

# **FOR PUBLICATION**

## **HOUSING CAPITAL PROGRAMME: NEW PROGRAMME FOR 2015/16, 2016/17 AND 2017/18(H000)**

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MEETING:	1. COUNCIL 2. CABINET 3. EXECUTIVE MEMBER FOR HOUSING
DATE:	1. 26 FEBRUARY 2015 2. 10 FEBRUARY 2015 3. 30 JANUARY 2015
REPORT BY:	HOUSING SERVICE MANAGER – BUSINESS PLANNING AND STRATEGY
WARD:	ALL
COMMUNITY ASSEMBLIES:	ALL
KEY DECISION REFERENCE (IF APPLICABLE):	446

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### 1.0 **PURPOSE OF REPORT**

1.1 To seek approval for the public sector housing 'Capital' programme for 2015/16 and provisionally for 2016/17 and 2017/18.

### 2.0 **RECOMMENDATIONS**

2.1 That Cabinet recommends to the Council that;

a) The Housing (Public Sector) Capital Programme for 2015/16 is approved and its procurement, as necessary, be authorised.

- b) The provisional Housing (Public Sector) Capital Programme's for 2016/17 and 2017/18 are noted.
- c) The Operational Services Division share of the Programme be approved.
- d) The Housing Services Manager – Business Planning and Strategy be authorised to vire between programme heads and budgets to manage the Capital Programme as set out in the report.

### 3.0 **FINANCING THE 2015/16 PROGRAMME AND BEYOND**

- 3.1 The overall financial strategy is focused on the maintenance of the Decent Homes Standard, improving the non-traditional housing stock and starting to deliver improvements to the estate environment in the short term.
- 3.2 The introduction of Self Financing in the HRA changed the way in which resources are used and whilst Direct Revenue Financing (DRF) is still available, the longer term funding of the Housing Capital Programme will be substantially dependant on borrowing within the new debt ceiling.
- 3.3 Cabinet has been asked to approve revenue support for the 2015/16 Housing Capital Programme to the sum of £10.835 million. The 2015/16 Programme also includes £7.7 million of carry forward from 2014/15 relating to schemes where work started later than anticipated e.g. Parkside, External Wall Insulation and Non Traditional Housing.
- 3.4 Income from the sale of Council homes under the Right to Buy has diminished over the past several years, although there are signs of a modest upturn in the rate of sales and this could continue when the Governments advertising campaign takes off in this area. 52 sales have been completed in 2014/15 at 1 January 2015, above the self-financing assumption of 21. The HRA Business Plan for the coming years assumes levels above the self-financing assumptions of 60 in 2015/16, 40 in 2016/17 and thereafter for the next 9 years. Additional receipts from Right to Buys exceeding those figures in the self financing assumptions can be retained in Chesterfield for the provision of new affordable housing and this money must be spent within three years and will require a funding contribution of 70% from HRA resources. The receipts accumulated to date will be largely spent on the delivery of the new Parkside Older Persons Housing Scheme.
- 3.5 The forecast total level of funding available for investment in the stock is sufficient to maintain the stock at 100% Decency based on the last stock condition survey and to start to deliver improvements to the non-traditional housing stock and the estate environment.

3.6 An analysis of resources currently available for the 2015/16 Capital Programme is attached at **Appendix 1**.

#### 4.0 **THE 2015/16 AND FUTURE PROGRAMMES**

- 4.1 The introduction of Self Financing in the HRA has opened up the potential to borrow to finance investment in the stock up to and beyond the Decent Homes Standard.
- 4.2 The proposed 2015/16 programme continues to broadly reflect the capital programme used in the HRA Business Plan in previous years and addresses needs arising due to the ageing stock as identified in the Stock Condition Survey.
- 4.3 Currently 95.45% of the housing stock meets the Decent Homes Standard at the 1 January 2015 and we fully anticipate this being 100% by the 31 March 2015.
- 4.4 The focus of the programme remains on the modernisation of properties to maintain the Decent Homes Standard with the balance of activity over the next twelve months concentrating on building elements such as heating, roofs and rewires. However in line with the recent stock condition survey, activity shifts towards larger external and environmental improvement schemes over the next 5 years.
- 4.5 Many of the programmes have already been procured in 2014/15 to ensure delivery on the ground in 2015/16 does not slip due to any individual contracts ending and starting.
- 4.6 The **Central Heating Programme** continues to be increased substantially in 2015/16 in order to remove the risk of large scale heating failures as a result of the age of boilers and the non availability of the required parts. Financial provision for replacing the **CHP heating system at Staveley and Lowgates** with traditional individual house heating systems has also been built into the 2015/16 Capital Programme. This will ensure that residents have more control over their heating system and choice of energy supplier.
- 4.7 The **roof replacement** programme continues to be one of the largest areas of works to ensure that properties maintain the Decent Homes Standard. It has been increased in 2015/16 to include the replacement of the roof at one of our Sheltered Housing Schemes – Catherine Court, which will also be refurbished in 2015/16 to ensure a consistent standard across our older persons accommodation. The roofing programme will also run in conjunction with chimneys, soffits and fascias and rainwater goods, to minimise the need to scaffold.

- 4.8 A new programme is included for the **replacement of aging UPVC windows**, these replacements will proceed the installation of **External Wall Insulation** to non-traditional and solid wall properties.
- 4.9 New programmes have been included for **estate environmental** improvements which will initially focus on **car parking provision** at Wimbourne Crescent (Newbold), The Downlands, Grangewood and Manor Drive (Brimington), **boundary treatments** to open plan aspects on the St Augustine's Estate and West View Terrace, Staveley. It also allows for improvements to **Garage Site and Drying Area**.
- 4.10 Members previously approved the appointment of consultants to consult with residents at **Barrow Hill, London Boroughs Estate** around a programme of environmental improvements and provision has been made for the outcome of this consultation, to include for example, creation of roadways throughout the estate, creation of garden space, better parking provision. This flagship scheme will be the start of a roll-out of **Estate Regeneration Schemes** with consultation commencing in **Holmehall** in 2015/16 and works commencing in 2016/17.
- 4.11 Provision has been made to commence an initial phase of a **new build housing scheme** at Rufford Close, Boythorpe.
- 4.12 The **Non Traditional (PRC) Housing stock** remains one of the key areas for modernisation and a programme of works has been included following the results of a structural survey starting with the **BL8 Bungalows** and the **Reema** properties in 2015/16 and 2016/17.
- 4.13 Financial provision has been made to complete a **cavity wall insulation** programme to the circa 50 properties where insulation levels are below the current building regulations.
- 4.14 A new programme of **strategic housing acquisitions** is included to allow the purchase of properties which meet a strategic housing need, including former Right to Buys.

## 5.0 **TENANT INVOLVEMENT**

- 5.1 Tenants have played an integral part in reviewing and prioritising the Capital Programme and their views are reflected in the broad priorities of the proposed programme shown at **Appendix 1**. Whilst values may vary and other factors come into play we are generally able to reflect tenant priorities in the proposed capital programme in particular the increased investment in environmental elements.

## 6.0 SUPPORTING LOCAL CONTRACTORS

6.1 The sustained value of the Capital Programme is not only welcome but gives us the opportunity to, in some way, offset some of the worst effects of the current economic downturn on local contractors.

6.2 Housing Services continue to take a key role in the Council's corporate arrangements for the procurement of contracts and their management. Where possible a clause is included in contracts to ensure a proportion of local labour.

## 7.0 OPERATIONAL SERVICES SHARE OF PROGRAMME

7.1 **Appendix 1** also shows the portion of the Capital programme that is proposed to allocate to OSD. This is consistent with previous year's allocations and is achieved in discussion with the OSD Manager to ensure continued operational effectiveness.

## 8.0 RISK MANAGEMENT

Description of the Risk	Risk Rating	Likelihood	Impact	Mitigating Action	Likelihood	Impact
Failure to maintain Decent Homes Standard targets	Low	Low	Low	Resources are committed to ensure that the Decent Homes Standard is maintained and enhanced in accordance with the Stock Condition Survey	Low	Low
Worsening Tenant Satisfaction	Medium	Medium	Medium	Additional Capital Investment approved	Low	Low
Declining Stock Condition	Low	Low	Low	Additional Capital Investment approved	Low	Low
Health Impacts on occupants	Medium	Medium	Medium	Additional Capital Investment approved in particular in the non-traditional housing stock, which exhibit the most issues linked with poor health e.g. cold and damp conditions	Low	Low

## 9.0 EQUALITIES ISSUES

9.1 An Equality Impact Assessment is attached at **Appendix 2**.

## 10.0 RECOMMENDATIONS

10.1 That Cabinet recommends to the Council that;

- a) The Housing (Public Sector) Capital Programme for 2015/16 is approved and its procurement, as necessary, be authorised.
- b) The provisional Housing (Public Sector) Capital Programme's for 2016/17 and 2017/18 are noted.
- c) The Operational Services Division share of the Programme be approved.
- d) The Housing Services Manager – Business Planning and Strategy be authorised to vire between programme heads and budgets to manage the Capital Programme as set out in the report.

## 11.0 **REASONS FOR RECOMMENDATIONS**

- 11.1 The Council will be able to maintain its 'Decent Homes Standard' targets in line with the Council's Vision and Corporate Plan.
- 11.2 The condition of the Public Sector housing stock and its environment will be maintained and improved.
- 11.3 To contribute to the aims of the Housing Strategy and deliver the HRA Business Plan.

**ALISON CRAIG**

**HOUSING SERVICE MANAGER – BUSINESS PLANNING AND STRATEGY**

You can get more information about this report from Alison Craig on extension 5156.

Officer recommendation supported.



Signed

Executive Member

Date 30.1.2015

Consultee Executive Member/Support Member comments (if applicable)