

## **CABINET - 14TH MARCH 2019**

### **Report of the Head of Landlord Services Lead Member: Councillor Paul Mercer**

#### **Part A**

#### **ITEM 8      HOUSING CAPITAL PROGRAMME 2019/20**

##### **Purpose of Report**

To consider the housing capital programme for 2019/20.

##### **Recommendation**

That the proposed housing capital programme for 2019/20 amounting to £8,361,190, detailed in Appendix 1 be approved and the Capital Plan be amended to reflect this.

##### **Reason**

To improve the Council's housing stock, in line with the Charnwood Standard, thus delivering the priorities set out in the Housing Revenue Account (HRA) Business Plan approved by Cabinet in September 2014.

##### **Policy Justification and Previous Decisions**

In March 2013, Cabinet approved the Charnwood Standard for property improvements. This was an enhanced standard compared to the Decent Homes standard.

The HRA Business Plan 2014 committed to delivering zero non-decency in general needs housing by the end of 2016/17 and to achieve the Charnwood Standard within five years, by 2019.

##### **Implementation Timetable including Future Decisions and Scrutiny**

The programme will be delivered during 2019/20, commencing on 1st April 2019 and completing on 31st March 2020, with progress being monitored by the Housing Management Advisory Board throughout the year.

##### **Report Implications**

The following implications have been identified for this report.

##### ***Financial Implications***

The 2019/20 capital budget to deliver this work amounts to £8,361,190 and can be fully funded using HRA revenue contributions, the HRA MRA, the HRA Financing Fund contributions and through the use HRA capital receipts. The Capital Plan will be amended to reflect the updated housing capital budget if it is approved. In addition to this there is a proposal to slip £725,550 of 2018/19 HRA capital scheme budgets into 2019/20. Approval for this is being sought in the Capital Plan Amendment Report which

is also being presented to this Cabinet meeting. This would bring the total budget for 2019/20 to £9,086,740.

### *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 contractor fails to deliver the programme	Unlikely (2)	Serious (3)	Moderate (6)	Performance data will be monitored through the contract Core Group and by the Housing Management Advisory Board.  Alternative delivery mechanisms are available if required, subject to an appropriate procurement process.
Tenants are not kept fully informed	Unlikely (2)	Serious (3)	Moderate (6)	The main capital contractor has dedicated liaison staff and the Council also has a dedicated Customer Liaison Officer who will work closely with tenants, particularly vulnerable customers.  The contractor has detailed method statements for communicating with tenants, and a plan is in place to monitor delivery of the same.
The quality of work provided by the contractor is unacceptable.	Remote (1)	Significant (2)	Very Low (2)	Performance is monitored monthly.  100% post inspections are undertaken. Payment is not made to the contractor unless the property is of an acceptable standard at

Risk Identified	Likelihood	Impact	Overall Risk	Risk Management Actions Planned
				these handover inspections.

### *Equality and Diversity*

The programme for 2019/20 includes a total of £560k for adaptations for tenants with a disability. This work can include level access showers, ramps, rails, stair lifts, and other modifications following a recommendation from an occupational therapist. Disabled tenants and their families will be positively affected by the works.

### *Crime and Disorder*

The installation of a planned 21 new 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, loft insulation top ups, and LED lighting schemes in communal areas, form part of the Council's climate change strategy and contribute towards the Council's carbon reduction targets.

Key Decision: Yes

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

<http://info/sites/cabinet/20140925/Published%20Items/Cab%2025%20September%202014%20Item%2006%20HRA%20Business%20Plan%202014-2044%20and%20Housing%20Asset%20Management%20Strategy%202014-2019.pdf>

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## Part B

### Background

1. Each year the Cabinet approves an investment programme for the housing stock. The programme is shaped to reflect the priorities that were outlined in the HRA Business Plan 2014-44, the views of tenants and stock investment needs.

### The Charnwood Standard and non-decency

2. The Charnwood standard for kitchens, bathrooms and heating is shown below.

Charnwood Standard	
Kitchens	Replace every 20 years
Bathrooms	Replace every 30 years
Heating	Replace boilers every 15 years and full systems every 30 years.

3. To be non-decent a property must lack *three* or more of the following:
  - a reasonably modern kitchen (20 years old or less);
  - a kitchen with adequate space and layout;
  - a reasonably modern bathroom (30 years or less);
  - an appropriately located bathroom and WC;
  - adequate insulation against external noise (where external noise is a problem); and
  - adequate size and layout of common areas for blocks of flats;

or have a kitchen older than 30 years and a bathroom older than 40 years both in disrepair

or have a central heating system or boiler more than 15 years old and which needs replacement.

4. Properties cannot be non-decent by age alone.

### Current Position

5. There is no general needs non-decency in the Council's stock. Component data has been analysed to develop estimated programmes for kitchens, bathrooms, and heating systems in order to achieve the Charnwood standard. Tenants that have previously refused works have been re-offered improvements, and a number of additions to the programme for 2019/20 have resulted.
6. The 2019/20 programme continues investment in the communal areas of flats where work will include painting, new flooring and lighting combined with new roofs where needed.
7. The estate and external works budget will be largely focussed on improving pedestrian areas, footpaths and car park surfaces.

8. There are currently 108 properties on the kitchen programme for 2019/20. Of these:
- 22 are falling due to meet the Charnwood standard in 2019/20.
  - 17 are where the component is over 20 years old.
  - 26 replacements are due to early failure.
  - 43 are properties where the tenant has previously refused improvements, however following a letter sent by the Council, they now want the work to take place.
9. There are currently 239 properties on the bathroom programme for 2019/20, including like for like level access shower replacements. Of these:
- 115 are falling due to meet the Charnwood standard in 2019/20.
  - 94 are where the component is over 20 years old.
  - 22 replacements are due to early failure.
  - 8 are properties where the tenant has previously refused improvements, however following a letter sent by the Council, they now want the work to take place.
10. There are currently 190 properties on the heating programme, all of which are falling due for replacement in 2019/20.

#### Summary programme for 2019/20

Component	Estimated Volume
Kitchens	108
Bathrooms	239
Heating	190

#### Consultation with tenants

11. The Housing Management Advisory Board has been consulted, and the Board endorses the capital investment priorities identified in this report.

#### Appendices

##### Appendix 1 - Housing Capital Programme

<b>Scheme</b>	<b>Original Capital Plan Amount for Housing 2019/20 £</b>	<b>Proposed Housing Capital Programme for 2019/20 £</b>	<b>Comment on Variance Between Original Capital Plan and Proposed Housing Capital Programme for 2019/20</b>
New Build and Acquisitions	1,856,000	2,797,000	The £941k increase to the 2019/20 budget was approved by Cabinet at its meeting on 13 September 2018. Replacement of housing stock through purchases enables the Council to maximise the use of additional 1-4-1 capital receipts being generated from RTB disposals.
Major adaptations	450,000	450,000	
Stairlifts	60,000	60,000	
Minor adaptations	50,000	50,000	
Major voids	280,000	280,000	
Kitchens	190,000	379,190	More work identified through a review of component data, the addition of previous refusals, and early failures.
Bathrooms	578,300	974,000	More work identified through a review of component data, the addition of previous refusals, and early failures.
Electrical upgrades	54,000	54,000	
Window replacements	20,000	20,000	
Central heating & boiler installation	238,000	460,000	More work identified through a review of component data, with a contingency sum added for unforeseen items including scaffolding and additional works on flues and radiators etc.
Sheltered housing improvements	200,000	200,000	
Door replacements	315,000	315,000	
Re-roofing	600,000	600,000	
Major structural works	250,000	250,000	
Asbestos removal	150,000	150,000	
Communal area improvements	150,000	150,000	
Communal area electrical upgrades	200,000	200,000	
Carbon monoxide alarms	40,000	40,000	
Fire safety works	100,000	100,000	
Cavity & loft insulation	50,000	50,000	
Mobility scooter storage	15,000	15,000	
Garages	50,000	50,000	
Door entry systems	200,000	200,000	

Estate & external works	205,000	205,000	
Housing capital technical costs	312,000	312,000	
<b>Total</b>	<b>6,613,300</b>	<b>8,361,190</b>	
<b>Slippage from 2018/19 to 2019/20 (approval being sought in the Capital Plan Amendment Report being presented to this meeting)</b>		<b>725,550</b>	
<b>Budget per Capital Plan Amendment Report including the proposed budget above</b>		<b>9,086,740</b>	