

BARNSELY METROPOLITAN BOROUGH COUNCIL

This matter is a Key Decision within the Council's definition and has been included in the relevant Forward Plan.

REPORT OF THE EXECUTIVE DIRECTOR PLACE

BARNSELY HOMES STANDARD PROGRAMME FOR 2019/20

1. PURPOSE OF REPORT

- 1.1 To inform Cabinet of and seek approval for the release of Berneslai Homes Standard programmes delivered through the Property Repairs and Improvement Partnership and tendered elemental works programmes.

2. RECOMMENDATIONS

It is recommended that:

- i. Cabinet approve the eight main Barnsley Homes Standard schemes and two elemental schemes, releasing resources as detailed in this report; and**
- ii. Cabinet authorises Berneslai Homes to progress schemes within the Property Repairs and Improvement Partnership contract or to appoint a suitable contractor for proposed elemental schemes and following a procurement exercise and containment of costs within the approved sums.**
- iii. That Cabinet note the added social value delivered by the Property Repairs and Improvement Partnership as set out at paragraph 5.1 including use of directly employed local staff and 30 directly employed apprentices.**

3. INTRODUCTION

- 3.1 The Council first met the Decent Homes Standard for all its stock in December 2010, having delivered a £300M programme between 2004 and 2010 to achieve this. The standard is set by government and is essentially time based, with property elements having a defined life period. Since January 2011, the Council, through Berneslai Homes has implemented and managed the Barnsley Homes Standard programme designed to maintain the social rented housing stock at the Decency Standard. Appropriate Council strategic targets are set annually to ensure this. The recent Housing Green Paper proposed additional powers for the Housing Regulator and the introduction of league tables for social housing stock owners and managers. Maintaining the Decent Homes Standard is certain to be a key metric within the suite of performance indicators making up the proposed league table.

- 3.2 The Government's Decent Homes standard covers a range of components whose effective lifespan is time limited (for example, 20 years for a kitchen) and different components have different lifecycles. Berneslai Homes manages and uses an asset management data base which tracks the installation date of all home standard components within a property. This data base is used to establish both the 30 year HRA business plan and the annual programme contained within this report. The 30 year business plan forecasts the overall expenditure needed over that period to maintain all homes at the standard. The annual programme details where work is required to maintain the standard, in the coming year.
- 3.3 Actual lifespans for individual components vary from the government time guidance and we do not replace components that are in good condition, but extend the life of the component for further period, say 5 years. To ensure this process, every home and every component is surveyed in advance of replacement within the annual programme with variations recorded in the database. In addition to these 100% checks, periodic sample surveys of the whole stock are undertaken to ensure data and 30 year business plan accuracy.
- 3.4 The schemes proposed within the 2019/20 programme are addresses that were last improved during the early years of the programme from 2003 to 2006. The scope of works from the database shows that such elements as PVCu windows and doors, full rewires and central heating distribution systems will not likely require replacements but kitchens, bathrooms and central heating boilers are likely to. The programme will also pick up other elements that were deemed not to fail at the time as well as original tenant refusals if not replaced since say as a void.
- 3.5 Gas central heating boilers are one element that consistently fails before the 16 year life time expectation within the government decency programme. Older boilers tend to break down more often. We have quite a high number (8,355 out of 16,522) of older 10 years plus gas boilers in the housing stock, this is because the decent homes replacement programme was at its peak in the 2004 to 2008 period and many were replaced. Older gas boilers are also less efficient at around 78% efficiency compared with a modern combination boiler at 91% efficiency. Changing from one to the other on a semi-detached property will save the tenant £105 per annum (source: Sedbuk). This will help reduce fuel poverty in the borough. More efficient boilers also emit less CO2 because they burn less gas. This contributes to local and national emission targets.
- 3.6 The Council spends £1.9M per annum on gas heating breakdown and this is the largest single element of the responsive repairs and maintenance budget. To help reduce this problem, additional tendered elemental heating replacement schemes have featured as part of the home standard programme over the last three years.
- 3.7 During the 6 years up to 2010 and subsequent early years of the Barnsley Homes Standard, comparatively few roofs were identified for replacement. However, over the past 2 years, a greater number of roofs have been identified (176 roofs replaced in 2017 – 2019 programmes) and this trend appears to be increasing. Stock Condition information has indicated a number of roofs past their design life and requiring replacement. Advice on repair frequency and type from Berneslai Homes Asset Management team has also been taken into account. This information

has identified areas and roof types which are subject to regular repair/replacement requests and for a variety of reasons, are difficult to repair.

4. PROPOSAL AND JUSTIFICATION

4.1 Barnsley Home Standard - Main Programme

4.2 The proposed main home standard programme for 2019/20 is as follows:

	Scheme	Number of Houses	Budget Cost £
CS	Kendray	295	2,846,750
CS	Penistone	141	1,360,650
CS	Barnsley West (Carlecotes, Dunford Bridge, Crane Moor, Hoylandswaine, Millhouse Green)	99	955,350
CS	Kexbrough	195	1,881,750
CS	Darton / Staincross	162	1,563,300
Kier	Wombwell (Aldham House)	294	2,837,100
Kier	Great Houghton	85	820,250
Kier	Goldthorpe	71	685,150
TOTAL		1,288	12,950,300

The detailed address list is attached at Appendix B to this report.

4.3 The programme, together with other works detailed below, will maintain the Council's Housing Stock within its strategic target of 96% at the end of March 2020.

4.4 Budget costs are derived by using previous year's outturn costs and include NPS fees. Following detailed survey of every property within each scheme and agreement on individual scopes of work for every property, partner contractors propose guaranteed maximum prices for each package. These are vetted, negotiated and agreed by NPS, within the Council PRIP contract. The actual out turn cost of schemes is actual cost within the GMP.

4.5 Work is allocated to Construction Services and Kier on a two thirds and one third basis in line with the requirements of the PRIP Contract. The PRIP contract is designed to add social value and the detail of this is set out at paragraph 5.1.

4.6 Barnsley Home Standard – Gas Elemental Scheme.

4.7 The proposed scheme is a programme of 350 new gas combination boilers and distribution systems where required at an estimated cost of £1.000M including professional fees. They will replace old gas back and combination boilers. Typically installations will be at or near the home standard failure date of 16 years for a boiler and 40 years for a distribution system. The installations will be spread across the borough and criteria for selection will be worst first. This programme is additional to the main home standard programme above which will see central heating systems replaced in up to 1,288 properties, where required.

4.8 The programme will contribute towards maintaining the Council Decent Home Standard Target of 4%. Heating systems are one of the main components within the standard.

- 4.9 The Council's PRIP partners (Kier and Construction Services) cannot deliver the additional heating schemes from the directly employed workforce. The installation of works will therefore be competitively tendered (by NPS) using the Efficiency North regional frameworks and with direct purchase of materials from the framework. The framework is designed to deliver additional social value by its use including training of apprentices targeted at hard to reach groups. The framework is also designed specifically for social housing projects. This methodology has delivered very successfully on previous tendered elemental schemes and proved excellent value for money.
- 4.10 **Barnsley Home Standard – Re- Roofing Elemental Scheme.**
- 4.11 Specific properties in 3 distinct geographical areas of the Borough have identified where the roofs, condition is poor and responsive repairs costs are high. All of these roofs fall outside the government Decent Homes life span of roof coverings of 50 years for a house and 30 years for flats. These properties are situated in Honeywell, Broadway and Kingstone. The address list for these properties is shown at Appendix C. It is proposed that 336 roofs are renewed at a budget cost of £2.000M, including NPS fees. These properties are not identified as requiring more extensive Barnsley Homes Standard works at this time and an elemental programme is therefore proposed. The roofs are of a variety of differing designs and sizes. An average estimate of cost per roof at this stage is £5,952.38 (including professional fees). This figure excludes leaseholder contributions which will reduce the cost to the Council, but are difficult to calculate at this stage with any certainty.
- 4.12 The properties are a mixture of houses, bungalows and flats and include 70 leaseholder properties. The houses and bungalows are predominantly semi-detached and the flats are in blocks of 4 addresses (2 at ground floor and 2 at first floor). The configuration of flats means that 499 properties are affected by the 336 re-roofs.
- 4.13 The Council's PRIP partners (Kier and Construction Services) cannot deliver the reroofing scheme from the directly employed workforce. The installation of works will therefore be competitively tendered (by NPS) using the Efficiency North regional frameworks and with direct purchase of materials from the framework. The framework is designed to deliver additional social value by its use including training of apprentices targeted at hard to reach groups. The framework is also designed specifically for social housing projects. This methodology has delivered very successfully on previous tendered elemental schemes and proved excellent value for money.
- 4.14 Approval of this scheme will allow Berneslai Homes to engage with leaseholders within the statutory consultation timeframe in order to secure leaseholder contributions to the costs of the work. It will also allow for the procurement exercise to take place with a view to having a contractor appointed and in place as early in the 2019/20 financial year as possible.

5. CONSIDERATION OF ALTERNATIVE APPROACHES

- 5.1 The Barnsley Home Standard programme is required to meet the Council's decency target of 96% and the Council is contractually committed to Kier and Construction

Services for the delivery of the work within the PRIP Contract. The PRIP contract is designed to add social value and the vast majority of these are directly employed staff who live within the borough. The partnership has over 30 directly employed apprentices and annual programmes of work experience. The contract has targets for equality and diversity in the workforce including encouragement of women into construction, carbon footprint sustainability. It sets stringent targets for re-cycling waste materials (more than 96%) and the Barnsley Pound (more than 72%).

- 5.2 The elemental heating and re-roofing programmes could be carried out as part of the home standard programme in future years, however this will not achieve the context and rationale for carrying out the projects in the 2019/20 financial year or the benefits it will bring to tenants.

6. IMPLICATIONS FOR LOCAL PEOPLE/SERVICE USERS

- 6.1 The proposals in this report will ensure that the properties in question continue to meet the Governments Decent Homes Standard and without the need for frequent repairs. This will benefit the customers as well as taking some budgetary pressure from the responsive repairs budget. The new heating systems and additional insulation as part of the re-roofing programme will bring a reduction in heating costs to tenants.

7. FINANCIAL IMPLICATIONS

- 7.1 Consultations have taken place with representatives of the Service Director – Finance (S151 Officer).
- 7.2 The estimated cost of the Barnsley Home Standard Schemes for 2019/20 totals £12.950M, including fees, with the anticipated cost of the elemental works on central heating replacement and re-roofing respectively, totaling £3.000M, again, including fees. The overall expected cost of works described within this report therefore totals £15.950M, and is also included within the HRA Budget Papers, which are presented to Cabinet on this agenda.
- 7.3 The funding associated with both the Barnsley Home Standard programme and the two elemental work programmes as discussed throughout the report relates to contributions from the Housing Revenue Account.
- 7.4 The overall funding package for the Housing Revenue Account capital investment programme for 2019/20 is outlined in the overall HRA budget papers which are presented to Cabinet on this agenda. The full investment programme includes the Barnsley Home Standard programme and elemental works (this report) together with the wider capital programme for the Housing Revenue Account (HRA) including housing growth investment schemes.
- 7.5 The 30 year business plan and therefore the capital programme requirements over that period will be subject to a rigorous review during 2019/20.
- 7.6 The financial implications are summarised in the attached Appendix A.

8. EMPLOYEE IMPLICATIONS

- 8.1 There are no employee implications arising from the recommendations within this report.

9. LEGAL IMPLICATIONS

- 9.1 There are direct legal implications for the Council arising from this work. Schemes proposed to be carried out under by the PRIP contractors are covered by those existing contractual arrangements. Elemental works will be undertaken following procurement under the Council's Contract Procedure Rules and the signing of a standard form of building contract endorsed by the Borough Secretary.

10. CUSTOMER AND DIGITAL IMPLICATIONS

- 10.1 Customers receiving new boiler installations will benefit from digital programmable timers and multiple location heat controls. They will receive both face to face and written instructions on the use of the heating systems. We will encourage our customers as part of the programme to take up smart meters from their energy supplier. On the home standard programme and elemental works, we will be actively promoting the benefits of switching energy suppliers to the new Barnsley Energy Tariff – Great North Energy. We also provide advice on keeping the home warm and can help with specialist advice for those struggling with energy and other bills.
- 10.2 Before and during the programme of works, tenants will receive dedicated tenant support from our Project Liaison Officers. The officers prepare tenants for the work, explain what will be taking place, support them during the process and provide after care. Tenants are also eligible for a redecoration grant following major works.

11. COMMUNICATIONS IMPLICATIONS

- 11.1 All tenants and leaseholders involved will be consulted prior to works taking place about when they can expect the works, about preparation for the works, how long they will take and what they can expect during the works. Customers have an element of choice for kitchen and bathroom ranges and all customers have a right of refusal if they do not wish the works to be carried out.
- 11.2 Where leaseholders are affected by works they will be consulted within the prescribed leaseholder timescales. Where leaseholders are required to pay for works a number of established easy payment options have been devised, including interest free and monthly term payments.

12. CONSULTATIONS

- 12.1 Consultations about the programme have been undertaken within BMBC and Berneslai Homes. Tenants are consulted about the works as described in paragraph 11 above.

13. THE CORPORATE PLAN AND THE COUNCIL'S PERFORMANCE MANAGEMENT FRAMEWORK

- 13.1 The works proposed in this report will ensure the properties remain compliant with the Decency standard which aligns Berneslai Homes Strategic Plan with the Council's corporate priorities and requirements of Headline KPI's.

14. TACKLING HEALTH INEQUALITIES

- 14.1 The provision of a home that is warm, safe and comfortable is a fundamental requirement of the Decency standard, promotes good health and wellbeing and is a fundamental component of basic human rights. These works will form an essential part of ensuring that Council housing stock meets these requirements.

15. RISK MANAGEMENT ISSUES

- 15.1 Contractual Risk - There are risks in the delivery of any building contract and working in occupied homes can involve additional risks. These risks will be managed and monitored by a contract Core Group consisting of staff from NPS, Berneslai Homes and the Contractor. The Core Group, who will meet on a regular basis throughout the duration of the scheme, will monitor progress, costs, cash flow, performance and customer satisfaction. This should result in timely interventions and/or value engineering to take place should the situation arise. All contractors involved in the works will be thoroughly checked using as required by Council procedures and be experienced contractors.
- 15.2 Financial risks will be monitored throughout the programme and by individual project. All contractors will have financial checks prior to engagement. Additional mitigation will be by payment in arrears following satisfactory completion of stages, retentions and bonds as appropriate.

16. HEALTH, SAFETY AND EMERGENCY RESILIENCE ISSUES

- 16.1 The contract will be undertaken under the strict requirements of the Construction Design and Management Regulations 2015 which will be managed and monitored by NPS Barnsley on behalf of Berneslai Homes with regular site meetings and inspections. Contractors engaged will have to meet strict health and safety standards.

17. COMPATIBILITY WITH THE EUROPEAN CONVENTION ON HUMAN RIGHTS

- 17.1 None arising from this report.

18. GLOSSARY

HRA – Housing Revenue Account
NPS – Norfolk Property Services (Barnsley)
PRIP – Property Repairs and Improvement Partnership
GMP – Guaranteed Maximum Price.

19. LIST OF APPENDICES

Appendix A: Financial Implications.
Appendix B: Address List for Home Standard Works.
Appendix C: Addresses for Roofing Programme.

20. BACKGROUND PAPERS

- Stock Condition Database
- Asset Management Repairs History/Data

If you would like to inspect background papers for this report, please email governance@barnsley.gov.uk so that appropriate arrangements can be made

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Financial Implications/Consultation

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*(To be signed by senior Financial Services officer
where no financial implications)*