

CABINET - 9TH MARCH 2023

Report of the Director of Housing and Wellbeing Lead Member: Councillor James Poland

Part A

HOUSING CAPITAL PROGRAMME 2023-24

Purpose of Report

To consider the housing capital programme for 2023-2024.

Recommendations

1. That virements and slippage on the following schemes exceeding £250,000 be recommended to Council for approval:
 - Z375 Garages
 - Z763 Kitchens
 - Z764 Bathrooms
 - Z765 Electrical upgrades
 - Z766 Window replacement
 - Z769 Roofing Works & Insulation
2. That the remaining virements and slippage on other schemes within the proposed housing capital programme budget for 2023-2024 amounting to £11,693,700 detailed at Appendix 1 be approved and the Capital Plan be amended to reflect this.

Reason

1. & 2. To improve the Council's housing stock, in line with the Charnwood and Decent Homes Standards.

Policy Justification and Previous Decisions

The housing capital programme will support compliance with the Homes and Communities Agency Home Standard (2012), which, in summary, states that the Council must:

- ensure that tenants' homes meet the standard set out in the Government's Decent Homes Guidance and continue to maintain their homes to at least this standard.
- meet all applicable statutory requirements that provide for the health and safety of the occupants in their homes.
- ensure a prudent, planned approach to repairs and maintenance of homes and communal areas.

On the 14th of March 2014 (Minute 119) Cabinet approved the Charnwood Standard, to provide a higher standard of accommodation than the statutory Decent Homes Standard.

On the 10th of February 2022 (minute 83) Cabinet approved the updated Housing Revenue Account (HRA) Business Plan 2021-2052 and Asset Management Strategy Framework.

The 2023-2028 Asset Management Strategy features elsewhere on the agenda this report features on.

The housing capital programme will support delivery of the following Corporate Strategy 2020-2024 themes:

Theme 1 - Caring for the environment - *We have already reduced our carbon footprint and we have pledged to become a carbon neutral organisation by 2030 to help tackle climate change.*

Theme 2 - Healthy Communities - *We are passionate about improving housing in the social... sector. We will continue to invest in our council homes... to ensure high-quality homes are available to residents.*

Implementation Timetable including Future Decisions and Scrutiny

The programme will be delivered during 2023/2024, commencing on 1st April 2023 and completing on 31st March 2024. Progress will be monitored by the Housing Management Advisory Board throughout the year.

Report Implications

The following implications have been identified for this report.

Financial Implications

The 2023/2024 capital budget to deliver this work amounts to £11,693,700 and can be fully funded using HRA revenue contributions, the HRA Major Repairs Reserve, Capital Receipts, and HRA Financing Fund contributions. The Capital Plan will be amended to reflect the updated housing capital budget if it is approved.

Risk Management

The risks associated with the decision Cabinet is asked to make and proposed actions to mitigate those risks are set out in the table below.

Risk Identified	Likelihood	Impact	Overall Risk	Risk Management Actions Planned
The programme cannot be delivered due to contractor performance issues leading to	Likely (3)	Significant (2)	Moderate (6)	Performance monitored at contract meetings and through the Housing Management Advisory Board.

Risk Identified	Likelihood	Impact	Overall Risk	Risk Management Actions Planned
non-compliance with the Decent Homes Standard, disrepair claims, and reduced tenant satisfaction.				<p>Resident Liaison Officer and no access processes in place.</p> <p>Components in poor condition will be prioritised over planned replacements.</p> <p>Tenants on the programme will be informed of progress.</p> <p>Tenant refusals are taken in-to account when calculating the level of non-decency.</p> <p>Programme to be smoothed, limiting delivery volumes, to support effective control of works.</p> <p>A range of contracts are now in place, providing, in some instances, alternative delivery options.</p>
The quality of work provided by Contractors is unacceptable.	Likely (3)	Significant (2)	Moderate (6)	<p>Contract management meetings in place.</p> <p>100% post inspections are undertaken.</p> <p>Payment is not made to the contractor unless the property is of an acceptable standard.</p>

Equality and Diversity

The housing capital programme will positively contribute towards the Council's equality and diversity responsibilities and commitments. The programme for 2023/24 includes a total of £560k for adaptations for tenants and their family members with a disability.

This work can include level access showers, ramps, rails, stair lifts, and other modifications following a recommendation from an occupational therapist. A sum of £15k has also been included for mobility scooter storage.

Crime and Disorder

This housing capital programme will positively contribute towards the achievement of the Council's responsibilities under Section 17 of the Crime and Disorder Act (1998) to undertake reasonable action to improve community safety in the borough. The installation of new and upgraded communal entrance doors at blocks of accommodation will provide an enhanced level of security for tenants and their families.

Sustainability

Delivery of central heating upgrades and the installation of new loft insulation form part of the Council's climate change strategy, contributing towards the Council's carbon reduction targets. The following principles of sustainability will be supported:

- Avoid increase in energy intensity of Council owned buildings and maximise efficiency.
- Reduce poverty, crime, anti-social behaviour and increase community safety.
- Improve public health and wellbeing.
- Ensure that housing needs of all sections of the community are met.

Key Decision: Yes

Background Papers: Housing Revenue Account Business Plan and Asset Management Strategy

https://www.charnwood.gov.uk/files/papers/cab_25_september_2014_item_06_hra_business_plan_2014_2044_and_housing_asset_management_strategy_2014_2019/Cab%2025%20September%202014%20Item%2006%20HRA%20Business%20Plan%202014-2044%20and%20Housing%20Asset%20Management%20Strategy%202014-2019.pdf

Exempt - Future Arrangements for the Delivery of Planned Works, Voids, and Associated Works.

Housing Revenue Account Business Plan 2021-2052 and Asset Management Strategy Framework

[Agenda for Cabinet on Thursday, 10th February, 2022, 6.00 pm - Charnwood Borough Council \(moderngov.co.uk\)](#)

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Part B

1. Background

1.1 Each year the Cabinet approves an investment programme for the housing stock.

1.2 The Council has recently changed its delivery model for planned investment, moving away from delivery of multiple workstreams through a single managing contractor, to a model based on delivery through multiple dedicated specialist contractors. As a result of this round of procurement, distinct contracts are now in place for:

- Heating
- Electrical testing
- Roofing
- Major adaptations
- Kitchens, bathrooms, voids, and major structural works
- Estate and communal area improvements

1.3 All of the above contracts are mobilised or mobilising, and practical delivery of kitchens, bathrooms, and heating systems in tenants' homes is taking place. Proposed volumes for next year can be found at Appendix 2. Delivery levels are expected to ramp up over the remainder of 2023/24 and into 2023/24. Contract execution for a new doors and windows contractor is imminent.

The Council has a range of further contracts in place to deliver the other workstreams set out at Appendix 1.

2. Stock Condition Survey and 2023-2028 Asset Management Strategy

2.1 Despite the impact of Covid-19 and a break in capital delivery, the recently completed stock condition survey has not identified a significant condition based backlog of works around (for example) kitchen and bathroom replacement. Levels of capital delivery are however expected to increase significantly in around six years time as components come to the end of their life.

2.2 The Asset Management Strategy identifies that going forward a five year investment plan should be introduced to provide greater consideration and visibility of works in the medium term, along with a review of the Charnwood standard (an enhanced decent homes standard) with residents to see whether it remains appropriate in the context of wider investment priorities.

2.3 In the interim, delivery is needed to improve properties identified through the stock condition survey as needing work, to prevent properties from becoming non-decent, and to maintain the Charnwood Standard, an existing policy commitment.

3. Acquisition of Properties to Meet Housing Need

3.1 In June 2013, the Council entered into an agreement with the government to retain funding from the sale of Council properties (1-4-1 Right to Buy receipts) on the basis that this funding is used to increase the supply of affordable housing for rent. The Council has five years to use the receipts which can be used to fund 40% of

the cost of developing/acquiring properties for Affordable Housing. Any funding not spent within five years of receipt must be returned to the Government and interest paid. The balance of funding (60%) to acquire properties is from the Council's Housing Revenue Account.

3.2 The Council's available housing stock has reduced due to the sale of properties under the right to buy. A sum of £1,123,800 has therefore been included in the programme to acquire more properties to meet housing need.

Appendices

Appendix 1 - Housing Capital Programme 2023/24

Appendix 2 - Programme for Kitchens, Bathrooms, and Heating

Appendices

Appendix 1 - Housing Capital Programme 2023/24

Code	Stream	Original Plan	Current Budget	Proposed Housing Capital Programme Budget for 2023-2024		Comment
				£	£	
Z761	Major Adaptations	450,000	450,000	450,000		
Z301	Minor Adaptations	50,000	50,000	50,000		
Z302	Stairlifts	60,000	60,000	60,000		
Z762	Major Voids	280,000	280,000	280,000		
	Compliance					
Z434	Asbestos Removal	100,000	100,000	150,000		More asbestos removal is expected to take place in parallel with programmes.
Z771	Communal Area Improvements	75,200	75,200	150,000		More work expected to take place following work commencement in Q4 22/23
Z742	Communal Area Electrical Upgrades	68,000	68,000	68,000		
Z772	Smoke/CO & Heat Detection	149,800	149,800	50,000		Programme in progress this year, therefore less work expected in 23/24.
Z773	Fire Safety Works	100,000	100,000	100,000		
	Stock Maximisation					

Z375	Garages	370,000	370,000	50,000	Garage review to be completed in 2023/24 to inform future investment.
	Decent Homes				
Z763	Kitchens	837,000	567,400	1,396,000	Updated to reflect the programme and current schedule of rates costs.
Z764	Bathrooms	957,700	957,700	1,743,800	Updated to reflect the programme and current schedule of rates costs.
Z765	Electrical Upgrades	505,300	505,300	150,000	The testing programme is not resulting in a significant re-wire need.
Z766	Window Replacement	44,800	44,800	426,000	Updated to reflect the programme.
Z767	Heating	504,000	504,000	543,000	
Z743	Sheltered Housing Improvements	100,000	369,600	300,000	Includes digital upgrade costs, and planned improvements at some sheltered accommodation units to increase lettable.
Z871	Redevelopment Sheltered Accommodation - St Michael's Court, Thurmaston	0	2,000,000	2,000,000	
Z768	Door Replacement	700,000	700,000	700,000	
Z769	Roofing Works & Insulation	250,000	250,000	650,000	

Z770	Major Structural Works	250,000	250,000	400,000	
	<u>General Capital Works</u>				
Z776	Estate and External Works	200,000	200,000	200,000	
Z857	Housing Capital Technical Costs	312,000	438,100	438,100	
Z378	Door Entry Systems	27,000	27,000	200,000	
Z760	Acquisition of Affordable Housing to meet housing need	1,123,800	1,123,800	1,123,800	
Z851	Acquisition of Dwellings - S106	0	0	0	
Z775	Mobility Scooter Storage	15,000	15,000	15,000	
	Housing & Wellbeing - HRA - Total	7,529,600	9,655,700	11,693,700	

Appendix 2 - Proposed Programme for Kitchens, Bathrooms, and Heating

Stream	Proposed Programme for 2023/24 (number of components replaced)
Kitchens	200
Bathrooms	200
Level Access Shower	120
Heating	302