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Transfer Contract and Offer Document Promises V2C Board Meeting 21st January 2016

1. Finance

The contract provided for £98.14m of expenditure on improvements.

Period	Offer Document	Actual Spend	Difference
Years 1-5	£46.2m	£60.6m	+£14.4m
Years 6-10	£51.9m	£53.7m	+£1.8m
Total	£98.14m	£114.3m	+£16.2m

More work was required to properties than originally envisaged as property condition was not as good as that indicated within the original Stock Condition Survey report.

The Offer Document also included a 5 year Rent Guarantee for tenants with an indication that rents would not exceed a guideline increase in the second 5 year period:

Period	Offer Document	Actual Increases	Difference
Years 1-5	Guarantee RPI + 1%	RPI + 1%	
Years 6-10	Guideline RPI + 2%	RPI + up to 2%	
Years 11+	Meet WG Policy Guidelines	Met	N/A
Rent Convergence	2013/14	Full rent convergence was achieved in April 2014	1 year later

No Service Charges were to be introduced within the first three years after transfer.

We introduced a Global Service Charge for new tenants in April 2008, four and a half years after transfer, and we now have 2,247 (or 43%) of our tenants paying these global service charges.

We are currently planning to introduce Service Charges for all remaining, transferring tenants from July 2016, twelve and half years after transfer.

2. Improvements

A number of specific promises were made to improve the condition of our properties. The principal ones were as follows:

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Offer Document Promise	Timescales	Number Completed Years 1-5	Number Completed Years 5-10	Total	% of Stock
Smoke Detectors	1-5	3,918	1,892	5,810	100%
Windows	1-5	5,598	212	5,810	100%
Doors	1-5	5,598	212	5,810	100%
Kitchens	1-5	3,478	1,450	4,928	85%
Bathrooms	1-10	3,471	2,329	5,800	100%
Over Bath Showers	1-10	3,512	2,245	5,757	99%
Rewiring	1-5	3,915	1,819	5,734	99%
Central Heating	1-5	3,493	2,283	5,776	99%
Thermal	1-5	1,241	4,463	5,794	100%
Door Entry Systems	1-5	144	128	372	N/A

Those elements that were planned originally for the first five years were incorporated where necessary with other work elements to create a revised 10-year programme. This was agreed by the Board in 2006 to reduce disruption to tenants and to smooth the expenditure profile to match available funding.

Offer Document Promise	Timescales	Number Completed Years 1-5	Number Completed Years 5-10	Total	% of Stock
Non-Traditional Properties	1-10	140	987	1127	92% (98% when current programme completed)
Structural Walls etc.	N/A	99	440	539	10%
Roof Coverings	N/A	336	833	20%	20%
Fascia & Soffits, RWG's etc.	N/A	592	1215	31%	31%

The Non-Traditional improvement plans and External Programmes were revised to years 3-13 in the first year following transfer due to business plan constraints. Further Non-Traditional properties were identified in V2C's own Non-Traditional survey in 2008.

The final programme of 56 properties is currently on site. We are likely to have three tenant refusals and four properties requiring rebuilding at the end of the programme.

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To support these improvements we have also provided annual budgets for asbestos surveys and removals, and painting programmes.

3. Demolition and New Development

The Offer Document stated that there were to be no further demolitions over those already planned and that, in the early years, V2C would concentrate on repairs & improvements, but may consider building new homes in the future.

Prior to Transfer the Council had planned to demolish 90 properties due to low demand as follows:

- 34 houses in Blaencaerau,
- 22 flats in Wildmill and
- 34 flats in Llangeinor

Since then V2C has demolished a further 177 properties:

- 13 houses in Oakwood, Maesteg to improve estate viability;
- 114 flats & houses in Chelsea Avenue to facilitate redevelopment into a new mixed tenure estate of 116 properties, now known as Wood Green.
- 37 flats & 2 houses in Marlas and
- 24 houses in Bettws in advance of estate regeneration plans which include new dwellings.

V2C completed its first development scheme in Ffordd Y Mynach, Pyle by completing four new bungalows in November 2009. By March 2016 V2C will have built, converted, or acquired 213 properties for social rent, intermediate rent and low cost home ownership. The majority of these are new build properties offering better design, spatial and energy efficiency standards. We are currently implementing our new Development Strategy to build or acquire a further 600 properties over the next 10 years.

4. Sheltered and Disabled Adaptations

Within the Offer Document an undertaking was given to improve sheltered housing within years 1-10, to undertake bedsit conversions where feasible and to continue contributing to the funding of disabled adaptations.

Within our stock we had three complexes which contained mainly bedsit flats or flats with shared communal bathing facilities. In the first 10 years we have:

- Completely refurbished and extended Ger Y Nant to create 15 self-contained one bedroomed flats;
- Refurbished and extended Lakeview to create self-contained bathrooms;

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- Sold Nantlais to Emmaus South Wales for refurbishment and conversion from 16 bedsits to 24 self-contained rooms for homeless people;
- Undertaken internal elemental improvements to kitchens, bathrooms, and wiring in sheltered schemes;
- Renewed lifts, fire alarms, communal heating boilers and warden call systems within schemes;
- Converted bathrooms to walk-in shower rooms in Merfield Close, Sarn and Lys Cynfig, Pyle.

In line with the agreement we have also provided an annual budget for disabled adaptations every year since transfer with an overall increase at a level higher than the inflation index required by the contract. For 2015/16 the expenditure for this budget will be £390,000.

5. Environmental Improvements

The Offer Document provided for some environmental improvements such as better parking, drives and pathways; fencing and walls; estate and related assets (e.g. garages).

We undertook extensive estate consultations in several of our larger estates (Caerau, Wildmill, Tudor, Marlas, Chelsea Avenue) with large open amenity areas during our first few years. These led to Community Action Plans which have since been partly implemented through an Environmental Improvement Programme (EIP) established for area based improvements. We also established a separate Neighbourhood Improvement Fund (NIF) for ad-hoc local community initiatives e.g. Bron Y Waur car park area.

We have also established separate annual budgets for Property Boundaries, and Slip 'n' Trips for footpaths and unadopted areas. Limited improvements have been completed to garages, with the preferred strategy being to remove uneconomic garages and create parking areas which are open and available for all residents within an area and not just those able to pay an additional rental payment.

New approaches to grounds maintenance, trees, planting and street lighting have resulted in improved service delivery.

6. Employment & Training

We also gave an undertaking to create employment and training opportunities for local people.

In our first five year contracts (2004-09) we negotiated local labour clauses. At the end of this five year period 95% of employees working on our contracts lived within 25 miles of Bridgend.

In our second five year contracts (2009-13) we utilised the Welsh Government and Chartered Institute of Housing's Targeted Recruitment &

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Training Toolkit (TR&T). Our TR&T programme has to date secured job & training opportunities for over 700 people. V2C has continued to support The Caerau Skills Centre and Bridgend College in developing skills and training programmes since transfer.

We have also directly employed 29 apprentices and 9 work placements in our direct labour force, The Housing Repairs Service, and a further 13 work placements in our offices.

7. Customer Satisfaction

Over the course of the improvement works we have regularly sought on-going customer satisfaction feedback on our activities.

At the end of our first five year contracts the cumulative satisfaction levels were 95% for Lovell Partnerships and 94.75% for Connaught. For our current contractors Wates have achieved 96.68%, United Living/Bullock 95.65%, and Keepmoat/FHM 95.74%.

V2C participated in the recent, national Welsh Government tenant satisfaction surveys. Overall our performance when compared to the Welsh average is good:

Survey Question	Wales Average	V2C Responses	Difference
Rent provides value for money	80.9%	84.5%	+3.6%
Service Provided by the landlord	83.7%	84.5%	+0.8%
Way landlord deals with repairs	76.7%	82.2%	+5.5%
Quality of your Home	82.9%	82.7%	- 0.2%
Neighbourhood as a place to live	83.5%	81.9%	- 1.6%
Listens to views and responds	69.0%	71.6%	+1.6%

8. Wider impacts on Crime, Poverty and Energy Efficiency.

Crime - *Duffryn Road flats, community safety project.*

V2C worked in partnership with local police officers to address a significant and rising ASB problem centred around a block of flats with open access communal space that was being misused by a gang of youths in the evenings. The project involved the erecting of gates and barriers indicating private space.

A police report in support of a Police Awards application stated:

“Through analysing data extracted from the Niche systems a peak in reported incidents of anti-social behaviour was seen for October/November 2008, significantly higher than the previous year.

Although anti-social behaviour ... is a seasonal issue affecting the Police Service annually, however, it was evident that the problem continued to

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fluctuate and therefore a more pro-active response was required. The levels of calls reported to Duffryn Road Flats have substantially decreased as measured by the (Police's) Niche Data system. The period October through to November 2009 saw a reduction in anti-social behaviour, inferring that the improvements undertaken had had a positive effect"

Poverty

Customers who require assistance are supported by V2C's Financial Inclusion Team to maximise income and reduce financial outgoings, thus releasing funds to spend on heating their homes. In excess of 700 customers have been assisted over the past two years with issues ranging from credit or utility debt to applications for welfare benefits, including Housing Benefit, Tax Credits, Disability Living Allowance and Pension Credits. Tangible income increases approaching £500,000 have been achieved to date.

Energy Efficiency

At transfer the average energy efficiency of each property was 50 as recorded by the Governments' Standard Assessment Procedure (SAP).

Since 2003 we have undertaken a whole stock energy efficiency programme such as new doubled glazed windows and doors and 'A' rated boilers. We also contracted with British Gas to develop their 'Here to Help' programme, which not only undertook energy efficiency improvements such as cavity, loft and hot water tank insulation, but also provided referrals to agencies such as the Family Welfare Association which were then able to provide new freezers, electric blankets, efficient kettles etc.

We have also secured over £5m in energy grants to assist in delivering External Wall Insulation, Solar PV and Thermal systems, Air Source Heat Pumps and Cavity and Loft Insulation. We have also included home owners in these improvements (where external finance enabled participation) securing over £1m of funding to undertake repairs and External Wall Insulation to 101 properties or 34% of the private owners within the estates being worked on.

The outcome of all this work is that the overall SAP rating has increased from 50 to 74, putting V2C in the top 25% of best performing associations in Wales.

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