

DECISION-MAKER:		CABINET COUNCIL			
SUBJECT:		HRA SCHEME APPROVAL 2015/16 to 2019/20			
DATE OF DECISION:		21 APRIL 2015 20 MAY 2015			
REPORT OF:		CABINET MEMBER FOR HOUSING AND SUSTAINABILITY			
<u>CONTACT DETAILS</u>					
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STATEMENT OF CONFIDENTIALITY					
Not applicable.					
BRIEF SUMMARY					
<p>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 facilities on our estates; and the well-being and the satisfaction of our residents in the areas where they live.</p>					
<p>The proposals are consistent with the HRA Business Plan and Capital Programme approved by the Council on 11th February 2015. As part of our approach to Self-Financing the Council is required to plan for longer term investment in our housing stock and as such the Council agreed to a detailed 5 year Capital Programme. In order to 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.</p>					
<p>The proposed works cover elements under the headings of:</p> <ul style="list-style-type: none"> • Safe, Wind and Weather Tight • Modern Facilities • Well Maintained Communal Facilities • Warm and Energy Efficient 					
RECOMMENDATIONS:					
	(i)	<p>Cabinet: to approve in accordance with Financial Procedure Rules expenditure of £4,751,000 phased as follows:</p> <ul style="list-style-type: none"> • £1,548,000 in 2015/16 • £3,203,000 in 2016/17 <p>Provision for which exists within the Safe, Wind and Weather tight; Modern Facilities; Well Maintained Communal Facilities and Warm and Energy Efficient sections of the HRA Capital Programme as detailed in the table below.</p>			

Safe, Wind and Weather Tight	2015/16	2016/17	2017/18	2018/19	2019/20	Total
	000s	000s	000s	000s	000s	000s
Renew Canopies	10	130	0	0	0	140
Renew Porches	10	200	0	0	0	210
Windows	0	978	0	0	0	978
Wall Structure and Finish	134	372	0	0	0	506
Total for Safe, Wind and Weather Tight	154	1680	0	0	0	1834
Modern Facilities						
Programme Management Fees	59	643	0	0	0	702
Tenant Alterations Budget	7	268	0	0	0	275
Total for Modern Facilities	66	911	0	0	0	977
Well Maintained Communal Facilities						
New Build Lift at Block 1-62 Rozel Court	500	0	0	0	0	500
Total for Well Maintained Communal Facilities	500	0	0	0	0	500
Warm and Energy Efficient						
Landlord Meter Conversion	189	194	0	0	0	383
Renewable Energy Sources	300	318	0	0	0	618
Communal Shed/Store Areas	0	50	0	0	0	50
Renew Communal Windows	50	50	0	0	0	100
Utility Supplies Communal	289	0	0	0	0	289
Total for Warm and Energy Efficient	828	612	0	0	0	1440
TOTAL	1,548	3,203	0	0	0	4,751

(ii) Council: To approve in accordance with Financial Procedure Rules capital expenditure of £32,890,000 phased as follows:

- £2,806,000 in 2015/16
- £22,233,000 in 2016/17
- £3,720,000 in 2017/18
- £2,150,000 in 2018/19
- £1,981,000 in 2019/20

For which provision exists within the Warm and Energy Efficient, Well Maintained Communal Facilities, Safe, Wind and Weather tight and Modern Facilities sections of the HRA Capital Programme as detailed in the table below.

	2015/16	2016/17	2017/18	2018/19	2019/20	Total
	000s	000s	000s	000s	000s	000s
Safe, Wind and Weather Tight						
Roof Finish – Flat	0	642	1168	1000	0	2810
Structural Works	0	4398	0	0	0	4398
Total for Safe, Wind and Weather Tight	0	5040	1168	1000	0	7208
Modern Facilities						
Electrical Systems	2158	2811	0	0	0	4969
Housing Refurbishment Programme	0	7946	0	0	0	7946
Total for Modern Facilities	2158	10757	0	0	0	12915
Well Maintained Communal Facilities						
Decent Neighbourhoods Improvement	648	750	1102	0	0	2,500
Lift Refurbishments	0	700	1450	1150	1981	5281
Total for Well Maintained Communal Facilities	648	1450	2552	1150	1981	7781
Warm and Energy Efficient						
External Cladding	0	4986	0	0	0	4986
Total for Warm and Energy Efficient	0	4986	0	0	0	4986
TOTAL	2,806	22,233	3,720	2,150	1,981	32,890

REASONS FOR REPORT RECOMMENDATIONS

1. Financial Procedure Rules state that all schemes already in the Capital Programme under £500,000 can be approved by the Chief Officer in consultation with the Chief Financial Officer (CFO) and Cabinet Member, those between £500,000 and £2M will require Cabinet Approval and those with a total value above £2M will require the approval of full Council. The schemes in this report fall into all of these categories but are presented in one report for completeness.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2. There have been various consultation meetings with Tenant Groups and Leaseholders during the last 12-18 months with regard to the proposed programme of Capital expenditure associated with the Housing Revenue Account (HRA) and the Council's Self-Financing regime.
3. These works form part of the approved 5 year Capital Programme (formally approved on 11th February 2015).
4. Parts of the works identified will contribute to the proposed Energy Company Obligation (ECO) works and are critical in enabling the Council to obtain the maximum grant funded contribution for this project.
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 policy of providing homes that comply with the four agreed headings of:
 - 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 2015/16, 2016/17, 2017/18, 2018/19 and 2019/2020. This report deals with those schemes that are currently ready for approval.
7. The programme outlined in this report is consistent with the HRA Business Plan approved by Cabinet and Council in February 2015.
8. A key role in the development of the Capital Programme has been the involvement of the Tenant Focus Group, 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 (Keystone) is crucial to planning the works needed to our housing stock. As part of our approach to developing a Business Plan we have identified, through the stock database, the properties where work is required over the next five years and we are now in a position to strategically plan the investment needed to complete the work identified.
10. In addition, the overarching aims of the Decent Neighbourhood Programme are to improve the appearance of the external environment and to make the area safer in order to directly benefit residents as well as improving visitors' perception of the areas and to engage with residents and promote community spirit and pride which contributes to a

	more sustainable community.
11.	Therefore, the budgets identified and for which approval is sought, are determined by the detail from our stock database to which we have then applied an accepted industry calculation for estimated value based upon known costs and Building Research Establishment (BRE) National average at this time.
12.	The details in the tables above are therefore provided based upon the specific 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
	Cabinet
13.	<p>Renew Canopies:</p> <p>A number of houses across the City still have their original front door canopies/covers. Following recent inspections it has been determined that there is a need for a planned replacement programme due to either the wood supports moving or the roofing slates/tiles leaking. In addition to which, in some circumstances, the actual weight of the canopy has caused movement and will need additional support. It is envisaged that most of these works will be incorporated within other Capital schemes over the next two years with 125 properties receiving such works across Millbrook, Swaythling and Merry Oak areas of the City.</p>
14.	<p>Renew Porches:</p> <p>Within the HRA portfolio there are properties where a front porch exists and which is attached to the property. A small number of these are falling into disrepair and will need either replacing or being totally removed. In addition to which investment is needed to other dwellings to carry out essential maintenance to prevent these requiring full replacement in the future. It is envisaged that over the next two years 175 properties will receive such works across Thornhill, Sholing, Weston, Swaythling and Harefield areas of the City.</p>
15.	<p>Windows:</p> <p>As part of the forthcoming ECO project it is vital that whilst the external faces of Meredith Towers, Dumbleton Towers, Hightown Towers, Albion Towers, Shirley Towers and Sturminster House tower blocks are being insulated, the windows are replaced at the same time (by utilising the same access equipment there is a saving to the HRA). In addition to the tower blocks, there are nine medium rise blocks to be externally clad in Thornhill and these properties will also receive new windows. An existing scheme to replace the original metal double glazed windows (which were the first double glazed units to be installed in the City) commenced in 2014/15 and this project is to continue and be extended across the City. In addition to this, windows to the medium rise blocks at Holyrood will be replaced as they are reaching the end of their serviceable life and installation will be programmed alongside the proposed decoration project for this area. It is envisaged that approximately 1000 flats will benefit from these proposed works.</p>
16.	<p>Wall Structure and Finish:</p> <p>There are a number of properties where the external walls need treatment to prevent ingress of water, preventing damp and mould occurring. The majority of works will involve repointing to brickwork as well as repairs to external rendering and in several locations replacement UPVC to the original wooden "tongue and groove" curtain walling. In addition, some areas of brickwork will require a coating of sealant as they have, over many years, lost their "face" protection and become porous. It is envisaged that 100</p>

	properties across the City will benefit from this project.
	Council
17.	<p>Roof Finish Flat:</p> <p>As part of the forthcoming ECO works it would be pointless to address all the external areas of a building with the exception of the roof. As part of the requested funding, works to six tower blocks (Dumbletons, Meredith, Hightown, Shirley and Albion Towers and Sturminster House) will receive newly insulated roofs and roof coverings. In addition to these, there are a number of medium rise blocks across the City where the existing flat roof is reaching the end of its serviceable life and needs to be replaced before leaks occur into the flats below. It is envisaged that in addition to the six tower blocks, 30 medium rise blocks across the City will have newly insulated and covered roofs over the next four years.</p>
18.	<p>Structural Works:</p> <p>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 Strategic Services Programme (SSP) Agreement, Capita are to carry out the surveys, document and report on their findings and also oversee any works required. The approximate levels of surveys/works is a 40% surveys to 60% works split. The Structures Team have a detailed five year rolling programme of tower block inspections and works, which over the period of 2016/17 will see inspections to Shirley, Sturminster, Albion and Millbank House tower blocks, 91 medium rise blocks and 50 low rise blocks. In 2014/15 we started a project to reinforce communal walkways to low rise residential blocks in a number of areas across the City. As part of this project, anti-slip coatings were laid to the walkways together with improved lighting and these improvements have been warmly welcomed by our residents and visitors alike. Our professional structural engineers have continued their surveys across the City in 2014/15 which has resulted in a number of additional blocks being identified that require identical works. The intention is to continue this well received project to a further 46 low-rise blocks across the City with all works being completed by the end of the 2017/18 financial year which will see a total of 197 blocks having received such works at this time.</p>
	Modern Facilities
	Cabinet
19.	<p>Programme Management Fees:</p> <p>There are certain fees involved with managing the programmes of work included within the HRA Capital Programme that are not charged to individual schemes. Separate Scheme Approval is therefore sought for these essential programme management fees.</p>
20.	<p>Tenant Alterations:</p> <p>Many tenants have over previous years carried out both internal and external alterations to their homes without first seeking permission from the Council. However, if Council employees have failed to report any alterations to a Council property at the time of a visit and within six months of the installation/alteration, then it is deemed that the alterations are accepted by the Council and as such we now have a repair responsibility. Strict processes have now been put in place to try to prevent any further unapproved works being carried out, but the Council now has an obligation to carry out repairs to existing items such as porches, conservatories and extensions. During 2015/16 properties where remedial works are necessary will be identified, with a programme of remedial works commencing in 2016/17.</p>
	Council

21.	<p>Electrical Systems:</p> <p>In accordance with National guidelines, all communal areas within the Council's housing stock have the electrical wiring checked every five years and individual dwellings receive an electrical check every five years. (If a property is void and/or receiving major works during the 10 years, an additional check is carried out and certificated). These checks have identified a number of areas where the electrical system is reaching the end of its serviceable life and needs total replacement. Electrical rewiring of properties will commence as part of the Housing Refurbishment Programme (HRP) which will see 450 dwellings and 30 communal areas rewired in 2015/16, then 600 dwellings and 55 communal areas rewired in 2016/17. In addition to the rewiring, this programme will bring installations up to the current edition of the IEE Regulations providing additional safety devices and therefore protecting all users.</p>
22.	<p>Housing Refurbishment Programme:</p> <p>The current programme of works continues to deliver a high number of refurbished kitchens and bathrooms across the City, together with a high level of customer satisfaction. Approvals have already been granted for 2015/16 but there is a requirement to obtain approval for 2016/17 which is the final year of this procured contract. This will allow our contractors to plan ahead and provide cost savings to the Council by amalgamating addresses into their programmes. It is envisaged that for the amount requested 700 kitchens and 950 bathrooms will be refurbished across all wards within Southampton.</p>
<p>Well Maintained Communal Facilities</p>	
<p>Cabinet</p>	
23.	<p>New Build Lift at Block 1-62 Rozel Court:</p> <p>With the successful completion of new build external lifts at Milner Court, Neptune Court and James Street, it is proposed to build a new external lift which complies with the Equalities Act. The residents within this block are a mix of able-bodied, disabled and high care tenants and the existing lift does not allow for disabled access or provision for stretchers. The new lift will allow tenants to remain independent in their homes.</p>
<p>Council</p>	
24.	<p>Decent Neighbourhoods: Estate Improvement Programme 2015/16:</p> <p>Every year an element of funding is awarded to each Housing Office to invest locally to benefit the residents of these areas. Residents and tenants on every estate have the opportunity of influencing where this funding is spent by working collaboratively with both the Housing staff and the Housing Offices. The funding of £200K per annum will be utilised on a number of small schemes across the City including items such as security, signage, waste management, lighting, fencing and planting.</p>
25.	<p>Decent Neighbourhoods – Rotterdam Towers:</p> <p>After the completion of all the Community Energy Savings Programme (CESP) funded energy efficiency works to International Way it has become apparent that there is a need for additional parking provision at Rotterdam Towers. Consultation has been carried out with residents and a scheme developed at a cost of £150K will deliver 22 additional parking spaces and associated landscaping improvements in 2015/16.</p>
26.	<p>Decent Neighbourhoods – Rozel Court:</p> <p>Following the completion of the new external lift at Rozel Court together with the new scooter store there will be a requirement to address the existing green/garden space in and around both blocks. This report seeks approval for £74K to be allocated in 2015/16</p>

	to enable landscaping works similar to those already completed at Milner Court.
27.	<p>Decent Neighbourhoods: Cuckmere Lane and Studland Close:</p> <p>The Cuckmere Lane and Studland Close project will form part of the roll out of environmental improvements across the City. Specifically with agreed funding across three years, this project aims to achieve the following:</p> <ul style="list-style-type: none"> – to improve parking facilities for residents and mitigate the impact of the two local schools on parking in the area; – to resurface and redesign pathways; – to improve entrances to blocks by making them safer, accessible and welcoming; – to improve waste and recycling facilities; – to consider improvements to the lighting in the area for both functional and aesthetic purposes; – to improve the quality of ‘green’ spaces in the area by planting new trees, shrubs and bulbs; – to provide a community garden for residents to give them an opportunity to have somewhere pleasant to sit outside and to be involved in the maintenance of the garden; – to consider what options might be possible to screen the two major roads which border the bottom of Cuckmere Lane (the M271 and A33) and to consider whether there are any options for soundproofing to reduce traffic noise; – to improve the existing play area for local children to enjoy; – to replace all existing block signage with modern, legible signage; – to install some community artwork in the area and give residents an opportunity to become really involved in the design and possibly the creation of this artwork. – It is envisaged that in 2015/16 specification and procurement will be carried out in 2016/17 works will commence and completed within the 2017/18 financial year.
28.	<p>Lift Refurbishments:</p> <p>Lifts are a vital part of our communities and need to be both dependable and suitable for use. In previous Scheme Approval Reports a number of both new build lifts and lift refurbishment programmes have been approved and these projects are nearing completion. Housing Investment has recently inspected a further 10 lifts to assess the expected duration of their serviceable life. This report has identified the need for the following projects:</p> <ul style="list-style-type: none"> • 2016/17 Lift Refurbishments at Graylings, Canute House and St James House; • 2017/18 Lift Refurbishments at Albion Towers and Holyrood House; • 2018/19 Lift Refurbishment at Shirley Towers; and • 2019/20 Lift Refurbishment Sturminster House and remedial works to other lifts across the City as required.
	Warm and Energy Efficient
	Cabinet
29.	<p>Landlord Meter Conversions:</p> <p>As part of the CESP works at International Way, tenants and residents were set up with their own “pay as you go meter” instead of having a set heating charge levied at them. Due to all the energy saving works being completed, this has resulted in major savings to the tenants. The proposal is that as part of the forthcoming ECO works this option will be “rolled out” to some 1,000+ homes within the Thornhill, Shirley and Maybush areas of the City.</p>

30.	<p>Renewable Energy Sources:</p> <p>The Council has over the last three years installed a number of Renewal Energy Sources across the City including PV (Photo Voltaic) systems on roofs and the installation of low energy LED light fittings. As part of the forthcoming ECO (Energy Companies Obligation) project this type of energy saving work is to be extended to the three tower blocks in Thornhill, Shirley Towers, Sturminster House and Albion Towers as well as Milner Court and 9 medium-rise blocks in Thornhill.</p>
31.	<p>Communal Shed/Store Areas:</p> <p>During recent cyclical decorating works a number of wooden doors have been identified as reaching the end of their serviceable life. A successful trial of Glass Reinforced Plastic doors and frames has been carried out which will reduce future maintenance as well as provide additional/stronger security. The proposal is to procure a company in 2015/16 and commence installations in 2016/17 with some 150 shed doors being replaced across the City with more in future years.</p>
32.	<p>Renew Communal Windows:</p> <p>Housing Investment has replaced many windows across the City as part of its window replacement programme but this is strictly limited to occupied areas only. There is now a need to commence a parallel programme of works which will see communal windows replaced with UPVC double glazed units which reduce future maintenance costs and also reduce any associated heating costs. It is envisaged that approximately 250 windows will be replaced between 2015 and 2017 Citywide but will also be aligned with the main window replacement programme to save costs on access equipment.</p>
33.	<p>Utility Supplies – Communal:</p> <p>Recent Investigations and reporting by Housing Investment have identified a number of areas across the City where water quality will become an issue if pipes and storage tanks are not replaced in the future. A programme is already being planned and some successful trials have taken place with minimal disruption to residents/tenants. It is envisaged that approximately 250 medium-rise blocks across all wards will benefit from this programme.</p>
Council	
34.	<p>External Cladding :</p> <p>In previous Scheme Approvals funding has been approved for some of the ECO works. With the procurement of ECO now being finalised and the provision of full cost estimates, we are now in a position to request the final tranche of funding to complete the full scheme of works. Housing Investment can now confirm that all the following blocks will benefit from external cladding: Meredith Towers, Dumbletons Towers, Hightown Towers, Shirley Towers, Albion Towers and Sturminster House in addition to which nine medium rise blocks in Thornhill and 10 x three storey townhouses in the Kingsland area of the City.</p>
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
35.	<p>There are sufficient funds available within the HRA Capital budget to meet the requirements of the proposed schemes. In addition, a number of the items will represent an investment that will support an ongoing reduction in revenue expenditure within the HRA. Obtaining Scheme Approval in this way minimises administration plus officer and member time, plus maximises the potential for wider procurement efficiencies from longer term planning.</p>

<u>Property/Other</u>	
36.	The HRA Capital Programme is fully reflected in the Corporate Property Strategy.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
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.
<u>Other Legal Implications:</u>	
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.

KEY DECISION?	Yes
WARDS/COMMUNITIES AFFECTED:	All wards
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Equality and Safety Impact Assessment

Documents In Members' Rooms

1.	None
Equality Impact Assessment	
Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out.	Yes
Other Background Documents	
Equality Impact Assessment and Other Background documents available for inspection at:	
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