



Report to Assets, Development and Investment Committee

18 June 2015

Title: Housing Capital Programme - Update

Report of: Director of Customers and Communities

Purpose of Report

1. To provide the committee with an update on the delivery of the Housing Capital programme for the year end 2014/15 and to update on the proposed programme for 2015/16.

Background

2. As reported to previous committees, the 2014/15 capital investment programme was finalised in February 2014 and a summary of works delivered during 2014/15 is detailed in this report.
3. The Housing Revenue Account (HRA) capital programme is approved by Gateshead Council on an annual basis. On the 5 February 2015, a revised Housing Capital Programme was approved for the period 2015-2020. This approved the major budgets headings and available funding to support investment over the next five years but is subject to annual review and will be informed in future years by the findings of the recent stock condition exercise and the emerging themes being addressed in the Asset Strategy.
4. The annual programme and available budget for 2015/16 is attached at Appendix 1. Future reports will provide the committee with progress on individual schemes and details on property numbers that have benefited from improvement works, in the current year.
5. The capital programme is established and managed by the Investment and Development service. This involves identifying schemes and prioritising capital investment based on stock condition and repairs history and managing the performance of delivery partners to ensure that schemes are delivered on time, on budget and to the satisfaction of customers, with emphasis on achieving value for money. Our main delivery partner is Construction Services (CS).

2014/15 Capital Programme – Summary

6. Since the completion of the Decent Homes programme, the capital programme has focused on the renewal of key elements within the stock to prevent

properties falling into non-decency. Maintaining Decency represents the largest single area of capital investment.

7. During 2014-15, a total of £16.32m worth of investment was made to properties through the investment programme.
8. A summary of activity and outcomes achieved during 2014-15 is detailed below, broken down by the various budget headings:-

Health and Statutory Obligations

- Based on maintenance reports and recommendations from insurance inspections, lift replacement works were identified as being necessary at Park, Peareth and Priory Court. Works commenced during 2013/14 and all of these blocks were completed during 2014/15. Additionally, two lifts were identified for replacement at Eslington Court. One of them completed in February 2015 and the second one is due for completion this month.
- Communal Electric upgrades commenced at the four Australia blocks during 2013/14 and spanned into 2014/15. The final block to receive works was Sydney Court and this concluded in July 2014. The next block to receive works was St Cuthbert's Court. Works commenced in November 2014 and completed in February 2015.
- Equality Act Works to seven communal lounges in sheltered schemes were delivered during the year.
- Equality Act Works to multi story flats – A rolling programme of works to multi story blocks saw six blocks received works during 2014/15.
- Fire Safety Works – Residual signage and alarm works completed at sheltered schemes following delivery of main fire safety measures during previous years.

Maintaining Decency

9. The Maintaining Decency programme is comprised largely of internal upgrades to properties with individual elements such as re-wiring, boiler replacement, kitchen replacements and bathroom renewals. Over 880 properties across the borough received improvements, with many dwellings receiving multiple elements of work.
10. A summary of the works delivered during the year is detailed below.

Works Received	Number of Properties
Kitchens Renewed	159
Bathrooms Renewed	146
Electrical Upgrades	274
Boiler Replacements	349
Full Heating Distribution Systems	101
Replacement Fires	336
Window Replacements	337
Door Replacements	136

Total Property Improvements	1838
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11. In addition to the above, a significant package of internal and external works was carried out to 147 properties at St James' Village. This scheme commenced during September 2014 with a target completion date of July 2015 with properties receiving roof renewals, window replacements and insulation measures to both communal areas and individual flats where condensation issues have been evident previously.
12. Approximately 350 non-traditional properties benefited from external wall insulation measures during 2014/15. The works improve thermal efficiency and help customers experiencing high fuel costs. This type of investment to hard to heat, non-traditional properties features in the current 2015-16 programme and is likely to continue in future years as a priority identified through the Asset Strategy.

Other Priorities

13. In addition the following schemes completed during 2014-15;
 - Tunstall Carecall Scheme – 20 schemes have benefited from upgrades to the Carecall system during 2014/15 with all works completing in January.
 - One Off Heating Replacements – Although delivered through the repairs contract, these works are funded through the capital budget. £688,000 worth of work was channelled through this budget during 2014/15, focused on replacement of older inefficient heating appliances.

Capital Programme 2015/16

14. At the year-end £0.378 million was carried into the current years' budget to support delivery of planned works that had commenced in 2014/15. This amount was approved by the Council's Capital finance team and is reflected in the appendix to this report. The total projected budget for Capital Investment works being managed by TGHC within 2015/16 is currently £17.35 million.
15. Future committee reports will provide updates on activity and detail of progress on individual schemes, being delivered in the current year.
16. Future investment programmes will be informed by the recent stock condition surveying exercise and driven by the emerging Asset Strategy.

Links to Values

17. This report relates to the company values of being : -
 - Fair
 - Customer Focused
 - Innovative

Impact on tenants

18. Following on from the investment that was made during the Decent Homes programme, we continue to invest in maintaining decency of the housing stock for the benefit of the customers.
19. Satisfaction surveys are carried out with all tenants and leaseholders who receive investment works. Results up to year end showed that 99.42% of customers expressed satisfaction with maintaining decency works. Customers receiving windows were also surveyed with 96.63% of customers expressing satisfaction.
20. Customers will benefit from the Equality Act works improving entrance access and toilet facilities to communal areas.

Health Implications

21. The improvement works detailed in this report, in particular replacement windows and improvements to the thermal efficiency of homes, will reduce the risk of customers living in cold damp homes, reducing the risk of heart, stroke, respiratory and cold related illness.

Environmental Implications

22. Through the Maintaining Decency, Insulation and one off heating replacement schemes, properties that have the oldest most inefficient heating systems have received replacement boilers this year. The EWI schemes to harder to heat properties along with window replacement works will reduce substantial carbon emissions through reductions of heating usage.

Risk Management Implications

23. The failure to maintain decency has been identified as a strategic risk and controls and future actions have been agreed to mitigate the risk. The Strategic Risk Register is reviewed annually by the senior management team and monitored by the Board. Works being undertaken to renew/refurbish five lifts in multi-storey blocks and sheltered schemes as well as Equality Act works will mitigate against risks to customers.
24. The fire safety works that have been delivered to sheltered schemes have addressed deficiencies that were identified by officers from TGHC and the Tyne and Wear Fire and Rescue Service and will mitigate risks in properties occupied by some of our most vulnerable customers.

Financial Implications

25. The capital programme is delivered within existing budget although, we are constantly looking at opportunities to maximise value for money and attract additional funding to supplement capital delivery.

Equality and Diversity Implications

26. The Equality Act works delivered have improved accessibility to 7 sheltered blocks. Measures include improved entranceways as well as DDA compliant toilet facilities

Value for Money Implications

27. Value for money is a key driver in delivering an efficient and effective investment programme. Discussions have been held with suppliers around their costs to ensure that we are continuing to receive the best quality products at a reasonable price. We will continue to manage the investment works to ensure that the contractors provide value for money in their approach to the works.

Consultation carried out

28. Consultation has been carried out for:-
- Maintaining Decency – drop in events are held for residents whose homes are due heating or kitchen replacement.
 - Fire Safety Works – drop in events were held for residents living in multi-storey blocks and sheltered schemes so they could find out more about the works.
 - Ward Councillors have been updated and advised of the Capital scheme proposals in their wards.

Recommendation

29. The committee is asked to:
- Comment on satisfaction with the year-end position on the 2014/15 Capital Programme
 - Receive further reports on progress and activity against the programme for 2015/16.

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2015/16 Housing Capital Programme
HRA Capital Programme 2015/16

Category	Project	14/15 Slippage	15/16 Original Budget	Total 15/16 Funding
Health and Safety	Lift Replacement/Refurbishment	0	575	575
	Replacement of Communal Electrics	0	250	250
	Equality Act Works - Multi Storey Flats	24	260	284
	Equality Act Works - Communal Lounges	0	110	110
	Fire Safety Communal Cable Clipping	0	250	250
		24	1,445	1,469
Maintaining Decency	Programme Maintenance	0	1,000	1,000
	Strategic Maintenance	0	2,145	2,145
	Maintaining Decency Prelims/Overheads	0	3,600	3,600
	Maintaining Decency Works	113	2,205	2,318
		113	8,950	9,063
Energy	Energy and Sustainability Works	159	4,790	4,949
Other Priorities	Warden Call	0	250	250
	Window Replacement	82	1,000	1,082
	Door Entry Systems	0	250	250
		82	1,500	1,582
Estate Regeneration	Neighbourhood Pride	0	100	100
	Designing Out Crime	0	150	150
	South End Road Garage Clearance	0	40	40
		0	290	290
Total TGHC Capital Programme 15/16		378	16,975	17,353
	Adaptations	0	1,500	1,500
	District Energy Network Connections	0	1,275	1,275
	Regent Court Curtain Wall and CHP Prep	0	1,500	1,500
	New Build development	0	50	50
	Chandless Demolition	0	120	120
	Dunston Achieving the Vision	0	625	625
	Clasper Village	0	860	860
	Bleach Green	0	995	995
	Older Persons	0	200	200
Total HRA Capital Programme 15/16		0	7,125	7,125
Overall Total HR Capital Programme 15/16		378	24,100	24,478