

CAB2488 (HSG)
FOR DECISION
WARD(S): ALL

CABINET (HOUSING) COMMITTEE

19 JUNE 2013

MAINTENANCE AND IMPROVEMENT PROGRAMMES – APPROVAL OF HRA
CAPITAL PROGRAMME 2013/14

REPORT OF ASSISTANT DIRECTOR (CHIEF HOUSING OFFICER)

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RECENT REFERENCES:

CAB2445(HSG) - Housing Revenue Account Budget 2013/14 and Business Plan
2013/14 to 2043/44 -13 February 2013

EXECUTIVE SUMMARY:

This report summarises the capital programme for maintenance and improvements works to Housing Revenue Account property for 2013/14, provides additional specific detail on each element of the programme and seeks approval to incur expenditure on the schemes/projects as set out in this report.

Whilst overall programme approval has already been given, financial procedure rules determine that individual project approvals are also required. The routine nature of much of the programme means that individual approvals for specific works would not be appropriate. However, additional detail for each element of the programme is provided in this report to ensure compliance with financial procedure rules.

RECOMMENDATIONS:

1. That the Assistant Director (Chief Housing Officer) be authorised to progress the capital programme for 2013/14 as outlined in this report.
2. That authority be given to incur capital expenditure of £6.574m for the schemes outlined in this report, in accordance with Financial Procedure Rule 6.4.
3. That the Assistant Director (Chief Housing Officer), following consultation with the Chief Finance Officer, be given delegated authority to make adjustments within the overall programme (£7.980m) including the flexibility to substitute projects and re-balance expenditure within and between the different elements/schemes in order to meet operational needs, changing priorities and commitment targets, with any changes being reported to the Committee at the earliest opportunity..

CABINET (HOUSING) COMMITTEE19 JUNE 2013MAINTENANCE AND IMPROVEMENT PROGRAMMES – APPROVAL OF HRA
CAPITAL PROGRAMME 2013/14REPORT OF REPORT OF ASSISTANT DIRECTOR (CHIEF HOUSING OFFICER)DETAIL:1 Introduction

1.1 The 2013/14 maintenance, improvements and new build programmes and budgets were approved by Council in February 2013 (CAB2445 (HSG), Apps. 5 & 6).

1.2 This report seeks approval to incur capital expenditure on the elements and projects set out in this report in accordance with Financial Procedure Rule 6.4.

Appendix A summarises the capital programme for 2013/14.

1.3 Some of the following budget items have already been approved at other committees, but are included and referenced here for completeness.

2. Line 1 - Responsive Maintenance (£0.130m)

2.1 This element of the capital programme forms a small part (6%) of the overall responsive maintenance budget (£2.120). The vast majority of these repairs will be reported on an ad-hoc/reactive basis directly by the tenants to the Council's Customer Service Centre. Approximately 95% of these responsive jobs will be of a simple revenue nature and have a value of less than £500. This element of the capital budget contributes towards some of those jobs which, once started, inherently turn into larger and/or more complex jobs.

3. Line 2 - Discretionary Works Scheme (£0.200m)

3.1 The Discretionary Works Scheme (DWS) was approved by Cabinet (Housing) in April 2012 (CAB2316 (HSG) refers). This element of the capital programme currently contributes towards half of the overall DWS (£0.400m), and is primarily used to fund new PVCu doors which are a popular choice with tenants.

4. Line 3 - External envelope works (£1.000m)

4.1 This element of the budget covers remedial works to those parts of the building which help to keep the occupants wind and weather tight (e.g. walls;

roofs; chimney; fascia/soffits etc.). Much of these works are demand-led and, more often than not, will be reported or instigated by the tenant in the first instance. For obvious reasons, these elements are regarded as “key components” under Decent Homes.

5 Line 4 - Window /door/screen replacements (£0.700m)

- 5.1 This element of the budget sets aside money for window replacement schemes, and individual dwelling or communal front/rear entrance door replacements. The properties benefiting from new windows form the tail end of the original window replacement programme which has been running since the mid-1980s. The external door replacements will be identified from either the cyclic repair and painting programme, or will be reported directly by the tenant. It is estimated that this budget will fund the replacement of approximately 900 external doors, and window replacements (subject to planning approval) to approximately 100 dwellings during 2013/14.

6 Line 5 - Miscellaneous external works (£0.250m).

- 6.1 This element of the budget covers items such as steps, paths, drainage and fencing. Much of these works are demand led and, more often than not, will be reported or instigated by the tenant in the first instance.

7 Line 6 - Lifts (£0.00m).

- 7.1 There are no major lift replacements due for 2013/14, but this line has been included for completeness. .

8. Line 7 - Kitchen/bathroom replacements (£1.900m)

- 8.1 This element of the budget remains perhaps the most prominent in terms of member and tenant expectations. The intention is to replace all kitchens (over 20 years old) and bathrooms (over 30 years old) to give tenants “modern amenities” in accordance with Decent Homes guidance.
- 8.2 Kitchen and bathroom replacements currently arise via two main routes - homes becoming empty (voids), and those identified from existing records as due for planned maintenance.
- 8.3 Clearly, the number of kitchens/bathrooms replaced in voids each year depends on the number of voids and which homes become empty - but officers anticipate that approximately 25% of this expenditure (£0.475m) will be spent within voids during 2013/14.
- 8.4 The remainder (those due for planned maintenance) are currently being identified from existing records by the installation date of the lead element (kitchen). Officers are currently reviewing kitchens with installation dates in the late seventies/early eighties and then including the bathroom at the same time if deemed appropriate. All those properties with kitchens over 20 years

old are then prioritised accordingly and programmed for replacement. Past tenant refusals and changes of tenancies are also taken into consideration when compiling the lists.

8.5 In total, it is estimated that this budget will still see approximately 375 kitchens and 175 bathrooms being refurbished during 2013/14.

9. Line 8 - Heating replacement programme (£1.260m)

9.1 The heating installation contracts have recently been re-tendered (CAB2391 (HSG) refers) and these came into effect on 1 October 2012. This element of the budget continues a long standing and on-going commitment to provide tenants with reliable and efficient heating systems. £1.106m of the spending for 2013/14 has already been approved for heating improvements on the Winnall Flats (CAB2418 refers).

10. Line 9 - Fire Risk Assessments (£0.080m)

10.1 The Council commissioned fire risk assessments on all its communal blocks 3-4 years ago. All the high priority works were addressed immediately, but work is on-going to address other medium risk items. Examples include upgrading fire doors and improvements to signage.

11. Line 10 - Miscellaneous internal works (£0.180m)

11.1 This element of the budget covers items such as wall, floor and ceiling finishes. Much of these works are demand-led and, more often than not, will be reported or instigated by the tenant in the first instance. The re-introduction of decorating items (within the DWS) is likely to lead to additional expenditure with associated items (e.g. plastering).

12. Line 11 - Garages/other non-dwelling assets (£0.200m)

12.1 Much of these works are again demand-led and, more often than not, will be reported or instigated by the tenant in the first instance. However, surveys of all garage sites have been undertaken and a programme of maintenance works is being developed based on the findings of those surveys. This represents nearly double the investment in garages compared to previous years.

13. Line 12 - Non-traditional dwellings (£0.030m)

13.1 This has been ear-marked to carry out up to date and detailed structural surveys of the Council's non-traditional stock (e.g. Aireys; Reemas; Swedish Timber; etc.). These units are generally classified as "hard (and expensive) to insulate", so any new remedial works brief will need to focus on this particular issue.

13.2 These surveys will be carried out separately to the general Stock Condition Survey because of the specialist nature of these works.

13.3 Officers have already made a start in compiling background information to fully inform the decision-making process. This will include looking at ownership of neighbouring units, plot sizes and wider development opportunities so that any resources used on the final detailed surveys is both appropriate and well directed.

13.4 The Council currently owns 283 no. non-traditional units.

14. Line 13 - Underground services (£0.100m)

14.1 This element of the budget predominantly covers underground water and gas main renewals. The very nature of this element makes condition assessment more difficult, but many of the Council's estates have, for example, underground iron water mains - a relatively small proportion of which have been replaced over the years, so the vast majority still remain to be done. These works are demand-led and, more often than not, will be reported or instigated by the tenant in the first instance.

15. Line 14 - Rural renewables (£0.200m)

15.1 This element of the budget continues an existing and on-going commitment to provide tenants living in rural/"off gas" communities with reliable and efficient heating systems. It also allows properties to benefit from renewable technologies, while at the same time being able to offer other options to tenants in addition to storage heaters and solid fuel.

15.2 Officers continue to seize every opportunity of completing more joint-funded Renewable Heat Premium Payment (RHPP) projects via the Energy Saving Trust, and others, on behalf of DECC.

16. Line 15 - Mechanical extract ventilation (£0.300m)

16.1 This budget item was established and agreed by members in September 2012 (CAB2388 (HSG) refers), on the understanding that it would be funded from within the existing repairs and maintenance budget.

16.2 Officers continue to view mechanical extract ventilation to kitchens and bathrooms as a very important measure in helping tenants to reduce condensation in the home.

17. Line 16 - Environmental/Estate improvements (£0.250m)

17.1 This budget was established in addition to the traditional core maintenance priorities to improve estate facilities and to address some broader estate-based problems.

- 17.2 Proposals include (i) Winnall flats - improvements to parking and provision of play area; (ii) Trussell Crescent, Weeke - general estate improvements /consultation; (iii) Woolford Close, Stanmore - improvements to lighting, parking and access routes to park etc.; (iv) Highcliffe - fencing and car parking schemes.
18. Line 17 - Sheltered housing upgrades (£0.200m)
- 18.1 This budget has been specifically ear-marked to improve and adapt the existing sheltered housing stock across the District.
- 18.2 Schemes include (i) Matilda Place - where the intention is to incorporate two former scheme manager residences into the main scheme, and other works required to make the premises better suited to clients with cognitive impairment; (ii) Hyde Gate & Lawn House - improvements to communal lounges (including kitchen upgrades); (iii) Landscaping and replanting of scheme grounds and improvements to signage generally; (iv) Lisle Court Common Room - conversion into a 2 bed general needs flat with disabled access; (v) upgrades to the Tunstall fire alarm system ; (vi) improvements to staff amenities at key locations to facilitate the move to a floating support model.
19. Line 18 - Loft Conversions (£0.200m)
- 19.1 This initiative has been specifically introduced to reduce over-crowding, and forms one of a number of measures to enable tenants to stay in their current homes longer and to maximise the use of existing stock.
- 19.2 Loft conversions and extensions is the subject of another and more detailed report before this committee (see CAB2490(HSG) elsewhere on this agenda. The spending approval under the Financial Procedure Rules is sought as part of that report.
20. Line 19 - Disabled adaptation works (£0.700m)
- 20.1 Disabled adaptation works continue to demand a significant proportion of the overall capital budget for works to council housing. Officers anticipate that the vast majority (80%, approx £0.560m) of this budget for 2013/14 will again be spent on walk-in showers.
21. Line 20 - Sewage treatment works (£0.100m)
- 21.1 The capital programme, and approval to incur expenditure, for the sewage treatment works held within the Housing Revenue Account, has already been approved (CAB2447, 13 February, 2013, refers).
- 21.2 This year's programme includes work to St Mary's Close Droxford, Warren Cottages, Micheldever and Railway Cottages, West Meon.

OTHER CONSIDERATIONS:

22. SUSTAINABLE COMMUNITY STRATEGY AND CHANGE PLANS (RELEVANCE TO):

- 22.1 The proposals accord with the principles of making the best use of available resources by continued clear financial planning.
- 22.2 To maintain the Council's assets and to promote a high quality environment

23. RESOURCE IMPLICATIONS:

- 23.1 Staff resources to procure and implement the improvements will be funded from within existing resources.

24. RISK MANAGEMENT ISSUES

- 24.1 The Property Services team is still not up to full and permanent establishment, with three staff members currently on long-term sickness leave. Whilst changes to teams and working practices in the last 12/18 months are considered appropriate to deliver the increased programme, this will be kept under review. Even when at full and permanent establishment, Property Services will be smaller in numbers than three years ago, despite an increase in planned programmes of £4m (over 40%).
- 24.2 Much of the capital programme is either demand-led, and/or subject to tenant uptake. In addition, much of these works are subject to formal tendering arrangements which adds to the unpredictability in terms of how much can be achieved within agreed overall budgets and approvals regimes.
- 24.3 The current review of current Contracts Procedure Rules, Financial Procedure Rules and the Council's scheme of delegation will consider whether officers have sufficient flexibility and authority to make decisions within the overall programmes where relevant, whilst maintaining appropriate safeguards, financial probity and opportunities for scrutiny. Pending the outcome of this review it is proposed that the Assistant Director (Chief Housing Officer), following consultation with the Chief Finance Officer, be given delegated authority to make adjustments within the overall programme (£7.980m) including the flexibility to substitute projects and re-balance expenditure within and between the different elements/schemes in order to meet operational needs, changing priorities and commitment targets, with any changes being reported to the Committee at the earliest opportunity

25. TACT COMMENT

- 25.1 TACT notes the contents of this report and support all the proposals contained within it.

BACKGROUND DOCUMENTS:

None

APPENDICES:

Appendix A Housing Services Capital Programme 2012/2014

Housing Repairs and Renewals - Capital Programme 2013/14

Scheme description	2013/14 Budget £000	Already approved / in other reports	Remaining approval
Future Major Repairs			
Responsive Mtnace - Non-Term contract	130	0	130
Discretionary Works Scheme	200	0	200
External envelope works	1,000	0	1,000
Window/door/screen replacements	700	0	700
Misc external works	250	0	250
Lift refurbishment	0	0	0
Kitchen/bathroom renewals	1,900	0	1,900
Heating systems replacement	1,260	1,106	154
Fire risk assessments	80	0	80
Miscellaneous internal works	180	0	180
Garages/other non-dwelling assets	200	0	200
Non-traditional dwellings	30	0	30
Underground services	100	0	100
Rural renewables	200	0	200
Mechanical extract ventilation	300	0	300
	6,530	1,106	5,424
Improvements and loft conversions			
Environmental Improvements	250	0	250
Sheltered Housing Upgrades	200	0	200
Loft conversions	200	200	0
	650	200	450
Disabled Adaptation works	700	0	700
Other capital spending	0	0	0
Sewage Treatment Works	100	100	0
Asset Management Solution	0	0	0
Orchard enhancements	0	0	0
	100	100	0
Sub-total Housing Services Spend	7,980	1,406	6,574