Homes, Ashfield District Council, the Council's tenants and residents and the appointed Construction Partners) which involved representatives from all the Tenants and Residents Associations (TRA's), and which was independently facilitated in order to ensure that tenants and residents could have their say and be involved in the decision making process, thus being able to influence how major refurbishment works are delivered and keep them up to date with the associated processes and procedures. This Compact forms part of the formalised contract documentation to ensure that the Constructor adheres to the standards and commitments contained within it.
- Tenant Board Members also play an active role in the selection of the Companies employed by Ashfield Homes to carry out major refurbishment works. A significant proportion of the qualitative scoring is carried out by a review panel comprising all Tenant Board Members and officers from Ashfield Homes and Ashfield District Council.

- A specific Tenants focus group meets regularly to discuss Repairs and Refurbishment works, which is instrumental in determining products, specifications and choices to be used in the refurbishment process.
- Feedback from the above consultation events, and other mediums of communication including tenant satisfaction questionnaires, are used to adjust the service to make any necessary improvements to ensure that tenant needs are met.

What impact has the programme had on tenant satisfaction?

- 2.11 The programme has had a significant effect on meeting tenant needs and aspirations. Over 80% of the Council's stock has received a new kitchen, the majority of these having also received a new bathroom. All of these have had electrical rewiring or upgrades, with a significant proportion having also received new central heating installations. Between 2002 and 2005 alone, Ashfield Homes had overseen the installation of over 18000 individual elements of work.
- 2.12 By March 2003, all windows were pvcu, and by December 2009, approximately 80% were double glazed.
- 2.13 Overall Tenant Satisfaction scores have remained high, with a score in the region of 8.2 out of 10 achieved over the last 18 months (from an independent and rigorous scoring process).
- 2.14 It should be noted that the extensive consultation and excellent ratings received from the Government during their Inspection Audits of 2002 and 2005, have raised tenant consultation significantly during the period 2002 to 2009. It is a concern that available funding following expenditure of the SCA will be insufficient in the longer term to meet future expectations.

2) How they have ensured that their programme offers value for money

How have landlords ensured that their programme offers value for money?

- 2.15 Value for Money is achieved through managing the capital investment into the Council's housing stock economically and efficiently through:-
- The timely identification of elements requiring replacement. Vital to this is the accurate collection of stock condition data. Ashfield Homes surveys every property on a five year rolling cycle as well as historically engaging an independent consultant to carry out a sample survey in order to validate existing data as well as provide insight into longer term funding requirements and stock Valuations. Stock surveys are also carried out immediately after major works are completed in order to ensure that data is current. Additionally, the condition of central heating and electrical installations is now being established by appropriately qualified personnel (Gas Safe Register, HETAS and NICEIC or equivalent) during the annual Property Health and Safety check contract, thus increasing data accuracy further. Also, Ashfield Homes is developing a Contract Management module to identify more clearly where works are planned, (to avoid duplication (e.g. to allow other sections to postpone repairs where major works are due to take place imminently), as well as identify where long term guarantees exist (to allow recharges where possible and hence minimise maintenance costs). Note that this has historically been

carried out anyway, however not channelled through one central source of information. Globally, the level and accuracy of data continues to improve year on year, which in turn will better inform longer term budget forecasts.

- Efficient collection and maintenance of Stock data; Ashfield Homes has introduced mobile technology (PDA's) to undertake Stock Condition Surveys enabling instantaneous download into the Company's centralised database, the resultant benefit being reduced manual administration and inputting time.
- Liaison with other sections to check that works are targeted in the right areas (e.g. where highest incidences of repairs activity are experienced, and where homes remain viable)
- Flexibility in the production of programmes of work; Ashfield Homes allows its Constructor to package works (within certain parameters) to ensure that works can flow efficiently with the minimum amount of fixed costs/overheads.
- Efficient and effective procurement processes; Ashfield Homes evaluates Major Works tenders on both Price and Quality (and involving Tenant Board Members), and a stringent selection process takes place in order to ensure quality. National Frameworks are utilised where deemed economically advantageous (and where applicable) for other works which saves on procurement costs.
- Taking the opportunity to carry out other repair/maintenance work whilst undertaking major works; Ashfield Homes take the opportunity to carry out some repair and remedial works to defective or damaged elements which would ordinarily be inaccessible e.g. whilst the kitchen or bathroom has been removed, this may be an ideal opportunity to renew defective plaster, or replace defective floorboards.
- Efficiency in carrying out certain operations/ elements of work simultaneously; It is not always efficient to carry out the replacement of an individual element (or part element) in one time period then carry out the replacement of another element (or part element) in a subsequent time period. There is a high degree of overlap in replacing elements and so efficiency savings can be made by undertaking these simultaneously. This will allow better integration of elements (e.g. siting of boiler position within the new kitchen cupboard layout) and to avoid undertaking works twice or altering work recently carried out. By doing this, site preliminaries can be spread over more work and hence keep the overall cost down. Where possible we therefore carry out elements highlighted for renewal simultaneously.
- Use of Partnering Principles; Ashfield Homes has strived to encourage openness throughout the supply chain, strongly discouraging the use of subcontractors where this is deemed to add further tiers of management and associated cost, and/or prevent the establishment of true costs.
- Effective monitoring of performance; Ashfield Homes holds monthly Core Group meetings which include a review of all aspects of performance, with an emphasis on tenant satisfaction and Key Performance Indicators, in order to identify where resources should best be targeted to maximise overall tenant satisfaction levels in the most cost effective and efficient way.

- Formal Reviews; These are conducted at regular intervals, covering all aspects of the Constructors performance. These include a review of :-
 - Financial/Budgetary Performance; covering a number of key aspects to the financial management and monitoring of works and their associated costs, including the accuracy and timing of cost estimates, feasibility studies, business cases, and cashflow forecasts, to facilitate the development of accurate programmes of work in line with existing budget allocations. In addition, Valuations (the monthly claims for payment against works completed) and Final Accounts (the final assessment of costs legitimately incurred against a property) must also be accurate, as well as be transparent and auditable, demonstrating the Constructor's pursuit of Value for Money on behalf of the client.
 - Operational Performance; covering a number of activities relating predominantly to site performance, including site cleanliness, conformance to client tender requirements such as the production of ID badges, tenant visits, production of short term programmes, assistance with special needs and the offer of temporary facilities (where required), effective programming of the works and adherence to such programmes, the effectiveness of the out of hours emergency service, relationships with tenants and client officers, lines of communication, the level of client input required, effective and efficient maintenance of key data relating to the works, compliance with the Client's equal opportunities requirements (including compliance with the Constructors own Equal opportunities Policy and whether the Constructor demonstrates any commitment to go beyond this to meet any specific aspirations in relation to BME (black, minority, ethnic), or female employment targets, for example), robust Health and Safety procedures and the Constructor's ability to produce detailed and compliant Method Statements in line with Ashfield Homes' Permit to Work procedure (works can only commence on any particular scheme when a Permit to Work has been issued, following approval of the Constructor's Method Statement), and resultant performance against the Key Performance Indicators (measured objectively via the performance data submitted throughout the Contract as well as an assessment as to the accuracy of relevant supporting data).
 - Tenant Satisfaction; measured objectively via the performance data generated from the tenant satisfaction questionnaires, through the Vision Management (VM) software system, regarding the perception of tenants and residents as to how satisfied they were with all aspects of the major refurbishment works. VM scores are collated quarterly to allow the identification of trends in performance. In addition, the levels of complaints and compliments are also assessed.
 - Cost and Best Value; assessing the Constructor's ability to minimise cost increases over time against the originally tendered rates.
- The findings are included within a Summary Report submitted to a Review Panel (again including Tenant Board Members) and Constructor prior to a formal Review day in which the Constructor will deliver a presentation including what the Constructor considers to be their weaknesses (what went wrong) and what the Constructor consider to be their strengths (what went well), and what plans the Constructor has in mind to improving performance further for the forthcoming period. The Review Panel considers the presentation and responses to questions posed, and arrive at its recommendation. Based upon this, Ashfield Homes produces a final written report to be forwarded onto the Council as client for its consideration. The report, together with the Council's decision as to how to proceed, is subsequently circulated to all the panel

members and to the Constructor. The contract includes for a number of break clauses, and the outcome of each Review will determine whether the Client extends the Contract at each of these junctures.

- Incentivisation; the major works contracts include financial incentivisation against costs (actual costs against Target Costs are incentivised 50/50) but also against quality (through incentives/penalties against tenant satisfaction scores). To operate this effectively it is necessary for the tenant satisfaction process to be clear, concise, be auditable and 'pure' to avoid any potential tainting of scores. Additionally, tenant related KPI's include for penalties should the Constructor not achieve the contractual minimum targets.
- Working closely and collaboratively with the Client and other local stakeholders, agencies and all other sections within ADC / AHL to identify and achieve common goals.
- Encouraging, developing and implementing training initiatives/schools visits and the like in order to contribute to the sustainability of communities throughout the district of Ashfield, which will over time save significant sums (e.g. through savings on housing and unemployment benefits and the like, but moreso on the multiplier effect of salaried income which is then largely spent/reinvested within the District).
- Embracing, encouraging, and entering into long term partnerships with contractors, consultants, procurement consortia, peers and other relevant organisations to facilitate continuous improvement through the investigation and implementation of good practice and innovative methods and techniques where viable and appropriate.

What lessons have been learnt in terms of procurement and partnership working with contractors?

2.16 The selection of Construction Partners with a genuine commitment to Partnering is vital. This includes:-

- A commitment by the Constructor to work closely with the Client and/or their representative to carry out works jointly and remove potential duplication of works e.g. whereby the Constructor submits information which the client subsequently has to validate and may refute leading to potential adversarial relationships. A shared office facility assists joint working significantly.
- A commitment by the Constructor to genuinely seek Value for Money throughout the Supply chain such that all subcontractor costs are clearly broken down between labour, plant, materials and overheads. There remains reluctance (in our opinion, from experience) for Constructors to seek subcontractor quotations and enter into subcontracts on a basis which mirrors that between the Client and Constructor. Ashfield Homes' latest contract requires a high degree of direct labour and materials which assists in attaining total clarity throughout the supply chain. In addition it is a requirement for any sub-contracts to mirror the main contract (in its partnering principles), should a subcontractor be required.

What works have landlords undertaken to safeguard the sustainability of their Decent Homes investment?

2.17 Enhanced sustainability is achieved through various means including:-

- This has predominantly been achieved through the consideration for life cycle costing and the use of quality materials to lengthen replacement dates.
- Ranges of materials available to tenants offer a wide range of options (e.g. there are numerous combination options for kitchens when considering the different colours of units, worktops, wall tiles, floor coverings, and emulsion), whilst maintaining a manageable number of choices within each individual product.
- Stock Condition surveys (on completion of works) noting the choices and products installed per property to enable efficiency of future repairs.
- Deliver a high quality specification to encourage tenant pride in their homes and thus encourage better maintenance by tenants and residents.
- It should be noted that although the SCA has allowed a significant investment into Ashfield Council's housing stock, it is considered that there remains in the longer term a potential shortfall to complete all properties and maintain them to the Decent Homes Standard in future years (subject to funding and priorities).

What efficiencies have landlords delivered as their investment programmes have progressed?

2.18 Investment programmes since 2002 have shown significant notional savings when comparing actual cost increases (from tender) to the respective Building Cost Indices for the respective time periods.

2.19 The Client Representative Management structure has been revised to demonstrate a reduction in management costs.

2.20 As stated above, duplication of works have been avoided by carrying out works simultaneously, and also maintaining good communication with other sections within Ashfield Homes (predominantly the Responsive Repairs section) to align repairs activity with major works.

3) Details of any "bolt-on" schemes to their investment programme, e.g. job creation/apprenticeships, community programme

How has the programme changed the way that landlords deliver their housing services, including their repairs and maintenance programmes?

2.21 The different technical sections within ADC / AHL work closely, and as stated above, planned programmes of work are notified to the Repairs Service. This has a number of benefits including avoiding carrying out repairs when refurbishment is due imminently.

2.22 Longer term guarantees (over and above the standard 12 months defects period) are recorded and checked when a repair is reported, to minimise expenditure against the repairs budgets.

- 2.23 Stock Condition data is available to all sections within Ashfield Homes, including tenant choices.
- 2.24 Note that new works, such as electric showers over baths introduces a new burden to the repairs budget.
- 2.25 Note also that tenant aspirations and expectations have consequently risen, contributing to continuing high levels of repair requests.

Landlords should highlight examples of best practice across their investment programmes and wider housing management activity;

- 2.26 ADC / AHL considers that a number of best practice activities were initiated in 2002, of which Ashfield Homes has been approached many times since 2002 for advice and assistance regarding its approach to the delivery of the Programmes (including associated processes and procedures).
- 2.27 Ashfield Homes considers that a high degree of the actions, as listed in the responses above, addresses the response to this question.

Landlords should submit evidence and examples of e.g. job creation/ apprenticeships, community programmes, community facilities;

- 2.28 Examples of sustainability initiatives include:-

- As stated above, training partnerships were set up in relation to the major works contracts with local funders and facilitators to make traineeships and apprenticeships available, with emphasis on minority groups such as the long term unemployed. The original Decent Homes contract (2002-2005) utilised over 100 trainees, of which 50 were from within Ashfield.
- Key Performance Indicator targets for local labour and local supply have been met consistently.
- Constructors take part in interactive visits to schools, whereby pupils can 'have a go' at tiling, wall building etc., in order to spark interest in future careers within the building industry.

Examples of energy efficiency initiatives over and above Decent Homes.

- 2.29 Examples of energy efficiency initiatives over and above Decent Homes include:-

- The installation of external wall insulation, double glazed windows, thermally efficient external doors and an efficient central heating systems to the majority of Ashfield's non-traditional stock. Budgets are earmarked to conclude external insulation to the residual non-traditional properties in the near future.
- Continuing programmes of replacement windows (single glazed pvcu to double glazed pvcu), although not specifically required under the Decent Homes Standard.

- Continuing programmes of replacement external doors (timber to thermally efficient composite pvcu), although not specifically required under the Decent Homes Standard.
- Continuing Top-up Loft insulation schemes (over and above the requirements of the Decent Homes Standard). It is anticipated that by Summer 2010, over 50% of the stock will have between 250 and 300mm of loft insulation, the remainder having at least 150mm (excluding a small number of 'hard to treat' properties).
- 'A' rated condensing combination boilers as standard.

4) Any local issues or lessons learnt

What innovative approaches have landlords undertaken, and particularly how have these approaches been shared with other landlords?

- 2.30 Ashfield Homes works closely with other ALMO's (sharing good practice) as member of the East Midlands ALMO group, as well as being member of the Central England Procurement Partnership. Ashfield Homes is also a member of Procurement for Housing.
- 2.31 Ashfield Homes has assisted other ALMO's when requested (as a Round 1 ALMO having been through the Decent Homes experience early and learnt from the experience).

Landlords should consider whether the Decent Homes programme is in a position to be responsive to the likely future demands made upon it.

- 2.32 The main concern relating to maintaining the Decent Homes Standard is having long term funding to allow for replacement cycles in line with the Decent Homes recommendations, including levelling out major peaks in investment requirements (predominantly as a consequence of the initial significant investment into the Decent Homes programme in a very short period of time). Increased tenant aspirations add further pressure on maintaining the Decent Homes Standard and meeting tenant expectations in the future.