



## Report to Policy Committee

**Author/Lead Officer of Report: Nesreen  
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**Report of:** Ajman Ali (Executive Director – Neighbourhood Services)  
**Report to:** Housing Policy Committee  
**Date of Decision:** 14<sup>th</sup> September 2023  
**Subject:** Housing Capital Programme Finance Report

|   |   |  |
|---|---|--|
| 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 setting out the priorities for current and future investment, to ensure that homes meet the Government’s Decent Homes Standard and the delivery of tenants’ priorities in improving the quality of homes and neighbourhoods. Investment priorities are formulated from detailed stock condition and other surveys to ensure effective planning of works, utilising available repairs intelligence, life-cycle modelling and, feedback from tenants.

The Housing Investment Programme is co-designed and agreed with tenants for the 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 2023/24 Housing Capital Programme, this is reported regularly as part of

the Council's Corporate Capital Programme to the Finance Committee. This report will focus on providing an update about spend and progress against the 2023/24 Housing Capital Programme at end of June 2023 (Quarter 1). The report also provides an update of the 5-year Housing Capital Programme and the final approval of the 2022/23 Housing Capital Programme outturn.

**Recommendations:**

The Housing Policy Committee members are recommended to:

- Note the 2022-23 Housing Capital Programme final approved outturn.
- Note the 2023-24 Housing Capital Programme forecasting and budget position at the end of quarter 1.
- Note the update provided for the 5-year capital programme.
- Note and agree the frequency of the Housing Capital Programme quarterly reports presented at future meetings.

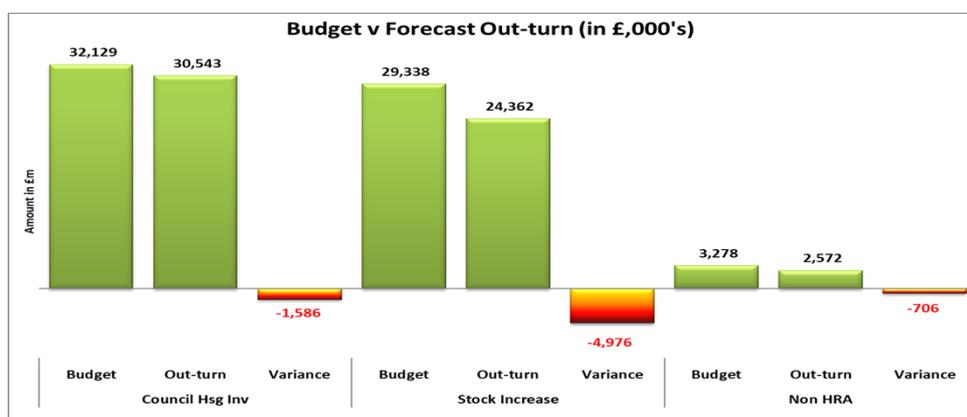
**Background Papers:**

Appendix 1 – Approved 5-year Housing Capital Programme

| 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>Rebecca Lambert</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  | <b>EMT member who approved submission:</b> Ajman Ali  |
| 3  | <b>Committee Chair consulted:</b> 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. |
|  | <b>Lead Officer Name:</b><br>Janet Sharpe   |
|  | <b>Job Title:</b><br>Director of Housing<br>Housing and Neighbourhood Service   |
| <b>Date:</b> 14 <sup>th</sup> September 2023 |   |

# 1. PROPOSAL

- 1.1 The Housing Capital Programme was approved in February 2023 as part of the Housing Revenue Account (HRA) Business Plan and, was also included in the Council’s Corporate Capital Programme that brings together all Capital Programmes together for formal approval.
- 1.2 The Housing Capital Programme has a rolling 5-year programme which is part of the Housing Revenue Account (HRA) 30-year Business Plan and includes the 30-year housing investment plans. 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 the Decent Homes Standards.
- 1.3 The Housing Capital Investment Strategy focuses on a ‘fabric first’ approach to protect council housing assets, to reduce our ongoing and long-term repairs and maintenance obligations and increase tenants’ satisfactions with their homes. We have now commenced 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 The final Housing Capital Programme out-turn position at the end of March 2023 (period 12) was £57.477m. This is (£7.268m) under the final approved programme budget of £64.745m.



The above chart shows the final forecast out-turn for the Council Housing Investment, Stock Increase and Non HRA Programmes. The variances for each section of the programme are a combination of slippage/underspends and accelerations/overspends at the year-end position.

- 1.5 Appendix 1 is a summary of the approved 5-Year Housing Capital Programme.
- 1.6 Each year a review of the 5- and 30-year Housing Investment Programme is undertaken and any profile changes are approved as

part of the Council's HRA Business Plan. Each year additional years are added so that we always have a 5- and 30-year programme. The capital budgets for 2028/29 (year 6) are currently being worked through and will be presented as part of the 5-year programme for approval by the Housing Policy Committee and full Council as part of the HRA business plan and the capital programme.

1.7 The last annual review for the Housing Capital Programme took place in November / December 2022. The full HRA Business Plan including the Capital Programme was approved at Full Council on 20<sup>th</sup> February 2023. A total 5-year programme of £556.478m including a programme of £106.935m in 2023-24.

1.8 Further variations to the programme have been approved since February 2023, following detailed reviews on the HRA capital finance budget available for the 5-year approved capital programme during February 2023 – June 2023 to reflect current market conditions. The total variations following approval re-set the approved Housing Capital Investment Programme total to £124.351m for 2023/24 and £64.409m in 2023/24 for the HRA Investment in Council Housing, that is detailed below within the HRA Programme position table.

1.8 The Q1 2023-24 Housing Capital Programme position is shown in the table below: -

| 2023-24 Housing Capital Programme Position        | Approved       | Changes     | Proposed       |
|---|----------------|-------------|----------------|
| HRA Investment in Council Housing (Themes)        | 64.409         | 0.00        | 64.409         |
| HRA Stock Increase Programme                      | 56.623         | 0.23        | 56.646         |
| <b>HRA Programme Subtotal</b>                     | <b>121.032</b> | <b>0.23</b> | <b>121.055</b> |
| Non-HRA Programme                                 | 3.319          | 0.00        | 3.319          |
| <b>TOTAL Housing Capital Investment Programme</b> | <b>124.351</b> | <b>0.23</b> | <b>124.374</b> |

1.9 The table below sets out the total approved budget for the 2023/24 Investment Programme for Council Housing budget of £64.409m at the end of Q1 broken down by theme. This is split into different stages of project and programme delivery setting out the total amount that is currently allocated within the approved housing capital programme.

| HRA PROGRAMME POSITION - PERIOD 3<br>APPROVED BUDGET £64,409M | STAGES OF HRA FULL YEAR 23/24 PROGRAMME |                    |                         |                    |
|---|---|--------------------|-------------------------|--------------------|
|   | Planning/Survey/Feasibility             | Design/Procurement | Contract Award/Delivery | Other/Q Number     |
| HEATING, ENERGY & CARBON REDUCTION TOTAL                      | £1,640                                  | £2,083,868         | £23,223,398             | £2,073,826         |
| H & S ESSENTIAL WORK TOTAL                                    | £781,647                                | £0                 | £8,515,732              | £2,030,436         |
| ADAPTATIONS & ACCESS TOTAL                                    | £0                                      | £0                 | £2,946,501              | £4,370             |
| HRA PROGRAMME MANAGEMENT TOTAL                                | £0                                      | £0                 | £0                      | £3,100,000         |
| WASTE MANAGEMENT & ESTATE ENV TOTAL                           | £0                                      | £0                 | £0                      | £805,127           |
| ENVELOPING & EXTERNAL WORK TOTAL                              | £0                                      | £0                 | £1,344,900              | £11,000,000        |
| COMMUNAL AREA INVESTMENT TOTAL                                | £0                                      | £0                 | £0                      | £500,000           |
| INTERNAL WORKS TOTAL  | £0                                      | £0                 | £3,835,995              | £0                 |
| OTHER PLANNED ELEMENTALS TOTAL                                | £0                                      | £0                 | £436,080                | £1,145,562         |
| GARAGES & OUTHOUSES TOTAL                                     | £0                                      | £0                 | £197,812                | £132,627           |
| IT UPGRADE TOTAL  | £0                                      | £0                 | £0                      | £0                 |
| GV MASTERPLAN DELIVERY TOTAL                                  | £0                                      | £0                 | £48,837                 | £200,580           |
| <b>GRAND TOTAL</b>  | <b>£783,287</b>                         | <b>£2,083,868</b>  | <b>£40,549,255</b>      | <b>£20,992,528</b> |

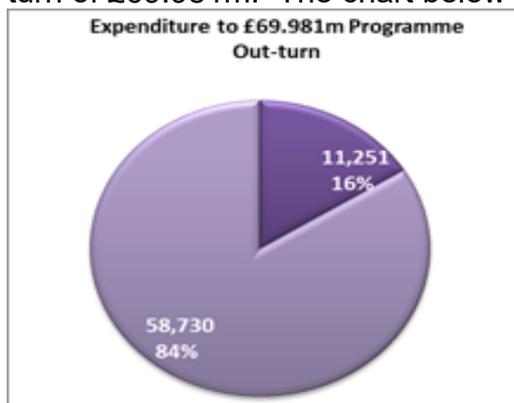
The following 'pipeline' projects are currently under development and

fall within the investment needs programme. Due to these being at development stage, project business cases have yet to be submitted, however are anticipated to be so within this financial year. Funding provision for several projects is within the 'Other/Q numbers' category above.

- Edward Street Flats: This project aims to address the ongoing issues with the condition of the roof, gutters, concrete repairs to the communal areas, fire safety, bin chutes and waste management and window replacement. Energy efficiency and decarbonisation measures are currently being explored to incorporate potential options and solutions into the project scope.
- Damp and Mould; work is currently ongoing with the Repairs and Maintenance service to develop a programme of works to address properties that are the most vulnerable to damp and mould due to structural types, condition of external fabric, insulation, and energy efficiency status.
- Waste and Pest Control Prevention Programme; A number of our low-rise blocks of flats in the city centre are currently suffering from excessive exposure to vermin and pests. This programme will support measures to address improved waste management measures including chutes closures and the provision of improved waste and recycling facilities.
- 'Ranch Style' flats at Stannington; this project will look to address damp and mould concerns reported by local residents in these flats.
- Fire safety doors to flats; work has commenced on developing a planned approach for the replacement of fire safety doors for all flat doors that are not to current required standards.

## 1.10 Expenditure to Date on Budget for 2023/24

1.10.1 The total 2023-24 Housing Capital Programme expenditure to the end of June is £11.251m. This is 16% of the total forecast programme out-turn of £69.981m. The chart below illustrates this representation.

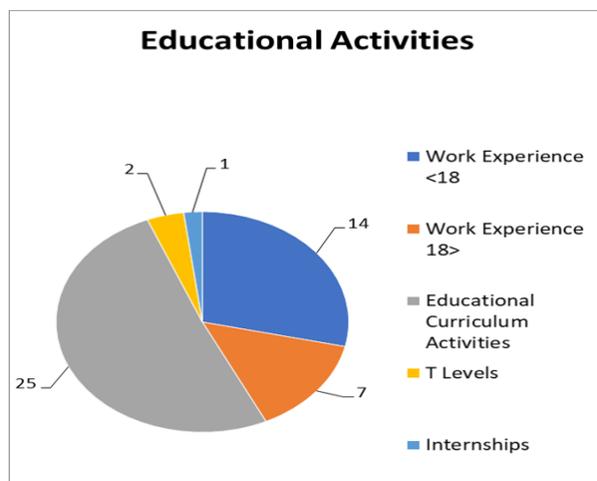


## 1.11 Forecast Out-turn Position.

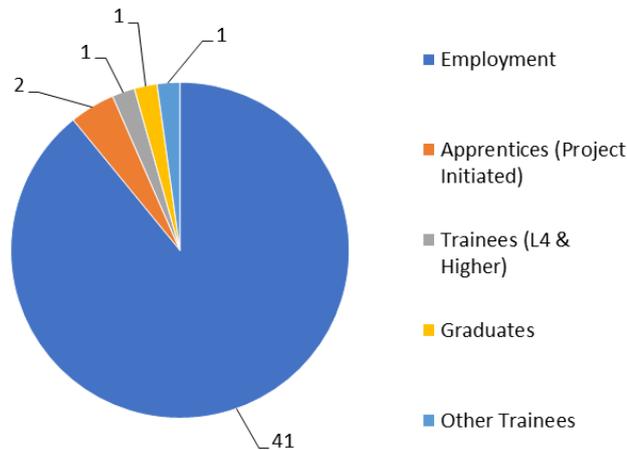
- 1.11.1 The Housing Capital Programme forecasted out-turn position at the end of June 2023 was £69.981m. This is (£54.393m) under the proposed programme budget of £124.374m. Over half of the slippage in the programme is related to the ongoing review of the stock increase programme.
- 1.11.2 The variances for each section of the programme are a combination of procurement (tender savings), programme changes, slippage and updated financial spend profiles.
- 1.11.3 The total within Council Housing Investment, the forecast variance is (£24.337m) and mostly related to EWI Non-Traditional (Airey Properties) Phase 2, EWI Non-Traditional 3, Demolition Programme and Lift Replacements, which have experienced project changes and delays. Also, within the Council Housing Investment a full review has taken place to reprofile all the block allocation budgets in line with the revised forecasts during June 2023.

## 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 the procurement of the capital programme contracts, a set of requirements are included during the procurement and contract stages 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 April – June 2023.

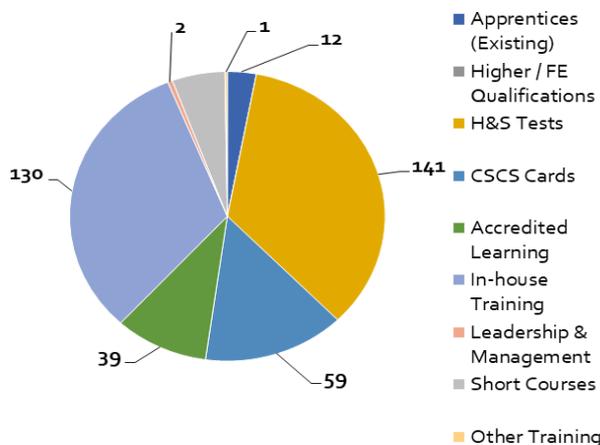


## New Employment



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

## Upskilling



### 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 consultation events throughout the lifetime of the programme.

Meetings are currently taking place with each of the individual Neighbourhood Teams to identify the main work priorities within each Neighbourhood Area. Once all information is collated and agreed it will then be presented to Local Area Committees and Local Tenant Forums that are currently in place. We will report this to Housing Policy Committee on an annual basis as part of the HRA business planning process.

## 1.14 **Improvements to properties – Summary outputs**

1.14.1 By the end of June 2023, the following outputs were achieved:

- 630 Asbestos Surveys to various council properties across the city
- 730 homes received electrical upgrades and are now compliant with the Electrical Safety regulations.
- 116 adaptations were delivered including 21 installations of stairlifts to properties with vulnerable customers.
- The elementals programme had a slow start due to issues reported previously but will deliver new kitchens, bathrooms, and electrical upgrades to hundreds of properties.
- High rise reroofing work started on 4 tower blocks - Cornhill, Crawshaw, Wentworth & Adelphi and are to be completed by August 2023. Work is currently progressing as expected and aims to complete the remaining 14 high rise blocks by end of March 2025.
- Fire Safety works to the 3 high rise blocks at Stannington and at Hanover is nearing completion with an anticipated finish in September 2023. Fire safety works to the remaining 20 high rise blocks across the city is in design stage and scoping of the works is currently ongoing. This programme has been slower than originally planned due to the complexity of the project and project lead resourcing issues.
- The external wall insulation phase 2 (EWI 2 Airey repair and insulation) has progressed to contract award with a start on site agreed for September 2023. It is anticipated that the first lot of outputs of the project will be reported at the end of quarter 3 of 2023.
- The external wall insulation phase 3 (EWI 3 – system build properties) commenced on site during June. This is anticipated to complete on site in April 2024 delivering 267 improved and insulated properties to PAS 2035 standards.

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. The Gleadless Valley project team is currently reviewing the overall delivery programme and any significant

- 1.14.3 changes will be subject to further member and tenant scrutiny. This will be reported separately.

The next updated quarterly report (Q2) presented to Housing Policy Committee will for the November 2023 meeting and the Quarter 3 report will be presented at the March 2024 meeting with the final quarter of 2023/24 and year end report in early 2024/25 (Committee dates to be confirmed).

## **2. HOW DOES THIS DECISION CONTRIBUTE?**

- 2.1 That the Housing Policy Committee is to note the progress made within Q1 of 2023/24 against the approved position on the Housing Investment Programme.

## **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 an equality impact assessment 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 each 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.

## Appendix 1 – Approved 5-year Housing Capital Programme

### HRA Capital Programme Position - Period 3

| HRA Programme Position                   | 2023/24 Full Year   | 2024-28 Programme   |                     |                     |                    | 5 Year Total FY Budget |
|--|---------------------|---------------------|---------------------|---------------------|--------------------|------------------------|
|  | 2023/24 FY Budget   | 2024/25 FY Budget   | 2025/26 FY Budget   | 2026/27 FY Budget   | 2027/28 FY Budget  |                        |
| HEATING, ENERGY & CARBON REDUCTION TOTAL | £27,382,732         | £7,432,256          | £9,390,305          | £13,450,000         | £0                 | £57,655,293            |
| H & S ESSENTIAL WORK TOTAL               | £11,525,627         | £18,331,145         | £21,880,321         | £18,240,654         | £0                 | £69,977,747            |
| ADAPTATIONS & ACCESS TOTAL               | £2,950,871          | £3,304,730          | £5,455,879          | £682,553            | £0                 | £12,394,033            |
| HRA PROGRAMME MANAGEMENT TOTAL           | £3,100,000          | £3,150,000          | £3,200,000          | £3,250,000          | £0                 | £12,700,000            |
| WASTE MANAGEMENT & ESTATE ENV TOTAL      | £805,127            | £2,770,000          | £3,365,000          | £3,515,000          | £0                 | £10,455,127            |
| ENVELOPING & EXTERNAL WORK TOTAL         | £12,344,900         | £9,826,044          | £13,315,419         | £3,682,118          | £0                 | £39,168,481            |
| COMMUNAL AREA INVESTMENT TOTAL           | £500,000            | £2,500,000          | £2,500,000          | £2,927,200          | £0                 | £8,427,200             |
| INTERNAL WORKS TOTAL                     | £3,835,995          | £3,733,747          | £4,144,146          | £5,906,272          | £0                 | £17,620,160            |
| OTHER PLANNED ELEMENTALS TOTAL           | £1,581,642          | £1,332,000          | £1,332,000          | £1,482,000          | £0                 | £5,727,642             |
| GARAGES & OUTHOUSES TOTAL                | £132,627            | £250,000            | £250,000            | £250,000            | £0                 | £882,627               |
| IT UPGRADE TOTAL                         | £0                  | £0                  | £0                  | £0                  | £0                 | £0                     |
| GV MASTERPLAN DELIVERY TOTAL             | £249,417            | £9,200,690          | £10,963,000         | £20,162,399         | £0                 | £40,575,506            |
| HRA INVESTMENT NEED 2027/28              | £0                  | £0                  | £0                  | £0                  | £33,525,000        | £33,525,000            |
| <b>COUNCIL HOUSING INVESTMENT TOTAL</b>  | <b>£64,408,938</b>  | <b>£61,830,612</b>  | <b>£75,796,070</b>  | <b>£73,548,196</b>  | <b>£33,525,000</b> | <b>£309,108,816</b>    |
| Stock Increase Programme Position        | 2023/24 Full Year   | 2024-28 Programme   |                     |                     |                    | 5 Year Total FY Budget |
|  | 2023/24 FY Budget   | 2024/25 FY Budget   | 2025/26 FY Budget   | 2026/27 FY Budget   | 2027/28 FY Budget  |                        |
| ASSET MANAGEMENT DELIVERY TOTAL          | £10,899,644         | £2,272,090          | £2,332,780          | £2,396,940          | £2,462,840         | £20,364,294            |
| HOUSING GROWTH DELIVERY TOTAL            | £45,746,389         | £52,171,243         | £63,024,767         | £42,903,206         | £4,644,888         | £208,490,493           |
| <b>STOCK INCREASE PROGRAMME TOTAL</b>    | <b>£56,646,032</b>  | <b>£54,443,333</b>  | <b>£65,357,547</b>  | <b>£45,300,146</b>  | <b>£7,107,728</b>  | <b>£228,854,786</b>    |
| Non HRA Programme Position               | 2023/24 Full Year   | 2024-28 Programme   |                     |                     |                    | 5 Year Total FY Budget |
|  | 2023/24 FY Budget   | 2024/25 FY Budget   | 2025/26 FY Budget   | 2026/27 FY Budget   | 2027/28 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                      | £534,758            | £0                  | £0                  | £0                  | £0                 | £534,758               |
| PRIVATE HOUSING STANDARDS TOTAL          | £0                  | £0                  | £0                  | £0                  | £0                 | £0                     |
| OTHER CAPITAL WORKS TOTAL                | £2,388,915          | £2,308,625          | £0                  | £0                  | £0                 | £4,697,540             |
| <b>NON-HRA SUMMARY TOTAL</b>             | <b>£3,318,673</b>   | <b>£2,703,625</b>   | <b>£395,000</b>     | <b>£395,000</b>     | <b>£395,000</b>    | <b>£7,207,298</b>      |
| <b>GRAND TOTAL</b>                       | <b>£124,373,644</b> | <b>£118,977,570</b> | <b>£141,548,617</b> | <b>£119,243,342</b> | <b>£74,552,728</b> | <b>£545,170,901</b>    |

\*Please note the £33.525m identified as "HRA Investment Need 27/28" is not yet part of formally approved program in the Finance System.

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