

Item 10

**REPORT TO THE CARLISLE SHADOW BOARD**  
**MEETING TO BE HELD ON 25/2/02**

**Carlisle Housing Association Proposed Stock Investment Policy**

**For Decision**

**1. Purpose of this Report**

- 1.1 To agree the proposed improvement and development policy set out in Appendix 1, in order that it will inform the offer document.

**2. Report Content**

- 2.1 This policy sets out Carlisle Housing Association's approach to the proposed improvement programme, with details on the main areas of work to be undertaken after transfer. The policy does not intend to represent all the detail of the investment programme at this time rather the 'headline' information needed to complete the formal offer document. It represents the 'front end' of a complex and detailed database, which maps stock investment over the next 30 years across the 40 Carlisle house types by neighbourhood.
- 2.2 A further more detailed appendix to the attached policy document will be presented to the Shadow Board at a later date, which breaks the stock investment in various categories. This will outline stock investment by neighbourhood over a 30-year period and will categorise each of the major works.
- 2.3 Additionally, the stock investment will be mapped using our geographical information system (GIS). This will be invaluable not only for the Association but for demonstrating to tenants the investment programmes that each neighbourhood will have.

**3. Recommendation**

- 3.1 The Shadow Board is asked to approve the policy set out in Appendix 1.

**Paul Anson**  
**Assistant Director**  
**18th February 2002**

## APPENDIX 1

### Stock Investment Policy

For Decision	Purpose of this Report
1.2 To agree the proposed investment and development policy set out in Appendix 1, in order that it will inform the other documents.	
Report Content	
2.1 This policy sets out Carlisle Housing Association's approach to the proposed investment programmes, with details on the main areas of work to be undertaken after transfer. The policy does not intend to represent all the detail of the investment programme at this time rather the headline information needed to complete the former offer document. It represents the front end of a complex and detailed database which maps stock investment over the next 10 years across the 40 Carlisle house types by neighbourhood.	
2.2 A further more detailed appendix to the attached policy document will be presented to the Shadow Board at a later date, which breaks the stock investment in various categories. This will outline stock investment by neighbourhood over a 10-year period and will categorise each of the major works.	
2.3 Additionally, the stock investment will be mapped using our geographical information system (GIS). This will be invaluable not only for the Association but for demonstrating to tenants the investment programmes that each neighbourhood will have.	
Recommendation	
3.1 The Shadow Board is asked to approve the policy set out in Appendix 1.	

Paul Anson  
Assistant Director  
18th February 2002

**Carlisle Housing Association**  
**Stock Investment Policy**

**1. Policy Statement**

1.1 Carlisle Housing Association is committed to:

- providing homes for people that is are of good quality
- the future improvement of properties to ensure that this standard is continually achieved
- consulting with tenants about the investment in their homes

1.2 The Investment Policy will support these aims by ensuring that the finances available for investment in the stock, both in terms of catch-up repairs and improvements, are used to bring the properties up to a decent, lettable standard, with modern facilities and services, and a high level of thermal comfort.

**2. Context**

2.1 As part of the transfer process, an independent survey was carried out in the year 2000 on a sample of the Council's housing stock. This was intended to assess the overall condition of the housing and to find out the range of works that are needed.

2.2 Carlisle Housing Association's repairs and improvements programme is based on this stock condition survey (SCS). These identified works have been taken into account in Carlisle Housing Association's financial projections contained within the approved Business Plan.

2.3 The programme will tackle the improvements that are urgently needed. In the first 5 years the Association will spend £5,978 on average per property on catch up repairs, programme renewals and improvements. This figure includes prelims and a contingency allowance.

2.4 The survey will also form the basis of Carlisle Housing Association's 30-year stock investment planning. CHA is committed to long term investment in Carlisle, to reflect this the Association plans to spend an average of £25,873 per property on catch up repairs, programme renewals and improvements over 30 years. This figure includes prelims and a contingency allowance.

2.5 A detailed work programme will be drawn up based on the stock condition survey. The investment plans for neighbourhoods will be formally discussed and agreed with residents and tenants groups. Individuals will be consulted on the proposed works for their home.

### **3. Proposed Investment Programme**

3.1 The following items, identified in the SCS, form the basis of the improvement programme.

#### **3.1.1 Central Heating**

Full central heating would be installed in more than 2000 homes that currently have no central heating, or where there is currently only a partial heating system fitted. Older central heating systems would be renewed or upgraded in over 4000 homes.

#### **3.1.2 Doors**

New, secure, front and back doors would be fitted to over 2,000 homes. A choice of style would be provided.

#### **3.1.3 Insulation**

All homes would have loft insulation that meets current building standards, i.e. to a thickness of 200mm (8").

#### **3.1.4 New Kitchens**

Over 2,500 kitchens would be replaced using modern cupboards and work surfaces. A choice of colours for the units and worktops would be offered. Tiling would be replaced as necessary.

#### **3.1.5 New Bathrooms**

Over 4,000 bathrooms would be improved with a new bath, wash handbasin and toilet. Tiling would be replaced as necessary.

#### **3.1.6 Rewiring**

More than 900 homes would be rewired to current standards.

#### **3.1.7 Windows**

The double glazed window replacement programme, currently being undertaken by the Council, would be completed to ensure that all homes have a full double glazing system.

#### **3.1.8 Door Entry Systems**

Door entry phones would be installed to over 650 flats that currently do not have them.



### **3.1.9 Smoke Detectors**

Mains wired smoke detectors would be installed to over 3,000 homes.

### **3.1.10 Extractor Fans**

Extractor fans would be installed in the kitchens and bathrooms of over 4,500 homes.

### **3.1.11 Sheltered Housing**

Five of the seven sheltered accommodation schemes will receive £3.2 million of capital investment. This will include all Careline communications within the sheltered units will be upgraded.

## **3.2 Standards**

In developing the stock investment programme account has been taken of the Decent Homes and Warm Homes standards and this is reflected in the type of investment which will be made.

## **3.3 Timescale**

The majority of these works will be undertaken in the first 5 years following transfer. Investment will not stop after these first 5 years. Carlisle Housing Association will continue to invest in improving the stock in line with the 30-year Business Plan. This will ensure that properties are continually repaired and maintained, and items such as kitchens and bathrooms are replaced as they wear out.

## **3.4 Commitment**

After the estimated £43million spent on catch-up repairs and modernisation in the first 5 years following transfer, Carlisle Housing Association has budgeted to spend a further £143million over the next 25 years. This gives a total investment of £186million over the full 30 years of its planned repairs and improvements programme. This is in addition to the investment in day to day repairs detailed in the Repairs and Maintenance Policy. These figures include prelims and a contingency allowance, but exclude fees and VAT. This compares to Savill's investment figure of £49million in the first 5 years for 8275 units (£5,900 per unit).

3.5 The amounts for stock investment are detailed in table 1 below:

**Table 1: Summary of Stock Investment Expenditure**

Assumption	Figures	Comment
Stock Investment	£ 162 M over 30 years	This figure is based on investment in 7200 units and is extrapolated from the Savill's stock condition survey. It includes catch up repairs/renewals, programme renewals and improvement to the housing. It also includes garages beyond property curtilage (lock ups). It excludes prelims, contingency, VAT and fees.
Total investment per unit over 30 years	£22,500	This is the all-inclusive figure encompassing catch up repairs/renewals, programme renewals and improvements. It excludes prelims, contingency, VAT, fees, and responsive and cyclical maintenance.
VAT	17.5%	
Fees	8%	
Prelims Years 1-30	9.375 %	
Contingency	4%	
Sheltered Housing	£3.2 M	Additional investment for bed-sitter conversion (£2.2M) & communications renewal (£700,000)
Neighbourhood Environmental Investment	£800 per unit over 30 years	A funding contribution toward environmental works above that identified within the stock condition survey

#### 4. Procurement

- 4.1 The Association will contract the services of Carlisle City Council's DSO to undertake any capital works for which it has the capacity for the first 15 months following transfer.
- 4.2 Once transfer of Carlisle City Council DSO has occurred Carlisle Housing Association DSO will continue to carry out both maintenance and capital works, where it has the capacity to do so.
- 4.3 Where external contractors are used, we will ensure value for money and probity in the commissioning and execution of our improvement programme. We will embrace the principles of partnering as set out in *Rethinking Construction* (33), the report of Sir John Egan's Task Force, and the principles of Best Value.

- 4.4 Where external contractors are used, the Association is committed to using local contractors wherever it is possible to do so. We will encourage and support the use of local labour.
- 4.5 An appropriate code of contractor conduct will be adapted.
- 4.6 The Association will ensure that these resources are utilised efficiently in order to achieve value for money and minimise waste.

**5. Consultation**

- 5.1 Carlisle Housing Association will consult with its Tenants and Residents Groups on its improvement plans in each neighbourhood.
- 5.2 Customers will be consulted on the proposed work to their homes, and given commitments on the work to be undertaken up to 2 years ahead.
- 5.3 Residents will be informed in writing about the works to be carried out.
- 5.4 Carlisle Housing Association will aim to minimise the degree of disruption and disturbance to the customer's home and lifestyle when undertaking maintenance works.