

DECISION-MAKER:	CABINET COUNCIL		
SUBJECT:	HRA CAPITAL PROGRAMME PROJECT APPROVALS 2014-15 AND 2015-16 PHASE 1		
DATE OF DECISION:	CABINET – 15 JULY 2014		
	COUNCIL – 16 JULY 2014		
REPORT OF:	CABINET MEMBER FOR HOUSING AND SUSTAINABILITY		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Geoff Miller	Tel: 023 8083 4987
	E-mail:	geoffrey.miller@southampton.gov.uk	
Director	Name:	Alison Elliott	Tel: 023 8083 2602
	E-mail:	Alison.Elliott@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY
Not applicable

BRIEF SUMMARY

This report seeks formal approval, in accordance with Financial Procedure Rules, for expenditure on various housing projects. These projects will contribute to the Council's strategic housing objectives through improving facilities of our estates, the wellbeing and the satisfaction of our residents in the areas where they live.

The proposals are consistent with the HRA Business Plan and Capital Programme approved by Council in February 2014. As part of our approach to self-financing the Council is required to plan for longer term investment in our housing stock and as such Council agreed to a detailed five year Capital Programme. In order to deliver this programme and secure suitable procurement efficiencies, we now need to seek Scheme Approval to progress with planning, procurement and delivery of the associated projects, many of which are significant in nature and therefore require suitable lead-in time.

The proposed works cover elements under the headings of:

- Warm and Energy Efficient
- Well Maintained Communal Facilities
- Safe, Wind and Weather Tight
- Modern Facilities

RECOMMENDATIONS:

- CABINET (i) To approve in accordance with Financial Procedure Rules expenditure of £4,472,000 phased
 £1,921,000 in 2014-15; and
 £2,551,000 in 2015-16
 on replacement windows, structural works, Disabled Adaptations, Programme Management Fees and Supported Housing Asset Programme (SHAP), provision for which exists within the Safe, Wind and Weather Tight, Modern Facilities and Well-Maintained Communal facilities sections of the HRA Capital Programme as detailed in the table below:

	2014-15	2015-16	Total
	£000s	£000s	£000s
Safe Wind and Weather Tight			
Window Replacement	476	715	1,191
Structural Works	1	330	331
Total for Safe Wind and Weather Tight	477	1,045	1,522
Modern Facilities			
Disabled Adaptations	141	112	253
Programme Management Fees	481	541	1,022
Total for Modern Facilities	622	653	1,275
Well Maintained Communal Facilities			
Supported Housing Asset Programme (SHAP)	822	853	1,675
Total for Well Maintained Communal Facilities	822	853	1,675
TOTAL	1,921	2,551	4,472

- COUNCIL** (i) To approve that the previously agreed schemes of “External Cladding (PRC houses)”, totalling £3,951,000, “External Cladding (flats)”, totalling £2,212,000, and “External Cladding (tower blocks)”, totalling £3,215,000, be merged into one scheme headed “External Cladding across the City” with a combined budget of £9,378,000.
- (ii) To approve in accordance with Financial Procedure Rules capital expenditure of £11,466,000 phased
£5,240,000 in 2014-15; and
£6,226,000 in 2015-16

on External Cladding systems and Supported Housing two-storey walkway repairs across the City for which provision exists within the Warm and Energy Efficient and Safe and Wind and Weather Tight sections of the HRA Capital programme, as detailed in the table below:

	2014-15	2015-16	Total
	£000s	£000s	£000s
Warm and Energy Efficient			
External Cladding across the City	4,739	4,639	9,378
Total for Warm and Energy Efficient	4,739	4,639	9,378
Safe Wind and Weather Tight			
Supported Housing two-storey walkway repairs	501	1,587	2,088
Total Safe Wind and Weather Tight	501	1,587	2,088
Total	5,240	6,226	11,466

REASONS FOR REPORT RECOMMENDATIONS

1. Financial Procedure Rules state that all schemes already in the Capital Programme between £200,000 and £500,000 will require Cabinet Member approval, those between £500,000 and £2 million will require Cabinet approval and those with total values above £2 million will require the approval of full Council. The schemes in this report fall into all of these categories but are presented in one report for completeness.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2. There have been various consultation meetings with Tenant Groups and Leaseholders during the last 12 months with regard to the proposed programme of Capital expenditure associated with the Housing Revenue Account (HRA) and the Self-Financing regime.
3. These works form part of the approved five year Capital programme (formally approved in February 2013).
4. The alternative option of not undertaking the works identified would leave the Council's homes and surrounding areas in their present condition and would not accord with the view expressed during the consultation process or with the Council's policies of providing homes that comply with the four agreed headings of:-
 - Safe Wind and Weather Tight
 - Warm and Energy Efficient
 - Modern Facilities
 - Well Maintained Communal Facilities

DETAIL (Including consultation carried out)

5. This report seeks permission to proceed with the development, procurement and implementation of Capital projects which form part of the HRA Capital Programme 2014-15 and 2015-16. This report deals with those schemes that are currently ready for approval.
6. The programme outlined in this report is consistent with the HRA Business Plan approved by Cabinet and Council in February 2014.
7. A key role in the development of the Capital programme has been the involvement of the Tenant Focus Groups, Block Wardens, Tenant representatives, Leaseholders and staff. Tenants and Leaseholders have also been closely involved in the production of our long term Business Plan for future investment.
8. Under Self-Financing our stock condition database is crucial to planning the works needed to our stock. As part of our approach to developing a Business Plan we have identified, through the stock database, the properties where work is required over the next five years and we are now in a position to strategically plan the investment needed to complete the work identified.
9. Therefore, the budgets identified and seeking approval are determined by the detail from our stock database to which we have then applied an accepted industry calculation for estimated value which is based on known costs and Building Research Establishment (BRE) national average at this time.
10. The detail in the tables above is therefore provided based on the detailed property assessments undertaken and is presented in unit quantities with a more detailed description of the work to be undertaken in the paragraphs below.

Safe, Wind and Weather Tight.

11. **Windows:** Previously successful programmes of replacement window works have now seen all SCC homes that had single glazed windows replaced with new UPVc double glazed units across the city. However many communal area windows i.e. stairwells and landings now need to be replaced (those that are still of a single glazed or of a wooden frame construction). The intention is to, in conjunction with other schemes of works i.e. External Wall Insulation, decoration etc; commence a new replacement programme for these communal windows. Other communal window works shall include a new programme of double glazed replacement windows to community rooms commencing with those at Bassett Green Community Room.
12. In addition to the communal window works, a programme of window replacement shall also be commissioned replacing the old double glazed metal "Crittal" windows with new UPVc double glazed units, with works commencing at Meon Court. These new units will stop / prevent the "cold Bridging and Condensation" problems that currently exist within this type of metal windows. Further identical works are already being identified and consulted on at Toronto Court and these shall be added to the programmes accordingly. All of the works indicated shall contribute to SCC's energy saving measures, benefiting both the Council and its residents.
13. **Structural Works:** Given the type and age of Council properties, it is essential that regular structural investigations are carried out together with any remedial works identified. Under the current SSP agreement, Capita are to carry out the surveys, then document and report on their findings and oversee any works required. The approximate level of surveys / works is a 40% surveys / 60% works split. It is proposed that in 2014/15 **surveys / inspections** will be carried out by the Structures Team to St James House, Holyrood House and Canute House as well as 99 medium rise blocks in the Thornhill area. In 2015/16 **surveys / inspections** will be carried out to Castle House, Redbridge Towers and Millbrook Towers and a further 102 medium rise blocks in the Maybush / Shirley / Lordshill areas of the City. In 2014/15 **repair works** will be carried out to Canberra Towers, Hightown Towers, Meredith Towers, Dumbletons Towers, Wyndham Court and a number of medium rise blocks previously identified as needing repair in 2013/14's inspections. In 2015/16 **repair works** will be carried out to St James House, Holyrood House, Canute House and a number of medium rise blocks previously identified as needing repair in 2014/15
14. **Supported Housing 2 Storey Walkway Repairs:**
An existing programme of works has been developed and commenced in 2013/14 to reinforce / provide additional support to the communal walkways to some of the many two Storey Supported Housing blocks across the City. Further structural investigations to other blocks have now identified similar work requirements and whilst there is no immediate concern or safety risk, the existing pro-active programme of works is to be extended across the city with associated works carried out in both 14/15 and 15/16.

Modern Facilities

15. **Disabled Adaptations:** In a previous Cabinet Scheme Approval document the disabled adaptations budgets were agreed for both 14/15 and 15/16, however the demand for adaptations has increased. To meet the demand an additional amount of funding was added to the Capital Programme in February 2014 to ensure these requirements are met allowing tenants to stay put and enjoy their homes. Scheme approval is now sought for these additional sums.
16. **Programme Management Fees:** There are certain fees involved with managing the programmes of work included within the HRA Capital Programme that are not charged to individual schemes. Separate scheme approval is sought for these essential programme management fees.

Well Maintained Communal Facilities

17. **Supported Housing Asset Plan (SHAP):** In previous years many successful improvements to the Council's Supported Housing stock have been carried out i.e. Graylings and Manston Court. These types of works are to be continued / expanded across the City. After the completion of the new lifts at James Street and the two blocks at Rozel Court, the intention is to immediately refurbish the "central core" areas of these buildings. Works shall include:- low energy lighting installations, hard wearing carpet / floor coverings, re-decoration, new windows / curtain walling to stairwells and electric scooter charging / parking facilities. These works will ensure that these buildings are energy efficient, bright and safe as well as making them a "good place to live" for many years to come. Further works are currently being developed across other communal areas including Fairfax Court, Medwall Court Bisley / Bowman Court and Bishops Crescent.

Warm and Energy Efficient

18. **External Cladding:** With the introduction of the Government's Autumn Statement, the conditions around ECO grant funding were greatly changed, one of the main changes was the reduction / requirement needed for External Wall Insulation (EWI) to be carried out to properties of a non traditional build i.e. no cavity. The result of this reduction has seen the grant funding of these types of works reduce from circa. £140.00 per tonne of carbon saved to £30.00 per tonne. Therefore, the previously presented and agreed ECO works across the city have all had to be re-assessed to ensure they are still deliverable within the HRA budget.
19. During this current ECO funding round, the Council aims to see six tower blocks externally insulated (Shirley Towers, Sturminster House, Albion Towers, Meredith Towers, Dumbleton Towers and Hightown Towers). These are proposed as the next tranche of works as they offer some of the biggest gains in improving energy efficiency, and would soon need to be re-cladded anyway, whether the ECO scheme existed or not. Re-cladding the three Thornhill tower blocks would also tie in with the council's proposed district energy scheme, which is expected to include these blocks. Officers are working hard with all Utility Companies and our ECO partner MITIE to ensure the council secures the best possible grants and best possible deal.

20. To reflect the change in ECO this scheme approval report requests that the previously agreed schemes of “External Cladding (PRC houses)”, “External Cladding (flats)” and “External Cladding (tower blocks)” be merged into one scheme headed “External Cladding across the City”, thus allowing additional flexibility in the future delivery of EWl projects.

RESOURCE IMPLICATIONS

Capital/Revenue

21. There are sufficient funds available within the HRA Capital budget to meet the requirements of the proposed schemes. In addition, a number of the items will represent an investment that will support an ongoing reduction in revenue expenditure within the HRA. Obtaining Scheme Approval in this way minimises administration plus officer and member time, plus maximises the potential for wider procurement efficiencies from longer term planning.

Property/Other

22. The HRA Capital programme is fully reflected in the Corporate Property Strategy.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

23. There are no specific legal implications in connection with this report. The power to carry out the proposals is contained within Part 2 of the Housing Act 1985.

Other Legal Implications:

24. None

POLICY FRAMEWORK IMPLICATIONS

25. The proposed schemes in this report contribute positively to the Council’s objectives set out in the Housing Strategy and HRA Business Plan to maintain and improve the condition of the City’s housing stock.

KEY DECISION? Yes

WARDS/COMMUNITIES AFFECTED:	All
-----------------------------	-----

SUPPORTING DOCUMENTATION

Appendices

1.	None
----	------

Documents In Members' Rooms

1.	None
----	------

Equality Impact Assessment

Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out.	Yes
--	-----

Other Background Documents - Equality Impact Assessment and Other Background documents available for inspection at:

Title of Background Paper(s) Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)

1.	None	
----	------	--