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By email to
housing@communities.gsi.gov.uk
Communities and Local Government Department
Deadline 8 January 2010

5 January 2010

Dear Sirs

Re: Decent Homes Evaluation Evidence

Thank you for the opportunity to submit evidence to this inquiry.

Circle Anglia is one of the UK's leading providers of affordable housing. With a dedicated team of more than 2,000 staff, Circle Anglia manages more than 51,500 homes, including supported and sheltered housing, for more than 187,000 people across the UK.

The Circle Anglia group includes 11 partners - eight registered providers (RPs): South Anglia Housing, Wherry Housing Association, Old Ford Housing Association, Circle 33 Housing Trust, Roddons Housing Association, Mercian Housing Association, Mole Valley Housing Association and Russet Homes; two support & care partners: EPIC Trust and Invicta Telecare, as well as Commercial Services Circle Anglia for shared ownership, market rent and private sale properties.

In addition to the full submission attached, we would like to highlight:

- Our belief that an important omission from the original decent homes standard has been a requirement to improve estates. Whilst providing homes of the highest standards should always be the priority, Circle Anglia has recognised the importance of providing and maintaining attractive neighbourhoods in creating sustainable communities and has invested over £11 million into our Excellent Estates programme. The project has been resident led and has proven very successful in making neighbourhoods safer, more pleasant places to live whilst giving residents a renewed sense of pride and community spirit.
- Maintaining the Circle Anglia standard, which incorporates the statutory decent homes standard, is part of the existing business plan for all of the group's individual partners and provided our existing financial assumptions are maintained, the standard will be fully funded for the life of their 30 year plans. However, we always need additional funds to go above and beyond the standard we would like to secure for our residents and to ensure we can continue to improve the areas that we work in.
- If the Government intends to introduce an improved decent homes standard, it needs to be aware of the financial burdens it will place on both registered providers and local authority landlords alike. Careful consideration needs to be given to where the necessary funding

will come from to achieve this improved standard, especially considering that a number of landlords have been unable to meet the current standard within the original deadline.

Please do not hesitate to get in touch if we can be of any further assistance.

Yours faithfully

Glenn Allum
Project Manager

CONSULTATION RESPONSES

1. How their local standard reflects or exceeds the decent homes standard and where we chose to re-provide homes rather than improve them.

Circle Anglia is committed to ensuring that all of its homes achieve and are maintained at an internal standard known as the Circle Anglia Standard. Developed in consultation with residents from across the group, it incorporates all of the requirements of the Government's statutory decent homes standard, maintaining them in perpetuity, as well as exceeding it in a number of areas. This includes:

- Replacement of central heating systems every 30 years including thermostatically controlled radiators provided for every room that requires one and reflective panels located behind the radiators.
- Gas boiler replacements provided every 10-15 years.
- A replacement bathroom at least every 30 years which is fitted with a water saving double flush toilet, extractor fan for improved ventilation, a shower if preferred to a bath and a choice of style and design.
- A replacement kitchen at least every 20 years provided with additional electrical sockets where required, additional plumbing should residents wish to install a dish washer, new recycling facilities where possible and once again, a choice of style and design.
- A commitment to a six year cyclical repair programme including additional loft insulation and draught proofing where necessary.
- Inspection of electrical wiring systems every 10 years (including all necessary repairs) and a commitment to fully rewire homes at least every 30 years with additional sockets provided where required.

Critically, the Circle Anglia standard differs from the statutory decent homes standard by providing individual component renewals as they each reach the end of their serviceable life rather than relying on a combination of component failures to trigger replacement works.

To achieve this, the group has undertaken a comprehensive stock condition survey of all homes it owns. As part of these surveys, all key and non-key components are given a measure of remaining life in years. The group's asset management team then manage a 30 year rolling programme out of this database to guarantee that components are replaced as they reach the end of their life cycle.

Circle Anglia has also received a substantial number of homes from local authorities following four large scale voluntary transfers in the last three years, with a fifth due to take place in spring 2010. As part of the stock transfer process, the group has worked with transferring tenants to help them develop their own tailored programme of improvements that the previous local authority landlord would have not been able to achieve and far in excess of the statutory decent homes standard.

All of these individual programmes incorporate the Circle Anglia standard, but in some circumstances, exceed it in line with investment priorities identified by residents. For instance, residents transferring to the newly formed Merton Priory Homes in Spring 2010 have identified replacement fencing and gates to homes and estates as a high priority. The new landlord has agreed to establish a dedicated £500,000 programme to make this possible.

In keeping with the group's local solutions ethos, individual group partners have also developed and are delivering programmes of improvement that meet specifically identified needs that exceed the statutory standard. Some examples from across the group include:

- Roddons Housing Association, based in March, is to invest in new ground and air source heating systems for 550 properties in rural locations following a successful trial delivered in partnership with contractor, The Apollo Group. These sustainable alternatives to conventional heating systems also address fuel poverty for those who are reliant on expensive solid fuel/oil fired systems or electric storage heaters to meet their heating needs.
- Both South Anglia Housing, based in Hertfordshire, and Russet Homes, based in Kent provide additional funding for disabled adaptations to their homes to add to that received from local authority grants.

An important omission from the original decent homes standard has been a requirement to improve estates. Whilst providing homes of the highest standards should always be the priority, Circle Anglia has recognised the importance of providing and maintaining attractive neighbourhoods in creating sustainable communities. In addition to the commitments made by stock transfer group partners, a further £11 million has been invested across the group through its Excellent Estates programme to improve the look and feel of estates.

In a small number of circumstances, the group has pursued the disposal or renewal of housing where investment in improvements would not have been appropriate or logical. For example, this includes when a home needs investment that exceeds its value and/or the land on which it is situated can be better used to provide additional homes. The group has also given careful consideration to where it has enough of a presence to provide effective services to residents. Where stock holdings are relatively low, it has elected to either transfer the management of or dispose of properties to landlords with a greater local presence. This has then allowed the group to focus its efforts on the areas in which it has the greatest influence and can then make the most meaningful difference to the lives of its residents.

2. How have you ensured that your programme offers value for money?

Circle Anglia has adopted a number of measures in monitoring its improvement programmes to ensure that they are delivering value for money. These include:

- Ensuring that the group's procurement strategy includes procurement of contracts for asset management works.
- The establishment of a central asset management directorate that leads on all procurement activity for each of the group's partners.
- Using rigorous cost control within contracts. For instance, the group's contracts utilise agreed maximum target costs for elements of works within a price framework, providing greater budget certainty and incentives. The group also employs a performance related profit approach under agreed and specific KPIs with contractors.
- Establishing procurement performance indicators and undertaking benchmarking both amongst group partners and with external peers through the Housemark service.
- Undertaking robust tests on potential contract partners during both the pre-qualifying and tendering procurement stages.
- Development of contract specific risk registers by individual group partners to record key risks against their individual contracts. The registers act as an early warning device with each risk having mitigation measures against it and an agreed individual owner responsible for delivery of the measures should it become necessary.

As a measure of the group's success in this field, it was recently subject to a Tenant Services Authority technical audit around achieving decent homes. This external audit validated the group's approach and the published report concludes 'Circle Anglia has robust strategies in place to ensure effective procurement and value for money.'

One of the group's distinct advantages in terms of procurement is its size and the associated buying power this brings. It invests approximately £120 million per annum on works to its stock and makes purchases through a range of consortia throughout the country to ensure that the best price can be secured. For instance, Circle Anglia is a founding member of the Buy-4-London Consortium. Through the consortium, the group has taken advantage of favourable boiler purchasing arrangements, saving over £200,000 annually. It is also exploring the potential of working with the London Area Procurement Network following the procurement of an OJEU compliant gas maintenance contract earlier this year.

The group is constantly seeking to drive efficiency and ensure that the best value for money is achieved during the lifetime of contracts through careful monitoring and yearly audits. In the last year alone, a number of substantial savings have been made including:

- A 30% reduction in costs on Circle 33's existing kitchen and bathroom contract following a recent open book audit.
- A saving of £187,000 made following a similar audit of Roddons Housing Association's improvement programme, with another £332,000 of savings anticipated in year two of the contract against target figures.
- A further saving of £90,000 in project overheads at Roddons by moving their contractor into temporary accommodation based at their head offices.

As well as being used to further improve the quality of homes, the savings achieved are vital to supporting the group's wider objective of enhancing the life chances of its residents through, for instance, increased financial inclusion and improved general well being of residents. Without the levels of efficiency achieved and the associated savings, the programmes that the group operates to meet these objectives would not be as effective or be as inclusive across the areas in which it works.

3. Details of any 'bolt on' scheme to their investment programme e.g. job creation/apprenticeships, community programmes

Circle Anglia seeks 'added value' from its improvement works contracts wherever possible by ensuring that selected contractors offer employment or training opportunities to both residents and the wider local community. A number of initiatives have been secured across the group and these include:

- The Apollo partnership scheme with Old Ford: As part of the terms of the contract awarded to Apollo, the contractor provides four guaranteed apprenticeships per year and offers work experience and additional training to local residents. All jobs created through the contract are advertised locally. The contract also works with a local school to provide two weeks of work experience to construction trainees and finally, it supports local events held in partnership with Old Ford such as job fairs and community fun days.
- Circle 33 has stipulated in its contracts that each contractor must offer two training courses to residents in practical skills such as DIY and painting/decorating, provide eight work placements in either front line services or in office based roles to residents and each must deliver one community based event per year.
- Russet Homes are working in partnership with contractor Lakehouse and its social enterprise Lakehouse Community Builders to develop an apprenticeship scheme for local residents.
- Roddons Housing Association through its contract with Apollo has secured a construction training scheme that works in partnership with local schools.
- In total, 42 apprenticeship schemes were created or safeguarded by the group during 2009 and this is set to increase to a minimum of 44 in the coming year.

In addition, Merton Priory Homes will be joining the group following a stock transfer of housing from the London Borough of Merton in the early part of 2010. The group is keen to secure even more added value from improvement contracts issued via the new landlord and its Head of Sustainable Communities will work closely with Merton Priory Homes to ensure this is achieved.

The group's stock transfer experience has also been able to bring about additional investment in community based programmes. A prime example is the £1 million community fund established by Roddons following the transfer of stock from Fenland District Council. The fund is available to community based projects within the Fenland area and is to be distributed over the course of five years. Whilst only achievable in certain circumstances, programmes of this nature represent the positive difference stock transfer can make to communities beyond the tangible improvements to homes.

4. Any local issues or lessons learned

Local Issues:

- A key issue for residents who live in rural area is that many properties are not able to access a mains gas supply. In these circumstances, residents have to rely on either oil/solid fuel fired central heating systems or electric storage heaters. All of these options are expensive alternatives to conventional gas and has been found to greatly increase fuel poverty in these areas. As discussed in a previous section, group partners that have large concentrations of housing stock in rural areas are investigating alternative energy sources such as ground source or air source heat pumps.
- The group's contractors that operate in London have reported that parking problems are a particular problem and are preventing them from being able to work on properties in an efficient manner. This situation is being exacerbated by local authorities not responding in a timely manner to requests for parking permits.

Lessons Learned:

- The group's size and financial strength have been utilised to the maximum to secure the best prices in procurement exercises. The Government should support and encourage better procurement for smaller associations.
- Where stock transfers have taken place, resident leadership and involvement gives people a much stronger sense of ownership of their landlord. This, in combination with the tangible difference made to the quality of homes and neighbourhoods has even succeeded in winning the hearts and minds of those residents that had previously been opponents to the process.
- In the light of technological advancements, it is important that existing convention and practice should be challenged. A recent example is the development in the durability of paint. Russet Homes is moving its five year external painting cycle to seven years for gloss work and fourteen years for textured wall coverings in light of advances in the quality of paint now available.
- The group has developed hierarchy of energy sources, developed through its affordable warmth strategy, to ensure that the cheapest source is installed at a given location when retro-fitting new heating systems. This contributes towards minimising fuel poverty wherever possible.