



## Report to Assets, Development and Investment Committee

11 May 2016

**Title:** Housing Capital Programme – Year End Update

**Report of:** Director of Customers and Communities

### Purpose of summary

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

### Background

2. As reported to previous committees, the 2015/16 capital investment programme was finalised in February 2015 and a summary of works delivered during 2015/16 is detailed in this report.
3. The Housing Revenue Account (HRA) capital programme is approved by Gateshead Council on an annual basis. The outline budgets for the work programmes detailed within this report were approved by Cabinet on the 5 February 2015.
4. The capital programme for the next five years was subsequently reviewed on 9 February 2016, as reported to the committee in February and it is that programme that will form the basis of future capital updates throughout 2016/17. Budget headings for future reports will reflect the changes that have been made to the overarching Capital programme, informed by the stock condition work and aligned to current reporting categories used by the DCLG.
5. The capital programme is established and managed by the Investment and Delivery 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).

### Decency Year End Position

6. Following on from the conclusion of the Decent Homes Programme in 2012, the approach to planned investment has been one of maintaining decency, with performance reporting being focused on the % of stock that can be classed as non-decent. Due to the challenges facing the Housing Revenue Account (HRA),

the nature of Capital investment is evolving and as reported to Board at the meeting on 24 March 2016, a proposal has been approved to align the Asset Management function with the financial responsibility for the HRA, specifically to ensure that Capital Investment decisions remain appropriate and affordable in current context.

7. The stock condition survey sample was carried out during 2015 has been used in conjunction with existing asset information and data to update the baseline position for decency and give a more accurate indication of the position of the stock. This reporting method gives a non-decent figure of 9.63. (90.37% Decent), for the year ending 31 March 2016.
8. Work has been programmed for the year 2016/17 to tackle properties that have been identified as failing decency and future committee reports will give an update on how this work is progressing, alongside numbers of properties that are benefiting from improvement works.

### **2015/16 Capital Programme – Summary**

9. 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.
10. During 2015-16, a total of £14.93m worth of investment was made to properties through the investment programme.
11. A summary of activity and outcomes achieved during 2015-16 is detailed below, broken down by the various budget headings:-

#### *Health and Statutory Obligations*

12. Following the appointment of Kone, works commenced to deliver H&S improvements across a number of Multi Storey blocks that will ensure lift maintenance engineers can undertake work in a safe environment. These works commenced in November and have now completed.
13. Additionally, full lift refurbishments have been carried out on both lifts at Mulgrave Villas Sheltered Scheme. One completed in March and the second one is due to complete in May. Peareth Court's North Lift is the next one scheduled for refurbishment and is expected to complete autumn 2016.
14. The Electrical upgrade works at Warwick Court are now almost complete with residual making good being finalised ahead of Npower coming to site to make final connections for the communal electrics on 18<sup>th</sup> May.
15. Equality Act works to 7 communal lounges in sheltered schemes all completed in year with works undertaken at Kays Cottages, Emmaville, Bolton Bungalows, Burnside Road, Milvain Close and Harrison Court.
16. Equality Act works and Fire Safety works were delivered simultaneously at Redheugh and Eslington Court and completed in March 2016. The works comprised of installing level access ramps to the main entrance doors, floor covering refurbishment, stair tread replacement and additional handrails installed to stairwell and landing areas and communal fire door refurbishment.

17. A works programme to all 25 multi storey blocks installing non-combustible cable clips to cable runs in communal areas, concluded in February. The clips installed will prevent cable runs sagging in the event of a fire and are being carried out in response to previous incidents that have occurred elsewhere. Tyne and Wear Fire and Rescue Service (TWFRS) are very supportive of the works as they will ensure safe means of access in the event of them attending an incident.

Maintaining Decency

18. 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 1150 properties across the borough received improvements, with many dwellings receiving multiple elements of work. This approach has minimised disruption for customers and increased the package of works being delivered at one visit.
19. A summary of the works delivered during the year is detailed below.

<b>Works Received</b>	<b>Number of Properties</b>
Kitchens Renewed	136
Bathrooms Renewed	105
Electrical Upgrades	165
Boiler Replacements	144
Full Heating Distribution Systems	43
Replacement Fires	138
Window Replacements	514
<b>Total Property Improvements</b>	<b>1245</b>

20. 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 has been used as a pilot on a particular house type and has addressed roof renewals, window replacements and insulation measures to both communal areas and individual flats where condensation issues have been evident previously. Learning and specifications from the scheme will be used to inform investment works on similar house types going forward.
21. Approximately 215 non-traditional properties have benefited from external wall insulation measures during 2015/16 on the Leam Lane and Heworth Grange estates. The works improve thermal efficiency and help customers experiencing high fuel costs. This type of investment to hard to heat, non-traditional properties has featured in the capital programme for the past two years and is likely to continue in future years as a priority. 149 properties have completed at Leam Lane and the 65 properties at Heworth Grange are currently in the process of being signed off and handed over.
22. Communal boiler replacements at 3 Sheltered Schemes completed this year with replacement plant installed at Harrison Court, East Lee and McCerlaine Square receiving works. Further schemes will be improved during 2016/17 and 2017/18.
23. A contract at South Sherburn is currently on site, undertaking works on the last remaining non-traditional Airey house types within the council's portfolio. The works will remove the existing uninsulated concrete panels and rebuilding in a traditional form of construction. Renewal of the roof coverings and windows is

also being undertaken that will provide a thermally efficient home for the residents and bring the properties up to modern standards. Works commenced late February 2016 and are expected to complete in the summer.

24. Similar to the South Sherburn contract, works commenced with a pilot property in March 2016 to deliver a bespoke works package to refurbish non-traditional Tarran bungalow house types at Highfield. The works will consist of external wall insulation and window replacement that will result in a thermally efficient home. 9 bungalows are receiving the works with the current programme expected to complete in the summer.
25. Roofing insulation measures are being applied to a house type that has a particular roof style known as a 'T Fall'. Due to the nature of the design a section of roof cannot be traditionally insulated requiring internal insulation measures to be applied to the cold areas. This will eradicate the current cold bridge that is resulting in surface condensation with 255 homes benefitting this year. This work was identified to address recurring condensation issues that were being tackled through responsive repairs visits and is expected to see a reduction in repairs activity and cost.
26. Although paid for from the Repairs and maintenance budget, the Painting Programme is co-ordinated by the investment section and during 2015/16 both Mears and Construction Services delivered painting schemes across the Borough. Approximately 2000 properties have received painting measures during 2015/16.

#### Other Priorities

27. In addition the following schemes either completed or commenced during 2015-16: -
  - Tunstall Carecall Scheme – 10 schemes have benefited from upgrades to the Carecall system during 2015/16 with all works completing in February.
  - One off heating Replacements – Although delivered through the repairs contract, these works are funded through the capital budget. £767,000 worth of work was channelled through this budget during 2015/16, focused on replacement of older inefficient heating appliances.
  - Mid Rise Flat Entrance Door and Door Entry Refurbishment – A contract to replace doors and door entry systems on low and mid-rise blocks is commenced in February. The works will replace communal doors and install a modern door entry audio system. 23 blocks across the borough are set to benefit from the works during this phase of works which will run into 2016/17. The intention to roll out the intercom specification to the multi-story blocks in future phases.

#### **Links to Values**

28. This report relates to the following company values: -
  - Being Fair
  - Being Customer Focused
  - Being Innovative

## **Impact on tenants**

29. 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. The challenge to maintain decency within the financial constraints placed upon the HRA remains challenging and will need to be closely monitored to avoid impacts on customers.
30. Satisfaction surveys are carried out with all tenants and leaseholders who receive investment works. Results up to year end showed that 98.01% of customers expressed satisfaction with maintaining decency works. Whilst this has reduced from last year (99.42%) it still represents an extremely high level of customer satisfaction.
31. Customers will benefit from the Equality Act works improving entrance access and toilet facilities to communal areas.

## **Health Implications**

32. 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**

33. Through the Maintaining Decency, Insulation and one off heating replacement schemes, properties that have the oldest most inefficient heating systems have receive 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**

34. 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.
35. 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**

36. 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**

37. 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**

38. 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**

39. 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.

## **Recommendations**

40. The committee is asked to:
- comment on satisfaction with the year-end position on the 2015/16 Capital Programme;
  - note the decency position at year end and receive further updates on performance alongside reports on progress and activity against the programme for 2016/17 and emerging priorities identified through the alignment of asset management with the council.