



Policy, Finance and Development Committee	Tuesday, 11 June 2019	Matter for Information and Decision
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Report Title: **Housing Capital Programme: 2018/19 Year End Outturn and 2019/20 Proposed Programme**

Report Author(s): **Neil Barks (Interim HRA Capital Programme Manager)**

Purpose of Report:	The purpose of this report is to advise the Committee of the 2018/19 financial year end out-turn for the housing capital programme and to seek approval for the headline programmes of work that will be included in the 2019/20 housing capital programme.
Report Summary:	<p>The report provides a summary of the financial investment in projects and programmes made through the housing capital programme during the financial year 2018/19.</p> <p>It also highlights the financial investment in ongoing projects and programmes of works to be carried forward from 2018/19 into the financial year 2019/20.</p> <p>The report concludes by seeking approval for the headline investment schemes that will form the basis of the 2019/20 housing capital programme.</p>
Recommendations:	<p>A. That Committee notes the Housing Capital Programme Year End Outturn for 2018/19 (as set out in the report);</p> <p>B. That Committee approves the headline proposals for the 2019/20 Housing Capital Programme (as set out in the report); and</p> <p>C. That Committee approves the increase in value of the contract to deliver the Kitchen and Bathroom Replacement Programme (as set out in the report).</p>
Senior Leadership, Head of Service, Manager, Officer and Other Contact(s):	<p>Stephen Hinds (Deputy Chief Executive) (0116) 257 2682 stephen.hinds@oadby-wigston.gov.uk</p> <p>Adrian Thorpe (Head of Built Environment) (0116) 257 2645 adrian.thorpe@oadby-wigston.gov.uk</p> <p>Neil Barks (Interim HRA Capital Programme Manager) (0116) 257 2644 neil.barks@oadby-wigston.gov.uk</p>
Corporate Objectives:	<p>Building, Protecting and Empowering Communities (CO1)</p> <p>Growing the Borough Economically (CO2)</p> <p>Providing Excellent Services (CO3)</p>
Vision and Values:	<p>"A Stronger Borough Together" (Vision)</p> <p>Accountability (V1)</p> <p>Respect (V2)</p>

	Teamwork (V3) Customer Focus (V5)
Report Implications:-	
Legal:	There are no implications directly arising from this report.
Financial:	The implications are as set out in this report.
Corporate Risk Management:	Decreasing Financial Resources / Increasing Financial Pressures (CR1) Effective Utilisation of Assets / Buildings (CR5) Regulatory Governance (CR6) Reputation Damage (CR4) Key Supplier / Partnership Failure (CR2)
Equalities and Equalities Assessment (EA):	There are no implications directly arising from this report. EA not applicable
Human Rights:	There are no implications directly arising from this report.
Health and Safety:	There are no implications directly arising from this report.
Statutory Officers' Comments:-	
Head of Paid Service:	The report is satisfactory.
Chief Finance Officer:	The report is satisfactory.
Monitoring Officer:	The report is satisfactory.
Consultees:	None.
Background Papers:	<ul style="list-style-type: none"> • Report entitled 'Medium Term Financial Strategy and Budget (2019/20)' to Full Council on 21 February 2019 • Report Entitled 'Community Services Update (Q4 2018/19)' to Service Delivery Committee on 4 June 2019
Appendices:	None.

1. Introduction

- 1.1 The Council currently owns 1,215 homes and 199 communal garages. These assets probably have a combined value in excess of £140m and the Council's housing capital programme covers the improvements and upgrades to this housing stock to maintain these assets, meet the Decent Homes Standard and other legislative requirements, and to improve estates and the environments in which our tenants live.
- 1.2 The total revised housing capital programme budget for the financial year 2018/19 was £1,882,000. The actual year end expenditure as at 31 March 2019, including accruals, was £840,800. A summary of how this money was spent is provided in paragraphs 2 and 3 of this report.
- 1.3 It is proposed that the £1,041,200 that was not spent in 2018/19 is carried forward into the financial year 2019/20. The projects and programmes of work that this investment will be used to undertake is summarised in paragraph 4 of this report.

- 1.4 On 21 February 2019, Full Council approved a housing capital programme investment for 2019/20 of £1,500,000. A headline summary of the projects and programmes of works that it is proposed that this funding is used for is provided in paragraph 5 of this report. This includes a summary of the combined proposed housing capital expenditure during 2019/20 of £2,541,200 (including the 2018/19 carry forward).

2 Projects Completed in 2018-019

- 2.1 During the financial year there were three 'one-off' housing capital projects that were completed at a combined cost of £366,167. These were:

Fire Safety Works at Marriott House – Actual Spend £198,211

- 2.2 A programme of fire safety works to this sheltered housing scheme in Oadby was completed in March 2019 and successfully handed over in April 2019. This included the replacement of flat entrance doors, kitchen glazed panels onto common areas, communal fire doors and side panels and the compartmentalisation of the roof space to the block.

Conversion of 14 Junction Road – Actual Spend £135,127

- 2.3 Work to convert a three bedroom maisonette located on the third and fourth floor of this block in Wigston, into a one bedroom third floor flat and a two bedroom fourth floor flat was completed in March 2019 and successfully handed over in April 2019

Upgrade of Garage Block at Churchill Close – Actual Spend £32,829

- 2.4 Work to refurbish the lower ground floor of this two storey car park in Oadby to reopen the facility for local residents ahead of the introduction of new town centre parking restrictions was completed in November 2018. A standalone CCTV system was also installed as part of this project as a deterrent against vandalism.

3 Programmes of Work Completed in 2018/019

- 3.1 In addition to these 'one-off' projects an investment of £350,905 was made in ongoing annual programmes to improve the quality of Council homes in the Borough. This included investment in major voids to achieve the decent homes standard (£150,589), central heating and boiler replacements (£83,113), front and rear door replacements (£20,095), major adaptations to homes occupied by tenants with a disability (£80,628) and the installation of car hard-standings (£16,480).
- 3.2 It is proposed that budgetary provision is allocated within the 2019/20 housing capital programme as outlined in paragraph 5 of this report to continue to invest in these annual programmes.

4 Proposed Carry Forward Summary

- 4.1 The £1,041,200 that was not spent as part of the 2018/19 housing capital programme is already committed to improvement programmes or has been allocated to known investment requirements. It is therefore proposed that this money is carried forward and incorporated within the 2019/20 housing capital programme.
- 4.2 It is however, anticipated that the majority of the works to be carried out with the money carried forward will have been completed by 31 August 2019, and a breakdown of these programmes of works is provided below:

Timber Window Replacement Programme – Carry Forward £152,200

- 4.3 This programme is for the replacement of timber windows, doors, cladding and roofline elements to properties on Aylestone Lane, Gibson Close, Gladstone Street, Kings Drive and William Peardon Court in the Wigston area of the Borough. Phase One of this works programme to replace front and rear entrance doors to individual properties and the main entrance door and fire doors at William Peardon Court was completed in 2018/19 at a cost of £20,704.
- 4.4 A contract to complete the remaining works as part of the second phase was awarded to Graham Holmes Astraseal in April 2019 and it is anticipated that works will commence in May 2019 and be completed by 31 July 2019 within the costs that is proposed to be carried forward.

Kitchen and Bathroom Replacement Programme – Carry Forward £493,100

- 4.5 Procurement for the delivery of this programme was completed through an OJEU compliant Efficiency East Midlands (EEM) procurement framework as reported to Service Delivery Committee on 29 January 2019.
- 4.6 The contract was awarded to Mathews & Tannert and this programme covers kitchen and bathroom replacements and associated improvement works as required to the 126 Council owned properties contained within the geographical parameters of the area known as the 'Wigston Triangle'
- 4.7 Stock condition surveys were completed to 73 of these properties in February and March 2019 and the first phase of the programme commenced on 1 April 2019 and includes the following work to be completed by 31 August 2019:
- 38 kitchen replacements;
 - 15 bathroom replacements;
 - 45 boiler replacements;
 - 12 consumer unit replacements;
 - 58 periodic electrical tests and associated works;
 - 3 electrical rewires;
 - 65 loft insulation installations.
- 4.8 The second phase of works to the remaining 53 Council owned properties within the 'Wigston Triangle' will follow on from the first phase and it is anticipated that this will be completed by 30 September 2019 and the total cost of investment in phases one and two will be funded from the £493,100 carried forward.
- 4.9 It is also proposed that annual programmes of similar improvement works are included in future housing capital programmes from 2019/20 and as a consequence the value of the contract awarded to Matthews & Tannert will exceed £500,000. This Committee will therefore need to approve the increased value of this contract in line with the Council's Contract Procedure Rules.

Communal Heating System at William Peardon Court – Carry Forward £256,900

- 4.10 The first phase of works, to replace the communal boilers to this sheltered housing scheme in Wigston was completed in November 2018. Procurement of the second phase to replace the individual heating systems to each flat resulted in tender submissions that were deemed to be cost prohibitive. As a consequence the specification for works has subsequently been re-visited and revised significantly. Re-procurement for the works commences on 7 May 2019 and will be completed and a contractor appointed by 31 May 2019. Subject to a successful appointment it is anticipated that all works will be completed by 31 July 2019.

Heating, Ventilation and Insulation – Carry Forward £41,600

- 4.11 Ellipse Energy Limited were appointed in March 2019 to install External Wall Insulation, loft insulation and other associated energy efficiency improvements to four properties in Wigston. The appointment was completed following a mini-competition exercise through the relevant EEM procurement framework.
- 4.12 Works commenced to all four properties on 25 April 2019 and is scheduled to be completed on 31 May 2019.

Fire Doors Chartwell House Walkways – Carry Forward £34,900

- 4.13 A recent Fire Risk Assessment (FRA) report identified a requirement for the replacement of 34 fire doors to walkways and open stairwells in this block in Oadby, with an estimated expenditure requirement at that time of £31,255.32. Installation of the doors has however, been delayed pending ratification of the necessary testing and certification of composite fire doors as a result of a Government review following the Grenfell Tower fire. It is hoped that this issue will be resolved and installation work completed during the first six months of the 2019/20 financial year which will be funded by the money that it is proposed to carry forward.
- 4.14 It is proposed in the 2019/20 housing capital programme to incorporate this works within a single annual budget for fire safety works that will cover all work arising from FRAs as they are carried out.

Major Adaptations – Carry Forward £18,800

- 4.15 At the end of the 2018/19 financial year all major adaptations recommended by the County Council's Occupational Health Team had been completed. Whilst there is no current waiting list a budget is required to respond to ongoing recommendations as they are received and the £34,900 that is proposed to be carried forward will contribute towards the funding of the 2019/20 programme.

Central Heating & Boiler Replacements – Carry Forward £40,200

- 4.16 This budget has historically been allocated annually for the replacement of boilers and heating systems that fail each year on an 'unforeseen' basis. The Council's records indicate that there are circa 500 properties with boilers that were installed prior to 2006 and are therefore beyond or coming towards the end of the industry standard expectancy of 15 years before becoming due for replacement.
- 4.17 It is proposed that a three year planned programme to replace all boiler over 15 years old commences from 2019/20 and the £40,200 that is proposed to be carried forward will contribute towards the funding of the 2019/20 programme.

Car Hardstandings – Carry Forward £3,500

- 4.18 A total of five hardstanding installations to individual properties were completed during the financial year with a further two commissioned with works due to commence and be completed in April 2019. These two schemes will be paid for by the £3,500 that it is proposed to be carried forward from this budget.

5 Housing Capital Programme 2019/20 Summary

- 5.1 At its meeting in February 2019 Full Council approved new budgetary provision of £1,500,000 for the 2019/20 housing capital programme. With a carry forward of

£1,041,200 from the 2018/19 as outlined in paragraph 3 of this report the combined housing capital programme budgetary allocation for this financial year is £2,541,200.

- 5.2 A headline summary of how this money will be invested during 2019/20 is provided in the table below:

Programme	Carry Forward from 2018/19	New Budget 2019/20	Budget + Carry Forward 2019/20
Heating & Boiler Replacements	£40,200	£209,800	£250,000
Front & Rear Entrance Doors	£0	£100,000	£100,000
Car Hard Standings	£3,500	£16,500	£20,000
Major Voids/Upgrade Works	£0	£150,000	£150,000
Major Adaptations	£18,800	£81,200	£100,000
FRA Safety Works	£34,900	£115,100	£150,000
Timber Replacement Programme	£152,200	£0	£152,200
External Wall Insulation Programme	£41,600	£0	£41,600
William Peardon Court Heating	£256,900	£0	£256,900
Kitchen and Bathroom Programme	£493,100	£406,900	£900,000
Housing Block Improvements	0	£320,500	£320,500
Asset Management Systems Upgrades	0	£100,000	£100,000
HRA Total	£1,041,200	£1,500,000	£2,541,200