

## CABINET - 11TH MARCH 2021

### Report of the Head of Landlord Services Lead Member: Councillor James Poland

#### Part A

#### ITEM 7      HOUSING CAPITAL PROGRAMME 2021-22

##### Purpose of Report

To consider the housing capital programme for 2021-2022.

##### Recommendation

That the proposed housing capital programme for 2021-2022 amounting to £7,129,000.00, detailed at 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 and Decent Homes Standards, 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 14<sup>th</sup> March 2014 (Minute 119) Cabinet approved the Charnwood Standard, to provide a higher standard of accommodation than the statutory Decent Homes Standard.

On the 25<sup>th</sup> 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.

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 2021/2022, commencing on 1st April 2021 and completing on 31st March 2022. 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 2021/2022 capital budget to deliver this work amounts to £7,129,000.00 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
<p>The programme cannot be delivered due to:</p> <ul style="list-style-type: none"> <li>- Contractor performance issues</li> <li>- Covid-19 related access issues</li> <li>- The carry forward of works from 2020/21 impacts on the ability to</li> </ul>	Likely (3)	Significant (2)	Moderate (6)	<p>Performance monitored at Contract meetings and through the Housing Management Advisory Board.</p> <p>Back-up Contract in place to deal with early failure of property components.</p> <p>Resident Liaison Officer and no access processes in place.</p> <p>Early failures will be prioritised to maintain</p>

Risk Identified	Likelihood	Impact	Overall Risk	Risk Management Actions Planned
<p>deliver the 2021/22 programme</p> <p>Leading to non-compliance with the Decent Homes Standards, disrepair claims, and reduced tenant satisfaction.</p>				<p>the Decent Homes Standard.</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>Bathroom programme to be smoothed, with works carried forward to the following year.</p>
<p>The quality of work provided by Contractors is unacceptable.</p>	<p>Likely (3)</p>	<p>Significant (2)</p>	<p>Moderate (6)</p>	<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 2021/22 includes a total of £580k 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>

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

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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 outlined in the HRA Business Plan 2014-44, the views of tenants and stock investment needs. Capital investment priorities for 2021-22 are set out below.

### 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, whereas under the Decent Homes Standard, a property may still be decent if the components are old. The Council will replace a kitchen every 20 years, a bathroom every 30 years, and a boiler every 15 years as a minimum.

### Impact of Covid-19 on Housing Capital Programme

3. The national lockdowns in 2020/21 have impacted on the delivery of capital works with most workstreams starting later in the year due to the first lockdown. There is currently an 85% tenant refusal rate where internal improvements are offered. Material supplies have also been affected, including the supply of bespoke fire doors. External works and those in communal areas have progressed positively.
4. It is expected there will be a carry forward of internal works in tenants' homes from 2020/2021 to 2021/22. The volumes are set out at Table 1 (below) along with the estimated number of components due to be replaced under the Charnwood Standard in 2021/22.
5. The number of bathroom / level access shower replacements to be completed in 2021 is high at 263 and when taken with the likely carry forward from 2020/21 of 198 the programme for 2021/22 too large to be feasible with existing resources.
6. It will therefore be necessary to carry some works forward to 2022/23. This will mean that some tenants will get their bathrooms up to twelve months later than planned under the Charnwood Standard, however it will support the efficient planning and management of works. Early failures will be completed first to maintain compliance with the Decent Homes Standard and works will otherwise be prioritised by year. Tenants will be kept informed of programme progress.

<b>Component</b>	<b>Estimated Quantity Scheduled for Replacement in 2021/2022</b>	<b>Estimated Carry Forward from 2020/21</b>	<b>Total Estimated Total Programme Size</b>	<b>Comment</b>
Kitchens	58	77	135	
Standard Bathroom / Level Access Shower Replacements	263	198	461	Volume of around 211 (of 461) to be carried forward to 2022/23 resulting in a 2021/22 programme of 250 replacements.
Boiler Upgrades	130	22	152	

Table 1. Estimated number of kitchens, bathrooms, and boilers to be replaced in 2021/2022 with Estimated Carry Forward from 2020/21

Acquisition of Properties to Meet Housing Need

7. 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 three 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 three years of receipt must be returned to the Government and interest paid. The balance of funding (70%) to acquire properties is from the Council's Housing Revenue Account.
8. The Council's available housing stock has reduced due to the sale of properties under the right to buy. Over the period 2015 to September 2020 257 properties were sold. A sum of £1.5m has therefore been included in the programme to acquire more properties to meet housing need.

### Communal Area Improvements

9. The estate and external works budget will be focussed on improving and existing pedestrian areas, footpaths, and car park surfaces, to reduce the likelihood of trips and falls resulting in harm.

10. Investment in the internal communal areas of flats will continue, with painting, new flooring, and lighting, combined with new roofs where needed.

### Consultation

11. The Housing Management Advisory Board have considered and endorsed the capital investment priorities contained in this report at their meeting on 4<sup>th</sup> February 2021.

### Appendices

Appendix 1 - Housing Capital Programme 2021/22

## Appendices

### Appendix 1 - Housing Capital Programme 2021/22

			2021/22		
Scheme Details			Capital Plan Amount	Amount Proposed for Housing Capital Programme for 2021/22	Comment on Variance Between Original Capital Plan and Proposed Housing Capital Programme for 2020/21
			£	£	
PO	Z761	Major Adaptations	450,000	450,000	
PO	Z301	Minor Adaptations	50,000	50,000	
PO	Z302	Stairlifts	80,000	80,000	
PO	Z762	Major Voids	280,000	280,000	
		<b>Compliance</b>			
PO	Z434	Asbestos Removal	150,000	150,000	
PO	Z771	Communal Area Improvements	200,000	200,000	
PO	Z742	Communal Area Electrical Upgrades	200,000	200,000	
PO	Z772	Smoke/CO & Heat Detection	30,000	30,000	
PO	Z773	Fire Safety Works	100,000	100,000	
		<b>Stock Maximisation</b>			
PO	Z375	Garages	25,000	25,000	
		<b>Decent Homes</b>			
PO	Z763	Kitchens	580,500	261,000	Review of component data undertaken. Less work necessary.
PO	Z764	Bathrooms	787,800	1,110,000	Review of component data undertaken. Additional level access shower replacements included.



					Data derived from the periodic electrical testing programme has been reviewed and less work is necessary.
PO	Z765	Electrical Upgrades	290,000	66,000	
PO	Z766	Window Replacement	195,000	195,000	
					The programme constitutes a high number of boiler swaps which cost less than a full system replacement.
PO	Z767	Heating	331,200	300,000	
PO	Z743	Sheltered Housing Improvements	200,000	200,000	
PO	Z768	Door Replacement	300,000	300,000	
PO	Z769	Roofing Works & Insulation	650,000	650,000	
PO	Z770	Major Structural Works	250,000	250,000	
		<b>General Capital Works</b>			
PO	Z776	Estate and External Works	205,000	205,000	
PO	Z857	Housing Capital Technical Costs	312,000	312,000	
PO	Z378	Door Entry Systems	200,000	200,000	
AS	Z760	Acquisition of Affordable Housing to meet housing need	1,500,000	1,500,000	
AS	Z788	Barkby Road, Queniborough - acquisition of 27 dwellings	0	0	
PO	Z775	Mobility Scooter Storage	15,000	15,000	
PO	Z470	Job Management System	0	0	
		<b>Sub-total Live Schemes</b>	<b>7,381,500</b>	<b>7,129,000</b>	
		<b>Community, Planning and Housing - HRA - Total</b>	<b>7,381,500</b>	<b>7,129,000</b>	