

**Lead Officer(s):** Director of District Centres and Regeneration

**Wards:** All

**Agenda Item:-**

**Subject:** HOUSING CAPITAL INVESTMENT PROGRAMME 2019/20

### **RECOMMENDATIONS**

The Panel is asked to note and provide feedback on the proposed 2019/20 capital investment programme relating to investment in the council's housing stock set out at Appendix 1.

## **1. Purpose of Report**

- 1.1.** Each year, the council undertakes a programme of investment in its housing stock supporting the council's aim of providing homes that are compliant, decent and energy efficient. Within this overall programme is a range of works to maintain and improve individual properties, blocks and the wider environment in which the council's housing stock is located. This report provides an overview of the planned investment programme for 2019/20 and compares this to the investment made in 2018/19.

## **2. Background**

- 2.1.** In the Corporate Plan 2018-22 the council has established its aims for people to live long, healthy, happy and independent lives; for good, decent homes, affordable to all; that everyone feels safer in their street, neighbourhood and home; for a cleaner and more sustainable environment; and that everybody has the opportunity to work and build their career.
- 2.2.** The council has 13,494 tenanted homes within the housing revenue account (HRA). These are maintained and improved through an ongoing programme of capital investment. The council also has 2,392 leasehold homes that benefit from works carried out to the 1,104 blocks in the HRA. Works to these blocks are generally recharged to the owners of the leasehold flats.

**2.3.** The specific aims of the capital investment programme are to:

- Ensure that we continue to provide homes that meet or exceed our statutory requirements.
- Minimise the risk within properties where health and safety issues have been highlighted.
- Ensure that properties are safe, secure and weather tight.
- Improve the internal living conditions to a modern standard.
- Make homes warmer, more energy efficient and cheaper to heat whilst reducing the borough's carbon footprint and NO<sub>2</sub> emissions.
- Enhance the spatial environment of our estates to create places where people want to be.
- Ensure that properties, blocks and neighbourhoods cater to older and vulnerable people through providing a range of adaptations to homes and providing additional services such as mobility scooter stores.
- Make best use of the housing stock through the conversion of homes to better meet the housing needs of residents in the borough or through the provision of specific facilities to meet a need.
- Generate savings on the responsive repairs contract.

The council, like all housing providers, has invested additional resources in fire safety following the Grenfell Tower fire in June 2016. A sprinkler programme is in place for all blocks 10 storeys and above. The council has also taken the decision to go beyond the current requirements in relation to fire risk assessments. Intrusive "Type 4" Fire Risk Assessments have been commissioned and are being carried out by fire risk assessors. As these reports and recommendations are being returned, the compliance team are forming a programmed response to be passed to the delivery team, packaging works together where possible to minimise resident disruption.

**3. 2018/19 Performance**

**3.1.** So far this year the council has:

- Replaced 61 roofs
- Commissioned reports and core samples on all flat roofed blocks to determine a long term replacement programme.
- Installed 207 double glazed UPVC window replacements.
- Modernised kitchens to 336 homes.
- Replaced bathrooms to 297 homes.
- Installed security doors to 181 properties.
- Carried out EICR Electrical tests to 510 properties and remedial works where necessary.
- Upgraded rewiring to 325 homes.
- Tested 70 communal block electrics.
- Upgraded lateral mains electrics at 15 blocks.
- Installed boilers and upgraded central heating systems at over 433 properties.
- Upgraded communal heading distribution systems at two blocks with a further two planned for commencement at the end of the financial year.
- Installed/upgraded communal flooring at 20 blocks.
- Redecorated 81 blocks and carried out external redecoration to 51 houses
- Refurbished 6 lifts in 5 blocks

- Installed new bin chambers at 6 blocks.
- Continued the installation of sprinklers in 26 blocks.
- Continued work at Longheath Gardens on a major programme of improvements and replacements to drainage, exterior walls, walkways and roofs.
- Continued work on site at 98-176 College Green to install rain screen cladding, replace the roof and windows, and to upgrade the lifts.
- Developed plans and carried out feasibility for major works programmed in 2019/20 & 2020/21 at sites such as Chertsey Crescent and Dartmouth House.
- Installed storage facilities at Southlands Close to allow the safe storage and charging of mobility scooters in line with fire regulations. Ashwood Gardens, Borough Grange & Arun Court to follow.
- Scoped works to bring long term void properties back into use. These include works such as subsidence, creating larger homes, and converting existing properties to create additional units.
- Supported 68 tenants to remain in their homes each year through major adaptations.

**3.2.** This year's investment has allowed the council to continue to meet the following targets:

- *To assess and improve fire safety by working closely with the fire brigade, with 100% of blocks of flats complying with regulations.* The council has fire risk assessments on all blocks that require them. Remedial works are planned where issues have been identified through fire risk assessments or from London Fire Brigade.
- *100% of homes to be maintained at the decent home standard over time.* The council has achieved a constant 99-100% over the last seven years.
- *A year-on-year improvement in energy efficiency as measured by RdSAP.* The council has improved on this measure since 2013 and is above the national average of 65.6 for social housing in England. The target for 2020 is now 70.6 against the current rating of 68.77 that was achieved in 2018.

#### **4. Resources for investment**

**4.1.** New capital investment into HRA housing for 2019/20 is £38.451m, comprised of:

- £26.771m routine capital investment, in line with 2016/17 and 2017/18 investment levels.
- £10m investment is required for Fire Safety related work.
- £1.5m to create larger dwellings.
- £0.180m has been set aside for Special Transfer Payments where residents are offered financial incentives to move to smaller properties.

**4.2.** The council's 2019/20 budgets, including the HRA, will be formally approved at the Council meeting on 25<sup>th</sup> February 2019.

## **5. Resident involvement**

- 5.1.** The Council currently has a capital investment service improvement group, containing several tenant and leaseholder representatives. Meetings have been held on a quarterly basis and discuss progress in the investment programme and matters arising regarding future investment priorities.
- 5.2.** The council has been working with residents to develop proposals for a new approach to resident involvement. These proposals are contained within a separate paper for consideration by TLP. Looking forwards, it is anticipated that regular reviews of the capital programme priorities and performance will take place under the proposed new arrangements.
- 5.3.** The council regularly benchmarks its performance with similar local authorities and ALMOs through the HouseMark service. The results of this year's benchmarking exercise are not available at the time of producing this report, but will be presented to residents as soon as our report is received All TLP members will be invited to this session.

## **6. The programme in detail**

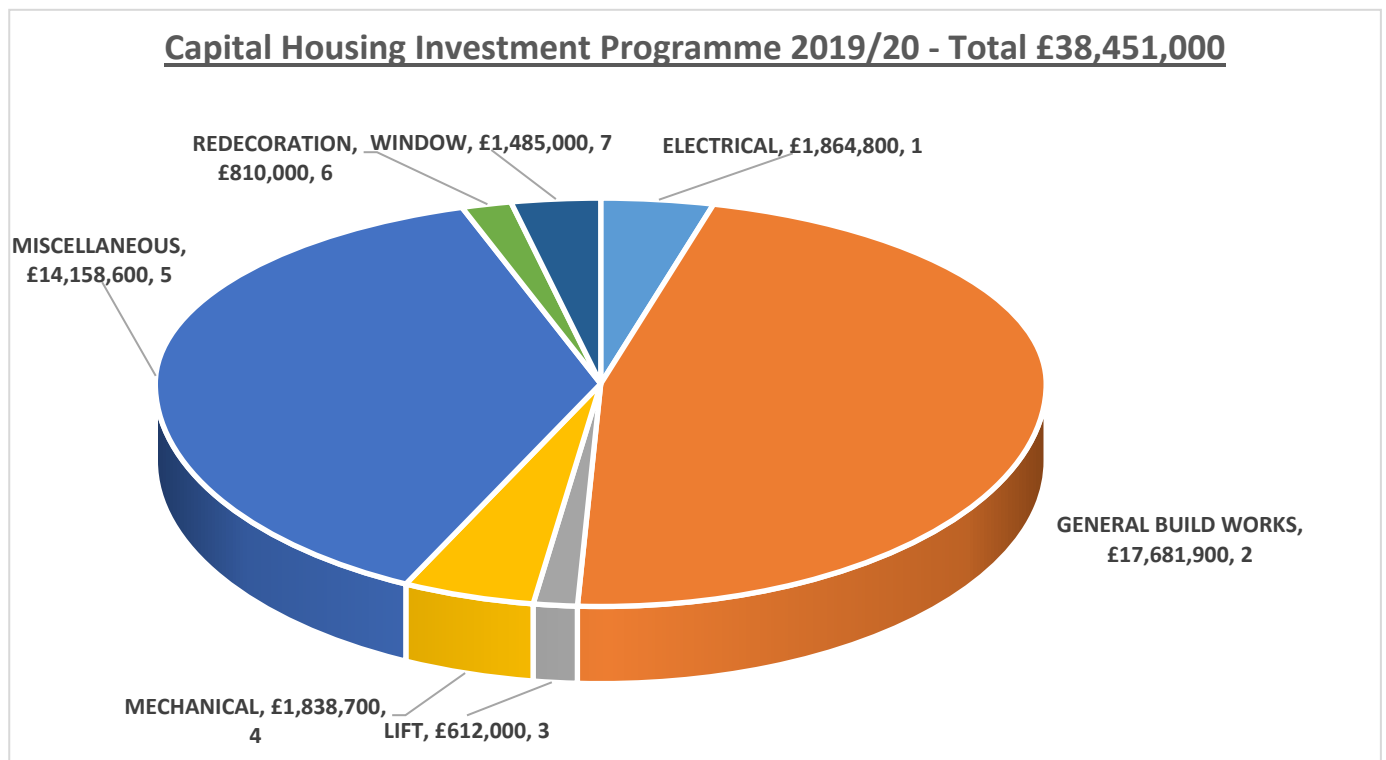
- 6.1.** Appendix 1 sets out the proposed programme for 2019/20. The overall level of investment will ensure that we meet current outstanding need and regulatory requirements.
- 6.2.** A more detailed breakdown of the programme can be found in Appendix 1 and 2.

## Appendix 1 – the 2019/20 housing capital investment programme

CONTRACT	BUDGET LINE	DRAFT BUDGET 19/20
GENERAL BUILD WORKS	GBW - PRELIMS/OVERHEADS (EST)	£1,980,000
GENERAL BUILD WORKS	GBW VARIABLE PROFIT	£194,101
GENERAL BUILD WORKS	AD HOC WORKS - MAJOR WORKS (INC VOIDS)	£364,500
GENERAL BUILD WORKS	AD HOC WORKS - MINOR ESTATE IMPROVEMENTS	£67,500
GENERAL BUILD WORKS	COMMUNAL FLOORING	£67,500
GENERAL BUILD WORKS	GARAGES - DEMOLITION	£36,000
GENERAL BUILD WORKS	KITCHEN & BATHROOMS - EXTENSIONS	£270,000
GENERAL BUILD WORKS	KITCHEN & BATHROOMS - REPLACEMENT	£2,314,759
GENERAL BUILD WORKS	MAJOR ADAPTATIONS - GBW	£630,000
GENERAL BUILD WORKS	RESURFACING WORKS	£90,000
GENERAL BUILD WORKS	ROOFS (Pitched)	£1,000,000
GENERAL BUILD WORKS	ROOFS (Flat)	£225,000
GENERAL BUILD WORKS	DRAINAGE WORKS	£450,000
GENERAL BUILD WORKS	SECURITY DOOR INSTALLATION	£225,000
GENERAL BUILD WORKS	SPECIAL PROJECTS - COLLEGE GREEN	£2,475,000
GENERAL BUILD WORKS	SPECIAL PROJECTS - DAVIDSON LODGE	£730,069
GENERAL BUILD WORKS	SPECIAL PROJECTS - LONGHEATH GARDENS	£4,214,370
GENERAL BUILD WORKS	SPECIAL PROJECTS - GRANGE ROAD	£13,500
GENERAL BUILD WORKS	SPECIAL PROJECTS - DARTMOUTH HOUSE	£1,485,000
GENERAL BUILD WORKS	SPECIAL PROJECTS - CHERTSEY CRESCENT	£135,000
GENERAL BUILD WORKS	SUBSIDENCE	£714,600

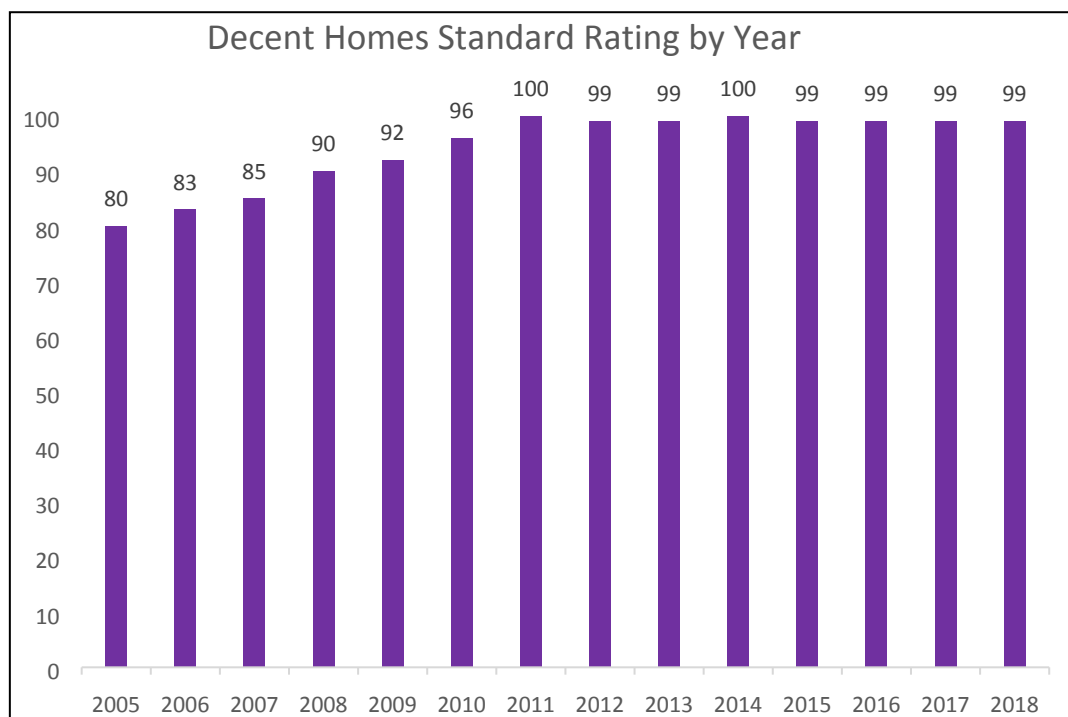
<b>GENERAL BUILDING WORKS SUBTOTAL</b>	<b>SUBTOTAL</b>	<b>£17,681,900</b>
<b>REDECORATION</b>	EXTERNAL DECORATIONS	£675,000
<b>REDECORATION</b>	SUPPORTED DECORATIONS SCHEME	£135,000
<b>REDECORATION SUBTOTAL</b>	<b>SUBTOTAL</b>	<b>£810,000</b>
<b>ELECTRICAL</b>	AD HOC WORKS - EMERGENCY LIGHTING	£144,000
<b>ELECTRICAL</b>	DOOR ENTRY SYSTEM - PAC TESTING	£10,800
<b>ELECTRICAL</b>	DOOR ENTRY SYSTEM - REPLACEMENT	£180,000
<b>ELECTRICAL</b>	ELECTRICS - REWIRING/TEST & INSPECT	£1,080,000
<b>ELECTRICAL</b>	LATERAL MAINS	£450,000
<b>ELECTRICAL SUBTOTAL</b>	<b>SUBTOTAL</b>	<b>£1,864,800</b>
<b>LIFT</b>	LIFT - MOTOR ROOM IMPROVEMENT	£27,000
<b>LIFT</b>	LIFT - REFURBLISHMENT	£585,000
<b>LIFT SUBTOTAL</b>	<b>SUBTOTAL</b>	<b>£612,000</b>
<b>MECHANICAL</b>	ALARMS - FIRE ALARM REPLACEMENT	£162,000
<b>MECHANICAL</b>	COMMUNAL BOILER REPLACEMENT	£461,700
<b>MECHANICAL</b>	ENERGY PERFORMANCE CERTIFICATES	£45,000
<b>MECHANICAL</b>	GAS CENTRAL HEATING - PROGRAMMED REPLACEMENTS	£900,000
<b>MECHANICAL</b>	GAS CENTRAL HEATING - REPAIRS REPLACEMENT	£270,000
<b>MECHANICAL SUBTOTAL</b>	<b>SUBTOTAL</b>	<b>£1,838,700</b>
<b>WINDOW</b>	WINDOWS REPLACEMENT	£1,485,000
<b>MISCELLANEOUS</b>	MAJOR ADAPTATIONS - MISC	£270,000
<b>MISCELLANEOUS</b>	APEX DEVELOPMENT	£49,500
<b>MISCELLANEOUS</b>	OPTION APPRAISALS & FEASIBILITY STUDIES	£27,000
<b>MISCELLANEOUS</b>	SUPPORT COSTS (CLIENT STAFFING)	£1,800,000
<b>MISCELLANEOUS</b>	PEST CONTROL	£108,000
<b>MISCELLANEOUS</b>	CYCLICAL - INSPECTION & MAINTENANCE OF PLAYGROUNDS & EQUIPMENT	£17,100
<b>MISCELLANEOUS</b>	FIRE SAFETY	£10,000,000
<b>MISCELLANEOUS</b>	CREATING LARGER HOMES	£1,500,000
<b>MISCELLANEOUS</b>	ENERGIESPRONG	£27,000
<b>MISCELLANEOUS</b>	CAPITALISED RESPONSIVE REPAIRS WORKS	£180,000
<b>MISCELLANEOUS</b>	SPECIAL TRANSFER PAYMENT	£180,000
<b>MISCELLANEOUS SUBTOTAL</b>	<b>SUBTOTAL</b>	<b>£14,158,600</b>
	<b>TOTAL</b>	<b>£38,451,000</b>

## Appendix 2 – Proportion of Housing Capital Investment Programme

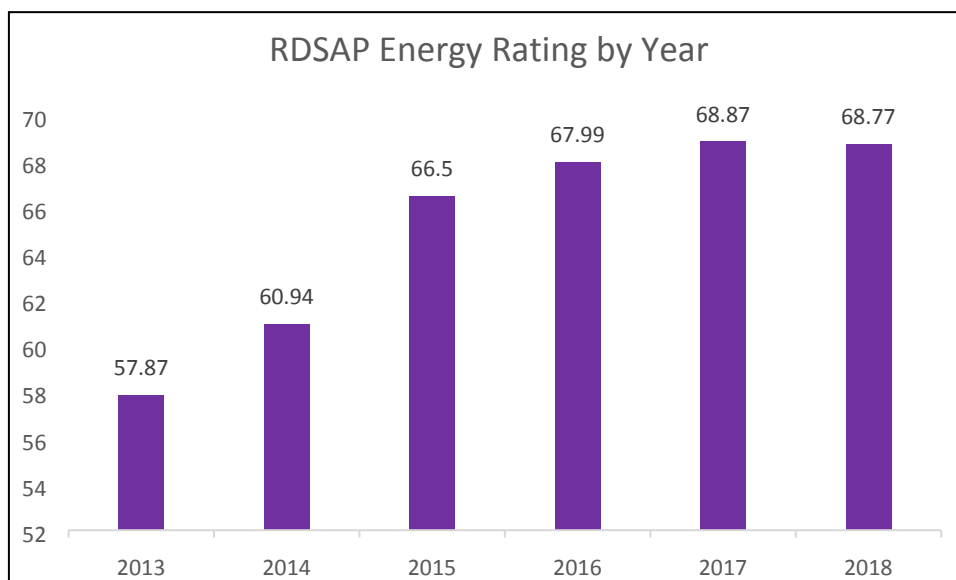


## Appendix 3 – Performance Data

**Chart 1: Percentage of properties meeting the decent home standard over time**



**Chart 2: Energy rating of the housing stock**



### **Energy efficiency**

Energy performance is measured against the Building Research Establishment's reduced data standard assessment procedure (RdSAP). The ongoing programme includes a range of measures which improve energy efficiency – replacing older boilers with more efficient ones, topping up loft insulation, cavity wall and solid wall insulation, replacing storage heaters with gas systems, double-glazing and new doors with a better thermal performance etc. The 2018 figure compares well with the national social housing average of 62.9. Our result has decreased in 2018 compared to 2017 due to changing from v9.90 to v9.92 to keep up with the latest assessment criteria. This update reflects the latest increase in fuel prices, which shows that it is more expensive to adequately heat a home and, therefore, reduces the overall RdSAP rating.