

## **Housing Management Advisory Board**

### **Report of the Head of Landlord Services**

#### **ITEM 4      HOUSING CAPITAL PROGRAMME 2022-23**

##### Purpose of Report

To consider the housing capital programme for 2022-2023.

##### Recommendation

That members of the Housing Management Advisory Board consider and endorse the approach to delivering the 2022/23 capital programme set out in this report.

##### 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.

On the 10<sup>th</sup> November 2021 the Housing Management Advisory Board endorsed the Draft Housing Revenue Account (HRA) Business Plan 2021-2052 and Asset Management Strategy Framework. The draft documents set out that whilst there is some further assurance to be gained through the undertaking of a stock condition survey, the Council can have a good degree of confidence that there is enough financial resource to invest in the Council's stock and other priorities.

It is expected that an updated Asset Management Strategy will be brought forward in 2022, which in addition to setting out how the assets will be maintained, will outline the approach to key potential areas of investment

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 2022/2023, commencing on 1st April 2022 and completing on 31st March 2023. 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 2022/2023 capital budget to deliver this work amounts to £9,214,200 and can be fully funded using HRA revenue contributions, the HRA Major Repairs Reserve, Capital Receipts, and HRA Financing Fund contributions.

#### *Equality and Diversity*

The housing capital programme will positively contribute towards the Council's equality and diversity responsibilities and commitments. The programme for 2022/23 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.

## Background

Each year the Council 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 2022-23 are set out below.

## The Charnwood Standard

The current capital plan can be found at Appendix 1.

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.

This approach leads to peaks in delivery in some years as components fall due for replacement.

The programme for the 5-year period including the current year, and the volume of work proposed to be completed next year is set out at Appendix 2. Delivery this year has been limited due to the contract with Fortem Solutions Ltd coming to an end. The effect of this is a peak in work over the next two years, particularly in respect of kitchens and standard bathrooms where programmes are already large. Some smoothing of the programme will therefore be necessary to support effective control of the works; with 200 kitchens and 200 bathrooms completed in 2022/23 rather than 388 and 422 units completed respectively.

The delivery position for 2022/23 is expected to be different to the that previously. Rather than having one contractor delivering kitchen, bathroom, and heating workstreams there will be three. PH Jones has been appointed to deliver new heating installations, whilst level access showers will be delivered by a dedicated adaptations contractor, and kitchens and standard bathrooms delivered by a further contractor. A procurement process for replacement contractors is in progress and is the subject of an exempt report elsewhere on the agenda this report forms part of.

If the Board agrees with the approach set out above, the estimated spend on kitchen, bathroom, and heating workstreams in 2022/23 is set out below.

<b>Stream</b>	<b>Existing Capital Plan Amount 2022/23 £</b>	<b>Estimated 2022/23 Spend £</b>
Kitchens	1,197,000	900,000.00
Bathrooms (including level access showers and over bath showers)	1,820,900	1,778,100.00
Heating	264,600	634,200.00

#### Acquisition of Properties to Meet Housing Need

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.

The Council's available housing stock has reduced due to the sale of properties under the right to buy. A sum of £1.5m has therefore been included in the programme to acquire more properties to meet housing need.

#### Communal Area Improvements

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.

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

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Appendix 1 - Housing Capital Programme 2022/23

				NEW CAPITAL PLAN
				2022/23
Scheme Details				£
<b><u>Community, Planning and Housing – HRA</u></b>				
<b><u>- Live Schemes</u></b>				
-				
	PO	Z761	Major Adaptations	450,000
	PO	Z301	Minor Adaptations	50,000
	PO	Z302	Stairlifts	60,000
	PO	Z762	Major Voids	280,000
			<b><u>Compliance</u></b>	
	PO	Z434	Asbestos Removal	150,000
	PO	Z771	Communal Area Improvements	200,000
	PO	Z742	Communal Area Electrical Upgrades	200,000
	PO	Z772	Smoke/CO & Heat Detection	149,800
	PO	Z773	Fire Safety Works	100,000
			<b><u>Stock Maximisation</u></b>	
	PO	Z375	Garages	25,000
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-			<b><u>Decent Homes</u></b>	
	PO	Z763	Kitchens	1,197,000
	PO	Z764	Bathrooms	1,820,900
	PO	Z765	Electrical Upgrades	212,500
	PO	Z766	Window Replacement	22,400

PO	Z767	Heating	264,600
PO	Z743	Sheltered Housing Improvements	200,000
PO	Z768	Door Replacement	700,000
PO	Z769	Roofing Works & Insulation	650,000
PO	Z770	Major Structural Works	250,000
<b><u>General Capital Works</u></b>			
PO	Z776	Estate and External Works	205,000
PO	Z857	Housing Capital Technical Costs	312,000
PO	Z378	Door Entry Systems	200,000
AS	Z760	Acquisition of Affordable Housing to meet housing need	1,500,000
PO	Z775	Mobility Scooter Storage	15,000
<b><i>Sub-total Live Schemes</i></b>			<b>9,214,200</b>
<b>Community, Planning and Housing - HRA - Total</b>			<b>9,214,200</b>

Appendix 2

Stream	2021-22	2022-23			Estimated Budget needed for <i>Proposed</i>	2023-24	2024-25	2025-26
	Scheduled (Units)	Scheduled	Scheduled + Carry Forward from 2021-22	Proposed		Scheduled	Scheduled	Scheduled
Kitchens	117	271	388	200	900,000.00	187	25	115
Bathrooms	190	232	422	200	680,000.00	80	85	81
Water Closet	4	58	62	62	49,600.00	104	0	2
Over Bath Shower (OBS)	20	13	33	33	148,500.00	15	2	4
Level Access Shower (LAS)	163	115	278	150	900,000.00	76	48	56
Heating	126	176	302	302	634,200.00	240	396	399