

## Statement 1

### LAHS Data

- To comment on any inaccuracies from the LAHS data and the actual position with regards to levels of non decent backlog homes.
- (Backlog Non-Decent Homes mean those homes that were non decent at April 2012 and still remain non decent at April 2015. Newly arising during this time are not eligible for funding.)

Some of the pre-populated cells in the application use the LAHS 2013 return to indicate that the remaining backlog stock is 13%. The level of backlog non-decent stock at 1st April 2015 using the LAHS definition will be 2,178 homes which is 17% of total stock. This has been reflected in the most recent submitted LAHS return (2013/14).

It should also be noted that a further 2% of backlog stock cannot be reported as non-decent in the LAHS due to tenants exercising their right to decline Decent Homes works. More details on this have been included within Statement Three.



## Statement 2

### Value for Money

- Give details of value for money on each cost element including details of contractor frameworks and buying clubs to demonstrate, efficiency and economies of scale.
- Please note here any impact of the leaseholder charge cap direction on vfm.
- Whether a council has secured other funding which is dependent on their Decent Homes delivery (e.g. energy supplier obligation funding).

#### Point 1)

Following the 2011-2015 backlog funding award, an OJEU compliant procurement exercise was undertaken to deliver the large volume of anticipated works. The resulting framework contracts have proved successful over the last 3 ½ years in delivering the backlog funding programme; this would continue under the 2015/16 backlog programme. Productive relationships have been established with our existing framework partners and these in turn have ensured required spend/bid targets have been met.

Value for money has been achieved and maintained through the following activities:-

- An extensive pre-work survey process to establish the elemental works required which has reduced unnecessary work costs.
- Negotiated reduced contract rates for materials used by Decent Homes contractors. This has also included good value engineering around roofing and other external elemental rates where there may have been cost indicators showing an upward trend.
- Potential creation of a supply Chain Management Group to increase value for money including standardisation of materials used across our stock.
- Implementation of sound contract management principals to monitor costs and to maintain high delivery standards, achieved through a robust contract governance framework.
- Standardisation of internal and external materials specification and workmanship across all contractors allowing for ease of future maintenance of product throughout its lifecycle.
- Contractor commitment to deliver enhanced and value added benefits to the local community and local economy (see statement 6).

The elemental rates outlined in the funding application demonstrate how value for money is being achieved and can also be evidenced by recent annual LAHS returns and continued quarterly backlog bid monitoring undertaken by the GLA.

#### Point 2)

Of the 3,560 homes benefiting from these proposed works only 17 would be subject to the leaseholder charge cap direction resulting in a negligible impact on VFM.



### Point 3)

The Council was awarded £2.25m from the DECC Local Authority Competition Fuel Poverty Fund which will part-fund our plans for External Wall Insulation for two estates. Delivering these works within budget is dependent on the efficiency savings on prelims and scaffolding gained by installing the retrofit alongside the backlog Decent Homes programme.

In addition we are also expecting to draw down between £966K - £1.24m in ECO subsidy, subject to entering into contract with EDF Energy, based on rates ranging from £35-£45 t/CO<sub>2</sub>.

Undertaking ECO funded works (688k-£885k ) to Brodick House, including fuel switching from electric to gas, is heavily dependent on receiving the 2015/16 additional Decent Homes funding requested in the over 10% challenging works Section D.2 of the application.

Delivery of these works within budget and achieving the carbon savings and ECO subsidy depends on the reduced prelims and access costs achieved by running in tandem with Decent Homes. Similarly, once we are in contract with EDF, carbon credits arising from the installation of new flat roofs will be purchased by EDF Energy Surveys; carbon forecasting is ongoing to determine their ECO funding value.

We are at an advanced stage of negotiations with EDF Energy and expect to sign a funding agreement imminently.

We have been working on the Vulnerable Customers and Energy Efficiency Project. This pioneering project, the first to investigate how distribution network operators, in collaboration with housing providers, community groups and energy supplier, can engage with vulnerable customers to facilitate energy efficiency and provide network services, such as Demand Side Response. This £6m, 4-year project funded from Ofgem's Low Carbon London Fund will benefit some estates where backlog funding is being applied for.



### Statement 3

Funding stock under 10% non-decent

- Please give explanation of why you require funding for the last 10% of non-decent backlog stock. Include details of type, age and built form of the more challenging and expensive stock

1,061 homes in the under 10% section can be categorised as 16% High rise, 78% Medium rise and 6% Low rise with their built dates ranging from 1848 to 1984 presents specific challenges. These are predominately due to the requirement to undertake repairs to the external fabric of homes such as spalling concrete and brickwork repairs..

Construction Method	Building Archetype	No' of Blocks	Total dwellings (incl. leasehold)	Tenant dwellings (non-decent)
Non-Traditional	High rise flats (6 or more storeys)	11	601	265
Non-Traditional	Medium rise flats (3-5 storeys)	29	478	248
Non-Traditional	Low Rise flats (1-2 storeys)	7	48	42
Traditional	High rise flats (6 or more storeys)	6	240	123
Traditional	Medium rise flats (3-5 storeys)	54	810	383
<b>TOTAL</b>		<b>107</b>	<b>2,177</b>	<b>1,061</b>

The level of newly arising non-decency as at the end of 2015/16 is forecast to be around 6-8%. If funding is not received for these homes then the number that will be reported as non-decent on 1st April 2016 would be significantly higher at 16%-18%.

Additionally it should also be noted that 234 homes of backlog stock (2% of all stock) cannot be reported as remaining backlog stock in the LAHS or this bid submission. This is due to tenants exercising their right to decline Decent Home works which, for the LAHS are treated as a reduction in non-decency. Therefore the true level of remaining backlog stock is 19% and not 17%. These Decent Home works must be undertaken when a home becomes empty resulting in an underlying requirement to set aside HRA resources of £2.3m to fund these works



## Statement 4

### Capping leaseholder charges

- A) Included within spreadsheet submission
- B) How will the council fund the extra costs on each estate, if the £15K cap is lower than the estimated works costs for resident leaseholders?
- C) What help financial or otherwise will the council be giving to all affected leaseholders, such as loans or deferred payment arrangements? The expectation would be that a minimum of 2 years deferred interest free payment would be available.
- D) Please provide a sample of the council's documentation showing how the estimated charges are explained to leaseholders. This will include; alerting resident leaseholders to the cap, description of works, a breakdown of charges for the main elements of the works, overheads, contingency, dispute protocols and how any savings are distributed to leaseholders where profit sharing arrangements exist.
- E) Confirm commitment to publish procurement strategy

Please email responses to [DecentHomes15-16@london.gov.uk](mailto:DecentHomes15-16@london.gov.uk) e-mail title should read 'Supporting Statement 4' and name of Local Authority



## Statement 5 - Environmental retrofit

In the context of this programme the definition of environmental retrofit works are any that reduce energy use in homes, and therefore reduce carbon emissions. Works can include, but should not be limited to: Loft, wall and floor insulation, draught proofing, heating repairs, replacements and controls, window glazing, micro-generation technologies, decentralised energy solutions and district heating connections.

**1 Please describe your authority's ambitions in regard to environmental retrofit including reference to relevant strategy documents.**

*This section should describe how retrofit works will be undertaken alongside your authority's Decent Homes funding, as well as any targets the authority has set in relation to environmental retrofit within its own stock, other social housing stock and stock in the private sector.*

It is a strategic priority for the council through its Community Plan to "improve the quality of housing, including maximising energy efficiency". It is also mayoral priority to help households with rising cost of living including helping households reduce their energy bills.

Tower Hamlets was one of the first local authorities in the country to set up an energy co-operative to bring cheaper energy for the residents of the borough. This co-operative is a collective energy switching scheme now working in partnership with more than 20 other local authorities in London. The council is working with the Institute for Sustainability and a number of Registered Providers to set up a Community Interest Company to install PV panels on the roofs of domestic and non-domestic properties. The proposed plans are to invest up to £25m in five areas of the borough and can be tied up in to the decent homes programme.

The council has long experience of working with Re:New, through the ODA funded Re:New programme the council achieved highest levels of carbon reductions compared to the other participating boroughs. Improving energy efficiency in the domestic sector beyond decent homes standard is becoming more challenging due to the lack of funding such as ECO. The Council is in a unique position with high levels of new developments in the borough and has set up a carbon mitigation fund through allowable solutions policy, which could potentially fund the gap the lack of ECO subsidy has created to deliver energy efficiency improvement.

We are fully committed to supporting the GLA's carbon emission reduction targets, including the 'Vision 2020' commitment to have a programme to retrofit every badly insulated home and office in the city. Tower Hamlets is exploring ways to support these targets through existing retrofit programmes and support from Re:New.

We are fully engaged with Re:New and preparing to sign up to a Support Plan. We are exploring ways in which the Re:New support team can assist us to maximise retrofit opportunities, linked to both existing repairs and maintenance and Decent Homes programmes, as well as standalone retrofit projects. Support that has been discussed includes analysis of housing data to identify retrofit opportunities, and developing a strategic approach to retrofit that delivers concrete carbon reduction and fuel poverty reduction targets.



We are already delivering retrofit works such as renewing singled glazed windows with double glazing and high efficiency boilers

**Please provide the following details about the environmental retrofit works that will be undertaken alongside your authority's Decent Homes programme in 2015/16, as well as any planned environmental retrofit works planned for the following two years.**

- 2 Number of homes** What is the estimated number of homes in each of the following years that will be retrofitted?  
*Please note in 2015/16 the number resulting from the Decent Homes work programme, and identify for each year the number associated with other planned works (if any).*



	2015/16 1799	2016/17 187	2017/18 187
<b>3 Carbon savings</b> What are the estimated annual carbon savings (annual tCO <sub>2</sub> ) in each of the following years from environmental retrofit? <i>Please note in 2015/16 the number resulting from the Decent Homes work programme, and identify for each year the number associated with other planned works (if any).</i>	2015/16 27836	2016/17 1012	2017/18 1012
<b>4 Capital expenditure</b> What is the estimated capital expenditure in each of the following years on retrofitting homes? <i>Please note in 2015/16 the number resulting from the Decent Homes work programme, and identify for each year the number associated with other planned works (if any).</i>	2015/16 £9,291,701	2016/17 £434,471	2017/18 £434,471
<b>5 Funding</b> <b>5a</b> Please outline the specific sources of funding that you will combine with your Decent Homes grant funding in order to fund retrofit works?  DECC Local Authority Competition Fuel Poverty Fund of £2.25m and ECO subsidy of £966k to £1.2m  <b>5b</b> What is the status of the above funding, i.e. funding identified, bid/proposal submitted, funding secured, or other (please specify)?  <b>DECC Local Authority Competition Fuel Poverty Fund. has been awarded and expect to sign a funding agreement imminently with EDF Energy for ECO.</b>			
<b>6 Procurement</b> Please outline the proposed procurement route you plan to take.  When the current Decent Home contracts were awarded retrofit type works were included which has ensured good rates and value for money has been achieved. These contracts have sufficient delivery headroom for the proposed retrofit works.			



**7 Timescale for delivery** Please outline the timescale for the process of retrofitting as a result of your Decent Homes programme.  
Delivery will be undertaken in tandem with the proposed 2015/16 Backlog Decent Homes Programme.



## Statement 6

### Delivery Record and Infill Development

- Provide statement of level of funding within the previous programme budget for 2012/15 (if applicable)
- Statement on track record of delivery by the organisation managing the capital programme; having frameworks with contractors for an appropriate volume of programme already procured, annuals performance
- Infill statement: overall potential for increasing the density within an estate, whether this includes larger scale demolition of parts of the estate alongside decent homes works. The timescales for the overall estate regeneration proposals and detailed plans as applicable. If not applicable an explanation as to why is required.

#### Statement 6

##### Point A)

The level of backlog Decent Homes funding for 2012/13 to 2014/15 is £82m.

##### Point B)

We have demonstrated a consistent track record of delivering the backlog Decent Homes programme to agreed annual decency and grant draw down targets for all preceding years. This is supported by way of the quarterly monitoring that the GLA undertake as well as the annual LAHS submitted to DCLG. At the end of August we have made 1,291 homes decent and have spent £20m of the grant and will meet the annual targets of 3,109 homes made decent and grant spend of £46m.

A suite of 18 Key PIs is used to constantly improve delivery across all critical service areas. Time, Cost and Quality targets were met on the 2013/14 programme and this has continued monthly through this years programme. A tiered Performance Management model has been employed to allow for the swift resolution of any poorly performing indicators and also ensures that learning and best practice is shared across the Framework.

The contracts currently in place were procured specifically to deliver both a large volume of works and high level of investment. Sufficient delivery headroom remains to undertake a 2015/16 Decent Home programme

For the 2013/14 Backlog Decent Homes programme we have consistently delivered on commitments and to tangible benefits benefiting the local community and economy:

- Over 110 local people working on sites each month
- 120 weeks of work experience gained with many subsequently gaining full time employment
- For every £1m spend two apprenticeships were created, one with a main contractor and the other with a sub-contractor which exceeds normal practice and 58 local apprenticeships were created.



- Nearly half of the 2013/14 contract spend in the local economy was within Tower Hamlets exceeding the agreed target by 145%
- Additional community benefits such as 13 DIY days for residents to learn basic DIY skills, refurbishment of some community centres by contractors and volunteer community groups.

These local community and economic benefits would continue for 2015/16 under a further years of Backlog Decent Homes grant funding.

Tower Hamlets have been shortlisted in the category of “Best work with supply chains and/or local businesses to create new apprenticeships” for the 2014 London Borough Apprenticeship Awards.



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### Point C)

Following a survey of infill development potential in 2012, the council bid for funding under the Building the Pipeline Supply, the Local Growth Fund and the Affordable Housing Programme 2015-18 programmes.

- Decent Homes works at Collingwood Estate are being co-ordinated with the development programme of 53 new homes. Completion is expected for March 2017. The redevelopment of Ashington House is also being assessed in order to complete the regeneration of the estate.
  - The Longnor Estate is receiving external works as the new build scheme delivering 12 family homes. Completion is expected in 2014/15.
  - New infill schemes are in the pipeline for Hereford and Locksley Estates under the Affordable Housing Programme; the work is in progress to plan the development which is scheduled to complete in 2017/18. The 132 new homes will give a boost to the local area, modernising the two housing estates.
  - Sidney Estate and Newling Estate are receiving investment from the Local Growth Fund and between them will deliver 48 new homes in 2017/18.
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