

REPORT TO:	HOUSING AND COMMUNITY SERVICES	AGENDA ITEM: 9
DATE OF MEETING:	22nd AUGUST 2019	CATEGORY: (SEE NOTES) DELEGATED OR RECOMMENDED
REPORT FROM:	STRATEGIC DIRECTOR SERVICE DELIVERY	OPEN
MEMBERS' CONTACT POINT:	PAUL.WHITTINGHAM@SOUTHDERBYSHIRE.GOV.UK	DOC:
SUBJECT:	HOUSING INVESTMENT PROGRAMME	
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: (SEE NOTES)

1.0 Recommendations

- 1.1 That the Committee notes the contents of the programme of work for 2019/20

2.0 Purpose of the Report

- 2.1 To provide further detail regarding the major works and planned maintenance programmes for 2019/20
- 2.2 To inform the Committee of progress in assessing the current status of Council homes in terms of their energy efficiency and environmental impact.

3.0 Executive Summary

- 3.1 The Council signed a major works and repair contract with NOVUS Property Solutions on 8 July 2019. The contract covers major works and repairs to Council owned homes, public and other buildings. It is a three year contract with an option to extend for a further two years
- 3.2 A programme of major works for the first year of the contract has been identified, along with programmes for more specialist work, including fire safety measures in homes.
- 3.3 The Housing Team is currently investigating the potential benefits of purchasing software to support the management of this and potentially other areas of the Council's work. A business case is being developed in conjunction with the Heads of finance, property and business change and will be the subject of a future Committee report.

4.0 Detail

4.1 The provisional plan for day-to-day repairs, major works and planned works to Council-owned homes is set out below.

Contract	Annual Budget	Average Cost	Number of Installs	Projected Cost
Repairs & PEM				
DLO Support/Void Works (Novus)				£ 300,000.00
Electrical Day to Day Repairs (Novus)				£ 130,000.00
Electrical Testing (Novus)		£105.00	650	£ 68,250.00
PEM (Novus)	£600,000.00			£ 600,000.00
Asbestos Surveys (Pennington Choices)	£80,000.00			£80,000.00
Anticipated Day to Day Repairs HRA Annual Spend				£1,098,250.00
Planned Works				
Kitchens (Novus)	£300,000.00	£3,500.00	60	£ 210,000.00
Bathrooms (Novus)	£162,000.00	£3,200.00	30	£ 96,000.00
Roof Coverings (Novus)	£500,000.00	£7,000.00	100	£ 700,000.00
Windows (Novus)	£300,000.00	£3,800.00	30	£ 114,000.00
Doors (Novus)	£50,000.00	£580.00	20	£ 11,600.00
Structural Works (Novus)			1	£ 25,000.00
Conversions (Novus)			3	£ 60,000.00
Active Fire Protection (Omnizone)				£ 200,000.00
Passive Fire Protection (Ventro)				£ 400,000.00
Heatings (Renuvo)	£340,000.00	£2,800.00	120	£ 336,000.00
Rewires (Neweys)	£340,000.00	£2,900.00	120	£ 348,000.00
Asbestos Removal (PA Group)	£50,000.00			£ 50,000.00
Anticipated Planned Annual Spend				£ 2,550,600.00
Overall MRA Budget		£	2,688,000.00	

4.2 The cost of these works is already provided for within revenue and capital budgets, the remaining funds will be allocated to other works including, external and works to street scene and communal areas within the Housing Revenue Account portfolio. This will also be used to provide an energy efficiency assessment of Council homes and the options for reducing the environmental impact of these properties. The Housing Team is in discussion with partners within the Local Authority Energy Partnership (LAEP) with regard to this work. This will inform a programme of works for 2020/21 which may include:

- Photovoltaic energy
- External insulation
- Alternative sources of space and water heating

The programme above will begin to address climate change issues through the provision of additional loft insulation as part of the roofing programme and through the provision of a higher standard of doors and windows.

- 4.3 The Committee will note that the largest areas of expenditure are for: roof coverings, windows and doors. This is in line with the findings of the Stock Condition Survey completed by Savills in 2018.
- 4.4 The programmes for kitchens, bathrooms and conversion works are to complete works identified in previous years earlier but for which no contractor was in place.
- 4.5 The roofing, window and door programmes have been compiled based on the outcomes of the Stock Condition Survey completed by Savills in 2018 and reported to this Committee on 7 March 2019.
- 4.6 Active and passive fire protection contracts have been recently procured in order to address the findings of recently reviewed Fire Risk Assessments. The works identified in these assessments are greater than originally anticipated.
- 4.7 Similarly, the contracts for asbestos survey and removal have been procured recently and will incur higher expenditure than expected.
- 4.8 Fire safety, asbestos survey and removal, gas safety electrical safety and legionella management were all the subject of a recent Housing Safety report which was presented to the Audit Sub-Committee on 24 July 2019.
- 4.9 There is also £300,000 of capital provision for adaptations within Council properties and £200,000 for the maintenance of non-traditional dwellings. It is likely that this will be used to carry out comprehensive structural surveys of these dwellings to identify the possible options for their improvement.

5.0 Financial Implications

- 5.1 The approved revenue budget for planned works is £1.3m and approved capital budget is £2.6m. As at 31st July 2019, the expenditure incurred on both revenue and capital totals £530k.
- 5.2 Expenditure incurred to-date has been confirmed by the Head of Housing to not be in addition to the expenditure listed in the table at 4.1 therefore the approved budgets are able to support the level of expenditure proposed.
- 5.3 As noted at 4.9, there are additional budgets for capital works on disabled adaptations of Council housing stock (£300k) and for improvement works on non-traditional properties (£200k). The budget for adaptations will be utilised in year but there is unlikely to be significant progress on the non-traditional properties during 2019/20.
- 5.4 If no call is made on the non-traditional sum during 2019/20 this will be earmarked within the Major repairs Reserve at year-end to ensure funds are available in the future.
- 5.5 The Major Repairs Reserve has a balance of £3.4m as at 31st March 2019 and further reports will be brought to this Committee to approve a longer-term plan for development of HRA dwellings where this sum can be utilised.

6.0 Corporate Implications

Employment Implications

- 6.1 There are no direct employment implications associated with this report

Legal Implications

- 6.2 There may be legal implications with regard to the procurement of the software which will be reported separately

Corporate Plan Implications

- 6.3 O5. Deliver a first class Repairs Service (strategic review of repairs and improvements).
- 6.4 O5.4.To provide a value for money service that fully meets the needs of Council tenants and delivers high levels of customer satisfaction
- 6.5 PE1. Improve the quality and make best use of existing Council housing stock to meet current and future needs.

Risk Impact

- 6.6 Corporate Risk- 9. Health and Safety – the potential to contravene regulations through poor practice. The implementation of asset management software will assist in managing this risk in Council owned homes and other property.
- 6.7 Service Delivery Risk SD3 – Safety standards
Protect and help support the most vulnerable, including those affected by financial changes. Failure to comply with basic safety standards in flats/blocks with communal areas. The implementation of asset management software will assist in managing this risk

7.0 Community Impact

Consultation

- 7.1 The work programme will be presented to tenants at an event later in the year. The contractors have undertaken to provide consultation and information sessions for the tenants whose homes are included in works programmes.

Equality and Diversity Impact

- 7.2 There are no direct Equality and Diversity implications of this report.

Social Value Impact

- 7.3 The major repairs contractor is committed to the delivery of social value projects as part of its contract. The details of these projects will be confirmed during the duration of the contract. The Fire safety contractor has already begun providing coffee mornings at sheltered schemes where it is commencing work

Environmental Sustainability

- 7.4 The work programme will improve the environmental impact of properties by increasing their energy and heat efficiency.

8.0 Conclusions

- 8.1 That the work programme provides an opportunity for the Council to improve its housing stock for the benefit and wellbeing of its tenants and the environment

9.0 Background Papers

Notes:

- * Category – Please see the Committee Terms Of Reference in [Responsibility for Functions - Committees](#). This shows which committee is responsible for each function and whether it has delegated authority to make a decision, or needs to refer it elsewhere with a recommendation.
- ** Open/Exempt - All reports should be considered in the open section of the meeting, unless it is likely that exempt information would be disclosed. Please see the [Access to Information Procedure Rules](#) for more guidance.
- *** Committee Terms Of Reference in [Responsibility for Functions - Committees](#).