

Title:	East Kent Housing – Update on Capital Works and Compliance
Meeting:	Dover Overview & Scrutiny Committee
Date:	9 December 2019
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Summary :	This report provides an update on the capital works programme for the Council In addition, the Compliance Report is attached as appendix one

Capital Programme 2019/20 Update

The following update is based upon spend, commitments and forecast outturn costs as of the 31st October 2019. This being seven months into the work programme and financial year of 2019/20.

The financial table shown below shows the original budget as set at the start of the 2019/20 financial year, actual spend to date and the committed spend on both Anite and Efin (Dover's financial reporting systems). The table also shows our predicted additional spend up to the 31st March 2020.

Based upon progress as of the 31st October 2019, the forecast spend against budget stands at £3,326,990 against a budget of £3,375,000. The forecast under-spend against budget is therefore £48,010. This outturn would equate to 98% of the capital budget being spent.

This forecast does however need to be treated with caution as there are numerous risks that need to be factored in. The forecast spend has been based upon current performance and the contractors projected programmes. The risks to this being:

Weather: This will affect the programmes of works where there are external works. Such projects would include the structural programme, re-roofing, window & door installations, and the major Disabled Adaptions works (ie. House extension works).

Contractor performance: Some of the major works programmes are being delivered by contractors that are new to Dover DC and where contracts have only just been placed. The performance of these contractors are therefore 'untested' and we are reliant on them delivering to what they have committed. Any under performance of these may significantly affect the final outturn expenditure.

Procurement: There have been delays to some of the major procurements, such as the pitched and flat roofing contracts, the heating contract, FRA works and currently the re-wiring contract. Most of these are now in place, however the programme timescales for delivery have been significantly reduced.

Scope of works: Programmes such as re-wiring have an estimated budget based upon an 'assumed' level of works that will be required in order to bring each of the properties up to date and compliant. The actual works and level of spend will only be known upon gaining

entry into each individual property. This figure may therefore considerably decrease with a consequential under-spend against budget due works not being necessary. Conversely, an increase in works required may result in this budget being exceeded.

NB:

Taking into account the above risks, we need to factor in a 20% level of potential under achievement and anticipate a potential outturn of around 80% of the capital budget by the end of the financial year 2

Dover District Council

Forecast Capital Outturn to 31st March 2020

Cost centre description	Cost centre	Current Budget	Actual spend to 31/10/19	Anite Commitments	Efin Commitments	Spend plus commitments to 31/10/2019	Additional forecast spend to 31/03/2020	Projected Outturn to 31/03/2020	Variation to Budget
REROOFING	P3011	£415,000.00	£29,871.67	£103,072.03		£132,943.70	£122,056.30	£255,000.00	£160,000.00
REPLACEMENT DOORS & WINDOWS	P3013	£335,000.00	£105,695.50	£130,010.11		£235,705.61	£199,294.39	£435,000.00	-£100,000.00
DOOR ENTRY SYSTEMS	P3018	£49,000.00	£1,247.77	£8,353.11		£9,600.88	£399.12	£10,000.00	£39,000.00
FIRE PRECAUTION WORKS	P3019	£300,000.00	-£25,814.70	£2,810.68		-£23,004.02	£208,004.02	£185,000.00	£115,000.00
RENEWAL HEATING	P3042	£378,000.00	-£51,489.96	£62,891.19	£40,106.16	£51,507.39	£326,492.61	£378,000.00	£0.00
THERMAL INSULATION	P3043	£10,000.00	£1,826.67	£0.00		£1,826.67	£8,173.33	£10,000.00	£0.00
ASBESTOS PROGRAMME	P3045	£160,000.00	£56,522.47	£52,094.76		£108,617.23	£211,382.77	£320,000.00	-£160,000.00
STRUCTURAL REPAIRS	P3046	£120,000.00	£18,924.89	£51,820.48		£70,745.37	£49,254.63	£120,000.00	£0.00
REWIRING	P3049	£270,000.00	£11,023.20	£45,642.30		£56,665.50	£273,334.50	£330,000.00	-£60,000.00
KITCHEN PROGRAMME	P3051	£550,000.00	£172,278.52	£128,716.35		£300,994.87	£249,995.13	£550,990.00	-£990.00
LIFT REFURBISHMENT	P3052	£40,000.00	£32,632.00	£0.00		£32,632.00	£368.00	£33,000.00	£7,000.00
BATHROOM PROGRAMME	P3054	£350,000.00	£153,137.97	£156,393.56		£309,531.53	£40,468.47	£350,000.00	£0.00
ADAPTATIONS FOR DISABLED	P3604	£398,000.00	£117,287.48	£61,165.25	£6,164.40	£184,617.13	£165,382.87	£350,000.00	£48,000.00
	TOTAL	£3,375,000.00	£623,143.48	£802,969.82	£46,270.56	£1,472,383.86	£1,854,606.14	£3,326,990.00	£48,010.00

Figures correct as of 31st October 2019

Re-Roofing

Budget: £415,000

Forecast Outturn 2019/20: £255,000

Variance to budget: £160,000 (under budget)

Dover DC currently do not have in place either term flat or pitched roofing contract. East Kent Housing facilitated tender returns for both flat and pitched roofing contracts back in May/June 2019. Thanet DC led on the procurement for both of these contracts on behalf of the four councils.

The pitched roofing tender has now been aborted by Dover DC following the first placed tendering contractor not having allowed for TUPE requirements and the second placed contractor did not agree to hold their price open due to the tender evaluation period having taken over 140 days by the procurement lead. Dover DC has therefore opted not to revert to the third ranking tender as this would not represent best value for money and therefore have opted to cancel their element of the procurement exercise for pitched roofing.

The flat roofing contract has also taken Thanet Council a similar length of time to evaluate and process. The contractors are currently being asked to stand by their price for a further extension period and, subject to their agreement, the proposal is to present the procurement to Dover DC's Cabinet on the 13th January 2020. Should Cabinet approve an award then Section 20 leaseholder notifications will need to be issued and a one month consultation period observed. This would mean that the earliest an award can be made is by the end of February. Contracts would then need to be issued and executed along with a contract lead in time.

Currently the most urgent roof covering replacement works as identified through repairs referrals and/or complaints are being dealt with by Mears under the provisions of their repairs & maintenance contract with Dover DC.

The delays in the lead procuring council's procurement exercise for these contracts has meant that only Mears are able to deal with the most urgent roofing works, and the wider improvement roofing programme has not been available this financial year.

Replacement Windows & Doors

Budget: £335,000

Forecast Outturn 2019/20: £435,000

Variance to budget: -£100,000 (in excess of budget)

The replacement of windows and doors within Dover district are being dealt with by their term contractor Wrekin Windows. Wrekin Windows have made good progress with the programme of works and customer satisfaction feedback has been at 100% for the last three consecutive months. The quality of their works is 100% pre and post inspected and has been found to be of a high standard.

The windows and doors programme has been concentrating on identifying the worst condition windows and doors within the district and prioritising those that would otherwise fail the Decent Homes Standard. Our validation surveys have found an excessive number of properties that require window and door replacements in order to maintain 'Decency' and need to be replaced this financial year in order to not fail the Decent Homes standards. This will produce the predicted overspend of circa £100,000 which has been agreed by the Council can be vired over from the roofing budget.

Door Entry Systems

Budget: £49,000

Forecast Outturn 2019/20: £10,000

Variance to budget: £39,000 (Under budget)

Whilst a budget has been identified for the automated door entry systems to the various Independent living schemes and blocks of flats as may be necessary, the actual works requirements to each specific location need to be identified and tender specifications drawn up so that the works can be competitively tendered. Due to other priorities the surveys and specification stage has been delayed and is now taking place. The aim being for all surveys to be completed January/February 2020. The works will then be tendered ready to commence in the new financial year. This will mean an under-spend in the budget of some £39,000.

Fire Precaution Works

Budget: £300,000

Forecast Outturn 2019/20: £185,500

Variance to budget: £115,000 (Under budget)

This procurement commenced in October 2018, with all four Councils taking part in the procurement. Originally this programme was awarded to CLC Ltd who withdrew from the process before commencing any work. Dover Council then awarded this programme to the second placed tender, APL Ltd, who entered into contract in October 2019.

APL have started works since September 2019 on a letter of intent from EKH. This delay in having a contract in place has resulted in the predicted under spend of £115k.

Heating

Budget: £378,000

Forecast Outturn 2019/20: £378,000

Variance to budget: Nil (on budget)

Gas Call Services are the newly appointed term contractor for all heating installations. They were awarded the contract on the 1st November 2019. Prior to this award we were liaising closely with Gas Call in order to ensure an efficient start to the programme. During the interim period Swale Heating have been dealing with the essential works. The current programme with Gas Call has started well and they are delivering at a good rate for which we are predicting a full spend against budget.

Thermal Insulation

Budget: £10,000

Forecast Outturn 2019/20: £10,000

Variance to budget: Nil (on budget)

An assessment has been made against the Energy Performance Certificates across the Dover DC housing stock. The works performing properties have been identified where they lack adequate thermal performance along with those properties with excessive damp issues. From these a programme has been put together and is currently with a specialist energy insulation company, Veridian Energy, to carry out. A proportion of grant funding will be applied for, which will be re-invested back into these energy schemes.

Asbestos Programme

Budget: £160,000

Forecast Outturn 2019/20: £320,000

Variance to budget: **-£160,000** (in excess of budget)

Asbestos removals are being dealt with under a term contract awarded to the PA Group. In order to best monitor and control the removal of Asbestos, keep the council records up to date and to utilise the competitive rates within the contract, all of the asbestos surveys and removal works have largely been directed via the PA Group. The Asbestos surveys being carried out are more intrusive and detailed than previous programmes as they are part management and part refurbishment & demolition surveys as required under the Management of Asbestos regulations. The volume of Asbestos works required as a result of the surveys has been found to be more extensive than anticipated, and the number of surveys required to support both the voids and capital works programmes have been greater than allowed for within the budget. This level of Asbestos removal is good for the overall condition of the Council's housing stock as it will mean gradually reducing the requirement for Asbestos management.

Structural Repairs

Budget: £120,000

Forecast Outturn 2019/20: £120,000

Variance to budget: Nil (on budget)

The Structural programme is covering around thirty properties where works such as re-pointing, lintel replacements, structural repairs etc are being dealt with. These are largely being carried out by Mears. The programme is currently on schedule with a full outturn budget spend predicted.

Re-wiring

Budget: £270,000

Forecast Outturn 2019/20: £330,000

Variance to budget: **-£60,000** (in excess of budget)

In order to ensure that all housing stock is made compliant as soon as possible, Dover have negotiated a direct award for NRT to deal with all of the electrical testing and associated re-wiring works in order to render properties safe and compliant with an Electrical Installation Condition Report (EICR) in confirmation.

Contracts are currently being negotiated between Dover DC and NRT and we anticipate these will be ready within the next two weeks. Following a mobilisation period this will only leave three months of the financial year to achieve the predicted spend. There is therefore a risk to this spend prediction due to the length of time taken.

Kitchens

Budget: £550,000

Forecast Outturn 2019/20: £550,000

Variance to budget: 0 (on budget)

The Kitchen programme is currently running behind programme. Mears are the term contractor delivering the works and have recently had staffing and sub-contractor issues. We have asked them to put in place an acceleration programme in order to catch up on the back log of installations. Mears advise that they now have additional labour and resources and intend to achieve full delivery by the year end. There remains the risk that this programme may not fully achieve the predicted spend.

Lift Refurbishment

Budget: £40,000

Forecast Outturn 2019/20: £33,000

Variance to budget: -£7,000 (under budget)

This has been awarded to RJ Lift Services and the works are now completed. The under spend of £7,000 is due to the tender and works having come in under budget.

Bathroom Programme

Budget: £350,000

Forecast Outturn 2019/20: £350,000

Variance to budget: Nil (on budget)

The Bathroom programme is run concurrent to the Kitchen programme by Mears. This is therefore also currently running behind programme and Mears are currently recruiting additional resources to put in place their acceleration programme. There remains the risk that this programme may not fully achieve the predicted spend.

Adaptions for Disabled

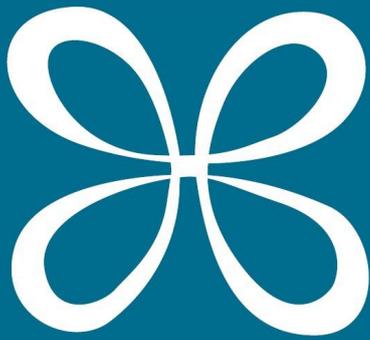
Budget: £398,000

Forecast Outturn 2019/20: £350,000

Variance to budget: -£48,000 (under budget)

The adaptions programme is delivered by Mears. The programme is driven by referrals via Occupational Therapists throughout the year. These are mainly smaller works such as flush floor shower adaptions. There are also some limited larger works which get prioritised based upon budget availability.

The current programme is predicted to fall slightly under the initial budget prediction.



East Kent
Housing

**PROPERTY
SERVICES**

Compliance

Report:

Dover District Council

Date:

27th November 2019

1. Introduction

This report covers a number of compliance areas relating to Dover District Council, both for individual properties and for blocks.

The process of gathering data from contractors and various systems is continuing, to ensure that accurate data is reported.

2. Gas Team

The posts of Quantity Surveyor and Clerk of Works continue to be covered by interim agency staff. Interviews for the one remaining Gas Servicing Compliance Administrator vacancy took place on 26 November 2019. A successful candidate has been identified and the position is under offer.

The Corgi LGSR compliance management system was implemented on 25 November 2019. Current LGSR data is now being tested for robustness and completeness. The testing phase of the implementation of the system is expected to take three weeks. Once testing is completed, the system will be in operation alongside the system operated by Gas Contract Services (GCS) for a specified period (ideally one month), in order to ensure the integrity of the gas management function within EKH, prior to terminating the service provided by GCS.

New LGSRs are being manually uploaded to the system on a daily basis as they are received from Gas Call Services by email, as part of the testing phase. EKS ICT is working with Gas Call Services to implement an automated process for the daily receipt in bulk of new LGSRs from Gas Call Services which will then be automatically uploaded into the Corgi system via SFTP (Secure File Transfer Protocol).

3. Compliance Summary: Communal Blocks (DDC)

Gas, Asbestos, EICRs, Passengers Lifts, Fire Risk Assessments

The table below shows a summary of the compliance status for Communal Blocks for DDC:

DDC Compliance	Gas	Asbestos	EICRs	Passenger Lifts	Fire Risk Assessments
Compliant	10	191	132	5	222
Non Compliant	0	73	242	0	0
Total	10	264	374	5	222
Compliant %	100.00%	72.34%	35.29%	100.00%	100.00%

Gas and passenger lifts are all reported as 100% compliant.

All Asbestos historic data has now been downloaded. 89% of the downloaded data has been uploaded to the new portal. The remainder will take approximately one month to complete. PA Group has completed 48.86% of asbestos management surveys (129 of 264 completed since April).

DDC are currently looking at whether it can achieve a plan to accelerate completion of EICRs in the shortest time possible.

Fire Risk Ratings & Actions

The table below shows the current FRA risk levels:

Council	FRA's req'd	FRA's done	Trivial	Tolerable	Moderate	Substantial	Intolerable
DDC	222	222	1	1	209	11	0

Fire Risk Assessments have identified a number of required actions. These currently stand at 1444. Allied Protection Ltd (APL) has been contracted to attend to these actions and the works programme will commence in December 2019. Prior to rectification works commencing, APL had to undertake an intrusive surveys of the elements of concern to provide a delivery programme and be able to provide an accurate indication of the expected costs. Also a number of materials are in high demand and have a few months lead time, e.g. Fire Doors and Fire Door Sets. DDC have been provided with the delivery programme which is being reviewed on a weekly basis.

FRA's for general need buildings are being reviewed prior to their due date and currently approximately 70 FRA's are programmed in for their review. This exercise may result in an increase in identified actions, but the APL works programme will see this reduce over the course of the programme period and with this the associated risk rating will be reduced.

Fire Alarms, Legionella Risk Assessments, Emergency Lighting

DDC Compliance	Fire Alarm	Legionella Risk Assessment	Emergency Lighting
Compliant	116	23	131
Non-Compliant	0	1	0
Total	116	24	131
Compliant %	100.00%	95.83%	100.00%

All fire alarms have been serviced and tested. They are all working within the original design parameters, but some do not achieve current standards or conform to best practice. Therefore they are legally compliant, but we would expect that there may be future changes to legislation in this area.

All occupied properties have an up to date legionella risk assessment although one property, Norman Tailyour House, is currently 'off contract' as it has been recently renovated, which accounts for the one non-compliant block, which went into occupation a week ago. A Risk Assessment for this block has been requested from Envirocure and we are awaiting clean and disinfect certificates and legionella sample certificates from the contractor. The site has been added to the Legionella contract with Envirocure and monthly visits will start in December.

Legionella Risk Assessment: Actions				
	High	Medium	Low	Overall Risk Count
DDC	232	197	9	438

Legionella servicing for November has been completed. Envirocure has experienced servicing access issues with some blocks. The Compliance Manager for Water Safety will write a further letter to residents outlining the importance of servicing and requesting access within the next 30 days.

4. Compliance Summary: Domestic Properties (DDC)

DDC	EICR	Asbestos	Gas (LGSRs)	Smoke Detectors
Total Compliant	602	1255	3964	3835
Total Prop Count	4317	4254	3966	4321
Non Compliant	3715	2999	2	486
% Compliant	13.95%	29.50%	99.95%	88.75%

EICR numbers remain the same as the previous week due to an EKH system upgrade.

DDC and EKH are presently in discussions to formulate a plan to accelerate completion of EICRs in the shortest time possible.

All Asbestos historic data has now been downloaded. 89% of the downloaded data has been uploaded to the new portal. The remainder will take approximately one month to complete.

Appointments have been booked for two properties with expired LGSRs for Monday 2 December 2019. One is a forced entry, the other is a property with vulnerable tenants with specific needs.

We are continuing to record smoke detectors in properties, and those shown as non-compliant are the properties which need to be checked. The checking of smoke detectors is included in the gas servicing contract. Also as the council is now going to a five year EICR programme smoke detectors will also be checked through that contract, as this will cover properties without gas.

Other Heating

DDC	Expired	Current	Total
Oil	1	70	71
Renewable	0	2	2
Solid	0	11	11

Gas Call Services has confirmed that appointments are being arranged to attend the property with the expired oil heating certificate for Friday 6 December 2019.