

DECISION-MAKER:	CABINET
SUBJECT:	HOUSING REVENUE ACCOUNT (HRA) VARIOUS SCHEME APPROVAL CAPITAL PROGRAMME PROJECT 2012/13, PHASE 1
DATE OF DECISION:	12 MARCH 2012
REPORT OF:	CABINET MEMBER FOR HOUSING
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 the facilities of our estates, the wellbeing and the satisfaction of our residents in areas where they live.

The proposals are consistent with the HRA Business Plan approved by Council in July 2011 and the new Capital Programme under the HRA self-financing regime as agreed at Council in November 2011. As part of our approach to self-financing we are required to plan for longer term investment in our housing stock and as such Council agreed a detailed 4 year capital programme. In order to now 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 four new headings of:

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

RECOMMENDATIONS:

- (i) To approve in accordance with Financial Procedure Rules capital expenditure of £74,667,000 phased £9,924,000 in 2012/13, £21,884,000 in 2013/14, £23,235,000 in 2014/15 and £19,634,000 in 2015/16 provision for which exists within the unapproved section of the HRA Capital Programme, as detailed in the following table:

	2012/13	2013/14	2014/15	2015/16
	000's	000's	000's	000's
<u>Safe, wind and Weather tight.</u>				
Door Entry Systems	0	214	222	229
External Doors - Flats	0	4	123	117
External Doors - Houses	0	327	202	8
Supported Housing 2 Storey Walkway Repairs	N/A*	1,071	1,109	1,146
Pitched roofs	161	1,310	610	163
Flat Roofs (2012/13 includes International Way)	934	1,146	1,188	1,226
Chimney associated works	50	568	231	20
Wall structure and finish	155	940	1,562	289
Windows	978	380	424	211
Electrical Risers	459	964	998	0
Structural Works – various	414	428	444	458
<u>Total Safe, Wind and Weather Tight</u>	<u>3,151</u>	<u>7,352</u>	<u>7,113</u>	<u>3,867</u>
<u>Warm and Energy Efficient</u>				
Landlord Meter conversions	175	182	189	195
Loft insulation & pipe lagging	59	61	64	66
External Cladding (flats)	1,022	0	0	0
Electrical systems (communal areas)	1,033	701	491	259
<u>Total Warm and Energy Efficient</u>	<u>2,289</u>	<u>944</u>	<u>744</u>	<u>520</u>
<u>Modern Facilities</u>				
Bathroom Refurbishment	N/A*	2,956	3,063	3,163
Kitchen Refurbishment	N/A*	5,986	6,201	6,404
Central heating, Gas boiler replacement	1,351	1,782	1,846	1,906
Central heating (wet and electrical), pipework/circuits	133	238	1,570	1,570
Disabled Adaptations	927	964	998	1,031
Supported Housing Bathroom programme	412	428	444	458
Programme Management fees	535	N/A	N/A	N/A
<u>Total Modern Facilities</u>	<u>3,358</u>	<u>12,354</u>	<u>14,122</u>	<u>14,532</u>
<u>Well Maintained Communal Facilities</u>				
Communal Area Works	355	680	692	715
Lift refurbishment	621	554	564	0
Decent Neighbourhoods Schemes	250	0	0	0
<u>Total Well Maintained Communal Facilities</u>	<u>1,126</u>	<u>1,234</u>	<u>1,256</u>	<u>715</u>
<u>Total</u>	<u>9,924</u>	<u>21,884</u>	<u>23,235</u>	<u>19,634</u>

* The 2012/13 expenditure for these items have already received scheme approval in December 2011

* As above

REASONS FOR REPORT RECOMMENDATIONS

1. Financial Procedure Rules require that all schemes already in the capital programme costing more than £200,000 but less than £500,000 require approval by the relevant Chief Officer and Policy Co-ordinator following consultation with the relevant Cabinet Member and Chief Finance Officer. Schemes over £500,000 need to be approved by Cabinet.
2. Including sums in the Capital Programme does not give authority to spend the money. This is done by a separate scheme approval process. Financial Procedure Rules require that all schemes with a total of more than £500K be approved by Cabinet before they can proceed.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

3. There have been various consultation meetings with tenant groups and leaseholders during the last six months with regard to the proposed programme of capital expenditure associated with the Housing Revenue Account (HRA) and the new self-financing regime.
4. These works form part of the recently approved 4 year plan (formally approved in November 2011).
5. 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 new headings:
 - Safe, Wind and Weather Tight
 - Warm and Energy Efficient
 - Modern Facilities
 - Well Maintained Communal Facilities

DETAIL (Including consultation carried out)

6. This report seeks permission to proceed with the development, procurement and implementation of capital projects which form part of the HRA Capital Programme for 2012/13, 2013/14, 2014/15 and 2015/16. This report deals with those new schemes that are currently ready for approval.
7. The programme outlined in this report is consistent with the Housing Strategy and HRA Business Plan 2011-2041 approved by Cabinet and Council in July 2011.
8. 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.
9. Under self-financing our stock condition database is crucial to planning the works needed to our stock. Under our approach to developing a business plan we have identified through the stock database the properties where work is required over the next four years and we are now in a position to strategically plan the investment needed to complete the work identified.

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 averages at this time.

Any additional information received on the stock condition from the detailed monitoring of Health and Safety compliance issues will also be reflected in the strategic planning of the programmes and the detail of the capital projects.

The detail in the following tables 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

Table 1

	2012/13	2013/14	2014/15	2015/16
	Quantity	Quantity	Quantity	Quantity
Safe, wind and Weather tight.				
Door entry Systems (blocks)	0	20	20	20
External Doors – Flats (property)	0	20	600	600
External Doors – Houses (property)	0	240	149	6
Supported Housing Walkway Repairs - 2 storey blocks (8-10 flats per block)	19	19	19	19
Pitched roofs	60	570	240	70
Flat Roofs (2012/13 includes International Way)	10	18	18	18
Wall structure & Finish (property)	40	250	425	75
Chimney associated works	50	500	200	20
Windows (dwellings)	158	60	60	34
Electrical Risers (blocks)	11	12	1	0
Structural Works - various (see Detail)	N/A	N/A	N/A	N/A

Door Entry Systems:

- Our residents prioritise safety and security in their home very highly and we have previously delivered a programme of door entry and installation to high priority areas in the city. Working with the local housing teams and the Police we are prioritising 20 blocks a year where there are issues of antisocial behaviour and vandalism to provide increased security to residents. Although the capital investment for refurbishment works does not commence until 2013/14 it is imperative to tender the works in 2012/13 to ensure compliance for the maintenance works which are ongoing in 2012/13. Both the Capital investment works and the Revenue maintenance works are linked and are to be operated by the same contractor. This action will also allow Housing Investment to act promptly and efficiently should any request from Hampshire Police be received following acts of anti social behaviour without the requirement of requesting individual Exemptions from Procurement.

External Doors (flats within blocks):

- As part of ongoing schemes of work i.e. cyclical external decoration and major improvement projects citywide we will be upgrading 1220 front doors to modern veneered high quality new front doors. The recently tendered 4 year

Housing Refurbishment Project has elements included within the specification for items such as door replacement. The contract was specifically written with a sliding scale of “discount” for increased levels of investment. By adding these works to this project not only will there be a discount saving of up to 2% but also a procurement saving as the works will not be subject to a further specific tender process.

External Doors (houses and ground floor flats):

12. Houses and some ground floor flats do not benefit from the security of a door entry system. Where this work has already been undertaken residents benefit from greater security and peace of mind - these doors need to be more robust than the traditional wooden doors and it is the intention to replace all wooden doors with a more secure GRP 5 lever latch door. This programme will replace 400 old doors. The recently tendered 4 year Housing Refurbishment Project has elements included within the specification for items such as door replacement. The contract was specifically written with a sliding scale of “discount” for increased levels of investment. By adding these works to this project not only will there be a discount saving but also a procurement saving as the works will not be subject to a further specific tender process.

Supported Housing 2 Storey Walkway Repairs:

13. In 2012/13 the existing walkway project will continue with Nutfield Court, Seagarth Lane, Curzon Court and Weston Court. As reported in the Scheme Approval of 19th December 2011 in a bid to reduce cost the anticipated works in 2012/13 were brought forward. An exemption under Health and Safety reasons for the works to proceed has been granted by Procurement for 2012/13. However, these are part of a 4 year programme and there are financial benefits in tendering the works in 2012/13. Surveys are ongoing on our other similar blocks and we will deliver improvements to 60 further blocks across the whole of the city.

Pitched Roofs:

14. The Stock Condition Database and information from our Repairs Service has identified a number of blocks and houses where the pitched roof needs to be either totally replaced or where the existing tiles need to be removed and a new breathable membrane installed and then retiled with the existing tiles. It is envisaged that the majority of these works will be carried out in 2013/14 and 2014/15. Although there are not many roofs being worked on in the 2012/13 financial year this is to allow for the procurement/ tender to take place. This tender process will be for both pitched and flat roofs, as well as chimney repairs and wall structure therefore reducing procurement costs to a minimum (only 1 procurement process not 4 separate ones).

Flat Roofs:

15. Following recent external inspections of roofs across the city there are a number of flat roofs that will need to be replaced in the next 5 years. It is intended that some of these re-roofing works will coincide with other major capital works and also allow for the installation of PV panels. In 2012/13 the 5 blocks at International Way are to have new roofs allowing for PV panel installation, with a further 5 medium rise blocks in the west of the city having new roofs. From 2013/14 onwards a further 54 blocks will be re-roofed. Although there are not many roofs being worked on in the 2012/13 financial year this is to allow for the procurement/tender to take place. This tender

process will be for both pitched and flat roofs, as well as chimney repairs and wall structure therefore reducing procurement costs to a minimum (only 1 procurement process not 4 separate ones).

Wall Structure and Finish:

16. Many properties are now in need of brickwork re-pointing, major repairs to pebbledash and to associated wall coverings/render. Due to the number of properties citywide, it is considered that a programme of work is required to ensure that all properties remain watertight and weatherproof, therefore reducing the need for future repairs. As mentioned in Item 14 and 15 the wall structure and finish works will be tendered in association with the roof contract.

Chimney-associated works:

17. There are a number/variety of chimneys across the city that are in need of capital investment with corrective works to cowls, flashings, mortar lines and render treatments. These works will be carried out wherever possible in conjunction with other major capital programmes i.e. re-roofing to reduce scaffolding costs. As mentioned in Item 14 and 15 the chimney-associated works will be tendered in association with the roof contract.

Windows:

18. Works for 2012/13 have recently been tendered and legal formation of contracts is ready to proceed. This will see the last of the Council's single glazed windows (either wood or metal framed) replaced. In future years there is a requirement to replace the original double glazed metal frame units which are proving to be problematic with "cold bridging" occurring. By tendering a 3 year contract there are financial savings to be had not only in procurement but also in prices submitted due to stability of work.

Electrical Risers:

19. The Council still has responsibility for a large number of electrical risers (supply networks) within blocks of flats. These are not only old but now also under-sized for modern day appliances/loads. In line with previous upgrades, further risers are now to be updated/replaced (with a financial contribution from the supply/utility company) and adopted by the supply company on completion of the programme, therefore removing responsibility from the Council for future maintenance. The number of blocks indicated in Table 1 does not actually reflect the level of investment. The investment across the 3 years will allow all of the Northam Estate excluding Princes Court, Princes House and Millbank House as well as the whole of Wyndham Court to be upgraded.

Structural Works:

20. 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 2012/13 surveys/inspections will be carried out by the Structures Team to Hampton, Havre, Copenhagen and Rotterdam Towers as well as 91 medium rise blocks in Central and Peartree. In 2013/14 surveys will be carried out to 3 tower blocks in Thornhill, Canberra Towers in

Weston and a further 102 medium rise blocks in Townhill and Weston areas of the city. In 2014/15, 3 tower blocks in Central will be surveyed together with 99 medium rise blocks in Thornhill. Finally, in 2015/16, 3 tower blocks in Millbrook and Central will be surveyed together with 102 medium rise blocks in the Maybush, Shirley and Lordshill areas. Upon completion of these surveys each year, any remedial works identified will be carried out in the following financial year. Inspections carried out in 2011/12 have already identified that Millbank House, Shirley Towers and Albion Towers need remedial works as well as 11 medium rise blocks in Shirley, Maybush and Lordshill areas of the city. This remedial work will take place in 2012/13.

Warm and Energy Efficient

Table 2				
	2012/13	2013/14	2014/15	2015/16
	Quantity	Quantity	Quantity	Quantity
Warm and Energy Efficient				
Landlord Meter conversions (property)	1,000	1,000	1,000	1,000
Loft insulation & pipe lagging (property)	50	50	50	50
External Cladding (Kingsland flats only)	8	0	0	0
Electrical systems (communal areas)	4	3	13	8

Landlord Meter Conversions:

21. In 2011/12 a trial of removing tenants/leaseholders from the landlord heating system was carried out enabling residents to have complete control of their heating and pay for their actual usage direct to their chosen supplier. This scheme is now to be rolled out to our residents across the city with the plan of up to 1,000 residents per year switching to their own meter and supplier. It is the intention to switch residents to individual meters on a block by block basis in Northam as part of the riser upgrade project.

Loft Insulation and pipe lagging:

22. In previous years loft insulation and some pipework lagging has been carried out across the city utilising HRA funding and grant funding. There are still some 200 properties across the city where access has not been forthcoming/allowed. It is anticipated that 50 of these properties per year will become accessible by either void processes or tenant request and will subsequently receive further levels of insulation.

External cladding – flats:

23. In 2011/12 Asset Management and Repairs identified problems with the existing render to a total of 8 blocks on the Kingsland Estate (Priory House, Wooley House, Lewis House and Kingsland House). All blocks are non-traditional clay-pot construction with a weatherproof render. However, rainwater has penetrated the render and then frozen which has “blown” the render away from the wall thus creating severe damp and mould on internal walls. A new thermal “rockwool” and silicone render is to be applied to all blocks. This will not only weatherproof the block but also insulate the buildings and reducing heating costs.

Electrical Systems – communal areas:

24. The recent introduction of LED light fittings and movement sensor switching equipment to a number of Supported Housing blocks as well as Shirley Towers has identified both reduced running costs and lower levels of maintenance. Running costs are currently being monitored and assessed but the anticipation/expectation is that lighting costs will reduce by 30-50%. The level of maintenance and specifically the levels of vandalism to these lights has reduced by 80% mainly due to the actual lamps not able to simply disengage from the electrical supply. It is intended that these works will now be extended to other blocks across the city. In 2012/13 Sturminster House and 3 Supported Housing blocks will be converted to this form of lighting. In 2013/14 Albion Towers and 2 Supported Housing blocks will be converted as well as in 2014/15 the 3 tower blocks in Thornhill and 10 general purpose walk-up blocks will also be converted. In 2015/16 Millbrook and Redbridge Towers, together with Canberra Towers and a further 5 general purpose walk-up blocks will be converted.

Modern Facilities

Table 3				
	2012/13	2013/14	2014/15	2015/16
	Quantity	Quantity	Quantity	Quantity
Modern Facilities.				
Bathroom Refurbishment	N/A	820	820	820
Kitchen Refurbishment	N/A	840	840	840
Central heating, Gas boiler replacement	422	555	555	555
Central heating (wet and electrical), pipework/circuits	50	75	425	425
Disabled Adaptations (see Detail)	N/A	N/A	N/A	N/A
Supported Housing Bathroom programme	70	70	70	70
Programme Management fees (see Detail)	N/A	N/A	N/A	N/A

Bathroom Refurbishment:

25. A programme for 2012/13 was approved on 19 December 2011. A programme is now in place for the following three years and a full procurement process is virtually complete to ensure that properties are upgraded to modern standards as agreed with tenants.

Kitchen Refurbishment:

26. A programme for 2012/13 was approved on 19 December 2011. A programme is now in place for the following three years and a full procurement process is virtually complete to ensure that properties are upgraded to modern standards as agreed with tenants. To save costs, both identified kitchen and bathroom works will be carried out at the same time where appropriate.

Central Heating, gas boiler replacements:

27. In previous years a programme of work took place to replace the old and inefficient back-boiler units (BBU) which also contained an element of asbestos. This programme will continue in 2012/13. From 2013/14 through to 2015/16 programmes are planned to replace old and inefficient warm air units and also conventional boilers that have reached the end of the

serviceable life expectancy. All new boilers will be modern combination, condensing boilers meeting a high british standard specification representing an operating saving for the residents. The recently tendered 4 year Housing Refurbishment Project has elements included within the specification for items such as boiler replacement. The contract was specifically written with a sliding scale of “discount” for increased levels of investment. By adding these works to this project not only will there be a discount saving but also a procurement saving as the works will not be subject to a further specific tender process.

Central Heating (wet and electrical), pipework/circuits:

28. In conjunction with replacing boilers some systems will require upgrading or total replacement having reached the end of their expected serviceable life. In addition to this there are number of properties that have partial heating i.e. downstairs only whether wet or electrical. It is the intention that the system will be upgraded to full heating. With regard to the electrical systems, these works will be incorporated, where possible, with landlord meter conversions. The recently tendered 4 year Housing Refurbishment Project has elements included within the specification for items such as central heating replacement. The contract was specifically written with a sliding scale of “discount” for increased levels of investment. By adding these works to this project not only will there be a discount saving but also a procurement saving as the works will not be subject to a further specific tender process.

Disabled Adaptations:

29. These individual projects are intended to provide both minor and major adaptations to Council properties across the city where residents have a specific medical need to enable them to live independently. Referrals from Social Services Occupational Therapists can be classed as either “critical” or “substantial” under both major and minor headings. “Critical” and minor referrals have a target period for delivery of 8 weeks. Asset Management have a target period of 9 months to deliver major works. Within the remit of Disabled Adaptations there are items of specialist equipment which need to be procured correctly both for Capital investment and Revenue maintenance reasons. Items under this remit include stairlifts, deaf equipment and door access equipment.

Supported Housing adapted bathroom programme:

30. In previous years’ programmes to Supported Housing blocks work has included new external lifts to ensure the blocks are Equality Act compliant as well as the refurbishment of all communal areas. Following on from these works the intention is to now ensure that the layouts within individual flats are conducive for the needs of residents both now and in the future. Part of the intended works will include converting the bathrooms from a traditional bath to a level access shower. Over 4 years 320 properties will be adapted to provide more convenient level access showers minimising disturbance to tenants in the future. It is planned that these works will be carried out at the following Supported Housing blocks; Rozel Court, Sarnia Court, Milner Court, Neptune Court, James Street, Manston Court and Pleasant View.

Programme Management Fees:

31. There are certain fees involved with managing the programmes of work included within the HRA Capital Programme that are not charged to individual

programmes.

Well Maintained Communal Facilities

Table 4				
	2012/13	2013/14	2014/15	2015/16
	Quantity	Quantity	Quantity	Quantity
Well Maintained Communal Facilities				
Communal Area Works (blocks)	2	4	3	3
Decent Neighbourhoods Schemes (see detail)		0	0	0
Lift Refurbishment and replacement	3	2	2	0
Decent Neighbourhoods Schemes	1	0	0	0

Communal Area Works:

32. Existing programmes of work are ongoing and those that have been completed have been well received by residents, visitors and users of the facilities. Once the new lift installations and refurbishment works are completed the central core areas of each block will need to be decorated, as well as new floor coverings and lighting. In 2012/13 works will be carried out to Rozel Court, 2013/14 Weston Court, James Street and Ventnor Court. In 2014/15 Sarnia Court and two blocks on the east side of the city followed by a further two blocks on the east side and one on the west side of the city in 2015/16.

Lift Refurbishment:

33. At a recent review meeting of our Supported Housing requirements a clear indication of what is required on a lift basis for each block has been planned. In 2012/13 a new external lift will be constructed at James Street and the two existing lifts at Ventnor Court will be refurbished. In 2013/14 a new external lift will be constructed to the first block at Rozel Court and the existing lift at Sarnia Court will be refurbished. In 2014/15 the second new external lift will be constructed at Rozel Court and the lift at Graylings refurbished. For lift works there is a significant lead in time for both procurement and tenant liaison and therefore work need to commence immediately to deliver this programme.

Decent Neighbourhoods Schemes:

34. This proposal will include improvements to the internal communal space between the two large blocks at Ventnor Court including a defensible space in front of each block by means of low level fencing. At Leaside Way there will be a community garden created together with some additional verge parking. The final part of the work will include some external decoration and improved signage. It is envisaged that works to the play area in Leaside Way will also be improved and we are currently working with our colleagues in other departments to enable this area to be refurbished including the installation of new play equipment.

RESOURCE IMPLICATIONS

Capital/Revenue

35. The most recent version of the 30 year HRA Business Plan, as used to inform the HRA Budget approved by Council on the 15th February 2012,

indicates that there is provision for the works seeking scheme approval. The Plan will need to be updated as revised forecasts for items such as RPI are received. Other changes may need to be made as priorities change and unanticipated events take place. The proposed Capital Programme will need to be kept under constant review as the Business Plan is updated to ensure that it remains affordable.

A number of the items seeking scheme approval are forecast to deliver revenue savings. These savings will need to be reflected in future revenue Budgets.

Property/Other

36. The HRA Capital Programme is fully reflected in the Corporate Property Strategy.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

37. 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:

38. None

POLICY FRAMEWORK IMPLICATIONS

39. 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.

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KEY DECISION? Yes

WARDS/COMMUNITIES AFFECTED:	All wards
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SUPPORTING DOCUMENTATION

Non-confidential appendices are in the Members' Rooms and can be accessed on-line

Appendices

1.	None
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Documents In Members' Rooms

Integrated Impact Assessment

Do the implications/subject of the report require an Integrated Impact Assessment (IIA) to be carried out.	No
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Other Background Documents

Integrated Impact Assessment and Other Background documents available for inspection at: To follow

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