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| Item No. 7. | Classification: Open | Date: 18 October 2011 | Meeting Name: Cabinet |
| Report title: | | Housing Investment Programme – Confirmation of Five Year Programme and Update on the High Investment Need Estates Options Appraisal Project | |
| Ward(s) or groups affected: | | All wards | |
| Cabinet Members: | | Councillor Ian Wingfield, Deputy Leader of the Council and Cabinet Member for Housing Management and Councillor Fiona Colley, Cabinet Member of Regeneration and Corporate Strategy | |

FOREWORD – COUNCILLOR IAN WINGFIELD, DEPUTY LEADER OF THE COUNCIL AND CABINET MEMBER FOR HOUSING

It is a key priority of the council to make every home in Southwark warm, dry and safe by 2014-15. This report marks an important milestone in the achievement of that aim.

The previous Housing Investment Programme set unrealistic standards that could not be achieved within the resources of the Council. The huge funding gap of that programme unfairly raised expectations and resulted in tenants and leaseholders facing uncertainty as to when, what and how Decent Homes works would take place on their homes. Tenants and leaseholders were making regular complaints about the continually changing dates of the Housing Investment Programme and the lack of clear direction created winners and losers with some households benefiting from Decent Homes works while other blocks on the same estate were not. The net result in another 5 years of continuing with the same programme would have left Southwark with less homes meeting the Decent Homes standard overall. This was not a particularly desirable outcome.

As a council our priority for housing is clear: end this uncertainty by publishing a transparent programme detailing which estates/properties would have what works and when; ensure that the proposed programme covers the needs of our housing stock both in terms of our warm, dry and safe objective and our legal obligations as a landlord including lifts, roofs and communal security; and present a realistic and funded programme for the benefit of all of our residents living within the borough.

For the first time in Southwark we have prepared a Housing Investment Programme that covers a 5 year time span. This is more efficient in terms of asset management, planned preventative maintenance and for setting out a clear path in meeting the Government's Decent Homes criteria and meeting our other statutory obligations as a landlord. It is also more helpful for residents. The programme will give tenants and leaseholders a clear view of when investment in their homes is planned to take place to deliver an acceptable standard to all within the limited resources available to us.

We have aimed to engage with residents in a more meaningful way and I am grateful for the role that they have played in developing the 5 year programme. A questionnaire was sent to every tenant and leaseholder seeking their views. Individual Residents

and Tenants' and Residents' Associations have assisted, as have Area Housing Forums, Tenants Council, Home Owner Council and their working parties.

At £326.5m (with the potential for further funding of tens of millions during the life span of the programme) ours is one of the most ambitious Housing Investment Programme in the country. However our investment has to be seen within the context of the reduced resources available to the Council. We only received half of the amount of Decent Homes funding we bid for from Government and the allocation spread over 4 years is back-ended in the final two years. Our tenants and leaseholders need that money now. They need to be assured that this money will be forthcoming as our Housing Investment Programme must be based on prudent financial planning and not on indicative funding or estimates. On top of this our Housing Revenue Account has been cut by nearly £7 million this year and next year the Government's subsidy regime will finish, and we will be totally dependant on the income we generate ourselves through rent, service charges, charges and sales. Officers have calculated that the Housing Revenue Account will face a deficit as a consequence. Already the largest item we have to pay each year accounting to nearly £85 million is debt charges, including depreciation. Although this will reduce under self-financing we must take action to control our level of debt repayments, at the same time as investing in our housing stock.

We are looking at ways to maximise the level of resources available for investment, including savings through new major works contracts, limited disposal of voids, external funding sources and self-financing regeneration options. We are confident that this will allow us not just to fund the Housing Investment Programme as stated but also allow us to bring forward many of the schemes scheduled to occur in the latter years of the programme.

I also want to highlight the progress in the option appraisal exercises at Abbeyfield Estate, Four Squares Estate and at Hawkstone Low Rise. Progress has not been as fast as we would have liked because we have followed the pace requested by the residents, but we resolved to keeping to the decision making timetable set out in this report. Again, I am grateful for the work put in by tenants and leaseholders in the Resident Steering Groups in place on each estate, and look forward to the point where we can reach clear and deliverable approaches for each estate.

As a Council, our Housing Investment programme is only one aspect of our housing strategy. We also must take a view about a longer-term sustainable strategy for our housing stock in a situation where due to Government policy adequate funding for our housing stock is bound to decline and financial incentives are likely to promote other options such as the transfer of a proportion of our stock to other social landlords. We give our firm commitment that it is not only our desire to preserve our housing stock in Council control but also to enhance it as far as possible.

I am therefore asking the cabinet, after consideration of the officers' report set out from paragraph 7 onwards to approve the recommendations below.

RECOMMENDATIONS

1. To note the outcome of the Stage 2 resident consultation on the draft Five Year Housing Investment Programme and to consider the feedback from the Area Housing Forums, Tenants Council, Home Owners Council and the Decent Homes Review working party on the proposals.

2. To note the advice from the government Department of Communities and Local Government that the £11m government backlog funding will be paid as a cash grant and to agree that officers will be requested to come forward with detailed proposals to allocate the £11m of additional resources. The grant is for social housing tenants only so any of the monies spent on communal repairs will be recharged to leaseholders. The resultant service charges could generate up to £4m of extra income should all the grant be spent on communal repairs.
3. To approve the Five Year Housing Investment Programme, revised in the light of the Stage 2 resident consultation, as set out in Appendix 1, and to instruct officers to proceed with the implementation of the Programme.
4. To note the impact of the Lands Tribunal decision on the deliverability of the programme; the risks associated with it, and the contingency arrangements in place to mitigate these risks.
5. That progress of the options appraisal project on Abbeyfield, Four Squares and Hawkstone estates be noted and the revised project plan outlined in paragraph 71 be agreed.
6. That the amendments to the option appraisal model's strategic fit objectives proposed in paragraph 75 be noted and agreed.

BACKGROUND INFORMATION

7. In December 2010, cabinet confirmed its commitment to making every home warm, dry and safe. Consultation arrangements were agreed to begin the process of engaging with residents on the strategy for housing investment in the borough over the next five years.
8. Consultation has been held in two stages, with an initial exercise covering the fundamental principles of a five year investment programme, the results of which were presented to cabinet in May 2011. This report set out the draft housing investment programme, designed to ensure that all of the council's homes would be invested in to meet the Government's Decent Homes Standard and make them warm, dry and safe through a minimum investment of £326.5m over the next five years.
9. The Stage Two consultation sought resident's views on the draft housing investment programme. The purpose of this report is to present the outcome of the further round of consultation and the outcome of this feedback which has been used to firm up a final housing investment programme for delivery over the next 5 years.
10. The 31 May 2011 report to cabinet also identified 6 high investment need estates, namely: Abbeyfield, Aylesbury, Brandon, Elmington, Four Squares and Hawkstone estates. Cabinet agreed that solutions were already in place for the Aylesbury, Brandon and Elmington estates and that officers should undertake options appraisals for the Abbeyfield, Four Squares and Hawkstone estates. Officers were asked to report back to cabinet in October 2011 with a preferred option. Cabinet also agreed that the options should be worked up in full consultation with residents and that an independent resident advisor be procured to ensure effective resident engagement.

Housing investment strategy

11. In July 2011 Council Assembly agreed a new Council Plan setting out ten promises to deliver the vision of a fairer future for all. Two key promises are:
 - To make every home warm, dry and safe; and
 - To bring the full benefits and opportunities of regeneration to all Southwark's residents and build new family homes on the Aylesbury Estate and at Elephant and Castle.
12. The five year programme is designed to ensure that all of the council's homes meet the Government's Decent Homes Standard and make them warm, dry and safe.
13. The key aspects of the council's housing investment strategy are:
 - To agree a minimum affordable standard based upon the known resources realistically available that will enable the council to bring all council homes up to the same agreed standard by March 2016
 - To ensure that all council homes which require investment benefit from the resources available
 - To agree the minimum budget envelope and to continue to work to bring in additional funding to bring schemes wherever possible in order to complete the programme more quickly and ahead of schedule
 - To develop a 30 year housing asset management plan which will be used to inform and shape future programmes
14. 5,500 council homes have become non decent this year, which reduces the decency figures from 70% to 56%, with 17,000 homes failing to meet the standard. This dramatic drop reflects both the age profile and the scale of the council's housing stock and reinforces the significance of the challenge that the council faces in meeting and retaining 100% of the council's housing stock as fully compliant with the government standard.
15. The council's stated intention is to make all council homes warm, dry and safe over the next 5 years. This delivery of this strategy will be underpinned by more robust contract management and improved arrangements for contract monitoring, including an annual progress report to cabinet, and this is set out in more detail from paragraph 45 onwards. The achievement of decency is in itself a moving target as every year homes fall out of decency; therefore, a long term strategy to tackle stock investment post 2015/16 is required to ensure that 100% decency is maintained and this will be co-ordinated through the development of a 30 year housing asset management plan.
16. The new warm, dry and safe programme incorporates all major works that will be required over the next 5 years to meet the council's housing landlord obligations and to achieve the government's decent homes standard.

17. The type of work that is typically covered by the programme may include work to:
- Roofs
 - Windows
 - The structure of the building
 - Electrics
 - Doors
 - Fire safety measures
18. It may also include some work to bathrooms and kitchens but only where this is needed due to poor condition.
19. The programme does not include full kitchen or bathroom replacements, unless on an exceptional basis, environmental improvements or block security works, such as door entry phones, with the exception of works to complete the security scheme at Four Squares, which is already partly completed. The inclusion of these types of works will be reviewed as part of future programmes and will be dependent upon the resources available at the time.
20. The programme has been put together based upon the following programme assumptions:
- Need – The housing stock condition survey told us which properties were in the worst condition and needed work most urgently
 - Affordability – We have looked at the total amount of money that we have available to spend in any one year to make sure that the funding is fairly distributed among those properties that are most in need
 - Practical considerations – For example, how blocks are grouped within the programme, taking account of the works that they need and their location
21. The five year programme forms part of a wider strategy to achieve this priority including the voids disposal strategy, hidden homes programme and high Investment needs estates. Three high investment needs estates are currently the subject of options appraisal work reported on below.
22. The housing investment strategy commits the council to delivering warm, dry and safe homes and reducing CO₂ emissions in its housing stock. Whilst the Government's Decent Homes Standard does not include a meaningful measure for thermal efficiency, the council has agreed a five year investment programme to make all homes warm, dry and safe by 2016. This includes roof renewal, insulation, window replacement and central heating upgrades.

Liaison with the Tenants Services Authority (TSA)

23. The Tenants Services Authority (TSA) requires social housing providers to consult with tenants about the services they would like delivered as local offers against the TSA's National Standard. This includes quality of accommodation and repairs and maintenance. The council is also required to consult the TSA and agree with them any extensions to the deadline for meeting the government's decent homes standard for all council homes. Discussions with the TSA are currently underway and the TSA has been fully briefed on the contents of this report. Initial feedback from the TSA has indicated that the TSA would prefer to see a programme which brings at least 85% of council homes up

to the government's decent homes standard by April 2015, which is the end of the current government spending round period. The council has responded to the TSA to indicate that the programme could be brought forward, however, this is dependent on the government confirming the backlog funding and making it available as a cash grant.

High investment need estates

24. In August 2010 the council's cabinet took a decision to rehouse the residents of Maydew House on Abbeyfield estate. Following investigations, it was shown that refurbishment works required to the block could not be undertaken with residents in occupation due to the design and composition of the block and major elements needing renewal. However, at that time, a decision was not taken on the future of the block or on the impact of any decision about its future on its neighbouring blocks, Thaxted Court and Damory House as well as the Bede Centre, which have physical links to Maydew House. Therefore, the objective of the options appraisal is to reach a preferred strategy for Maydew House and its neighbouring blocks; for this reason, it was agreed that the scope of the appraisal should exclude Bradley House on Abbeyfield estate.
25. On the Hawkstone estate, works have either been completed or are scheduled for the high-rise blocks (Addy House, Brydale House and John Kennedy House) but an appraisal of the 3 low-rise blocks (Canute Gardens, Jarman House and 22-88 (even) Rotherhithe Old Road) and in particular works to a pilot flat by the council's major works partnering contractor, Wates, concluded that works could not be done with residents in-situ. Therefore it was determined that the focus of the appraisal should be the three low rise blocks.
26. On the Four Squares (also known as New Place) estate, security works had been completed on New Place Square and Lockwood Square. The 31 May cabinet agreed that security works should be carried out on Marden Square and Layard Square. The scope of the options appraisal is the whole estate, and while the surveying work for the options appraisal will take account of the preparation for the security scheme, it will not interfere with the programme.

KEY ISSUES FOR CONSIDERATION

Housing Investment Programme Stage 2 consultation process

27. The Stage 2 consultation comprised a variety of methods of engagement and provided opportunities for groups and individual residents to raise issues concerning their own communities.
28. The consultation included a programme of meetings with Area Housing Forums, Tenants Council, Home Owner Council and their working parties. The Decent Homes Review Working Party was also given the opportunity to comment on the draft consultation material (primarily the presentation subsequently delivered to Area Housing Forums) as well as the detailed programme. The presentation (attached at Appendix 7) explained how the draft programme had been put together, based on need, affordability and practical considerations, the type of work being planned and not being planned, and the scope and method of delivery of the works.
29. The relevant details of the programme together with a Help Sheet and Explanation of Abbreviations were sent to the Chairs and Secretaries of all

Tenant and Residents' Associations (T&RAs) and Tenant Management Organisations together with a collective comment form for the group to return with their comments.

30. All tenants and home owners were sent a letter with their July rent or service charge statement alerting them to the consultation and explaining how they could participate. This included discussion with their T&RA and submission of a collective comment form, or completion of an individual comment form at their local Area Housing Office (where a full copy of the draft programme was made available to refer to), or completion of an online form. Residents could also email their comments directly to a dedicated mailbox at: warmdryandsafe@southwark.gov.uk. The online facility also enabled residents to search by address to find out the works planned for their block or estate and the proposed timetable for the work.
31. The draft programme did not include those properties already in the programme and approved by cabinet in May 2011. These were Hawkstone, Sceaux Gardens, St Saviours, Manor Phase 4, Consort, Rockingham (Ellington & Whitworth Houses), Cossall, Crystal Court, Camberwell street properties, Draper House, Elmington (Proctor/Brisbane/Flatman Houses), and Marchwood Close.

Results of the Housing Investment Programme Stage 2 consultations

Area Housing Forum comments

32. These are summarised in Appendix 3 which is attached and which includes all the responses from each forum.
33. The key findings from the Area Housing Forum consultation were:

Table 1: Area Housing Forum feedback

| Feedback | Officer response |
|---|---|
| Area Forums raised many local queries regarding the inclusion or non inclusion of individual estates or blocks. | All of these queries were subject to further investigation and surveys, and, where necessary, the programme has been amended as a result. |
| That the planned preventative maintenance needs of the Aylesbury estate should be subject to further review and aligned with the revised regeneration plans for the area. | Agreed. This will be subject to further review. |
| Some forums felt that they would prefer for works to be carried out to kitchens rather than bathrooms. | Comments noted but not affordable at the current time. Work to kitchens will be reviewed as part of the development of a 30 year housing asset management plan. |
| Several forums highlighted the need for door entry systems and resources for communal decorations. | Comments noted but not affordable at the current time. This will be reviewed as part of the development of a 30 year |

| Feedback | Officer response |
|--|--|
| | housing asset management plan. |
| Forums strongly emphasised the importance of improved contract management, value for money, and quality of workmanship in the delivery of the programme. | Agreed and new arrangements are now in place for improved contract management. |
| Several forums asked whether the impact of potential cost inflation has been allowed for within the programme. | It was confirmed that price fluctuations are taken into account within the assumptions upon which the programme has been based. |
| Forums also requested further information on the criteria that would be used to agree boiler renewals. | It was confirmed that boilers will only be replaced where the annual inspection indicates that the appliance is no longer fit for purpose. |
| Several forums requested the housing stock condition survey results for their individual blocks or estates. | These were provided on request. |
| Several forums also indicated that they would have preferred to have had greater time to consult more widely with residents in their areas on the impact of the proposals. | Comments noted and will be taken into account in future consultation exercises. |

Comments from tenants and residents associations & TMO

34. These are summarised in Appendix 4 which is attached and which includes all the responses from each T&RA and TMO that replied to the consultation. 24 TRAs and TMOs responded in total.
35. The key findings from the consultation with Tenants and Residents Associations and TMOs were:

Table 2: TRA and TMO feedback

| Feedback | Officer response |
|--|--|
| Several forums and TRAs commented that blocks and estate designations in the draft programme were unfamiliar to them e.g. blocks showing against the wrong estate. In some cases this is explained by the council's management information being based on the original development rather than the current management arrangements or the grouping in terms of TRAs. This is particularly prevalent with the stock transferred to Southwark from | Although this does not create a risk of programming error because the programme and stock condition survey database is built up from individual unit information, with each property having a unique property reference in the database, it is recognised that information on the Council's property data base should tally with residents' perception of where they live and action is being taken to correct this on the |

| | |
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| the GLC. | Council's property data base. |
| Some respondents expressed disappointment that kitchens were not included within the scope of the current works. | Comments noted but not affordable at the current time. Work to kitchens will be reviewed as part of the development of a 30 year housing asset management plan. |
| Many replies related to specific blocks. | In all cases, surveys were undertaken and the programme adjusted where necessary, with the respondents receiving written confirmation of the survey findings and any changes that were proposed to the 5 year programme as a result. |
| Some respondents highlighted the need for more external works and upgrades to internal communal areas. | Comments noted but not affordable at the current time. This will be reviewed as part of the development of a 30 year housing asset management plan. |
| Some leaseholders queried the inclusion of electrics within the programme. | It was confirmed that any electrical works included within the programme comprised internal rewiring to individual tenanted flats and did not include works to leaseholder properties. |

Comments from individuals

36. These are summarised in Appendix 5. A total of 128 individual responses were received which included 154 comments.

37. The key findings from the consultation with individuals were:

Table 3: Individual feedback

| Feedback | Officer response |
|---|--|
| The need for window works was the most frequently made comment Nearly one fifth of all responses mentioned windows. | Each individual query has been checked. |
| The second highest number of enquiries (12.3%) was received from Hawkstone residents. | It was clarified to residents in response to these enquiries that Hawkstone is included within the current programme, subject to the outcome of the options appraisal process. |
| The third highest number of responses (9% of responses) was about the need for better heating and or insulation. | All of these queries have also been individually checked and the programme amended, where necessary. |
| The fourth highest number of responses | Individual responses have been |

| Feedback | Officer response |
|--|-------------------------|
| (8.4%) was relating to requests for further information about how the programme had been prioritised and general queries about the housing stock condition survey. | provided. |

Decent Homes Review Working Party comments - 24 August 2011

38. Table 4 summarises the key comments from the Decent Homes Review working party.

Table 4: Decent Homes Review Working Party feedback

| Feedback | Officer response |
|--|--|
| The council should investigate the use of Community Payback and Princes Trust for external decorations for communal areas. | The council already uses the Community Payback scheme and will investigate other sources of external support for minor works to complement existing resources. |
| Medical and mobility needs should still be met via specific budgets set aside for specialist adaptation works. | Yes. This is agreed and these types of works are already covered under a separate budget and assessment process for housing aids and adaptations. |
| The final report to cabinet needs to show the carry over schemes in the programme which are not identified separately in the future WDS programme. | Yes. This is agreed and the report has been updated accordingly. |
| Adequate monitoring arrangements must be in place to ensure quality delivery on all contracts | Agreed. Please see paragraph 40 and onwards for further information about improved arrangements which have been put in place for contract management. |
| There must be an accurate measure of customer satisfaction for contracts. | Agreed. The head of major works will consult the Decent Homes Review working party on proposed measures to assess customer satisfaction with major works and customer satisfaction data will form part of all monitoring reports and will also be made publically available. |
| Specific co-ordination of any future regeneration schemes must be made alongside the WDS programme. | Agreed. The programme assumptions for the estates that are currently in the process of going through options appraisals are set out in detail in this report. |

Tenant Council comments

39. Table 5 summarises the key comments from the Tenants Council.

Table 5: Tenant Council feedback

| Feedback | Officer response |
|--|--|
| That additional funding now available is used to provide double glazing to all homes, ensuring a reasonable level of thermal comfort. | <p>This is not recommended as it is not the most economic method of renewing or replacing windows and may cause additional problems depending upon the construction of the dwelling, such as condensation and mould growth due to the effect of cold bridging.</p> <p>There is also no guarantee as yet regarding the possibility of the additional funding of £65m from government backlog funding, as this has not yet been confirmed. Additional funding via pooled contributions and commuted sums are still subject to finalising negotiations and development timetables and triggers.</p> |
| That all income received from the sale of HRA assets are reinvested in the Decent Homes/Warm Dry Safe programme. | It is recommended that all income received from housing assets is reinvested in the housing investment programme for housing purposes but that this is kept under regular review and considered in line with wider council priorities. |
| That all additional funding received is used to supplement the existing £326 million budget to provide higher level /additional works. | The allocation of any additional funding is a cabinet and council assembly decision. The cabinet meeting which took place on the 31 May 2011 recommended that any additional funding should be used to bring forward work and to carry out schemes more quickly. A decision on how funding would be used would need to be made by cabinet at the time that any additional funding is received and in the light of the needs of the overall housing investment programme at that time. |
| Tenant Council is concerned about the low level of replacement of existing heating systems including radiators in the programme. | The proposed programme does include boiler and heating replacements where there is a proven need. No further adjustments to the programme are considered necessary but surveys will be carried out before any work takes place. |

| Feedback | Officer response |
|--|---|
| Tenant Council would like to see a comprehensive investigation into mould growth and condensation problems across the borough as part of the Decent Homes/Warm Dry Safe programme. | The head of major works will review this area in consultation with the head of repairs and compliance and prepare a report for the Decent Homes Review working party to consider. |

Home Owner Council comments

40. Table 6 summarises the key comments from the Homeowners Council.

Table 6: Home Owner Council feedback

| Feedback | Officer response |
|---|--|
| HOC Comments on the Investment Programme report. | |
| <p>Please remove the statement in 13.1; that HOC was given the opportunity to comment on the draft report. It must be clear that HOC were not fully consulted with.</p> <p>At the HOC meeting 22/6/11 the council provided the consultation timetable, this showed the updated draft report to be completed 25-29/8/11 ready to be sent to TC members on 30/8/11 & HOC 1/9/11.</p> <p>In order to facilitate the council's timetable the Chair set the HOC meeting for 8/9/11.</p> <p>The report was not provided for the meeting 8/9/11, when we were told that the document that had been presented to TC should have been presented to HOC that night, but that it was far from finished and was undergoing a considerable re-write.</p> <p>Thus despite stating that we would have the opportunity to do so, HOC was not able to view and comment on the report prior to its presentation to cabinet.</p> <p>Thus we are only able to comment on the original draft 5 year programme, the updated 5 year programme provided</p> | <p>Officers have apologised for the late distribution of papers which was due to an administrative error. A copy of the final report has been forwarded to the Chairs of Homeowners Council and Tenants Council for information and any further feedback will be reported verbally at the cabinet meeting.</p> |

| Feedback | Officer response |
|---|---|
| after HOC on 8/9/11 and the almost unreadable spread sheet of changes to the programme that was presented at HOC on 8/9/11. | |
| Updated 5 year programme, App 1 | |
| <p>The way the programme is formatted; separated up into WSD, Landlord Obligations, & things that cease to comply with DH in 2010 & those that cease to comply in 2011, made it much harder for the ordinary resident to understand the programme. This information may be important within the council, but such differentiation has little relevance to the residents who just want to know what you plan to do & when you plan to do it.</p> <p>The programme should have listed all works to be carried out, (no matter what heading they come under, WSD, DH, Landlords etc) and the year you plan to carry out the works, by all means then have a separate column that indicates the headings they come under, but make it simple.</p> | <p>The formatting was designed to provide maximum transparency by clearly separating the costs of meeting legal duties, our landlord obligations (such as fire safety and electrical works), from the budget available for other works where we have a degree of flexibility over extent and programming.</p> <p>When the draft version was published, a simplified document was produced for each Area, and was posted online for residents. Following cabinet approval, a similar version can be produced for wider circulation.</p> |
| <p>The programme is squarely aimed at enabling the Council to comply with the Decent Homes Standard for its tenanted properties, and thus prioritises internal works to tenanted properties, and thus communal works are a low priority, which will result in the continued deterioration of the blocks and thus the value of our homes.</p> | <p>In addition to meeting the council's legal obligations, the programme is aimed at meeting the Decent Homes Standard – this is a Government requirement with some of the council's funding dependant on compliance. However, the council's warm, dry and safe approach to meeting the standard is intended to ensure maximum benefit for all from the limited resources available.</p> <p>The programme seeks to protect the stock (including communal areas) from deterioration, for example through works to roofs and external wall finishes, but the limited resources available do not allow works to communal areas within this programme period.</p> <p>The highest priority works relate to windows and roofs, which will benefit tenants and leaseholders equally.</p> |
| We request that the council inform | Following detailed property inspections, |

| Feedback | Officer response |
|---|--|
| home owners how much of the investment programme will be spent on their properties, when and where. | further information on the actual investment to properties will become available as individual schemes are developed and costed and progressed through the usual consultation arrangements. |
| <p>The funding by Ward indicates a dramatic reduction in planned spend compared to the programme that was sent out to the Area Forums for consultation.</p> <p>It appears that there has been an attempt to hide this fact, in that the version dated 27/5/11 included 2011/12; the one dated 26/8/11 does not. Even taking this into account the planned spend from 2012-2016 has been reduced by over £119M.</p> <p>The figures show that the council plans to increase 2012/13 spend by approx £50k, the following years are reduced: 2013/14 by nearly £10M, 14/15 by nearly £6M, 15/16 by nearly £30M.</p> | <p>Funding by ward includes only the main Warm, Dry, Safe programme: it does not include the landlord obligations and other committed spending indicated in the 'Investment Programme – Overview' (page 3).</p> <p>The title of the page 'Funding by Ward (Non Landlord Obligations)' reflects this fact. Hence, there has not been a reduction in the planned spend.</p> |
| Item 11 in the draft report, regarding Stage 2 consultation quotes a minimum of £326.5M investment over the next 5 years, please provide the over all figure for communal/external works over this period. | It is currently envisaged that over £110M of the total funding available will be spent on external or communal elements. |
| We would like Appendix 2 to indicate tenant only investment (ie internal) and communal investment separately, rather than combining them as at present. | The split is roughly calculated at round £216m internal, and £110m external/communal, although this is only an estimate at this stage. |
| <p>App 6 appears to be further changes to the investment program dated 26/8/11.</p> <p>This indicates even greater reductions in planned spend.</p> <p>679 works are listed as being taken out of the programme, and 126 added.</p> <p>Those added tend to be lower value works than those taken out, e.g., Chimney & Roof Structure taken out,</p> | <p>The total spend will not be reduced. Where it is discovered that works are not required, the money will be used to bring forward other necessary works.</p> <p>Roof covering works are not of a lower value than roof structure works: roof covering entails renewal of the covering material, whereas roof structure may entail only repair works to the covering.</p> |

| Feedback | Officer response |
|--|---|
| Roof Covering added. | |
| <p>We are also concerned that Kitchen Replacements have been deleted from the investment programme; many of the tenants on our estates have very poor kitchens.</p> | <p>Whilst desirable, it is not necessary to replace kitchens to meet the Government's Decent Homes Standard and this approach will enable the limited resources available to be targeted on the council's priority of making every home warm, dry and safe and meet the standard.</p> |
| <p>We have a great concern about the number of TRAs & Forums that reported what seem to be major errors in the stock condition surveys. e.g. electrics listed for blocks that have been re-wired in recent years. Roofs on blocks which have recently been replaced.</p> | <p>Unfortunately, any stock condition survey based on a representative sample of properties has limitations, but is designed to provide the best indication of condition of the stock balanced against the cost of the survey. An ongoing programme of condition surveys by council surveyors is continuing to develop the accuracy of the information held in the stock condition database. Detailed pre-works inspections will be undertaken to specify the precise extent of the works required.</p> |
| <p>We are also concerned that works listed may be far less extensive than they would at first appear. When the actual stock condition reports are compared to the programme, one finds that: Where a block of 88 flats (63 tenanted) is listed for Electrics in the programme, in fact only 5 flats need an internal re-wire, NB where the tenants did not allow access when the block was recently re-wired.</p> <p>A block of 48 (32 tenanted) listed for HHSRS in the program, where only 2 flats actually failed due to insufficient room in kitchen, and the comments note that should the design of the block prevent suitable modification, then they will be deemed to comply anyway.</p> <p>A block with 10 tenanted flats listed for bathrooms in the programme, where only 4 actually failed, thus only 4 will be replaced.</p> <p>This leads us to conclude that there is a lot of smoke & mirrors, and that the programme has been constructed to make it look like the council have been able to carry out far more works than</p> | <p>The programme indicates what category/type of work is likely to be carried out at various locations over the coming years. The precise extent of any works will be specified following detailed pre-works inspections. Because of the limitations of the stock condition survey information (i.e. the information is based on a representative sample), works to individual blocks will be both under and over estimated in the programme. However, this is expected to balance out when the actual works are specified from pre-works inspections. If resources become available as a result of less works being required overall, this will enable further works in the programme to be brought forward.</p> |

| Feedback | Officer response |
|---|---|
| was actually the case. | |
| <p>We are also greatly concerned regarding the reliance on cloning of data in the stock condition reports.</p> <p>For one estate the covering email provided with the stock condition reports states that: Block A, 88 flats, 69 tenanted, 44 were surveyed but the data was cloned from 7 of the flats. Block B, 30 flats, 22 tenanted, 2 were surveyed & data cloned Block C, 24 flats, 13 tenanted, 1 surveyed & data cloned Block D, 12 flats, 6 tenanted, none surveyed, data cloned from the one on Block C. Block E, 14 flats, 10 tenanted, 5 surveyed, data cloned from these 5. Block F, 14 flats, 9 tenanted, none surveyed, data cloned from the one in Block C. Block G, 20 flats, 20 tenanted, none surveyed, data cloned from the one in Block C. Block H, 48 flats, 32 tenanted, 6 surveyed, data cloned from these 6.</p> <p>Further evidence that cloning of data is not acceptable, Block G suffers from damp & mould in the winter (which the tenants have reported many times) yet because the one flat surveyed in Block C does not, Block G is deemed to have no flats suffering from mould & damp.</p> | <p>It is not feasible to carry out a stock condition survey on every single property within the housing stock due to the cost and time involved in completing a 100% survey. Putting together a programme of planned works from a stock condition survey based on a representative sample of properties, with the results carefully cloned across to similar unsurveyed properties, is the only viable option available to the council: however, the limitations of the method are recognised. This is why an ongoing programme of condition surveys undertaken by an in-house team of council surveyors is continuing to improve the accuracy of the information held in the stock condition database by replacing cloned data with real survey data. The five-year programme will be refined as a result of these ongoing surveys, together with information obtained from other sources such as responsive repairs, and as a result of consultation responses. The final specifications of works are based on actual property inspections.</p> |
| <p>We note that many questions raised during the consultation have not been answered, eg of the 3 blocks on Adams Gardens, only two are listed to have bathrooms, why not the third?</p> | <p>All issues raised during the consultation are being investigated and addressed. As already stated, the final specifications of works would be based on actual property inspections, and therefore all relevant blocks included in a future major works scheme would be checked for decent homes compliance prior to works being undertaken.</p> |
| <p>On page 10 of App 7, the power point presentation, you plan to provide a quarterly progress report to Cabinet,</p> | <p>Agreed</p> |

| Feedback | Officer response |
|---|------------------|
| TC & HOC. This report should also be sent to the Area Housing Forums. | |

41. The Liberal Democrat Group set out their response to the consultation in a letter to the Strategic Director of Housing dated 5 October 2011. The key comments of the Liberal Democrat Group are summarised in table 7:

Table 7 Liberal Democrat Group feedback

| Feedback | Officer response |
|---|---|
| Liberal Democrat Comments | |
| Consultation and data integrity – the response expressed concern regarding the inaccuracies in the naming of estates | <p>The consultation process which formally ended on the 10th August 2011 has taken views from the following:</p> <ul style="list-style-type: none"> • Individual tenants and leaseholders • Home Owner Council • Tenants Council • Area Forums • Decent Homes Working Party • Tenants and Residents Associations <p>It is recognised that historic information on the council's property database should tally with residents' perception of where they live and action is being taken to correct this. To ensure that this is addressed immediately and since the consultation was carried out, a thorough review of the estate, block and ward information has been carried out by officers and the amended schedules are included in the appendices to the cabinet report.</p> <p>In addition, wherever possible, requests have been accommodated for officers to examine the database with individual councillors. Officers have welcomed the local knowledge of Ward Councillors, tenants and leaseholders to help us refine inaccuracies within the database</p> |
| The Strategy has ignored residents – the response felt residents' priorities had been ignored and that the previous higher decent homes standard would result in higher standards for residents | The letter points out that the strategy has ignored residents because 40% of residents favoured kitchens to be included in decent homes work. The programme is based on the best use of |

| | |
|--|---|
| over a longer period of time. | <p>resources to comply with the warm, dry and safe standard agreed by cabinet in May 2011. This decision reflected the anticipated level of resources that would be available for the programme and the need to target those resources in line with the council's priority of making all of its homes warm, dry and safe. Heating and window replacement were a higher priority for residents with 66% in favour of heating and 42% for windows and these have been prioritised within the programme.</p> <p>The council is required to meet the government's decent homes standard and the warm, dry and safe programme delivers this for all homes that require work within a reasonable period of time and with the resources available.</p> |
| Use of Decent Homes Funding – the response questions why the report does not refer to the full £77m allocation of backlog funding. | <p>It has always been clear that the government's Decent Homes backlog funding is outlined only for years 3 and 4. The council is awaiting confirmation from the TSA of the allocations for future years. Officers have recently been in dialogue with them regarding when we can expect to receive confirmation that the allocation is a cash grant and whether they are willing to bring forward funding. The cabinet report clearly states that £11m of the total £77m backlog allocation has been confirmed as a cash grant.</p> |
| Concerns over Stock Transfer | <p>Within the five year programme there is no provision or reliance to fund warm, dry, and safe with stock transfer. On the estates where option appraisals are currently being carried out in consultation with residents, programmes of works for those estates such as the one mentioned at Abbeyfield Estate have been included in the programme. These will remain in the programme until a decision on the future of these estates has been agreed by cabinet.</p> |
| Concern over the selling of council housing | <p>Voids disposals are only used to generate resources for the housing investment programme. In recent years, approximately 25% of the housing investment programme has been funded by housing disposals, including voids.</p> |

| | |
|--|---|
| | <p>Voids disposals are monitored to ensure there is no geographical bias. Obviously there is a conflict between selling a higher number overall or fewer higher value properties. To address this, the forthcoming 30 year Asset Management Strategy will look at the whole issue of disposals, demand and investment needs.</p> |
| <p>Definition of Warm, Dry and Safe – the response questions whether damp prevention, electrics, fire safety, CCTV and external doors are included in the warm, dry, safe definition</p> | <p>The warm, dry and safe definition was agreed by cabinet as a description to cover both the government's decent home standard and the council's landlord obligations. Damp prevention is included in the investment strategy and would be dealt with by proposed works to the structure and exterior of properties. The investment programme also includes rewiring to properties and substantial fire risk assessment works, which will include external doors. Upgrading and adaptation of existing CCTV systems has been programmed and is being carried out by the council's community safety team and ongoing maintenance will be picked up the repairs and compliance division of the housing department.</p> |
| <p>Prioritisation of estates – the response questions why some estates and properties are not included in the programme</p> | <p>Reference was made to the prioritisation of estates and the fact that some estates are not scheduled to have any works carried out at all, or until later in the programme. The programme is based on need. Stock condition surveys are continually refreshed and therefore are not documents that can easily be published, however we will be presenting the warm, dry and safe programme to the area housing forums so that the information is entirely open and transparent.</p> |
| <p>Energy efficiency – the response notes that insulation and energy efficiency are important in reducing residents' fuel bills</p> | <p>The provision of new windows, re-roofing including the provision of insulation together with cavity wall insulation where required, continuing investment in our communal heating systems, more energy efficient individual boilers and new ventures in new forms of community heating schemes will help to reduce the impact of higher fuel bills for residents.</p> |
| <p>Specific Estates and Street Properties</p> | <p>All of these queries will be subject</p> |

| | |
|---|---|
| queries – the response made a number of queries about individual estates and properties | to further investigation and surveys. A full response to each query has been made by the strategic director of housing to the Liberal Democrat spokesperson for Housing Investment. |
|---|---|

Changes to five year investment programme

42. The revised draft programme report is attached as Appendix 1. Following consultation with residents, further surveys and inspections were carried out and as a result of this, changes were made to the scope of works as identified in Appendix 6. Appendix 1 has been checked for accuracy using data direct from the master housing list in the Council's I-World system, and in addition from knowledge and local intelligence within the asset management team and staff in other departments. Data will continue to be updated as stock condition surveys are carried out and cloned data will be revised and adjustments to works made accordingly.
43. The scope of works excludes kitchens and other environmental works because these works are not affordable at the current time; this will, however, be reviewed if additional resources become available and will also be considered as part of the development of the 30 year housing asset management plan.
44. The majority of these programme adjustments were made following further investigations to properties which indicated that these properties did not require work as this work had in fact already been carried out, and this included both internal and external works of all types across the borough.
45. This has meant that, with the changes, some resources can be reallocated and this has enabled the programme to bring forward works in 2012/13 and include additional contingency resources in the programme in 2015/16.

Five-year investment programme delivery

46. Key to the successful delivery of the programme will be to ensure that the project teams within the major works division responsible for the delivery of projects are given clear milestones and targets to work to and provided with streamlined procedures within proper delegated authorities to enable them to deliver.
47. The new head of major works will be responsible for the delivery of the programme. Progress against targets will be monitored by the strategic director of housing on a monthly basis through the major works monitoring group. There will also be regular progress reports four times a year to the Tenants Council and the Homeowners Council and the Cabinet Member for Housing Management. The progress reports will include information on the budget, the timing of the programme, customer satisfaction, and recommendations on any changes that need to be made.
48. There will also be an annual review of the whole of the programme which will be reported to cabinet as part of the council's overall performance monitoring process. The certainty that is provided within a five year investment programme means that we will be able to work projects up at risk with greater certainty and plan the programme to ensure there is no slippage.

49. In the current economic climate the provision of a five year £326m programme gives us greater power to demand an excellent service from those working in partnership with us to deliver the programme. We will put in place robust performance monitoring processes with our contractors and technical advisors including our own in-house teams who will be scrutinised and benchmarked against their external competitors.
50. A key element of the council's strategy for delivering this programme of works is through the council's partnering contracts. However, as the council could not comply fully with the requirements of section 20 of the Landlord and Tenant Act 1985 (as amended) an application was made to the Leasehold Valuation Tribunal for a partial dispensation of the statutory consultation process. The application was refused, and the council appealed this decision to the Upper Tribunal. The Upper Tribunal agreed to hear the appeal by granting permission to appeal, and a hearing date has been set for 17 and 18 October 2011. It is possible that judgement will be given immediately after the hearing, but it is more likely that it will be reserved, in which case it should be delivered within three months of the hearing in accordance with standard court procedures.
51. The decision from the Lands Tribunal is a key risk in kick-starting the programme however if we were not successful officers are confident that we would still be able to achieve delivery of the programme by use of other more conventional methods of procurement. To some extent a balance between conventional tendering and partnering can give useful benchmarks on price and does focus partners' performance when added competition is brought into the equation. A verbal update will be given at the cabinet meeting on the progress of the appeal.
52. In terms of overall programme deliverability, this effectively means that, if the council receives the dispensation, the programme can be initiated but is unlikely to step up significantly until 2013/14 due to the length of time that is required to mobilise the contracts for the start on site of the work. In the event that the Land Tribunal decision is negative, and the council is then unable to rely on the use of its partnering contracts for these works, the council would initially have to use conventional small scale procurement to progress the programme as an interim measure, while a further procurement strategy is developed and a new full scale major works procurement takes place. Other contingency arrangements would also include the use of existing framework agreements for internal works, where statutory consultation with leaseholders is not required, to enable the necessary works to be carried out quickly.
53. Tenants and leaseholders satisfaction will be a key benchmark when reviewing the delivery of the programme and performance of our partners in providing a quality, timely and cost efficient service. We will monitor residents' satisfaction as well as delivery and cost. Recent service enhancements, such as the introduction of the major works review group, which is a resident service improvement group for the major works programme, will also help us to promote service excellence based on customer feedback.
54. The management of the delivery of the programme is underpinned by a robust risk assessment. The substantive risks to the programme are essentially around deliverability of programme, including the risk of a negative decision at the Lands Tribunal making the partnering contracts inoperable; failing to put in place a framework of robust contract management that delivers both value for money and high levels of resident satisfaction; funding risks around the availability of government backlog funding; and regulatory risks in connection with compliance

with requirements of the Tenant Services Authority.

55. The key risks are:

- Capacity to deliver the new major works programme; this is mitigated by improved contract management, regular and robust monitoring and accountability.
- Poor customer satisfaction resulting from weak contract management; this is mitigated by the new major works division which is now in place with regular and transparent performance monitoring arrangements.
- Negative decision from the Lands Tribunal; this is mitigated by a well evidenced and prepared case based on advice from leading Counsel to support the council's approach.
- Remaining backlog funding not confirmed or confirmed as borrowing; this is mitigated by the programme not being wholly reliant on backlog funding and opportunities for additional sources of income.
- TSA does not approve the strategy and agree an extension to the government deadline to 2016; this is mitigated by regular engagement with the TSA, well evidenced and clear proposals; and the fact that the initial feedback from the TSA has been highly supportive of the council's proposed approach.

56. For all risks, all necessary action has been taken to reduce the risks to the lowest level possible.

Development of a 30 year housing asset management plan

57. Following on from this report, the new head of major works will come back to cabinet with detailed proposals to develop and agree a 30 year housing asset management plan. The housing asset management plan will provide an integrated approach to capital and revenue investment planning; for example, through the introduction of shared supply chains between the major works partners and responsive repairs contractors.

High Investment need estates (HINE) options appraisals

58. The 5 year programme includes warm, dry and safe works to the homes on Abbeyfield, Hawkstone and Four Squares estates, which are subject to the outcome of the options appraisals that are currently underway.

59. Resident Steering Groups (RSGs) comprising tenants and leaseholders from the affected blocks have been established on the 3 estates. A methodology was established to work through all 3 of the appraisals simultaneously in time for the report back to cabinet in October. This was based on a standardisation of processes, consultant appointment etc and combining some of the resident consultation work. It soon became clear that residents had difficulty with this approach. RSG members expressed concern that they were not being given enough time to consider information, that insufficient information was available at the right time and, as such, their views were not being taken on board.

60. In response the initial consultation period was extended to allow individualised surveys and information events.

61. Open Communities have been appointed independent resident advisor for the

project. They have appointed an advisor to each of the estate and are fully engaged with the RSGs. Their appointment was also delayed by a week to accommodate a request from resident panel members to interview the tenderers.

62. Procurement of building surveying and architecture advisors has commenced. It is proposed that there will be separate appointments for building surveyors, to provide data for refurbishment elements, and architects to work on land capacity elements. The cost consultancy role will also be a separate appointment. Again representatives from the RSGs will be participating in the procurement process. It will be an important aspect of the commissions that the consultants will be required to review information that already exists, to make the best use of previous council surveys and records, and also local knowledge.

Abbeyfield estate

63. Some Abbeyfield RSG representatives, particularly those residing in Maydew House, have expressed concerns that the building-condition study and costings, which informed the Maydew cabinet decision in August 2010 did not go far enough. It is accepted that in assessing the refurbishment requirements of the block, that a sufficient number of properties are surveyed as part of the current exercise to provide as complete an assessment as is reasonably possible. This is in part to allay those residents' concerns, and in order to facilitate this, every effort will be made to ensure that residents are able to interrogate, with their independent advisor, the methodology and information that emerges from the building-condition study. The reliability of the condition information and costings will also help to ensure that any valuation work is robust. This will mean that for the Abbeyfield estate the technical aspects of the options appraisal and the requisite consultation with tenants and homeowners may be more resource and time intensive.
64. The works to the Abbeyfield estate are currently programmed for 2015/16.

Hawkstone estate

65. On Hawkstone estate, the council has instructed Wates to carry out two pilots in the Jarman House and Rotherhithe Old Road blocks to determine whether it is possible to safely carry out replacement of windows with residents' in-situ. Wates will monitor levels of asbestos within the flats throughout this process to ensure that carrying out these works would not pose a risk to residents. The outcome of the pilot, which will be reported by mid-October, will provide key information that will need to be incorporated into the options considered for the Hawkstone low rise blocks including whether works can be carried out with residents in occupation and the cost of carrying out those works.
66. The Hawkstone low rise works are provisionally programmed in for a start in 2012/13 as part of the current programme, however, the estimated cost of works is likely to be higher than the budgeted allocation in 2012/13. Therefore, in addition to this, and subject to the outcome of the housing options appraisal, a further £7m has been allowed for within the programme for 2015/16 which is the earliest date that additional resources are available for this purpose. This will be subject to further consideration by cabinet when the Hawkstone housing options review report is presented.

Four Squares estate

67. Generally, the council has undertaken not to explore options for their own sake, but stand little chance of being deliverable. On that basis the Four Squares appraisal will not consider demolition options because the initial costs and rehousing capacity render redevelopment impractical. Rather, the options have been limited to a Decent Homes refurbishment option against an enhanced refurbishment option with funding for example from infill development.
68. The Four Squares security works are programmed for 2012/13 and the warm, dry and safe works that had been scheduled for Four Squares have been brought forward from 2013/14 to start in 2012/13 to take place at the same time as the security work.
69. The final timing for all of these works is subject to the options appraisals.

HINE options appraisal timetable and approach alterations

Timetable

70. The architect and building surveyor procurements have, therefore, been delayed to enable greater resident involvement and to realign the appraisal with works to the pilot flats on Hawkstone. However, given the work already undertaken by Wates at Hawkstone, there is an opportunity to move ahead slightly more quickly, and a separate procurement exercise is being undertaken for the estate with a view to submitting a preferred option report to cabinet in December 2011.
71. The resulting project slippage is shown in table 8.

Table 8: Current project plan

| Project Deliverables | Project Deadline | Date Achieved | Slippage (days) |
|--|-------------------------|----------------------|------------------------|
| Establish Resident Steering Groups | 30/06/11 | 11/07/11 | 8 |
| Appoint Independent Resident Advisor | 08/08/11 | 15/08/11 | 6 |
| Conduct initial residents consultation | 30/07/11 | 30/9/11 | 45 |
| Appoint option appraisal consultants | 03/08/11 | Awaited | |
| Appraise options | 26/08/11 | Awaited | |
| Consult on preferred options | 09/09/11 | Awaited | |
| Final Draft to Cabinet | 07/10/11 | Awaited | |
| October Cabinet meeting | 18/10/11 | Awaited | |

72. Copies of the revised project plans for Hawkstone estate and Abbeyfield and Four Squares estates are attached in Appendix 8.1 and 8.2. It allows for greater RSG involvement in procuring and carrying out the building condition and land capacity studies as well as an extended period for consultation on the preferred option. As a result the preferred option report for Hawkstone is proposed to go to cabinet in December 2011 and the Abbeyfield and Four Squares reports are proposed to go to cabinet in January 2012. A summary of the revised plan is shown in table 9.

Table 9: Revised project plan

| Project Deliverables | Start | End |
|---|--------------|------------|
| Hawkstone Estate | | |
| Appoint option appraisal consultants | 12/09/11 | 11/10/11 |
| Appraise options | 12/11/11 | 11/11/11 |
| Consult on preferred option | 14/11/11 | 23/11/11 |
| Report preferred options to Cabinet | 11/11/11 | 29/11/11 |
| December Cabinet | 13/12/11 | 13/12/11 |
| Abbeyfield and Four Squares Estate | | |
| Appoint option appraisal consultants | 12/09/11 | 4/11/11 |
| Appraise options | 19/09/11 | 15/12/11 |
| Consult on preferred options | 20/12/11 | 02/01/12 |
| Report preferred options to cabinet | 09/12/11 | 11/01/12 |
| January Cabinet | 24/01/12 | 24/01/12 |

Project decision making

73. In order to meet the project deliverable within the proposed timeline whilst allowing for effective resident involvement and transparency, a structured and resourced project delivery board will be established. The process to-date has been based on the project timetable and deliverables set in the May 2011 cabinet decision, which have been subject to some slippage.

Assessing strategic fit

74. The option appraisal model has 3 assessment criteria: strategic fit, net present value and risks. The strategic fit assessment is based on the objectives set in 2006/10 Corporate Plan. In July 2011, the Corporate Plan was replaced by the Council Plan, including the objective to deliver the first three years of our five year plan to make every council home warm, dry and safe.
75. Therefore, the strategic fit criterion needs to be updated to reflect the council's revised corporate priorities. The Council Plan strongly focuses on transparency and greater resident involvement in decision making. This is not currently reflected in the existing strategic fit assessment. Also, as residents are playing a greater role in the process; it would be useful to assess the degree of resident support for the options being considered.
76. In order to align the Strategic Fit assessment with the Council Plan, the following strategic fit criteria and weighting are proposed:

Table 10: Strategic fit criteria

| Criteria | Weighting |
|---|------------------|
| 1.0 Working with communities to come up with innovative solutions to local issues | |
| 1.1 Aligns with the top priorities of local residents and stakeholders | 12.50% |
| 1.2 Addresses local issues and aspirations as defined by local residents and stakeholders | 12.50% |
| 1.3 Improves or fosters community cohesion | 2.00% |
| 1.4 Empowers the community to deliver where they are better able to do so | 2.00% |

| Criteria | | Weighting |
|----------|---|-----------|
| 2.0 | Creating a Fairer Borough | |
| 2.1 | Creates an environment which provides opportunities to all Southwark's residents, businesses and organisations to engage fully in the community | 5.00% |
| 2.2 | Brings the full benefits and opportunities of regeneration, such as employment, training and education, to all local residents | 5.00% |
| 2.3 | Is a long term solution that is sustainable for future generations | 5.00% |
| 3.0 | Making Southwark a place to be proud of | |
| 3.1 | Addresses quality of life issues such as anti-social behaviour, environmental improvement and access to shops and services | 5.00% |
| 3.2 | Doubles recycling rates from 20percent to 40percent by 2014 | 5.00% |
| 3.3 | Improves public realm - e.g. helps keep streets clean | 5.00% |
| 3.4 | Enables residents to live in homes that are warm, dry and safe by end of 5 year plan | 5.00% |
| 4.0 | Realising potential | |
| 4.1 | Improves or creates better physical and social connections for local people to opportunities in Greater London | 5.00% |
| 4.2 | Ensures residents are adequately housed | 10.00% |
| 4.3 | Makes the borough a safer place so that individuals and families can flourish | 5.00% |
| 4.4 | Encourages healthy lifestyles among individuals and families by having quality parks, open spaces and leisure services | 5.00% |
| 4.5 | Encourages educational attainment and social mobility | 5.00% |
| 5.0 | Transforming public services | |
| 5.1 | Promotes sharing services within the council and with other councils and local organisations where appropriate | 2.00% |
| 5.2 | Takes a broader approach to tackling complex problems that individuals and families face in their everyday lives | 2.00% |
| 5.3 | Improves our customer service (e.g. with more online services) | 2.00% |
| Total | | 100.00% |

HINE options appraisal consultation

77. In addition to regular engagement of the RSGs, an initial consultation survey was undertaken on the 3 estates to ensure the views and circumstances of residents were considered at the outset of the appraisal process.

78. There were 154 respondents to the Four Squares survey, which was developed with the RSG. A summary of the responses, which represent 22% of questionnaires sent out, is shown in table 11. A copy of the survey and the responses are shown in Appendix 9.1.

Table 11: Four Squares survey responses

| Survey Questions | | No. of Responses | Agree (%) | Disagree (%) | Unsure (%) |
|------------------|--|------------------|-----------|--------------|------------|
| 1 | I would like my block refurbished to the Government's Decent Homes standard | 144 | 81% | 11% | 8% |
| 2 | I would support redevelopment of open space if the money raised could be used for additional refurbishment | 117 | 44% | 27% | 29% |

| Survey Questions | | No. of Responses | Agree (%) | Disagree (%) | Unsure (%) |
|------------------|---|-------------------------|-----------------|-------------------|------------|
| | on the estate. | | | | |
| 3 | I am keen to see refurbishment of the estate subject to reasonable recharge costs. (LEASEHOLDERS ONLY). | 54 | 69% | 28% | 4% |
| 4 | If the council had further resources to investment beyond the Government's Decent Homes Standard. My priorities would be: | | Priority | | |
| | a - Kitchen | | 3 | (75 expressions) | |
| | b - Bathroom/WC's | | 2 | (76 expressions) | |
| | c - Estate gardening/landscaping | | 5 | (23 expressions) | |
| | d Security | | 1 | (101 expressions) | |
| | e - Communal decorations | | 4 | (54 expressions) | |
| | f & g - Communal other & any other | Windows | 12 | expressions | |
| | | Lifts | 4 | expressions | |
| | | Doors | 3 | expressions | |
| | | Walk-ways and Balconies | 3 | expressions | |
| 5 | I would like the council to keep or improve the following area: | No. of Responses | Keep (%) | Improve (%) | Unsure (%) |
| | a – garages | 98 | 51% | 35% | 14% |
| | b – open spaces | 103 | 56% | 35% | 9% |
| | c – play areas | 94 | 51% | 34% | 15% |

79. The Hawkstone survey had two parts. The first were questions developed by the RSG and second part were questions from the council. The survey was distributed solely to residents in the low-rise blocks and was accompanied by separate letters from the RSG and the council. A total of 117 surveys were sent out. There were 34 respondents to the survey, a response rate of 29%. Although the response rate is reasonable for this type of survey, care should be exercised when looking at the findings as the numbers of respondents involved is small. A summary of the response is shown in table 11; more detailed processing is currently in progress.

Table 12: Hawkstone survey responses

| Survey Questions | | No. of Responses | Agree (%) | Disagree (%) |
|---------------------------------------|---|------------------|-----------|--------------|
| Part 1: Questions from the RSG | | | | |
| 1a | Would you prefer your block to be refurbished? – Canute Gardens | 13 | 92% | 8% |
| 1b | Would you prefer your block to be refurbished? – Jarman House | 10 | 70% | 30% |
| 1c | Would you prefer your block to be refurbished? – Rotherhithe Old Road | 8 | 88% | 12% |
| 2a | Do you want a full refurbishment? | 28 | 46% | 54% |

| | | | | | |
|------------------------------------|---|------------------|-----------|--------------|------------|
| 2b | Or do you just want new windows? | 19 | 79% | 21% | |
| 2c | Or do you want your electrics updated? | 17 | 59% | 41% | |
| 3 | Does your property have mould/condensation problems? | 28 | 61% | 39% | |
| 5a | Would you prefer your block to be demolished? – Canute Gardens | 9 | | 100% | |
| 5b | Would you prefer your block to be demolished? – Jarman House | 10 | 10% | 90% | |
| 5c | Would you prefer your block to be demolished? – Rotherhithe Old Road | 10 | 30% | 70% | |
| 6 | Would you consider a mixed solution? | 29 | 41% | 59% | |
| 7 | Do you want to stay a council tenant? | 28 | 100% | | |
| 8 | Would you give up your secure tenancy? | 26 | | 100% | |
| 9 | Would you like to take the opportunity to downsize? | 30 | 20% | 80% | |
| 10 | Would you be happy with a like for like resettlement? | 27 | 48% | 52% | |
| 11 a | Do you want to remain in Rotherhithe as a council tenant | 27 | 96% | 4% | |
| 11 b | Do you want to remain in Rotherhithe as a Private/Housing Trust tenant | 9 | 44% | 56% | |
| | | | | | |
| | | No. of responses | Agree (%) | Disagree (%) | Unsure (%) |
| | | | | | |
| Part 2: Questions from the Council | | | | | |
| 1 | I would rather have my block refurbished to the Government’s Decent Homes standard than have it sold and/or redeveloped | 26 | 81% | 12% | 8% |
| 2 | I would prefer to be permanently rehoused (SECURE TENANTS) or bought-back (LEASEHOLDERS) than be refurbished. | 22 | 27% | 59% | 14% |
| 3 | If I had to move, I would prefer to remain a council tenant. (SECURE TENANTS ONLY) | 26 | 100% | | |
| 4 | If I had to move, I would prefer an opportunity to part-own a housing association property rather than have to buy a new home on the open market. (LEASEHOLDERS ONLY) | 14 | 14% | 64% | 21% |
| 5 | If I had to move, I would prefer to remain in the Bermondsey and Rotherhithe area rather than move elsewhere in Southwark | 25 | 84% | 4% | 12% |
| 6 | I am worried that there are not enough of the right type of homes in Southwark to rehouse my household (SECURE TENANTS) or for me to remain an owner occupier (LEASEHOLDERS). | 25 | 76% | 8% | 16% |
| 7 | I believe there is a high level of crime and | 24 | 29% | 42% | 29% |

| | | | | | |
|--------|--|----|-----|-----|-----|
| a | anti-social behaviour in my block and its surrounding area | | | | |
| 7 b | I believe there is limited availability of services (like GP surgeries and community facilities) and shops | 25 | 20% | 76% | 4% |
| 7 c | I believe there is a lack of employment and training opportunities within Bermondsey and Rotherhithe | 25 | 40% | 32% | 28% |
| 7 d | I believe there is a high level of redevelopment happening in the Bermondsey and Rotherhithe area | 24 | 71% | 13% | 17% |

80. A two-part survey approach was also agreed with the Abbeyfield RSG. A copy of the survey is shown in Appendix 9.2. At the time of writing the survey has not been despatched because of a heating failure in the blocks which the RSG felt would bias responses. It is hoped that that the survey can be completed and responses processed in time to enable summary findings to be provided for the cabinet meeting.

81. Once preferred options have been devised, residents will be consulted again.

Policy implications

82. The authority delegated to the proposed HINE options appraisal project delivery board would be limited to setting and approving changes to project deliverables, scope, methodology and resources. The decision making on the preferred option would remain with the Cabinet. As such the proposal has no adverse constitutional or policy implications.

83. The proposed changes to the strategic fit assessment in the council's options appraisal model will align it with the fairer future promises and key supporting portfolio objectives and targets for delivery expressed in the Council Plan.

Community impact statement

84. A full equalities impact assessment has been carried out for the Housing Investment Programme which is set out in this report and is available on request. The programme will have a positive impact on all groups by delivering warm, dry and safe homes to all in council homes regardless of their age, disability, faith/religion, gender, race and ethnicity and sexual orientation. Southwark's Housing Requirements Study 2008 found that certain types of households are over-represented in the borough's social housing, e.g. lone parents and pensioner households. Of pensioner households, for example, 69.1% live in social rented housing. The study also found that 40% of council renters contain at least one person with a health problem. The study found that disadvantaged groups overall are more likely to be living in social housing- for example certain BME groups. For these groups the positive impact of the programme will be even greater.

85. There is increasing evidence of a link between poor housing conditions and ill health. The proposals in this report to make homes warm and dry are likely to have health benefits for tenants and residents.

86. Replacing single glazed windows with double-glazing and replacing older, less energy efficient heating systems, increasing the thermal efficiency of council homes will have benefits for all residents in the borough, through reducing carbon emissions.
87. Providing better thermal insulation, improving communal systems etc will be a priority item which will benefit all communities. The Housing Needs Survey 2003 found that certain ethnic groups were over represented in homes with poorer thermal comfort ratings. Furthermore groups on fixed incomes, e.g. pensioners, people on benefits and other groups suffering from fuel poverty will also benefit from more energy efficient homes.
88. The overall effect of the programme will be to promote equality by ensuring some of the most disadvantage groups living in the council's properties are given warm, dry and safe homes. This will not only have a positive impact on all the communities living in those homes but the wider community as it will address some of the imbalance in living conditions in the borough.
89. Demolition of council housing in poor condition, as is being considered in the options appraisals for Abbeyfield and Hawkstone, may have an effect on established communities but all communities having warm dry safe works done to their homes will benefit overall from eliminating non-decent homes.
90. Tenants, leaseholders and non-resident leaseholders are the main stakeholders in the options appraisal process and are represented on the RSGs.
91. In addition to residents of the estates, the outcome of the appraisal may also impact commercial licensees, non-residents who rely on the goods and services provided by the licensees, rent garages on the estate or use the play facilities. Depending on the outcome of the appraisal these stakeholders may need to be consulted.
92. On Abbeyfield estate, the outcome may also impact on the option-to-return for Maydew residents that have been rehoused. These stakeholders have been contacted regarding the appraisal.
93. Where redevelopment is the outcome of any of the option appraisals, consultation on design and development proposals will happen via the planning process.

Resource implications

94. The Housing Investment Programme (HIP) seeks to ensure that investment in the housing stock is targeted in line with the council's priorities, such as making all homes warm dry and safe, and its other obligations as a landlord. It is planned around the level of resources estimated to be available for the coming years. These include a number of different funding streams, which have varying degrees of certainty, making it essential that the programme has flexibility to respond to changing circumstances. The estimated resources and allocations have been refreshed following confirmation of the 2010/11 year end position, and included in the revised Five Year Programme at Appendix 2.
95. Please note the overall figure of £326m for the Warm, safe and dry programme, currently excludes the £11m of additional government backlog funding which will

bring a benefit of £11m to the housing investment programme in 2012/13 and which will be subject to a further report. Should any of this be used for communal repairs then it will also generate further income via the service charges to homeowners.

96. The remaining £65m of government backlog funding has yet to be confirmed and only part of this funding is currently allowed for within the programme. The government backlog funding is being made available for improvements to council's tenanted homes only and is not for use for funding improvements to the council's leaseholder homes, for which any eligible works would be chargeable under the terms of the lease.
97. The new homes bonus is a general fund resource to support council infrastructure provision and, for 2011/16, resources of £2.3m will be made available to the housing investment programme from these funds.
98. Resources and allocations will be regularly reviewed through the Investment Programme Group and the Housing Investment Board.
99. Revising the timeline for the options appraisals on Abbeyfield, Hawkstone and Fours Squares estates will require an extension of the independent resident advisor contract. The potential cost has been negotiated with Open Communities and results in additional spending of £21,787 if full services are needed on all 3 estates, generating a total contract sum of £40,309.
100. The estimated value of the options appraisal consultants' contracts is £175,000. Funding for the additional cost of options appraisals to the high investment need estates is available via Housing Regeneration Initiatives' HRA revenue budget.
101. Staffing for the options appraisal project is resourced by the Estate Regeneration Team in Housing Regeneration Initiatives, which is fully funded from existing revenue budgets within Regeneration and Neighbourhoods, with support from other officers within Regeneration and Neighbourhoods, Housing Services and Corporate Policy.

Legal implications

102. Residents involved in the options appraisal consultants' procurement sign confidentiality and declaration of interest undertakings.
103. RSG members sign code of conduct and declaration of interest undertakings. On Four Squares, RSG members have opted to sign an additional confidentiality undertaking.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Communities, Law & Governance

104. The report seeks approval for the proposed 5 year Housing Investment Programme (HIP) for the council's housing stock as set out in appendix 1 and for the revised project plan relating to the options appraisal of the high investment need estates (HINE) on Abbeyfield, Four Squares and Hawkstone.
105. It is good practice and in certain situations legally required for the council to consult with residents on matters of housing management and policy. Section

105 of the Housing Act 1985 provides that the council is required to consult with tenants on matters of housing management that represent a change in the policy of the landlord authority or a new programme of maintenance, improvement or demolition likely substantially to affect its secure tenants as a whole or a group of them and consider representations made during the process before making any decision on the matter.

106. The matters contained in this report engage the statutory requirement in section 105 of the Housing Act 1985. When considering and taking decisions on the recommendations, cabinet members should carefully consider the product of consultation.
107. As regards the HIP, consultation with residents, directly and via the bodies that form part of the council's resident consultative structure, on the proposals has been carried out as detailed in the report and appendices. The report confirms that the proposed programme has been revised, where considered appropriate, in light of consultation responses and further surveys and inspections arising.
108. As to the options appraisal of the HINE, the report sets out the consultation that has already taken place and confirms that further consultation will take place as options are developed following which the matter will be referred back to cabinet for consideration.
109. When considering the recommendations, cabinet members must also have due regard to the public sector equality duty contained within section 149 of the Equality Act 2010. That is the need to eliminate discrimination, harassment, victimisation or other prohibited conduct; advance equality of opportunity between persons who share a relevant protected characteristic and those who do not and foster good relations between those who share a relevant characteristic and those that do not share it. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. Cabinet members are referred to the communities' impact statement contained in this report.
110. Where procurement issues arise during the course of the HIP programme or option appraisal project, officers should seek advice from the procurement and contract legal teams as appropriate

Finance Director

111. This report notes the outcome of the stage 2 resident consultation on the draft five year housing investment programme and to consider the feedback from the Area Housing Forums, Tenants Council, Home Owners Council and the Decent Homes Review working party on the proposals. It also seeks cabinet's approval to the revised programme in the light of the stage 2 resident consultation, as set out in appendix 1, and to instruct officers to proceed with the implementation of the programme.
112. The report also notes the advice from Communities and Local Government that the £11m government backlog funding will be paid as a cash grant and to agree that officers will be requested to come forward with detailed proposals to allocate the £11m of additional resources.
113. This report further recommends that cabinet notes progress of the options appraisal project on Abbeyfield, Four Squares and Hawkstone estates, agrees

the revised project plan outlined in paragraph 72, notes and agrees the amendments to the option appraisal model's strategic fit objectives proposed in paragraph 76.

- 114. Paragraph 101 details the revised costs associated with these recommendations. These total £215,309 and comprise an extension of the independent resident advisor contract generating a total contract sum of £40,309 and an estimated value of the appraisal consultants' contracts of £175,000. These costs will be met by the housing revenue account.
- 115. Officer time to effect the recommendations will be resourced from the Estate Regeneration Team in Housing Regeneration Initiatives with support from other officers within Regeneration and Neighbourhoods and Housing Services and will be funded from existing approved revenue budgets.

Head of Home Ownership and Tenant Management Initiatives

- 116. Repairs and renewals to the communal elements of the block and or/estate will be rechargeable to leaseholders, and in some cases to freeholders who receive the services.
- 117. The £11m government backlog funding is for social tenants only. Should any of these monies be spent on communal repairs then homeowners will be recharged their due proportion as a service charge, which will generate additional income to the HRA.
- 118. Where works are rechargeable, and exceed the consultation limit of £250 per leaseholder, the council will serve the relevant statutory consultation notices in accordance with the landlord and tenant act 1985 (as amended). If the partnering contracts can be used then the statutory consultation will be carried out under schedule three of the regulations, which comprises a single notice being served prior to passing any order to the contractor. The notice will detail the works proposed, the justification for those works and the costs involved, including an estimated service charge. The individual leaseholders will be invited to make comments and observations on the proposed work and will be given a 30 day period to do so. Should the council revert to individual procurement for contracts then the consultation will be carried out under schedule four of the regulations, which would require two separate notices, one pre-tender and one post tender.
- 119. Home Ownership Services need to be provided with detailed elemental costings for work to individual blocks and estates in order to accurately construct the service charges, and to be given sufficient time to carry out the statutory consultation and give detailed responses to any observations made by home owners.
- 120. The repairs and renewals needed for individual blocks are in many cases extensive and this is likely to lead to high service charge bills for the leaseholders. The council does have a number of generous repayment options in place to assist leaseholders to pay their invoices.
- 121. In 2006 the Executive agreed that the council would inform leaseholders on an annual basis of where their block or estate appeared in the five year programme. This notification did take place over a number of years, but has not been possible recently as there was no agreed programme. As part of the statutory

consultation under section 20 of the landlord and tenant act 1985 (as amended) on the partnering contracts the council did include details of the two year programme available at the time. Once the new five year programme is agreed the council will restart the annual notification, giving leaseholders and freeholders maximum notice of when works are due to take place so that they can budget for them accordingly.

122. Where the council intends to carry out renewal of rising and lateral mains the wiring of individual properties (including leasehold properties) has to be tested. In some cases this leads to the council informing leaseholders that the wiring in their property needs to be renewed. It is important to ensure that leaseholders are made aware of this possibility at an early stage so that they can plan accordingly.

BACKGROUND DOCUMENTS

| Background Papers | Held At | Contact |
|---|---|-------------------------------|
| Report to Cabinet 14 December 2010 – Review of Housing Investment Strategy | Regeneration and Neighbourhoods Investment Strategy Team 160 Tooley Street London SE1 2QH | Sonia Esnard 0207 525 7743 |
| Report to Cabinet 31 May 2011 – Housing Investment Programme and Revised Strategy | Regeneration and Neighbourhoods Investment Strategy Team 160 Tooley Street London SE1 2QH | Sonia Esnard 0207 525 7743 |
| Report to Council Assembly 6 July 2011 – Council Plan | Corporate Strategy, 160 Tooley Street London SE1 2QH | Alex Irvine 0207 525 3672 |

APPENDICES (circulated separately)

| No. | Title |
|--------------|--|
| Appendix 1 | Revised Five year programme |
| Appendix 2 | Summary of resources and allocations |
| Appendix 3 | Summary of responses from Area Forums |
| Appendix 4 | Summary of responses from Tenants and Residents Associations |
| Appendix 5 | Summary of individual responses |
| Appendix 6 | Summary of changes in scope of works |
| Appendix 7 | Presentation to Area Forums |
| Appendix 8.1 | Revised Hawkstone Estate Options Appraisal Project Plan |
| Appendix 8.2 | Revised Abbeyfield and Four Squares Estates Options Appraisal Project Plan |
| Appendix 9.1 | Summary of Four Squares Estate Survey Responses |
| Appendix 9.2 | Summary of Abbeyfield Estate Survey Responses |

AUDIT TRAIL

| | | | |
|--|---|--------------------------|--|
| Cabinet Member | Councillor Ian Wingfield, Deputy Leader and Housing Management and Councillor Fiona Colley, Regeneration and Corporate Strategy | | |
| Lead Officers | Gerri Scott, Strategic Director of Housing Services Eleanor Kelly, Deputy Chief Executive | | |
| Report Authors | Darren Welsh, Head of Community Housing Services David Markham, Head of Major Works Maurice Soden, Housing Regeneration Initiatives Manager | | |
| Version | Final | | |
| Dated | 6 October 2011 | | |
| Key Decision? | Yes | | |
| CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINETMEMBER | | | |
| Officer Title | Comments Sought | Comments included | |
| Strategic Director of Communities, Law & Governance | Yes | Yes | |
| Finance Director | Yes | Yes | |
| Head of Homeownership and Tenant Management Initiatives | Yes | Yes | |
| Cabinet Member | Yes | Yes | |
| | | 7 October 2011 | |