



Report to Policy Committee

Author/Lead Officer of Report: Nesreen Lawson

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Report of:	Executive Director – Operational Services
Report to:	Housing Policy Committee
Date of Decision:	10 th March 2023
Subject:	Housing Capital Programme – Q4 Update on the 5 Year Programme

Has an Equality Impact Assessment (EIA) been undertaken?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If YES, what EIA reference number has it been given? <i>(Insert reference number)</i>		
Has appropriate consultation taken place?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Has a Climate Impact Assessment (CIA) been undertaken?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Does the report contain confidential or exempt information?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

Purpose of Report:

The Housing Capital Programme brings together the 30-year Asset Management and Housing Growth Strategy for Council Housing that sets out the priorities for investment and, to ensure that homes meet the Government's Decent Homes Standard and, delivery of tenants' priorities to improve the quality of homes and neighbourhoods. Investment priorities are formulated from detailed stock condition and other surveys to ensure effective planning of works, repairs intelligence, life-cycle modelling and, feedback from tenants.

The Housing Investment Programme is co-designed and agreed with tenants for Council Housing stock.

The Housing Capital Programme is split into three distinct areas of activity; Council Housing Investment (existing stock and assets) and the Council's Stock Increase Programme, funded from the Council's Housing Revenue Account, as described in the annual HRA Business Plan. There is also the Non-HRA Capital Programme which includes the Programme Management, Homes & Loans to private homes and investment in private homes. The table at 1.9 show the overall Housing Capital Programme split between Council Housing Investment, Stock Increase and Non-HRA areas of the programme.

The purpose of this report is to provide an update of the progress against the approved 2022/23 Housing Capital Programme, this is reported regularly as part of the Council's Corporate Capital Programme to Strategy and Resources Committee normally on a quarterly basis. This report will focus on providing an update with regard to spend and progress against the 2022/23 Housing Capital Programme as at end of January 2023. The report also provides an update of the 5-year Housing Capital Programme.

Recommendations:

The Housing Policy Committee is recommended to:

- Note the 2022-23 Housing Capital Programme forecasting and budget position at the end of period 10.

Background Papers:

Appendix 1 – Housing Capital Programme Monitoring

Lead Officer to complete:-		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: <i>Damian Watkinson</i> Legal: <i>Stephen Tonge</i> Equalities & Consultation: <i>N/A</i> Climate: <i>N/A</i>
	<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	EMT member who approved submission:	Ajman Ali
3	Committee Chair consulted:	Douglas Johnson
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	Lead Officer Name: Janet Sharpe	Job Title: Director of Housing Housing and Neighbourhood Service
	Date: 10 th March 2023	

1. PROPOSAL

- 1.1 The Housing Capital Programme was approved in January 2022 as part of the Housing Revenue Account (HRA) Business Plan and, was also included in the Council's Corporate Capital Programme in February 2022 that brings together all Capital Programmes together for formal approval.
- 1.2 The Housing Capital Programme has a rolling 5-year Programme. As part of the HRA Business Plan there is also a 30-year Asset Management Strategy with investment plans for 30 years and, reporting against a 1 year and, 5-year programme. The HRA Housing Investment Programme is co-produced with tenants and regularly consulted on to ensure stock is compliant with current regulations (including the new Fire and Building Safety Regulations, Gas, Electrical, Asbestos etc) and Decent Homes Standards.
- 1.3 The Housing capital investment strategy will focus on a 'fabric first' approach to protect council housing assets, to reduce our ongoing and longer-term repairs and maintenance obligations and increase tenants' satisfactions with their homes. We will also be moving to an area-based investment approach to reflect local priorities that are important to residents and tenants. Close working arrangements are in place with the Council's Repairs Services to ensure alignment across Capital and Revenue investment.
- 1.4 Below is a summary of the approved 5 Year Housing Capital Programme:
- 1.5 Each year a review of the 30 year and 5-year Housing Investment Programme is undertaken and any profile changes are approved as part of the Council's HRA Business Plan in January. Each year additional years are added so that we always have a 5- and 30-year programme. The capital budgets for 2027/28 (year 6) are currently being worked through and will be presented as part of the 5-year programme for approval.
- 1.6 The updated 5-year programme changes were approved by the Cooperative Executive on the 19th of January 2022 who approved the total 5-year programme of £660m.
- 1.7 A number of variations to the programme were approved before the end of March 2022 as a result of delays on some programmes that had continued to be affected by the pandemic which had slowed down some capital works and procurement plans. A total of £16.068m in year-end slippage was approved in April 2022. This included £2.268m for Council Housing Investment and £12.973m for the Stock Increase Programme.

1.8 Further variations to the programme have been approved since the previous Housing Policy Committee report, following detailed reviews on the HRA capital finance budget available for the 5-year approved capital programme during September 2022 – January 2023 to reflect current market conditions. The total variations awaiting approval following these reviews will re-set the Housing Capital Programme to £64.07m for 2022/23.

1.9

HRA Capital Programme Position - Period 10						
HRA Programme Position	2022/23 Full Year		2023-27 Programme			5 Year Total FY Budget
	2022/23 FY Budget	2023/24 FY Budget	2024/25 FY Budget	2025/26 FY Budget	2026/27 FY Budget	
HEATING, ENERGY & CARBON REDUCTION TOTAL	£4,917,020	£21,679,222	£10,859,000	£10,845,480	£13,450,000	£61,750,722
H & S ESSENTIAL WORK TOTAL	£13,182,292	£10,494,886	£18,667,645	£21,880,321	£18,240,654	£82,465,798
ADAPTATIONS & ACCESS TOTAL	£3,534,657	£3,343,500	£3,304,730	£3,008,421	£3,130,011	£16,321,319
HRA PROGRAMME MANAGEMENT TOTAL	£3,050,000	£3,100,000	£3,150,000	£3,200,000	£3,250,000	£15,750,000
WASTE MANAGEMENT & ESTATE ENV TOTAL	£0	£801,966	£2,770,000	£3,365,000	£3,515,000	£10,451,966
ENVOLVING & EXTERNAL WORK TOTAL	£3,885,094	£13,039,633	£9,275,940	£13,692,270	£3,682,118	£43,575,055
COMMUNAL AREA INVESTMENT TOTAL	£0	£500,000	£2,500,000	£2,500,000	£2,927,200	£8,427,200
INTERNAL WORKS TOTAL	£2,509,726	£3,186,741	£3,733,747	£4,144,146	£5,906,272	£19,480,632
OTHER PLANNED ELEMENTALS TOTAL	£1,092,970	£1,269,100	£1,332,000	£1,332,000	£1,482,000	£6,508,070
GARAGES & OUTHOUSES TOTAL	£2,600	£130,027	£250,000	£250,000	£250,000	£882,627
IT UP GRAD/E TOTAL	£0	£0	£0	£0	£0	£0
GV MASTERPLAN DELIVERY TOTAL	£159,500	£201,750	£9,200,690	£10,963,000	£20,162,399	£40,687,339
	£32,333,858	£57,746,845	£65,043,752	£75,180,638	£75,995,654	£306,300,747
Stock Increase Programme Position	2022/23 Full Year		2023-27 Programme			5 Year Total FY Budget
	2022/23 FY Budget	2023/24 FY Budget	2024/25 FY Budget	2025/26 FY Budget	2026/27 FY Budget	
ASSET MANAGEMENT DELIVERY TOTAL	£7,619,321	£3,321,946	£2,270,340	£2,332,780	£0	£15,544,387
HOUSING GROWTH DELIVERY TOTAL	£27,710,116	£49,355,677	£109,462,766	£73,001,568	£72,482,258	£32,012,385
	£35,329,437	£52,677,623	£111,733,106	£75,334,348	£72,482,258	£347,556,772
Non-HRA Programme	2022/23 Full Year		2023-27 Programme			5 Year Total FY Budget
	2022/23 FY Budget	2023/24 FY Budget	2024/25 FY Budget	2025/26 FY Budget	2026/27 FY Budget	
Non-HRA REGENERATION TOTAL	£18,000	£18,000	£18,000	£18,000	£18,000	£90,000
Non-HRA PROGRAMME MANAGEMENT TOTAL	£377,000	£377,000	£377,000	£377,000	£377,000	£1,885,000
HOMES & LOANS TOTAL	£1,205,809	£0	£0	£0	£0	£1,205,809
PRIVATE HOUSING STANDARDS TOTAL	£145,000	£145,000	£145,000	£145,000	£145,000	£725,000
OTHER CAPITAL WORKS TOTAL	£3,284,123	£0	£0	£0	£0	£3,284,123
	£5,029,932	£540,000	£540,000	£540,000	£540,000	£7,189,932
Grand Total	£72,693,228	£110,964,468	£177,316,858	£151,054,986	£149,017,912	£661,047,451

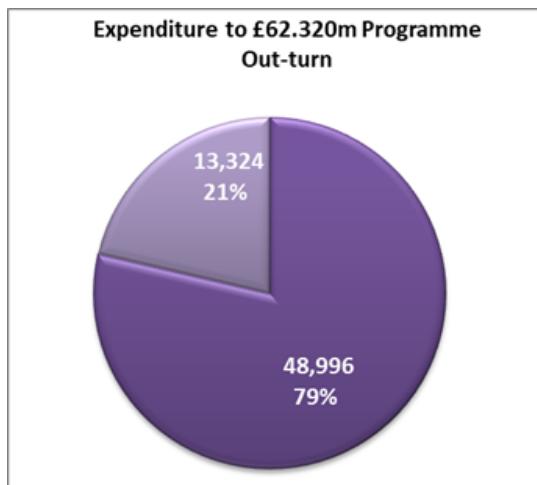
The current 2022-23 Housing Capital Programme position is shown in the table below:-

2022-23 Housing Capital Programme Position	Approved	Changes	Proposed
HRA Investment in Council Housing (Themes)	32,334	(0.061)	32,273
HRA Stock Increase Programme	35,329	(7.673)	27,656
HRA Programme Subtotal	67,663	(7.734)	59,929
Non-HRA Programme	5,030	(0.889)	4,141
TOTAL Housing Capital Investment Programme	72,693	(8.623)	64,070

1.10 Expenditure to Date on Budget for 2022/23

1.10.1 The total 2022-23 Housing Capital Programme expenditure to the end of January was £48.996m. This represents 79% of the total forecast programme out-turn of £62.320m, compared to the same period in

2021/22 when the expenditure to, the then, date performance was at £37.554m, 53% of the forecast programme outturn. This indicates an improved performance of in year expenditure against previous years. The chart below illustrates this representation.



1.11 Forecast Out-turn Position.

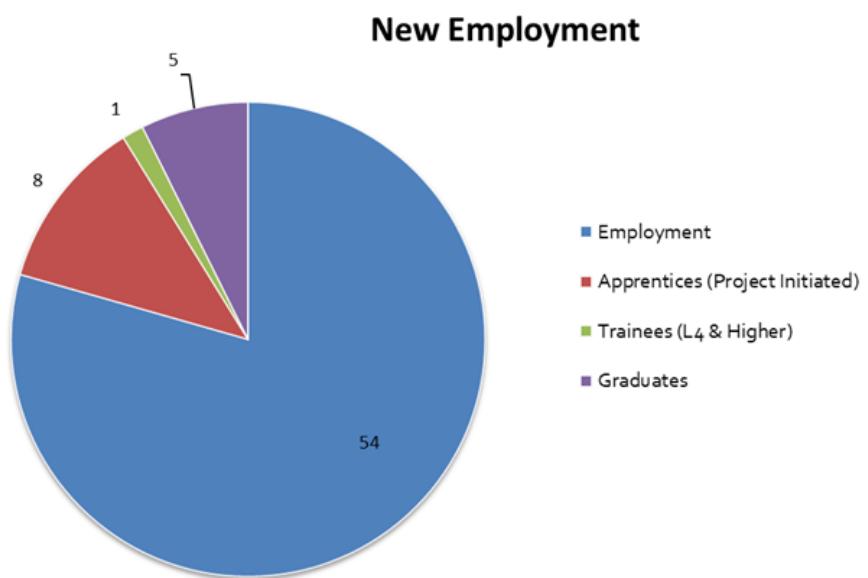
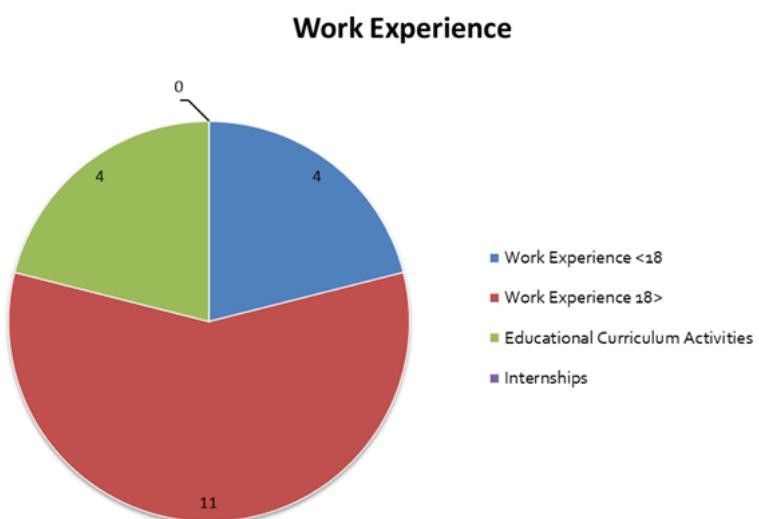
- 1.11.1 The total Housing Capital Programme year-end forecasted out-turn at the end of January was £62.320m.
- 1.11.2 The variances for each section of the programme are a combination of procurement (tender savings), programme changes, slippage and updated financial spend profiles.
- 1.11.3 Within Council Housing Investment, the forecast total underspend of (**£1.214m**) is mostly related to Obsolete Heating, Heating Breakdowns, EWI Non-Traditional 2, LAD2 Council Housing Works, Demolition Programme, Fire Suppression Systems, CCTV Refurb and Upgrade, Tower Block Flat Roofing, Elemental Refurbs and Lift Replacements, which have experienced a number of project changes. Further work has been required for lift replacements and an Outline Business Case and Procurement Strategy will now be finalised in early 2023.

Information on other variances is detailed within Appendix 1 of this report.

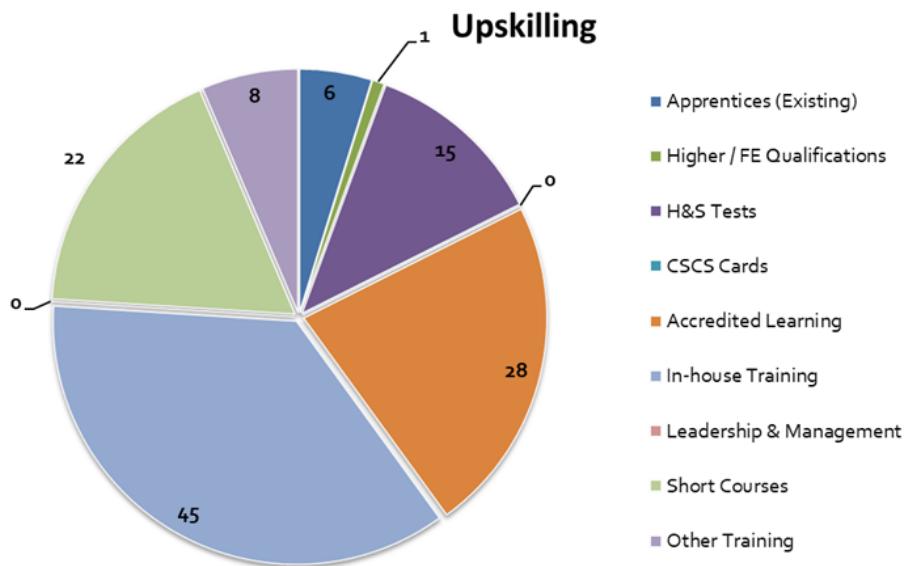
1.12 Employment and Social Value

- 1.12.1 The Housing Investment Programme is achieving significant wider social value from contractors. This information is captured by the Council and published periodically. As part of our procurement of the

capital programme contracts, requirement is included during the procurement process and contract delivery for delivering against social value requirements which include supporting local employment and upskilling opportunities (through work experience and apprenticeships). The charts below report on these for the periods to the end of December 2023.



To date during 2022/23, the chart below illustrates the report on local employment upskilling opportunities.



1.13 Customer Engagement

- 1.13.1 The Housing Investment Programme (Capital) is made up of work areas to ensure we are compliant with regulations, works that will protect the life of our assets and make areas great places to live. Consulting on and planning the capital programme with tenants is a priority for the Council, so it includes tenants' priorities. Scrutiny on the delivery of the Housing Investment Programme is managed through tenant governance boards and performance reports.
- 1.13.2 Engagement with key stakeholders including significant consultation with residents and local members is anticipated to take place as part of developing each project proposal contained with the programme through written communication, workshops and consultations events throughout the lifetime of the programme.

When the 2023/24 Housing Investment Programme is approved this year by the Housing Policy Committee, further subsequent information will be provided by local areas so that this can be presented to Local Area Committees as well as local tenant forums currently in place.

1.14 Improvements to properties – Summary outputs

- 1.14.1 By the end of January 2023, the Capital Programme delivered (2022/23) 988 new boilers / central heating systems. We have also completed delivering 534 adaptations including 92 installations of stairlifts to properties with vulnerable customers. 120 properties have received completed retrofitted insulation and ventilation works through the LAD2 project which benefited from government external funding. A

further 467 properties have now received new roofs in addition to loft insulation where this is required, despite the challenges of the main contractor entering administration. 2351 homes have received electrical upgrades and are now compliant with the Electrical Safety regulations. The elementals programme has had a slow start due to issues reported above but will deliver new kitchens, bathrooms, electrical upgrades to hundreds of properties. Fire Safety works are also on track delivering a programme of fire protection measures to single-staircase high rise and high-risk buildings this year.

- 1.14.2 The Gleadless Valley masterplan recently launched with circa £90m of investment to be delivered including 221 new homes, 72 homes remodelled and the remaining stock on the estate being refurbished over the next 10 years as part of a comprehensive programme of regeneration improvements.

2. HOW DOES THIS DECISION CONTRIBUTE ?

- 2.1 That the Housing Policy Committee note the progress made against the latest approved position on the Housing Investment Programme for 2022/23.

3. HAS THERE BEEN ANY CONSULTATION?

- 3.1 There has been no consultation on this report other than tenant scrutiny performance reporting. The budget approval process itself for each project/programme contained within the Housing Investment Programme do involve significant consultation and engagement with tenants, residents, local members and with key stakeholders.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality Implications

- 4.1.1 There are no direct equality implications arising from this report. It is expected that each individual project will use equality impact analyses as a basis for the development of their project and budget proposals.

4.2 Financial and Commercial Implications

- 4.2.1 The report sets out the current year position of the Housing Capital Programme, as such there are no direct financial implications.

4.3 Legal Implications

- 4.3.1 The report is a financial updating report that sets out the current year position of the Housing Capital Programme. There are no new or additional legal implications arising from the report for consideration. Individual reports on of the three component parts of the Housing Capital Programme being (1) Council Housing Investment, (2) Stock

Increase Programme and (3) the Non-HRA Capital Programme should set out any relevant legal implications.

4.4 Climate Implications

- 4.4.1 There are no direct climate implications arising from this report. It is expected that individual projects will consider climate implications as they develop their project and budget proposals in due course.

4.4 Other Implications

- 4.4.1 *There are no other implications to consider*

5. **ALTERNATIVE OPTIONS CONSIDERED**

- 5.1 *No alternative options are considered as part of this update report.*

6. **REASONS FOR RECOMMENDATIONS**

- 6.1 This report is to provide the Housing Policy Committee members with an update on progress against the approved 5-year approved Capital programme.

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