



Report to Policy Committee

Author/Lead Officer of Report: Nesreen Lawson

Tel: 0114 474 1241

Report of: Executive Director – Operational Services

Report to: Housing Policy Committee

Date of Decision: 14th December 2023

Subject: Housing Capital Programme – 2023/24 Quarter 2 update on the approved 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 5-year Capital Investment and Housing Growth proposals for Council Housing, setting out the priorities for current and future investment. The purpose of these plans is to continue to deliver Decent Homes, tenants' priorities and improving the quality of homes and neighbourhoods.

The Housing Capital Programme is split into three distinct areas of activity; Council Housing Investment (existing stock and assets), the Council's Stock Increase Programme, funded from the Council's Housing Revenue Account, as described in the annual HRA Business Plan and the Non-HRA Capital Programme which includes programme management, Homes & Loans to private homes and investment in private homes. The table at item 2.1 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 a quarterly update on progress against the approved 2023/24 Housing Capital Programme. This report will focus on providing an update on expenditure and progress against the 2023/24 Housing Capital Programme position at the end of September 2023 (Quarter 2). 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 2023-24 Housing Capital Programme forecasting and budget

position at the end of quarter 2.

- Note the update provided for the 5-year capital programme.

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>Meurig Tiley</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 and Neighbourhood Service
	Date: 14 th December 2023	

1.0 Background

- 1.1 The Housing Capital Programme was approved in February 2023 as part of the Housing Revenue Account (HRA) Business Plan and included in the Council's Corporate Capital Programme that brings together all Sheffield City Council's Capital Programmes for formal approval.
- 1.2 The Housing Capital Programme is a rolling 5-year programme which is part of the Housing Revenue Account (HRA) 30-year Business Plan. The proposals contained within the Investment Programme are subjected to tenant consultation and officer scrutiny to ensure that investment is targeted to achieve key priorities of well maintained, decent, safe and warm homes.
- 1.3 The Housing Investment focuses on a 'fabric first' approach to protect council housing assets, to reduce ongoing and long-term repairs and maintenance obligations and increase tenants' satisfactions with their homes. During 2023, and as part of the refresh work of the investment needs identification for capital works, an area-based investment focus has been undertaken, to reflect local priorities that

are important to residents and tenants. In addition to this, close working arrangements with the Repairs and Maintenance Service are ongoing to align capital and revenue investment in the council housing stock.

- 1.4 Appendix 1 is a summary of the Q2 position against the approved 5 Year Housing Capital Programme.
- 1.5 The refresh of the 5-year Housing Capital programme is undertaken annually with periodic reviews during the course of the financial year.
- 1.6 The full HRA Business Plan including the Capital Programme was approved at Full Council on 20th February 2023. A total 5-year programme of £556.478m including a programme of £106.935m in 2023-24.

2.0 HRA Capital Programme Position at the end of Quarter 2 2023/24

- 2.1 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 to reflect current market conditions and progress of individual projects contained within the programme. The overall variations have since resulted in a total revised approved Housing Capital Programme of £102.548m and Investment Programme of £40.937m. Details of this are shown in the table below which also indicates the variances in reporting the position at Quarter 1 of 2023/24.

HRA Capital Programme Position - Period 6

HRA Programme Position	2023/24 Full Year	2023/24 Full Year	2023/24 Full Year
	Q1	Q2	VARIANCE
HEATING, ENERGY & CARBON REDUCTION TOTAL	£27,382,732	£17,376,725	£(10,006,007)
H & S ESSENTIAL WORK TOTAL	£11,525,627	£10,570,330	£(955,297)
ADAPTATIONS & ACCESS TOTAL	£2,950,871	£2,950,871	£0
HRA PROGRAMME MANAGEMENT TOTAL	£3,100,000	£3,100,000	£0
WASTE MANAGEMENT & ESTATE ENV TOTAL	£805,127	£100,000	£(705,127)
ENVELOPING & EXTERNAL WORK TOTAL	£12,344,900	£1,583,900	£(10,761,000)
COMMUNAL AREA INVESTMENT TOTAL	£500,000	£50,000	£(450,000)
INTERNAL WORKS TOTAL	£3,835,995	£3,835,995	£0
OTHER PLANNED ELEMENTALS TOTAL	£1,581,642	£931,642	£(650,000)
GARAGES & OUTHOUSES TOTAL	£132,627	£132,627	£0
IT UPGRADE TOTAL	£0	£0	£0
GV MASTERPLAN DELIVERY TOTAL	£249,417	£304,919	£55,502
HRA INVESTMENT NEED 2027/28			£0
COUNCIL HOUSING INVESTMENT TOTAL	£64,408,938	£40,937,010	£(23,471,928)
Stock Increase Programme Position	2023/24 Full Year	2023/24 Full Year	2023/24 Full Year
	Q1	Q2	VARIANCE
ASSET MANAGEMENT DELIVERY TOTAL	£10,899,644	£9,000,803	£(1,898,840)
HOUSING GROWTH DELIVERY TOTAL	£45,746,389	£49,186,674	£3,440,285
STOCK INCREASE PROGRAMME TOTAL	£56,646,032	£58,187,477	£1,541,445
Non HRA Programme Position	2023/24 Full Year	2023/24 Full Year	2023/24 Full Year
	Q1	Q2	VARIANCE
Non-HRA REGENERATION TOTAL	£18,000	£18,000	£0
Non-HRA PROGRAMME MANAGEMENT TOTAL	£377,000	£377,000	£0
HOMES & LOANS TOTAL	£534,758	£639,860	£105,102
PRIVATE HOUSING STANDARDS TOTAL	£0	£0	£0
OTHER CAPITAL WORKS TOTAL	£2,388,915	£2,388,915	£0
NON-HRA SUMMARY TOTAL	£3,318,673	£3,423,775	£105,102
(PAND TOTAL)	£124,373,644	£102,548,262	£(21,825,382)

2.2 The HRA Programme total variances shown above are a combination of a number of factors including.

- Project budget allocations that have now been re profiled and allocated into future years.
- approved that have re-profiled budgets in future years (for example the new Roofing Replacement Programme that will be delivered during 2024 to 2029).
- Variances shown within the Stock Increase Programme (for example the approval of project Main Street Hackenthorpe and further budget variations to other existing projects).
- Credited funding to the Non HRA Programme from surplus Sheffield City Council loan funds.

2.3 At the end of Q2 2023-24, the 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)	40.937	0.00	40.937
HRA Stock Increase Programme	54.855	3.332	58.187
HRA Programme Subtotal	95.792	3.332	99.124
Non-HRA Programme	3.424	0.00	3.424
TOTAL Housing Capital Investment Programme	99.216	3.332	102.548

2.4 At the end of Q2, 2023/24, the total approved budget for the 2023/24 Housing Investment Programme was £40.937m. The table below identifies the expenditure by level of commitment at Theme level. The levels of commitments illustrate the different stages of delivery for each of the theme programmes at the end of Q2 and set out the total amounts that are currently allocated within the approved housing capital programme.

HRA PROGRAMME POSITION - PERIOD 6 APPROVED BUDGET £40.937m	STAGES OF HRA FULL YEAR 23/24 PROGRAMME			
	Planning/Survey/Feasibility	Design/Procurement	Contract Award/Delivery	Other/Q Number
HEATING, ENERGY & CARBON REDUCTION TOTAL	£0	£2,083,868	£14,986,351	£306,506
H & S ESSENTIAL WORK TOTAL	£314,465	£467,182	£8,320,293	£1,270,578
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	£100,000
ENVELOPING & EXTERNAL WORK TOTAL	£0	£239,000	£1,344,900	£0
COMMUNAL AREA INVESTMENT TOTAL	£0	£0	£0	£50,000
INTERNAL WORKS TOTAL	£0	£0	£3,835,995	£0
OTHER PLANNED ELEMENTALS TOTAL	£0	£0	£436,080	£495,562
GARAGES & OUTHOUSES TOTAL	£0	£0	£197,812	£132,627
IT UPGRADE TOTAL	£0	£0	£0	£0
GV MASTERPLAN DELIVERY TOTAL	£0	£0	£304,919	£0
GRAND TOTAL	£314,465	£2,790,050	£32,372,852	£5,459,643

2.5 The following 'pipeline' projects are currently under development and fall within the Housing Investment Programme and project business cases have yet to be submitted, however are anticipated to be so within this financial year. Funding provision for these projects is contained within the Themes set out in the above table.

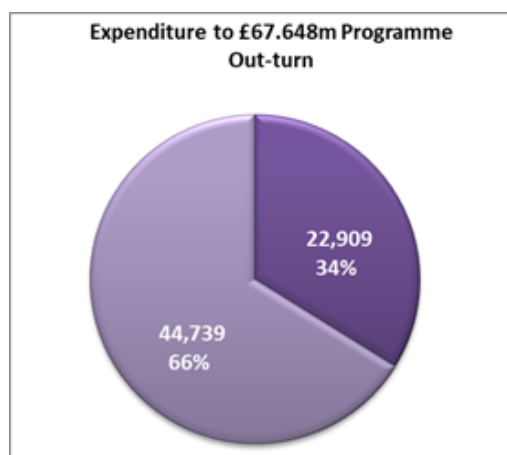
- **Edward Street Flats External Refurbishment:** This project aims to address the ongoing issues with the condition of the roof, gutters, concrete repairs to the communal areas and safety works, waste management

solutions including addressing the bin chutes 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 construction types, condition of external fabric, insulation and energy efficiency status.
- **Waste and Pest Control Prevention Programme;** A number of our low-rise blocks in the city centre region are currently experiencing problems with excessive exposure to vermin and pests. This programme will support measures to address improved waste management measures including chutes closures and the provision of modern waste and recycling facilities.
- **Ranch Styles 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 flats and maisonettes doors that are not to current required fire safety standards.

3.0 Expenditure Position at the end of Quarter 2 2023/24

3.1 The total 2023-24 Housing Capital Programme expenditure to the end of September was £22.909m. This represented 34% of the total forecasted programme out-turn of £67.648m. The chart below illustrates this representation.

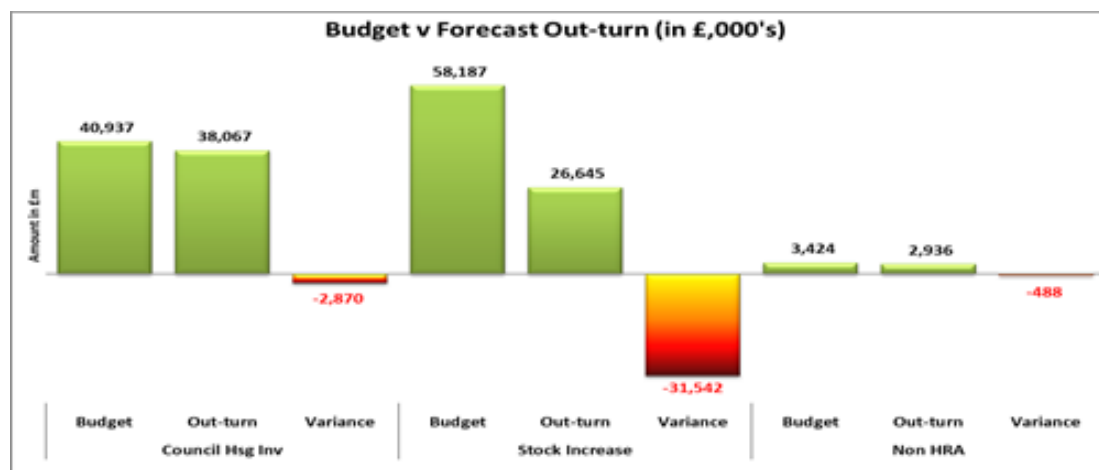


3.2 Forecast Out-turn Position at the end of Quarter 2 23/24

3.3 The Housing Capital Programme forecasted out-turn position at the end of September 2023 was £67.65m. This is (£34.9m) under the proposed programme budget of £102.55m. The majority of the Stock Increase Programme underspend (£31.5m) relates to the Stock Increase programme reprofile work that has been under review and is expected to be submitted for approval at committee during December along with any other slippage requests.

The table below illustrates the forecasted outturn against the approved budget at

the end of Q2 for each of the Council Housing Investment, Stock Increase and Non-HRA areas of the programme.



3.4 The variances for each section of the programme are a combination of procurement (tender savings), programme changes, slippage and updated financial spend profiles.

3.5 The total within Council Housing Investment, the forecast variance is (£2.8m) 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.

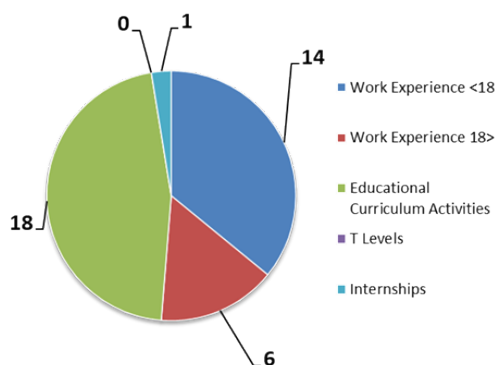
3.6 The Forecasted variance for the Stock Increase programme (£33.542m) relates directly to the ongoing review of the proposals contained within this programme and is subject to a separate update paper as mentioned above.

3.7 The forecasted variance for the Non HRA Programme is currently at (0.488m)

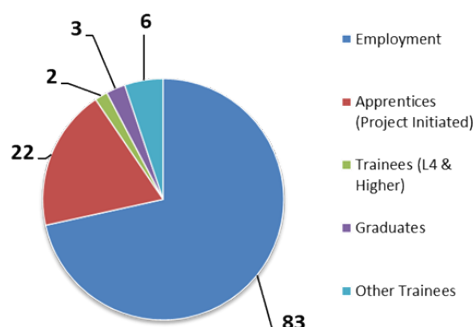
4.0 Employment and Social Value

4.1 The Housing Investment Programme achieves significant wider social value in addition to improvements to the council housing stock. 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 Quarters 1 & 2

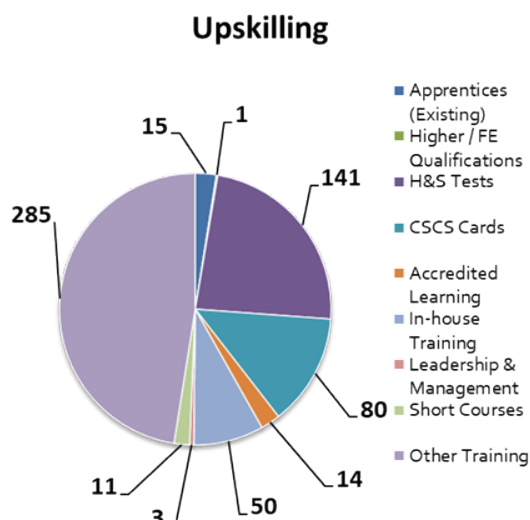
Educational Activities



New Employment



To date during 2023/24, the chart below illustrates local employment upskilling opportunities within the Sheffield area.



5.0 Customer Engagement

5.1 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 Housing and neighbourhoods Service. Scrutiny on the delivery of the Housing Investment Programme is managed through tenant governance boards and performance reports.

5.2 Engagement with key stakeholders, including relevant consultation with residents and local members, takes place as part of developing each project proposal contained within the programme through written communication, workshops, and consultations events throughout the lifetime of the projects and programme.

5.3 Meetings are also currently taking place with each of the individual Neighbourhood Teams to identify local priorities within each neighbourhood area. We will report updates on this to Housing Policy Committee as part of the annual the HRA business planning process.

6.0 Improvements to properties – Summary outputs to be achieved during 2023/24

6.1 The definition of outputs, could include (but not necessarily be limited to) the following:

- the number of surveys completed, kitchens, bathrooms, windows, doors installation to a property.
- Adaptations carried out to any particular property may include building of extensions, installation of level access showers, stairlifts, ramps, and/ or any other adapted alterations to a property.
- Roofing works completed per property or block of flats / maisonettes.
- Any enhancement works that lead to the energy efficiency of a home.
- Installation of fire doors, misting units, fire safety remedial works and surveys.

6.2 By the end of September 2023, the following outputs were achieved:

- 1132 Asbestos Surveys undertaken to various council properties across the city.
- 1598 homes received electrical upgrades and are now compliant with the Electrical Safety regulations.
- 245 adaptations were delivered including 60 installations of stairlifts to properties with vulnerable customers.
- 11 Laundry facility upgrades to Older Persons Independent Living schemes.
- High rise reroofing work almost completed at 5 tower blocks - Cornhill, Crawshaw, Wentworth, Adelphi & Martin.

6.3 Further ongoing projects that will yield further outputs during 2023/24 are as following:

- CCTV refurbishment and upgrade scheme did not start until July 2023. The aim of the CCTV refurbishment and new installation programme is to upgrade 43 existing CCTV systems and install 6 new CCTV systems to housing sites across the city. The programme will ensure that the systems are compliant with current regulations and modern technological standards to complete by December 2023 and there are 14 sites to date currently completed.
- The elementals programme had a slow start due to performance issues. A number of management positions within the contractor's structure have been impacted and a new management team has taken over from the regional office. The scheme will deliver new kitchens, bathrooms, and electrical upgrades to hundreds of properties.
- Ongoing Fire Safety works to the 4 high rise blocks at Stannington and Hanover with an anticipated finish in December 2023.
- The external wall insulation phase 2 (EWI 2 Airey repair and insulation) is now on site. It is anticipated that the first round of outputs of the project will be reported at the end of Quarter 4 of 2023/24.
- The external wall insulation phase 3 (EWI 3 – system build properties) commenced on site during June 2023. This is anticipated to complete on site in June 2024 delivering 267 improved and insulated properties to PAS 2035 standards.

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

7.0. HOW DOES THIS DECISION CONTRIBUTE?

7.1 That the Housing Policy Committee is to note the progress made within Q2 of 2023/24 against the approved position on the Housing Investment Programme.

8.0 HAS THERE BEEN ANY CONSULTATION?

8.1 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 involve significant consultation and engagement with tenants, residents, local members and key stakeholders.

9.0 RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

9.1 Equality Implications

9.1.1 There are no direct equality implications arising from this report. It is expected that each individual project will undertake a full Equality Impact Assessment as part of the basis for the development of project details, scope and budget proposals.

9.2 Financial and Commercial Implications

9.2.1 The report provides and update on the current position and at the end of Q2 for the Housing Capital Programme.

9.3 Legal Implications

9.3.1 Section 28 of the Local Government Act 2003 imposes a duty on the Council to monitor its budgets throughout the financial year, This report is a financial update report that sets out the 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.

9.4 Climate Implications

9.4.1 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.

9.5 Other Implications

9.5.1 *There are no other implications to consider*

10.0 ALTERNATIVE OPTIONS CONSIDERED

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

11.0 REASONS FOR RECOMMENDATIONS

11.1 This report is to provide the Housing Policy Committee members with an update on progress against the 5-year approved Capital programme at the end of Q2 2023/24.

Appendix 1 – Approved 5-year Housing Capital Programme

HRA Capital Programme Position - Position at Period 6

HRA Programme Position	2023/24 Full Year	2024-2028 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	£17,376,725	£17,801,534	£10,197,034	£13,450,000	£0	£58,825,293
H & S ESSENTIAL WORK TOTAL	£10,570,330	£19,286,442	£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	£100,000	£3,475,127	£3,365,000	£3,515,000	£0	£10,455,127
ENVELOPING & EXTERNAL WORK TOTAL	£1,583,900	£9,553,244	£10,694,757	£11,246,118	£9,714,000	£42,792,019
COMMUNAL AREA INVESTMENT TOTAL	£50,000	£2,950,000	£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	£931,642	£1,982,000	£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	£304,919	£8,970,992	£10,963,000	£20,162,399	£0	£40,401,310
HRA INVESTMENT NEED 2027/28	£0	£0	£0	£0	£33,525,000	£33,525,000
COUNCIL HOUSING INVESTMENT TOTAL	£40,937,010	£74,457,815	£73,982,137	£81,112,196	£43,239,000	£313,728,158
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	£9,000,803	£2,929,510	£2,979,680	£2,357,053	£2,462,840	£19,729,886
HOUSING GROWTH DELIVERY TOTAL	£49,186,674	£54,522,789	£63,024,767	£42,903,206	£4,644,888	£214,282,324
STOCK INCREASE PROGRAMME TOTAL	£58,187,477	£57,452,299	£66,004,447	£45,260,259	£7,107,728	£234,012,210
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	£639,860	£0	£0	£0	£0	£639,860
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
NON-HRA SUMMARY TOTAL	£3,423,775	£2,703,625	£395,000	£395,000	£395,000	£7,312,400
GRAND TOTAL	£102,548,262	£134,613,739	£140,381,584	£126,767,455	£50,741,728	£555,052,769

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