

CABINET - 10TH MARCH 2021

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

Part A

ITEM 7 HOUSING CAPITAL PROGRAMME 2022-23

Purpose of Report

To consider the housing capital programme for 2022-2023.

Recommendation

That the proposed housing capital programme for 2022-2023 amounting to £8,874,400 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, the update to which was approved in February 2022 alongside the Asset Management Strategy Framework.

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 25th of September 2014 Cabinet approved (minute 37) the revised Housing Revenue Account Business Plan 2014 to 2044.

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 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 £8,874,400 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"> - Contractor performance issues - Covid-19 related access issues - The carry forward of works from previous 	Likely (3)	Significant (2)	Moderate (6)	<p>Performance monitored at contract meetings and through the Housing Management Advisory Board.</p> <p>Resident Liaison Officer and no access processes in place.</p> <p>Components in poor condition will be prioritised over planned replacements.</p>

Risk Identified	Likelihood	Impact	Overall Risk	Risk Management Actions Planned
years negatively impacts on programme delivery Leading to non-compliance with the Decent Homes Standard, disrepair claims, and reduced tenant satisfaction.				Tenants on the programme will be informed of progress. Tenant refusals are taken in-to account when calculating the level of non-decency. Programme to be smoothed, limiting delivery volumes, to support effective control of works.
The quality of work provided by Contactors is unacceptable.	Likely (3)	Significant (2)	Moderate (6)	Contract management meetings in place. 100% post inspections are undertaken. Payment is not made to the contractor unless the property is of an acceptable standard.

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. 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 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. The stock condition survey will incorporate an energy efficiency survey and a high level energy study to inform the Council's approach to the installation of energy efficiency measures at its stock. 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

<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.

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. The programme has been shaped to reflect the priorities outlined in the HRA Business Plan, the Asset Management Strategy Framework, and the views of tenants. Capital investment priorities for 2022-23 are set out below.

2. Delivery of Kitchens, Bathrooms, and Heating Systems under the Charnwood Standard

- 2.1 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. Under the Charnwood standard 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.
- 2.2 The kitchen, bathroom, and heating 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, compounded by the previous year of limited delivery due to Covid-19 related issues. Consequently, there 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.
- 2.3 Positively, the delivery position for 2022/23 is expected to be different to that in recent years. 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.

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 £1.5m has therefore been included in the programme to acquire more properties to meet housing need.

4. Communal Area Improvements

4.1 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.

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

4.3 Fire safety works following recommendations arising from fire risk assessments will continue, alongside the replacement of front doors where necessary on a prioritised basis.

5. Stock Condition Survey, Energy Study, and Asset Management Strategy Development

5.1 A sum has been included to undertake a Stock Condition Survey and Energy Study, along with validation of the HRA Business Plan, and development of the Asset Management Strategy in line with the Asset Management Strategy Framework approved by Cabinet on the 10th of February 2022.

5. Consultation

5.2 The Housing Management Advisory Board was consulted on the approach to capital investment set out in this report at its meeting on 12th January 2022. It was resolved...

...that the Board endorse the approach to delivering the 2022-23 2022/23 capital programme as set out in the report.

Appendices

Appendix 1 - Housing Capital Programme 2022/23

Appendix 2 - Programme for Kitchens, Bathrooms, and Heating

Appendices

Appendix 1 - Housing Capital Programme 2022/23

Scheme Details			2022/23	Comment
			£	
Community, Planning and Housing - HRA				
Live Schemes				
PO	Z761	Major Adaptations	450,000	
PO	Z301	Minor Adaptations	50,000	
PO	Z302	Stairlifts	60,000	
PO	Z762	Major Voids	280,000	
		Compliance		
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	
		Stock Maximisation		
PO	Z375	Garages	25,000	
		Decent Homes		
PO	Z763	Kitchens	900,000	
PO	Z764	Bathrooms	1,778,100	
PO	Z765	Electrical Upgrades	212,500	
PO	Z766	Window Replacement	22,400	
PO	Z767	Heating	264,600	The estimated programme cost is higher at 634,200.00. It is expected the difference between the capital plan amount and the budget need will be met though a carry forward of 2021/22 budget.

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	
		General Capital Works		
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	
PO	TBC	Delivery of Stock Condition Survey and Associated Outputs	141,000	To provide a budget for delivering this activity in line with the agreed Asset Management Strategy Framework.
		Sub-total Live Schemes	8,874,400	
		Community, Planning and Housing - HRA - Total	8,874,400	

Appendix 2 - Programme for Kitchens, Bathrooms, and Heating

Stream	2021-22	2022-23			Estimated Budget needed for Proposed	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