

CHESHIRE FIRE AUTHORITY

MEETING OF: ESTATES AND PROPERTY COMMITTEE
DATE: 17TH AUGUST 2021
REPORT OF: DIRECTOR OF GOVERNANCE AND COMMISSIONING
AUTHOR: PETER HAYES

SUBJECT: SERVICE HOUSING PROJECT

Purpose of Report

1. To provide an update on the programme to refurbish the service houses and to confirm progress with ancillary matters relating to the service houses.

Recommended: That Members;

- [1] Note the report and the requirement for considerable additional investment in order to conclude the programme of refurbishment.

Background

2. The Fire Authority owns service houses in five locations around Cheshire (Congleton, Knutsford, Northwich, Stockton Heath and Winsford). All of the houses were originally used by staff operating the day crewing duty system. However, staff occupying the service houses in Knutsford and Stockton Heath now do so in order to work the on-call duty system. Staff working the day crewed duty system pay a subsidised annual license fee. Other staff pay a higher annual license fee.
3. The condition of a significant number of the service houses had deteriorated over a number of years. Their upkeep had been quite piecemeal due to budget constraints. Overall, the maintenance of the service houses was costing more than the rent that was being received, even during the period when the condition had been deteriorating.
4. Members originally approved a programme to refurbish the service houses in March 2019 and last received a report on progress in November 2020. The Fire Authority agreed to the sale of five service houses in April 2019. At the time it was hoped that the sale proceeds would cover the cost of the refurbishment programme. However, there was insufficient detail about the condition of the service houses to have confidence that this was possible (see Financial Implications section later in the report).

5. The following list of tasks were identified associated with the service houses:
- Confirmation of Service need (to allow sales of the houses to take place)
 - Description of the Service's standard (to be clear about refurbishment work)
 - Establishment of a budget requirement (once there was clarity about the extent of the work)
 - Delivery of an end to end process for licences (to improve some aspects)
 - A refreshed and reinvigorated property management process (to provide greater certainty for Estates colleagues and occupiers alike)
 - Preparation of a new licence agreement (as the existing document needed to be refreshed)
6. To meet the above requirements the Service Houses Project was split into 3 workstreams
- 1) House Sales
 - 2) House Refurbishments
 - 3) Process Review
7. In order to understand the work required across the service housing stock condition surveys were undertaken at each property and a replacement schedule produced: to provide a view of the requirements at each service house; to begin the prioritisation of the works; and to create a high level estimate of the cost of the works.
8. A Service standard was identified and agreed for key requirements, such as kitchens and bathrooms, with mid-range products being chosen.
9. A contract was awarded to Sustainable Building Solutions Ltd (SBS) in early 2020. The works are contracted each year once it is clear what can be funded. This contract superseded some earlier arrangements which had helped to kick-start the programme.

Information

House Sales

10. The five houses that were identified as being surplus were all sold by May 2021, bringing in a total capital receipt of £862,500.

House Refurbishments

11. Whilst the list below is not exhaustive it provides a good overview of the work completed as part of the refurbishment programme to-date
- Lofts of all houses insulated (including loft ventilation)
 - Full refurbishment of 2 houses in Knutsford (including new boilers, kitchens and bathrooms as well as roofing work)

- Full refurbishment of 2 houses in Congleton (including new boilers, kitchens and bathrooms as well as roofing work)
 - All flat and pitched roofs replaced on Northwich houses (including asbestos removal, soffits sealed, cladding on porches and replacement of steel posts)
 - Pitched roofs replaced on 9 houses in Knutsford (including asbestos removal)
 - Pitched roofs replaced on 2 houses in Stockton Heath
 - 14 boilers replaced
 - 12 new kitchens installed
 - 5 new bathrooms installed
 - A number of sprinklers systems removed and made safe
12. The next phase of the refurbishment programme will see the following work carried out during this financial year
- 6 Kitchens
 - 6 Bathrooms
 - 2 Pitched roofs
 - 3 Flat roofs
 - 2 Boilers

It is expected that further, smaller pieces of work will also be accommodated within this year's programme, including garage door replacements, external and interior door replacements, new fencing and other minor defect resolution.

13. It is estimated that by the end of this financial year over 40% of the necessary refurbishment works will have been completed. This obviously leaves a substantial amount of work outstanding.

Process Review

14. A range of new material has been produced for both service house residents and the Estates team. This includes a revised Licence Agreement and a Resident's Handbook. It is hoped that this material will help ensure that responsibilities are clearly defined.
15. The processes for moving in and moving out of the service houses have been reviewed and refined as well as the process relating to defect management. The process for house allocation was also reviewed and tightened up with a new checklist produced for Station Managers and Area Managers to assist with the assessment which is necessary concerning allocation of houses.
16. A Residents Intranet Section which provides a lot of useful information for both current and new residents has been created and this provides a portal through which house defects, or issues can be raised with the Estates service desk team. The idea is that this will become a one-stop shop for any information for residents.

Financial Implications

17. It is fair to say that when the programme to refurbish the service houses was commenced it was difficult to have confidence in any budget estimate. At the time the condition surveys that existed did not cover all of the service houses and contained insufficient detail. In addition, there was limited data to have confidence in estimates for some of the major areas of spend that appeared to be necessary. However, Members were supportive of the programme as they were concerned about the condition of the service houses. There was also some confidence that the best part of £900k could be secured by selling the five surplus service houses.
18. Spend on the programme to-date is £626K (although some other works will have been carried out on the service houses, funded from the repairs and maintenance budget). The works to be carried out this financial year cannot exceed £300k (due to an ongoing VAT reclaim calculation that restricts spend). Essentially, this will see the funds from the sale of the service houses exhausted, with funds continuing to be utilised from the ongoing repairs and maintenance budget. Therefore, a further budget bid will need to be successful for the programme to continue.
19. The current estimate for the outstanding works that are required (to be delivered over the next 3 to 5 years) is approximately £1.4m.

Legal Implications

20. There are no direct legal implications arising from this report.

Equality and Diversity Implications

21. There are no direct equality and diversity implications arising from this report.

Environmental Implications

22. The work conducted over the last two years will positively impact the environment as improved glazing, additional insulation and better heating have been fitted. New appliances will also be more energy efficient with the move from gas hobs to electric.

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BACKGROUND PAPERS: NONE