

## ITEM NO: 8

<b>DECISION-MAKER:</b>	CABINET		
<b>SUBJECT:</b>	HOUSING REVENUE ACCOUNT (HRA) CAPITAL PROGRAMME -VARIOUS SCHEME APPROVAL PHASE I 2010/11		
<b>DATE OF DECISION:</b>	19 APRIL 2010		
<b>REPORT OF:</b>	CABINET MEMBER FOR HOUSING AND LOCAL SERVICES		
<b>AUTHOR:</b>	Name:	Geoff Miller	Tel: 023 8083 4987
	E-mail:	Geoffrey.miller@southampton.gov.uk	

### STATEMENT OF CONFIDENTIALITY

Not applicable

### SUMMARY

This report seeks formal approval in accordance with Financial Procedures Rules for the preparation and execution of the HRA Capital programme schemes outlined within this report.

The proposed schemes will indirectly contribute to the Council's strategic housing objectives and will help ensure that the Council achieves the Decent Homes Standard by December 2010.

Following the approval of the 17<sup>th</sup> February 2010 Capital: Programme there are a number of schemes that require amendments to bring the scheme approval sums in line with approved budget.

### RECOMMENDATIONS:

- (i) To approve in accordance with Financial Procedure Rules an overall increase in the approval to spend across the following schemes:

	2010/11 £000s	2011/12 £000s
<b><u>Decent Homes</u></b>		
Structural Works	400	0
<b>Total Decent Homes</b>	<b>400</b>	
<b><u>Decent Homes Plus</u></b>		
Adaptations for Disabled People	1,350	1,350-
Energy Saving Programme	400	-
Heating System Upgrade Programme	250	
Window Replacement Programme	648	1,150
Programme Management Fees	400	-
Door Entry – Millbrook/Maybush (formerly Crime Reduction and Safety 2010/11)	450	-
<b>Total Decent Homes Plus</b>	<b>3,498</b>	<b>2,500</b>
<b>TOTAL</b>	<b>3,898</b>	<b>2,500</b>

- (ii) To approve, in accordance with Financial Procedure Rules, an amendment to the HRA Capital Programme in relation to the Millbrook Parking capital project to rephase expenditure of £225,000 from 2011/12 to 2010/11.

## **REASONS FOR REPORT RECOMMENDATIONS**

1. Financial Procedure Rules require that all schemes with a total value of more than £100,000 be approved by the appropriate Cabinet Member before they can proceed. Schemes over £200,000 need to be approved by Cabinet.
2. Including sums in a capital programme does not give authority to spend the money. This is done by a separate scheme approval process. Following the capital updates it is necessary in some cases to bring scheme approvals in line with approved budgets.

## **CONSULTATION**

3. A key role in the development of the capital programme has been the involvement of “groups” such as the Tenants Focus Groups, Block Wardens, tenant representatives, leaseholders and staff. Tenants and leaseholders have been closely involved in the production of our long term business plan for future investment.
4. We aim to actively continue consultation with these groups, beyond the point of statutory requirements to include involvement during detailed design, programme scheduling, implementation stages and assessment of tenders.

## **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

5. During consultation with tenants groups and leaseholders over the Housing Revenue Account (HRA) Capital Programme and in the formation of the HRA Business Plan during the option appraisal process all parties expressed support for schemes of work at this time.
6. The alternative option of not undertaking this work would leave the properties and surrounding areas in their present condition and would not accord with the views expressed during the consultation process or with the Council’s policies of providing Decent Homes.

## **DETAIL**

7. This report seeks permission to proceed with the development, procurement and implementation of capital projects which are included within the Housing Revenue Account Capital Programme for 2010/11 to 2011/12 approved by Council on 17th February 2010. This report deals with those new schemes that are currently ready for approval. Further reports will be submitted for other schemes later in the year.
8. The programme outlined in this report has been developed from the HRA Business Plan 2007-2037 following completion of the Stock Options appraisal in July 2005. It will contribute towards the aim of meeting the Decent Homes Standard by 31<sup>st</sup> December 2010. At the same time the programme reflects the aspirations of tenants identified during the option appraisal process which was completed in July 2005.

## **Decent Homes Programme**

### **Structural Works**

9. To enable essential structural works identified in the previous years' survey report to be carried out, and permit surveys to be commenced to other blocks in 2010/11. Blocks which will be receiving structural remedial works are Holyrood, Canute and St James high rise blocks as well as a further 99 medium rise blocks in Thornhill. Blocks to be surveyed / inspected are the medium rise blocks in Maybush, Shirley and Lordshill (102 blocks) and the high-rise blocks at Redbridge and Millbrook Towers.

## **Decent Homes Plus**

### **Adaptations for Disabled People**

10. Approval is being sought for investment of £2.7 million in adaptation works over the next 2 years. This project is intended to provide both minor and major adaptations to Housing properties where residents have a specific medical need to enable them to live independently. Referrals from Occupational Therapists can be either Critical or Substantial under both major and minor headings. Decent Homes then have a target period of nine months to deliver the major works. Critical and minor works have a target period for delivery within eight weeks.

### **Energy Saving Programme**

11. To carry out insulation projects across the city where properties currently have either no existing cavity wall/ loft insulation or where the existing is insufficient - £250,000. The level of capital investment requested shall enable approximately 500 properties to benefit from this programme of works (Depending upon type of dwelling and Scaffold requirements). We have included £100,000 within this programme to replace un-economical / inefficient boilers with new condensing type boilers. The level of capital investment requested will enable 40 properties to benefit from this programme of works. We have included £50,000 to research and develop possible external insulation methods for the non-traditional build properties across the city.

### **Heating Systems Upgrade Programme**

12. To improve existing heating systems working in conjunction with our gas servicing/repairs team. The funding will allow partial systems to be upgraded to full central heating when the existing boiler has reached the "end of its life" and due to be replaced. This level of Capital investment will see an expected 60 properties across the city benefiting from the new installations.

### **Window Replacement Programme**

13. The Council has a number of properties (approx 900) that still have single glazed windows within either metal or timber frames. These homes can suffer from condensation that can lead to damp and mould problems. It is the intention to replace a number of these windows with PVCu double glazed windows over the next two years, resulting in an improvement to the living environment for our tenants. This programme will also improve the energy efficiency of the buildings and help reduce the need for additional

mould/condensation treatment. With the level of Capital investment requested (across the 2 years), approximately 500 properties will benefit from this programme.

#### **Programme Management Fees**

14. There are certain fees involved with managing the schemes of works included within the HRA Capital Programme that are not charged to the individual schemes. The cost of these fees in 2010/11 is £400,000.

#### **Door Entry Systems – Millbrook and Maybush**

15. This programme reflects the Council's desire to provide existing blocks of flats which do not have door entry systems with modern security systems which help to stop unauthorised access. This programme intends to carry out refurbishment / replacement of door entry controls and provision of new aluminium to the Millbrook and Maybush area. The level of Capital investment requested will allow approx 45 Blocks (324 properties) to benefit from this programme of works.

#### **Decent Neighbourhoods – Millbrook Parking Improvements**

16. On 16<sup>th</sup> March 2009, Cabinet approved investment of £1.450M on improvement works in the Millbrook & Maybush area as part of the Decent Neighbourhoods Programme including £0.6M for parking improvements which is currently scheduled to be undertaken over 3 years from 2009/10 to 2011/12. This position is shown in the HRA Capital Programme agreed by Council on 17<sup>th</sup> February 2010.

Following consultation with residents and having agreed the works involved it is now proposed to bring forward work on this project to enable completion early and within 2 years. This will require an amendment to the current HRA capital programme to rephase expenditure of £225,000 within the same overall cost from 2011/12 into 2010/11. Cabinet are requested in accordance with Financial Procedure Rules to approve this amendment to the HRA Capital Programme as set out above.

### **FINANCIAL/RESOURCE IMPLICATIONS**

#### **Capital**

17. The estimated capital expenditure arising from the approval of schemes in this report which are already in the capital programme is £3.898M in 2010/11 and £2.500M in 2011/12.

The expenditure on the Millbrook Parking project is already accommodated in the overall HRA programme, and the rephasing will bring forward £225,000 of expenditure from 2011/12 to 2010/11.

#### **Revenue**

18. The capital financing costs of spending £3.898M in 2010/11 and £2,500M in 2011/12 on the schemes approved in this report that are already included in the capital programme were allowed for in the revenue estimates that were approved by Council on 17<sup>th</sup> February 2010.

Provision already exists in the HRA Revenue Budget to meet the costs associated with the rephased Millbrook parking capital project.

### **Property**

19. The HRA capital programme is fully reflected in the Corporate Asset Management Plan.

### **Other**

20. None

### **LEGAL IMPLICATIONS**

#### **Statutory power to undertake proposals in the report:**

21. 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:**

22. None

### **POLICY FRAMEWORK IMPLICATIONS**

23. The proposed schemes set out in this report will 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. They will also help in ensuring that all Council owned homes meet the Decent Homes Standard by December 2010.

**SUPPORTING DOCUMENTATION**

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

**Appendices**

1.	None
----	------

**Documents In Members' Rooms**

1.	Business Cases: Programme Management Fees 2010/11 Heating System Upgrade 2010/11 Energy Saving Programme 2010/11 Door Entry Millbrook/Maybush 2010/11 Adaptations for Disabled People 2010/11 Adaptations for Disabled People 2011/12 Window Replacement Programme 2010/12 Structural Works 2010/11
2.	Project Initiation Documents: Adaptations for Disabled People 2010/11 Adaptations for Disabled People 2011/12 Window Replacement Programme 2010/12

**Background Documents**

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

1.	None	
----	------	--

**Background documents available for inspection at:** N/A

**FORWARD PLAN No:** N/A                      **KEY DECISION?** Yes

<b>WARDS/COMMUNITIES AFFECTED:</b>	All wards in the city
------------------------------------	-----------------------