

REPORT TO: BEST VALUE SUB COMMITTEE

REPORT ON: BEST VALUE REVIEW OF ESTATE REGENERATION, HOUSING DEMOLITIONS

REPORT BY: CHIEF EXECUTIVE

REPORT NO.: 394-2000

1. PURPOSE OF THE REPORT

- 1.1. This report sets out how the demolitions of Dundee City Council Housing, implemented and monitored by the Housing Renewal Unit of the Housing Department, has been reviewed in financial year 1999/2000 as part of the best value review process.

2. RECOMMENDATIONS

- 2.1. The Sub-Committee agree that the functions continue to be carried out by the Housing Renewal Unit of the Housing Department.
- 2.2. Those areas identified for continuous improvement in Section B of the report be approved.

3. FINANCIAL IMPLICATIONS

- 3.1. The review accounts for 0.08% (£36,197 – Housing Renewal Costs) of the Housing Department's revenue budget in financial year 1998-1999 (£47,900,000) and 0.18% of the total expenditure to be reviewed by the Housing Department this year.

4. EQUAL OPPORTUNITIES IMPLICATIONS

None.

5. LOCAL AGENDA 21 IMPLICATIONS

- Local needs are met locally.
- All sections of the community are empowered to participate in decision making.
- Removal of vacant and derelict buildings will provide an opportunity to enhance immediate environmental conditions for the betterment of residents.

6. DEFINITION OF THE SERVICE REVIEWED

- 6.1. The service reviewed was the demolition of DCC surplus Council houses provided by the Housing Renewal section of the Housing Department. The key areas of work provided are:

- a. Formulating the list of 'At Risk' properties.
 - b. Consultation with all affected parties to obtain their agreement to enable the demolition of the properties to proceed.
 - c. Monitoring the cost and the programming of the demolitions.
 - d. The programming of the 'emptying' of the surplus properties and the monitoring of that process including the provision of security.
 - e. The monitoring of the demolition process.
 - f. The investigation and monitoring of environmental works upon completion of the demolition contract.
- 6.2. The staff involved in delivering the Estate Regeneration, Housing Demolitions are as follows:
- 1 Principal Housing Officer
 - 3 Senior Housing Officers
 - 2 Housing Officers
- 6.3. All demolition contracts are put out to tender by the Engineer's Division of the Planning & Transportation Department thereby ensuring best value for this part of the service.

7. **JUSTIFICATION FOR REVIEWING THIS SERVICE**

- 7.1. The reason for the review of this service is because of the high profile nature of the work and the increasing number of demolitions, which are being undertaken. Also to investigate the delivery of the service to ensure that it is providing best value in terms of the time/monies the Housing Department spends on providing this service.

8. **REVIEW METHODOLOGY**

- 8.1. The review team consisted of a Review Team Leader (from Personnel and Management Services) and a Lead Officer (from Housing Renewal)
- 8.2. The Review Methodology involved consultation with stakeholders and benchmarking.
- 8.3. Because of the specialised nature of the service provided by the Housing Renewal Department, (see Appendix No.1), and the fact that there was no particular market for this service, market-testing and/or a pilot scheme were not regarded as an appropriate means of comparing Dundee City Council's performance.

9. **CRITICAL SUCCESS FACTORS**

9.1. **Stakeholders**

The following groups have been identified as the stakeholders who utilise the service:

- a. The Area Office Managers

- b. The Occupants of the properties to be demolished

9.2. **Critical Success Factors**

The critical success factors for the service were established through consultation with customers via a customer survey. These were identified as:

Cost - The cost to the Council of the service.

Quality – The quality of the service offered to the occupants of the properties to be demolished and the Area Office Housing Managers.

Time – The time it takes to demolish the properties from when a Committee decision is taken until the ground the property stood upon is reinstated.

10. **PERFORMANCE REVIEW**

- 10.1. Performance was reviewed by survey and took the form of two questionnaires; one that was sent to the Area Office Managers of the Housing Department and another that was sent to the 270 occupants of properties which had most recently been demolished.

- 10.2. The critical success factors and performance indicators were identified as:

Cost

- a. The Housing Renewal Costs and the total Housing Department costs for the work associated with demolitions on a per unit basis.
- b. The Engineers Fees for the administration of the demolition contracts and for the provision of planning supervision.

Quality

- a. The level of satisfaction with the consultation undertaken and information provided by the Housing Renewal Unit about the demolition process.
- b. The level of satisfaction with the security that was provided to the tenants whilst the properties were being evacuated prior to demolition and during demolition.

Time

- a. The time taken to gain vacant possession.
- b. The time taken to demolish the properties.

10.3. **Results of the Survey**

The information extracted from the survey indicated that:

- 80% of the Area Office Housing Managers thought there were few problems while the demolition contractor was on site.

- 100% of the Area Office Housing Managers thought the level of post demolition and environmental work carried out was appropriate for the site.
 - 80% of the Area Office Housing Managers stated that they received a prompt response to any problems reported during the demolition and post demolition work.
 - 79% of the occupants of properties demolished stated that they were rehoused in reasonable time.
 - 32% of the occupants of properties demolished stated that DCC did not take reasonable steps to keep the properties secure during the time people were being rehoused.
 - 73% of the occupants of the properties demolished stated that they received enough information from the Housing Department about why demolition was being recommended.
 - 30% of the occupants of the properties demolished stated that they had not received enough information from the Housing Department about how they would be affected by the demolitions.
- 10.4. The results of the survey were good with the exception of the following areas where improvements will be made and problems resolved via the CIP process:
- a. The detailed lack of consultation with the tenants on how the demolitions would affect them.
 - b. The issue of security of the properties whilst occupants are being rehoused.
- 10.5. See Appendices Nos. 2 and 3 for the survey results in detail.

11. **RESULTS OF COMPARISON**

- 11.1. The benchmarking exercise was undertaken against five other local authorities in Scotland and England.
- 11.2. The results of the benchmarking exercise indicated that in terms of cost, DCC was able to demonstrate that it provided a service at a lower cost than the other Local Authorities. This was true for the Housing Department's costs, the Consultants Engineer's costs and the Planning Supervisor's costs. It was interesting to note that some of the Local Authorities in the benchmarking exercise were unable to provide or did not keep accurate costs.

The Dundee Housing staff cost for each property demolished was £58 compared with £102 for Council No.1 and £179 for Council No.5.

- 11.3. The time taken for DCC to gain vacant possession of properties and to demolish the buildings was either on a par with or better than the Local Authorities that were benchmarked against.
- 11.4. The results of the benchmarking exercise on the quality of service provided were disappointing as none of the other L.A.s asked their stakeholders what they thought of

the quality of service.

However, what was apparent was that the provision of security to the buildings during the demolition was an ongoing problem to all L.A.'s benchmarked with exception of one.

The Authority which stated that they had no problems with security during demolition used their own DLO.

- 11.5. The returns from the benchmarking exercise are held in the Appendix No.4.

12. **OPTION APPRAISAL**

- 12.1. There is at present no external provider of the demolition/regeneration service that the Housing Renewal Department provides. Therefore, it is recommended that the service, which is at present being provided to a standard at least comparable or better than that of other L.A.s, should remain 'in-house'.

13. **CONTINUOUS IMPROVEMENT PROPOSALS**

- 13.1. It is recommended that the presentations given by the Housing Renewal Unit at the public meetings, held to discuss the demolitions, are improved. To achieve this the presentations will be standardised and will include more information on the background and the process of any possible demolition.

It is also recommended that more time is allocated after the formal meeting to address individual occupant's worries/questions.

This improvement will be implemented by December 2000 and any additional cost will be contained within the budget.

- 13.2. The procedures and the means of providing security to the properties prior to demolition will be improved. It is recommended that a working group lead by HRU is set up to investigate how security could be upgraded and the possible costs or savings of these recommendations.

It is anticipated that any improvements to security would be in place by December 2000.

- 13.3. The security of the properties during demolition also needs to be improved. It is recommended that the Housing Renewal Unit investigate how this might be achieved and implement any new procedure by December 2000. Because of the security problems that some demolition contractors are experiencing on site it is suggested that the Housing Renewal Unit liaise with Economic Development Department to see demolition security can be included in the Council's contract. Hopefully, this will improve the service and reduce the costs.

- 13.4. It is also recommended that future occupants' surveys are carried out with the aim of testing if higher satisfaction rates are being achieved.

14. **CONSULTATION**

- 14.1. The Director of Housing, Finance, Planning and Transportation and the Chief Corporate Planning Officer have been consulted in the preparation of the report.

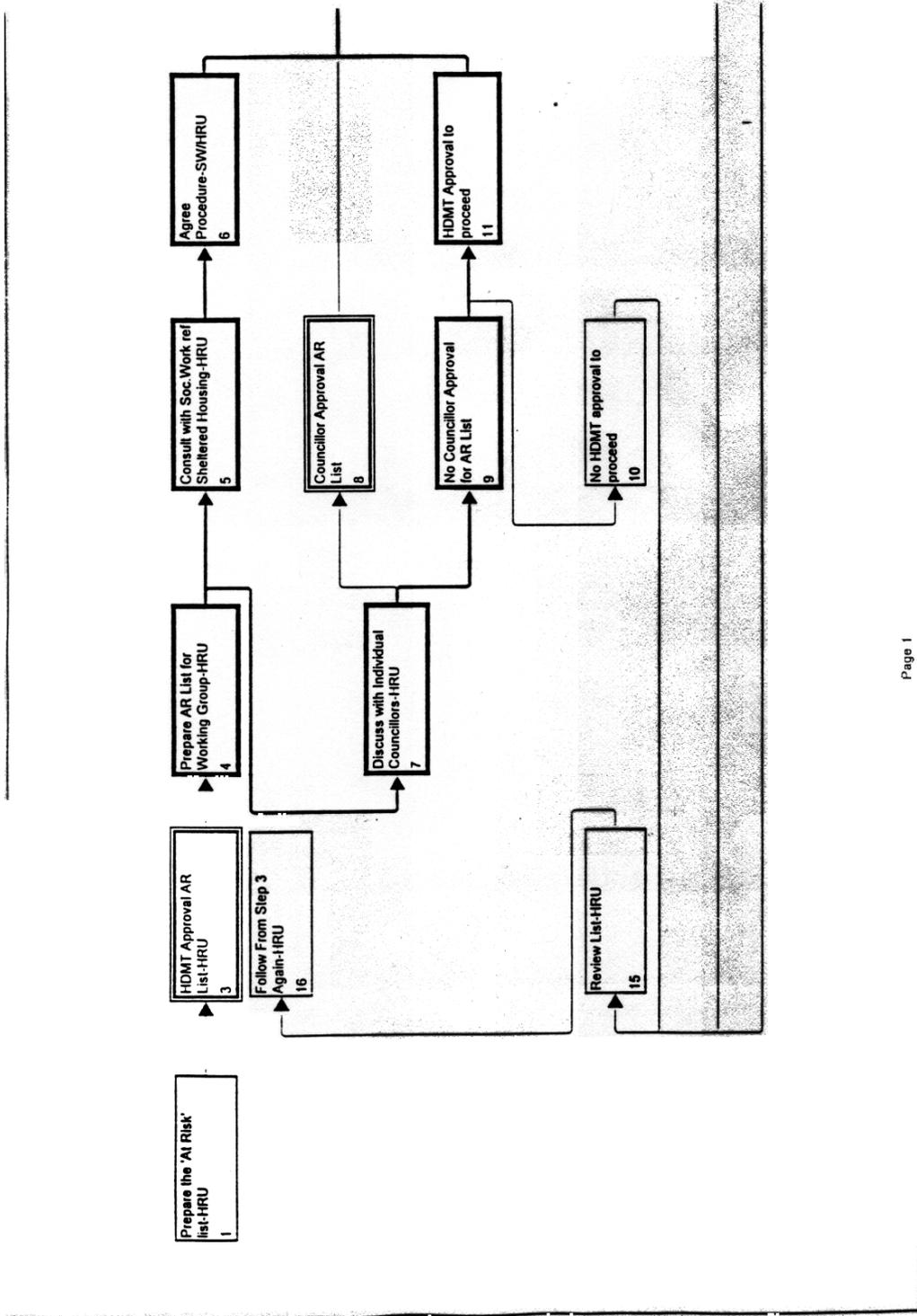
15. **BACKGROUND PAPERS**

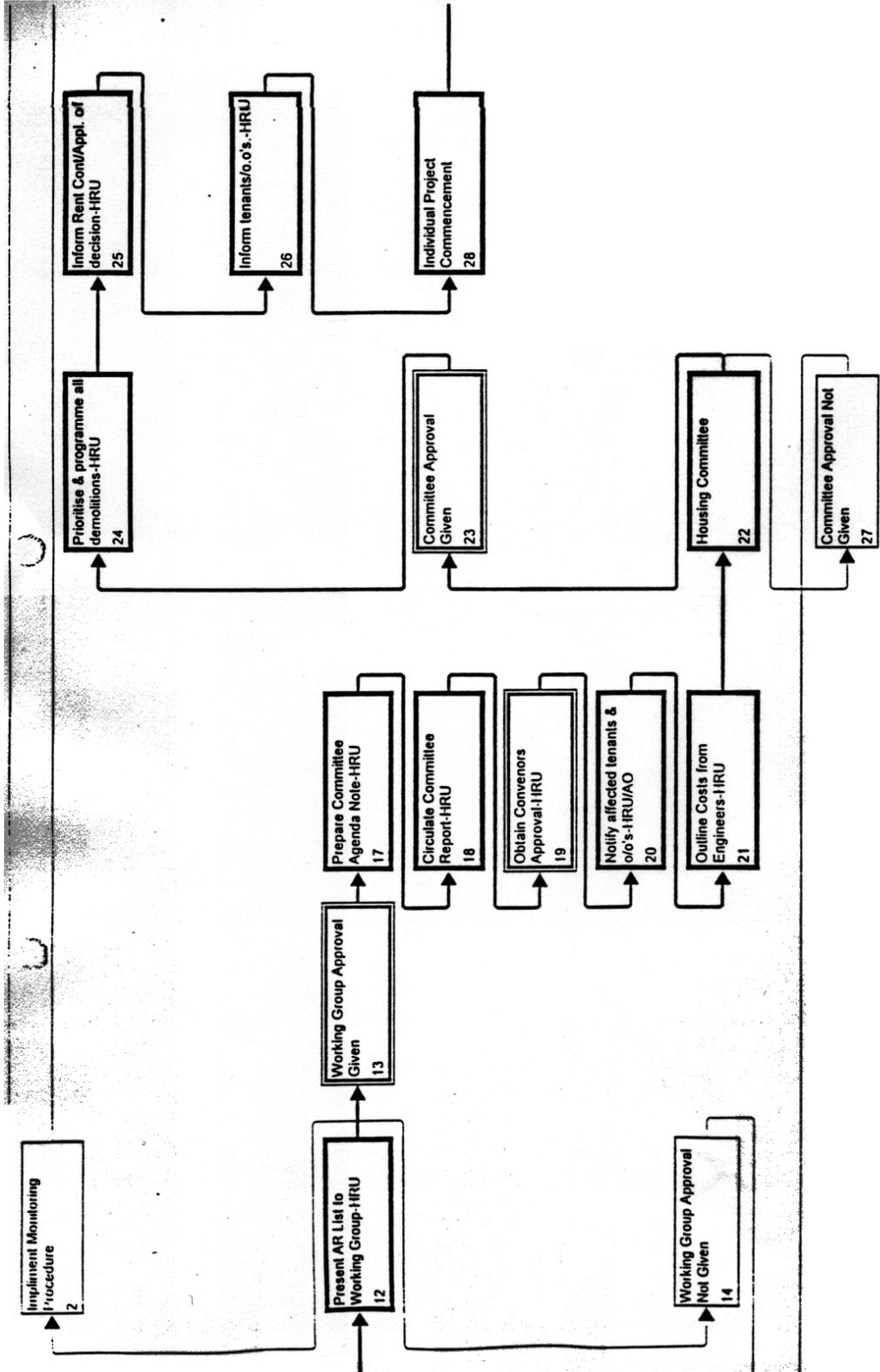
- 15.1. Best Value submission to the Secretary of State for Scotland, December 1997, Policy & Resources Committee – 11 December 1997.

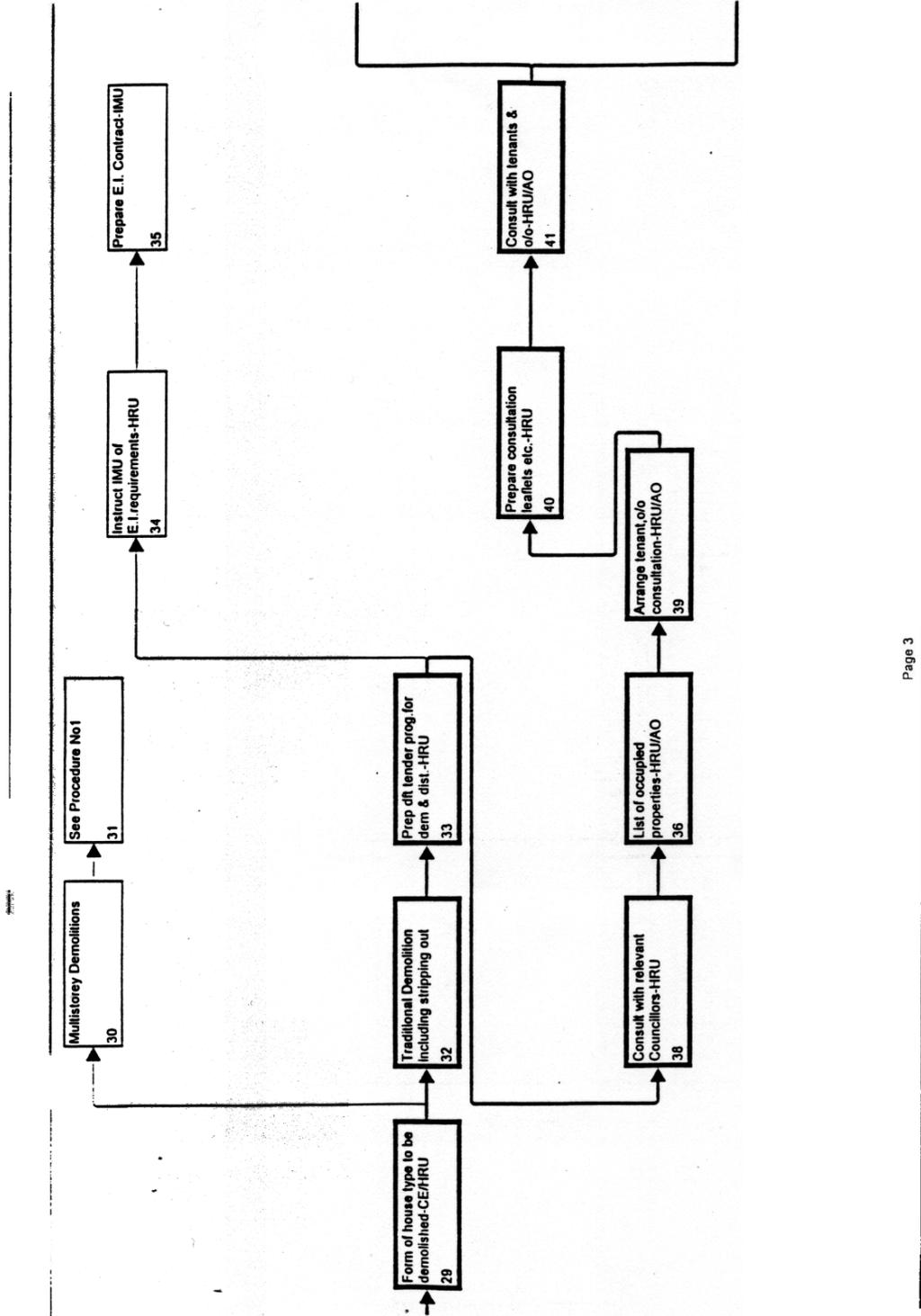
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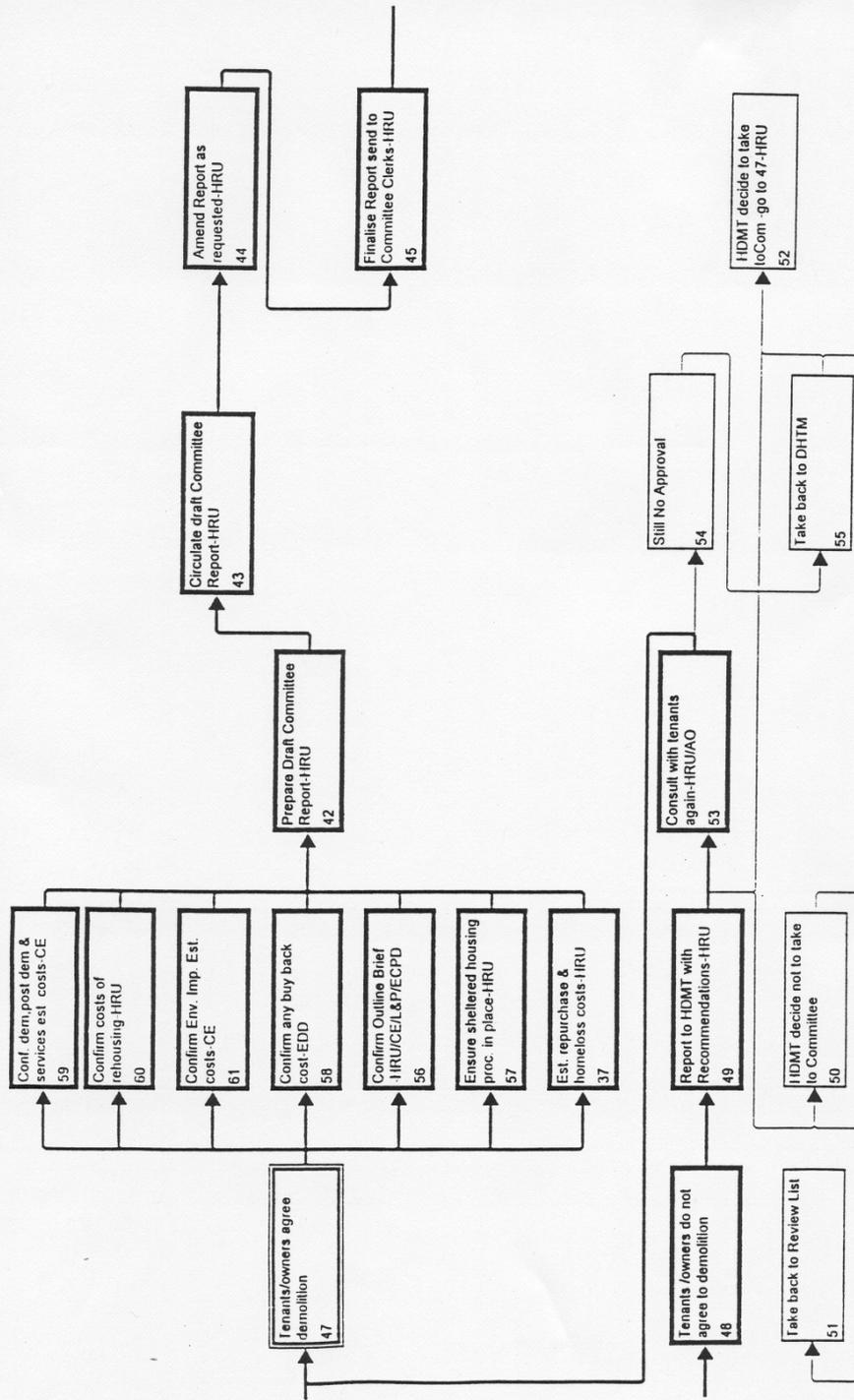
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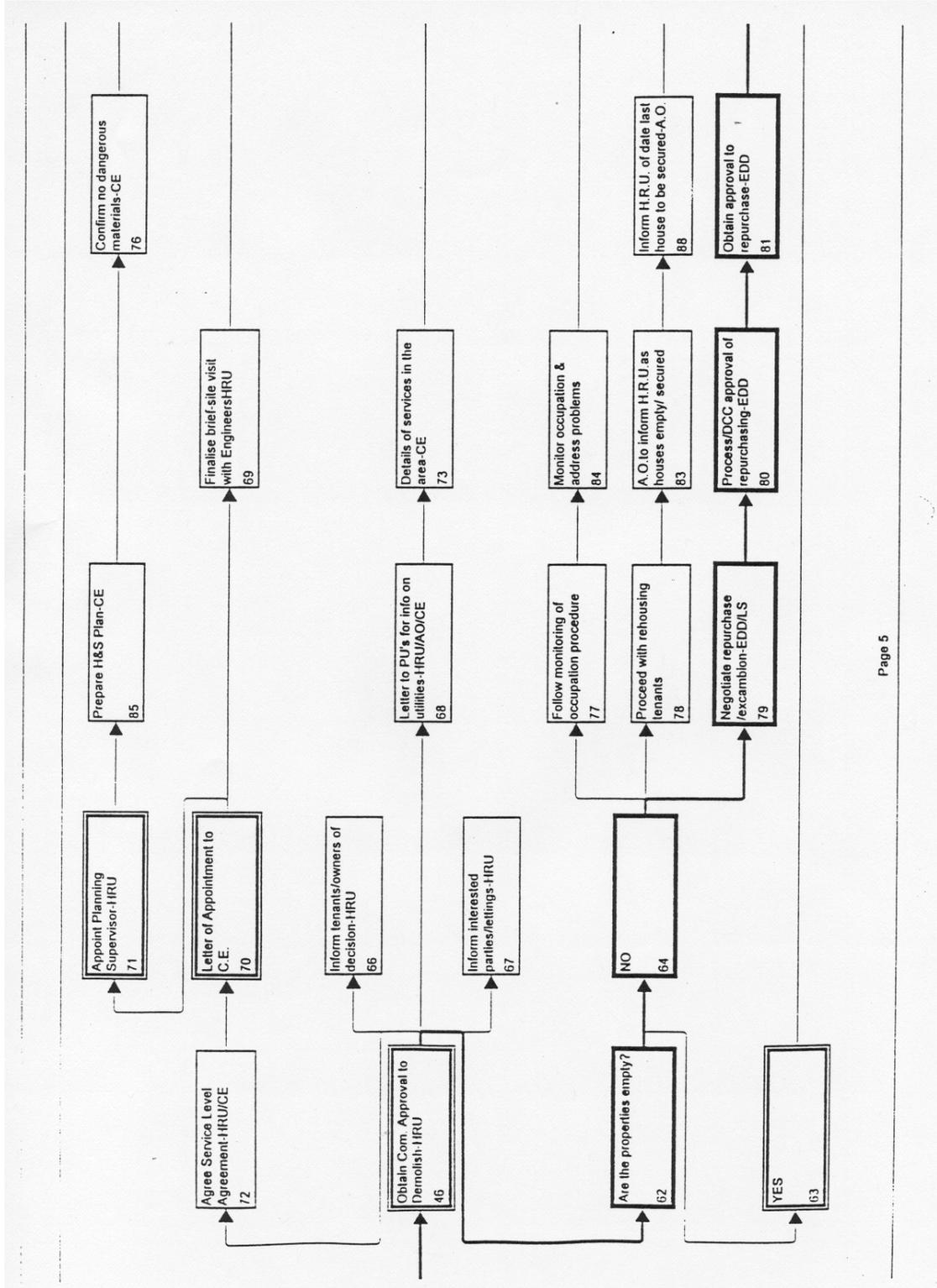
APPENDIX 1

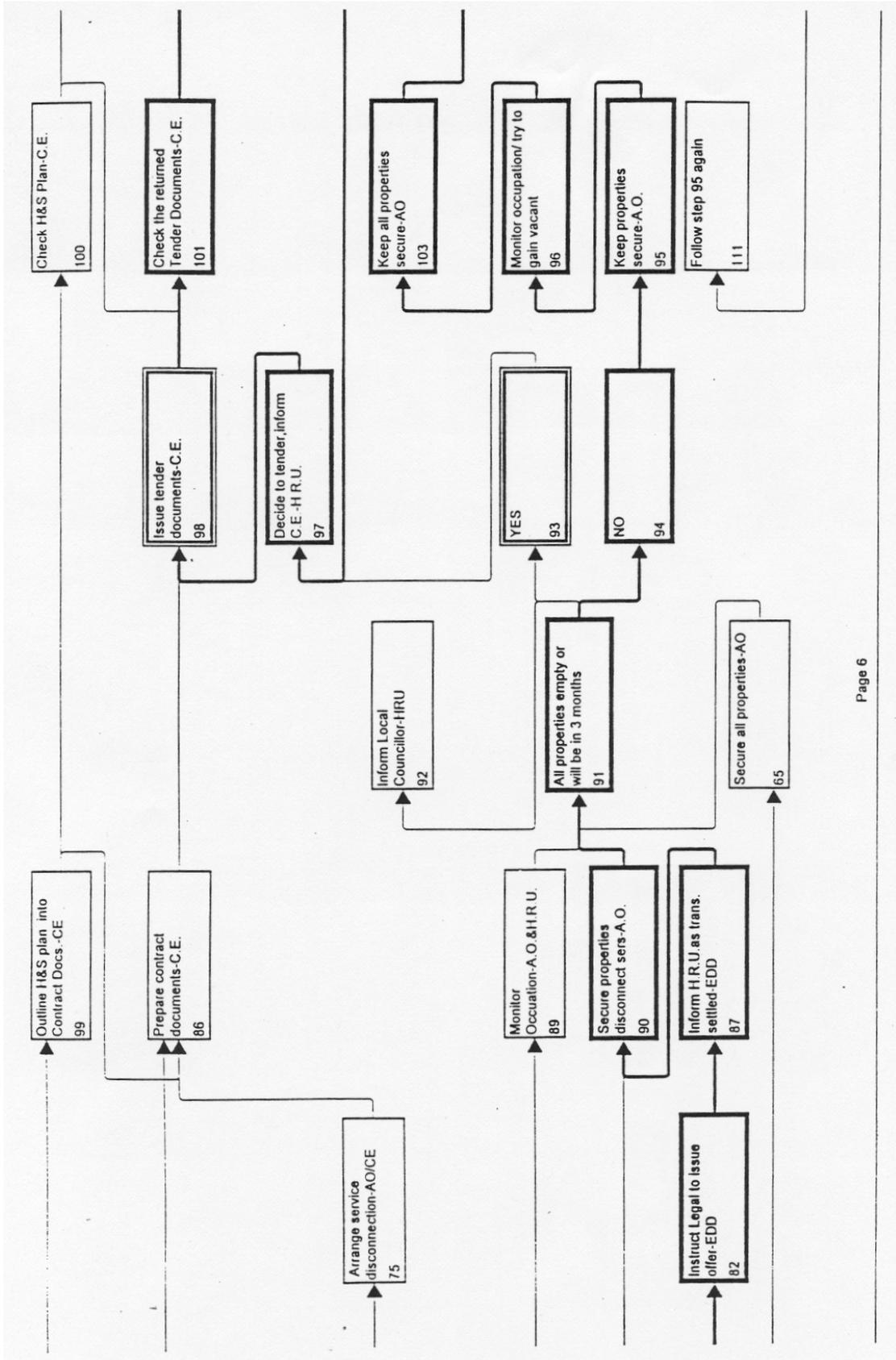


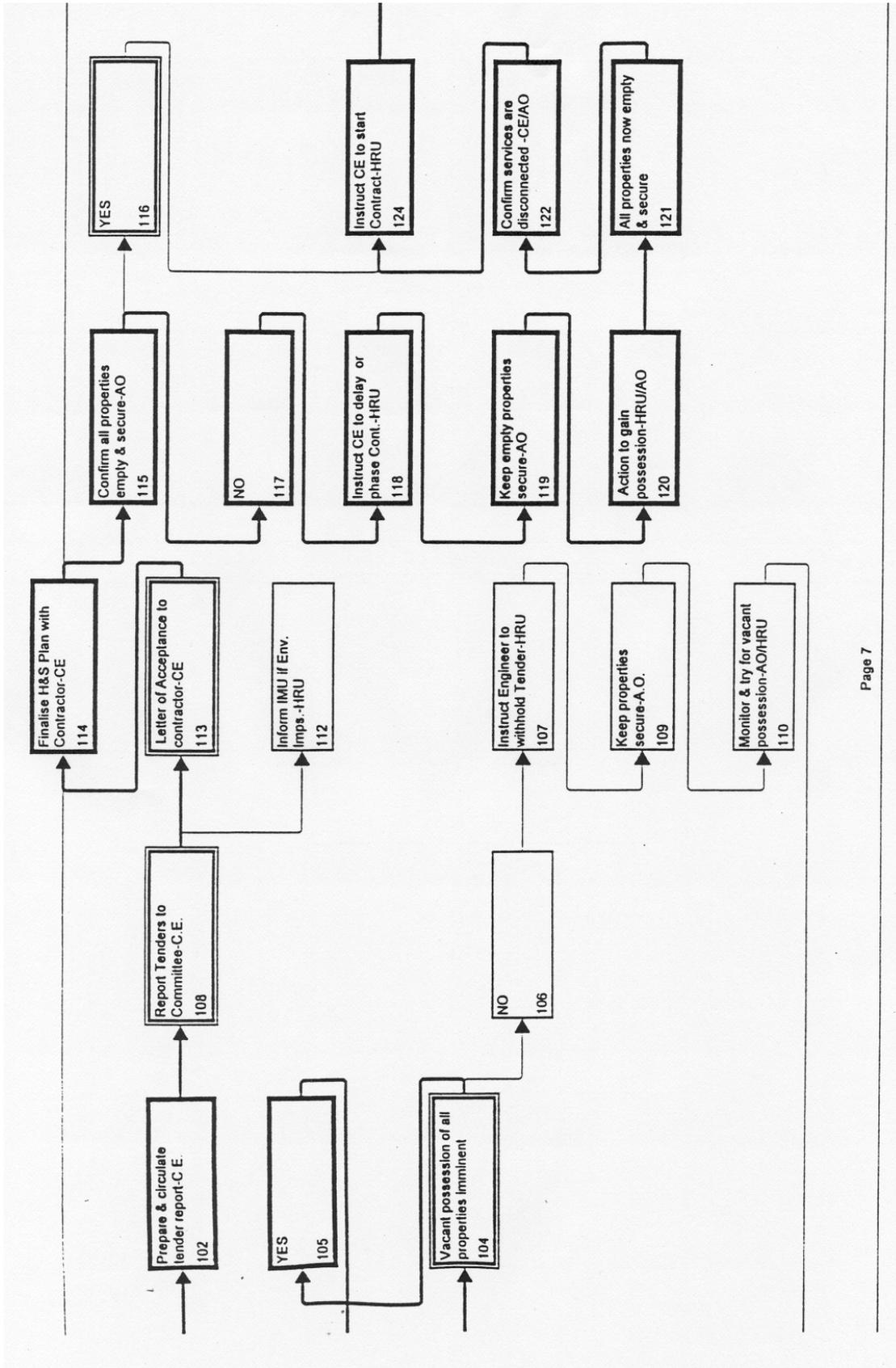


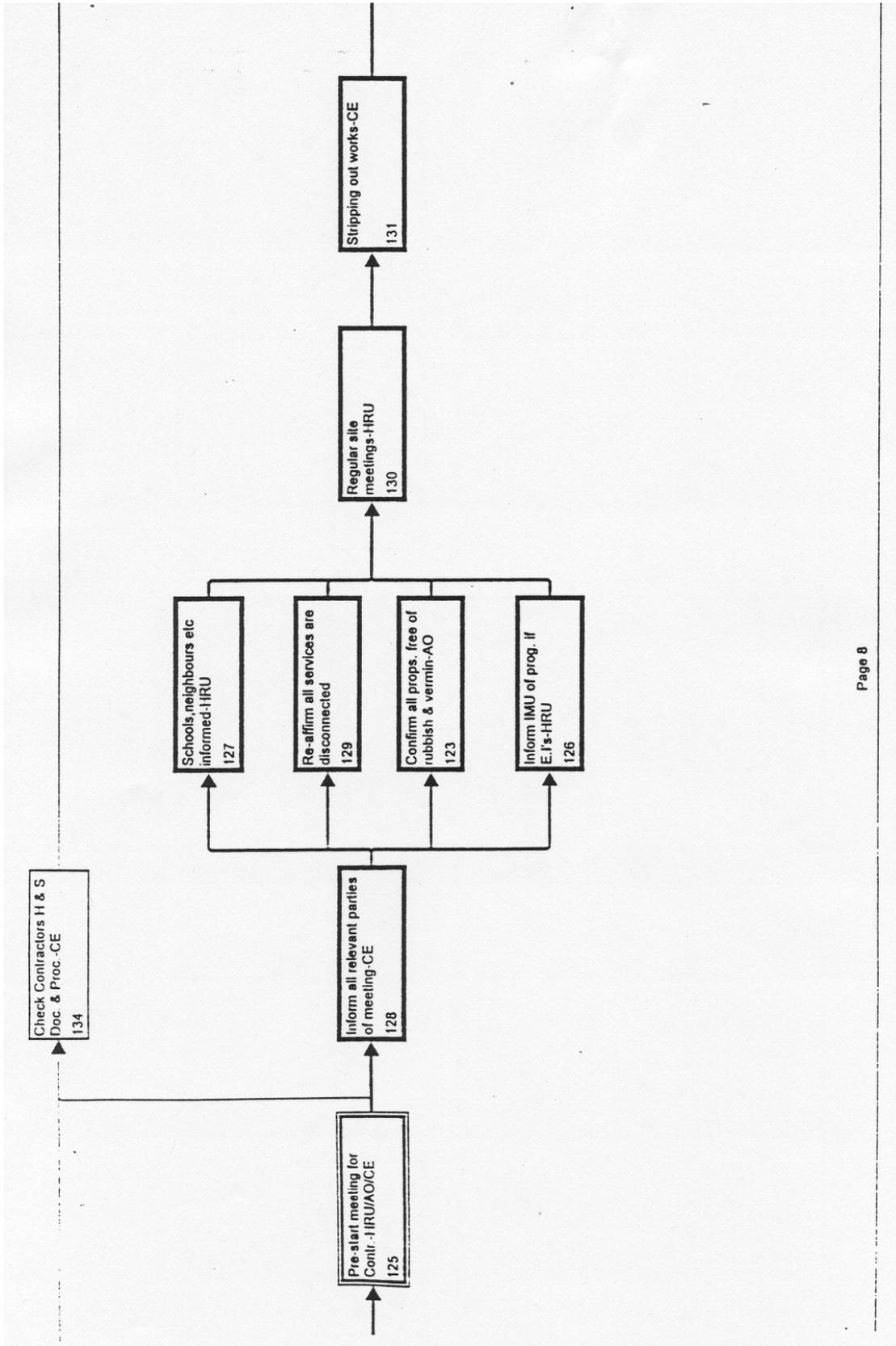


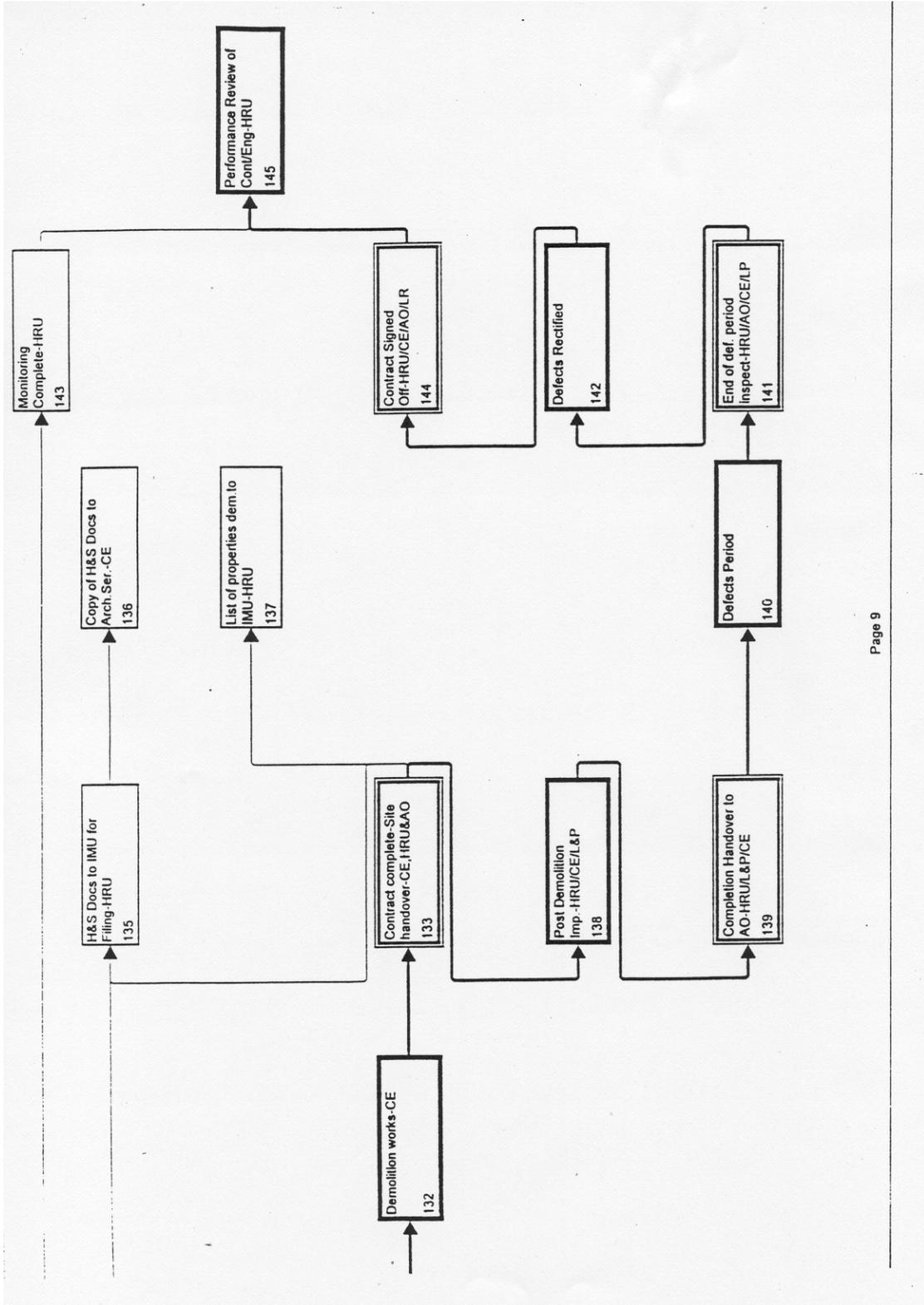












APPENDIX No.2

RESPONSES TO THE TENANTS' QUESTIONNAIRE

QUESTION	RESPONSES (%)		
	AGREE	DISAGREE	N/A
A1 I received enough information from the Housing Department about why demolition was being recommended.	73	25	2
A2 I received enough information from the Housing Department about how the demolition would affect me.	69	30	2
A3 I was given the opportunity to give my own opinion.	69	21	10
A4 I feel my opinion was taken into account and affected the Council's decision.	54	30	15
A5 Looking back, I agree that demolition was the correct decision.	75	17	8
B1 I was satisfied with the house I moved to.	73	28	0
B2 I was rehoused within a reasonable time.	79	19	2
C1 The Council took reasonable steps to keep properties secure during the time that people were being rehoused.	63	32	6
AVERAGE	69	25	6

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APPENDIX No.3

RESPONSES TO THE AREA MANAGERS' QUESTIONNAIRE

QUESTION						RESPONSES %	
	1	2	3	4	5	AGREE	DISAGREE
1. I had adequate input into the decision to seek Committee approval for demolition.	A	A	D	A	A	80	20
2. Tenants were consulted effectively on the proposals to demolish.	A	A	D	A	A	80	20
3. There were few problems while the demolition contract was on site.	A	A	D	A	A	80	20
4. Once demolition was complete, the site was cleared and grassed within a reasonable time.	A	D	A	A	A	80	20
5. The level of post demolition and environmental work carried out was appropriate for the site.	A	A	A	A	A	100	0
6. I received prompt response to any problems reported during the demolition and post demolition work.	A	A	D	A	A	80	20
7. Once post demolition and environmental works were complete there were no management problems with the site.	A	A	D	D	A	60	40
8. The area has improved as a result of the demolition.	A	A	A	A	A	80	20
AVERAGE						80	20

APPENDIX 4

QUALITY	COUNCIL 1	COUNCIL 2	COUNCIL 3	COUNCIL 4	COUNCIL 5	DUNDEE CITY COUNCIL	DUNDEE CITY COUNCIL'S PERF. COMPARED TO OTHER L.A.'S
1. Are the tenants happy with the time it takes the Council to rehouse them.	Not known.	Not known.	Not known.	Not known.	Not known.	79%	Impossible to compare with other L.A.'s, but 19% of D.C.C. tenants were dissatisfied.
2. Of the tenants rehoused, what % complain or are dissatisfied with <u>some</u> aspect of the demolition service.	Not known.	Not known.	Not known.	Not known.	Not known.	25%	Impossible to compare, but the 25% dissatisfaction level indicates a need for further investigation.
3. Is security a problem during the time tenants are being rehoused?	A major problem.	A Major problem.	Slight to major problem.	Slight to major problem depending on the area.	A major problem.	A major problem.	In common with most L.A.'s canvassed this is a major problem.
4. Who provides the security to the properties?	L.A.D.L.O.	L.A.D.L.O. with a small number of contracts by private firms.	L.A.D.L.O. and private security firms.	L.A. for boards and mashlite private firms for steel or alarms.	Housing Department.	L.A.D.L.O. and the use of intruder alarms.	Similar arrangements to other Councils canvassed.
5. How much of a problem was the securing of properties during demolitions?	Slight problem.	Not known.	A major problem.	A slight to major problem.	No problem.	A slight problem.	Dundee City Council compares favourably with all except Council No.5.
6. Who provides the security during demolition?	The demolition contractor.	The demolition contractor.	The demolition contractor.	The demolition contractor.	The L.A.D.L.O.	The demolition contractor.	Similar contractual arrangements except for Council No.5 who use their own in-house staff.

COSTS		COUNCIL 1	COUNCIL 2	COUNCIL 3	COUNCIL 4	COUNCIL 5	DUNDEE CITY COUNCIL	DCC's PERFORMANCE COMPARED TO OTHER LA'S
What were the total Housing staff costs for 1997/98 demolitions?		£42,165	Not available	Not available	Not available	£102,000	£50,974	Compared with some other LA's, DCC have an accurate accounting system in place
What were the average Housing staff costs for each property demolished 1997/98?		£102	Not available	Not available	Not available	£179	£58	DCC would appear to be cost effective compared with other LA's that were benchmarked
What is the % fee charged by in-house or consultant engineers for the following demolition contracts:	(a) 3-4 storey traditional construction	12%	Not available	Not available	9%	Not available	5-8%	Fees would appear to be competitive
	(b) 3-4 storey system built construction	8-12%	Not available	Not available	9%	Not available	5-8%	Fees would appear to be competitive
	(c) Multi-storey blocks	8%	Not available	Not available	8%	5%	5-8%	Fees would appear to be competitive
What is the % fee charged for the provision of planning supervision for the following demolition contracts:	(a) 3-4 storey traditional construction	Not available	Not available	Not available	1.5%	Not available	0.5-0.75%	Fees would appear to be competitive
	(b) 3-4 storey system built construction	Not available	Not available	Not available	1.5%	Not available	0.5-0.75%	Fees would appear to be competitive
	(c) Multi-storey blocks	Not available	Not available	Not available	1%	0.5%	0.5-0.75%	Fees would appear to be competitive

TIME		COUNCIL 1	COUNCIL 2	COUNCIL 3	COUNCIL 4	COUNCIL 5	DUNDEE CITY COUNCIL	DCC's PERFORMANCE COMPARED TO OTHER LA'S
From the time a decision was taken to undertake a demolition contract how long does it take to gain vacant possession of:	(a) 3-4 storey traditional construction or system built properties (contract value between £100,000 - £200,000)	1 year +	6-12 months	From less than 6 months to over a year, depending on property type	Some more than 6 months, some over a year, depending on property type	Over 1 year	6-12 months	A similar or better performance than other LA's
	(b) Multi-storey blocks	1 year +	1 year +	Not applicable	Have not demolished any recently	Not given	Over 1 year	Similar to other LA's
On average how long does it take to complete the main demolition contract for the following:	(a) 3-4 storey traditional construction	8-10 weeks	8-12 weeks	8-12 weeks	Less than 6 months	Not given	8-12 weeks	Similar to other LA's
	(b) 3-4 storey system built construction	8-10 weeks	8-12 weeks	8-12 weeks	Less than 6 months	Not given	10-12 weeks	Similar to other LA's
	(c) Multi-storey blocks	22-24 weeks	Not given	Not given	6 months	8 months	6 months	Similar to other LA's