

CABINET - 12TH MARCH 2020

Report of the Head of Landlord Services Lead Member: Councillor Leigh-Harper Davies

Part A

ITEM 8 HOUSING CAPITAL PROGRAMME 2020-2021

Purpose of Report

To consider the housing capital programme for 2020-2021.

Recommendation

That the proposed housing capital programme for 2020-2021 amounting to £7,339,100, detailed in Appendix 1 be approved and the Capital Plan be amended to reflect this.

Reasons

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

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

On the 25th September 2014 Cabinet approved (minute 37) the revised Housing Revenue Account Business Plan 2014 to 2044. The Business Plan identified that £92.46 million of investment is required over years 6 to 30 of the plan to maintain the Charnwood Standard.

On the 10th May 2018 (minute 132) Cabinet approved the Housing Acquisition Policy, which was subsequently reviewed and updated in June 2018 (DD084).

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 2020/21, commencing on 1st April 2020 and completing on 31st March 2021. 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 2020/21 capital budget to deliver this work amounts to £7,339,100 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.

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 main capital 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.

Risk Identified	Likelihood	Impact	Overall Risk	Risk Management Actions Planned
Tenants are not kept fully informed	Unlikely (2)	Serious (3)	Moderate (6)	<p>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.</p> <p>The contractor has detailed method statements for communicating with tenants, and a plan is in place to monitor delivery of the same.</p>
The quality of work provided by the contractor is unacceptable.	Remote (1)	Significant (2)	Very Low (2)	<p>Performance is monitored monthly.</p> <p>100% post inspections are undertaken.</p> <p>Payment is not made to the contractor unless the property is of an acceptable standard at these handover inspections.</p>

Equality and Diversity

The housing capital programme will positively contribute towards the Council's equality and diversity responsibilities and commitments. The programme for 2020/21 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.

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 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, the installation of new loft insulation, and LED lighting schemes in communal areas, form part of the Council's climate change strategy, contributing towards the Council's carbon reduction targets, and the following principles of sustainability:

- 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, 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>

Officer to contact: Peter Oliver
Head of Landlord Services
01509 634 666
Peter.oliver@charnwood.gov.uk

Part B

Background

1. Each year the Cabinet approves an investment programme for the housing stock. The programme is shaped to reflect the priorities outlined in the HRA Business Plan 2014-44, the views of tenants and stock investment needs. Capital investment priorities for 2020-21 are set out below.

Maintaining the Charnwood Standard

2. The Council's Charnwood Standard of accommodation provides a higher standard of accommodation than the statutory Decent Homes Standard. Under the Charnwood Standard property components e.g. kitchens, bathrooms, and heating systems are replaced on a fixed life cycle. The Council will replace a kitchen every 20 years, a bathroom every 30 years, and a boiler every 15 years as a minimum. Under the Decent Homes Standard, a property may still be decent if the components are old.
3. Data on the Council's electronic systems has been analysed to develop a programme of planned replacements for kitchens, bathrooms, and boilers. In this respect, the estimated quantities to be replaced in 2020/21 are set out in the table below.

Component	Quantity
Kitchens	72
Bathrooms	105
Level Access Shower Replacements	75
Boilers	190

Table 1. Estimated number of kitchens, bathrooms, and boilers to be replaced in 2020/21

Replacement Fire Doors and Fire Safety

4. Following the tragedy at Grenfell Tower, it was concluded on the advice of the government's Expert Panel that there was a performance issue with GRP composite 30-minute fire doors across the market. This is a national issue, and

like many other social landlords, the Council has fire doors of this type in its housing stock.

5. The National Fire Chiefs Council has advised that the risk to public safety is low, however these doors now need to be replaced.
6. The Expert Panel concluded that timber fire doors perform consistently in fire resistance when tested and pass the 30-minute required standard across the market when manufactured to specification. The Council has therefore identified a wooden door set which meets the required new test standards and can be fitted at the Council's stock.
7. An inspection of the Council's flat entrance fire doors has been undertaken by the Council's surveyor alongside a specialist contractor. Following a risk assessment, a programme of flat doors for replacement in 2020/21 has been identified, and additional specialist contractors have been procured to support delivery of this work.
8. The amount for fire safety works has been increased compared to previous years to £300,000 to complete works arising from passive fire surveys. A passive fire survey is an extension to the already completed fire risk assessments.

Acquisition of Properties to Meet Housing Need

9. 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 3 years to use the receipts which can be used to fund 30% of the cost of developing/acquiring properties for Affordable Housing. Any funding not spent within 3 years of receipt must be returned to the Government. The balance of funding (70%) to acquire properties is from the Council's Housing Revenue Account.
10. The Council's available housing stock has reduced due to the sale of properties under the right to buy. At 31st March 2015 the Council had 5,746 properties. At the end of 2018/2019 the Council had 5,571, a reduction of 175. A sum of £1,053,900 has therefore been included in the programme to acquire more properties to meet housing need.

Communal Area Improvements

11. The estate and external works budget will be focussed on improving existing pedestrian areas, footpaths and car park surfaces, to reduce the likelihood of trips and falls resulting in harm
12. Improvements will be undertaken at bin stores, which have been the target of arson and drug misuse.
13. Investment in the internal communal areas of flats will continue, with painting, new flooring, and lighting, combined with new roofs where needed.

Consultation

14. The Housing Management Advisory Board have considered and endorsed the capital investment priorities contained in this report at their meetings on 6th November 2019 and 15th January 2020.

Appendices

Appendix 1 - Housing Capital Programme 2020/21

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Scheme Name	Original 2020/21 Capital Plan Amount £	Proposed Housing Capital Programme for 2020/21 £	Comment on Variance Between Original Capital Plan and Proposed Housing Capital Programme for 2020/21
Major Adaptations	450,000	450,000	
Stairlifts	60,000	60,000	
Minor Adaptations	50,000	50,000	
Major Voids	280,000	280,000	
Kitchens	400,500	324,000	Review of component data undertaken, and less work needed than original estimate due to (for example) work being completed at void stage.
Bathrooms	915,000	807,000	
Heating	439,300	317,200	
Electrical Upgrades	200,000	200,000	
Window Replacement	35,000	35,000	
Sheltered housing improvements	200,000	200,000	
Door Replacement	1,000,000	1,000,000	
Roofing Works & Insulation	650,000	650,000	
Major Structural Works	250,000	250,000	
Asbestos Removal	150,000	150,000	
Communal Area Improvements	200,000	200,000	
Communal Area Electrical Upgrades	200,000	200,000	
Smoke/CO & Heat Detection	30,000	30,000	
Fire Safety Works	300,000	300,000	
Mobility Scooter Storage	15,000	15,000	
Garages	50,000	50,000	
Door Entry Systems	200,000	200,000	

Estate and External Works	205,000	205,000	
Acquisition of Property to Meet Housing Need	1,053,900	1,053,900	
Housing Capital Technical Costs	312,000	312,000	
Total	7,645,700	7,339,100	