

## **Housing Revenue Account Business Plan**

### **Principles underlying the capital spending plans**

#### **Introduction**

This paper sets out the basic principles that have been adopted in compiling the 30 year capital expenditure plans. The annual spending requirements have been driven by data from the stock condition database supplemented by input from an analysis of responsive repairs and gas maintenance records. The intention is to use quality materials and life cycle replacements that are in many cases better than the old decent homes standard. The initial costs quoted relate to 2012/13 spending. The plan applies an inflationary increase each year. Costs are based on a combination of historic information, BRE figures and recent cost experience. They currently include prelims and fees where necessary. Some new headings include broad indicative budget amounts which will be refined as these programmes get underway.

The capital spending plan in the HRA business plan is divided into the following sections:

- Safe, wind and weather tight
- Warm and energy efficient
- Modern facilities in the home
- Well maintained communal facilities
- Estate Regeneration
- New Build
- Stock replacement provision

The following sections give a brief description of these items and provide information on the basis on which the capital spending plans have been assessed.

#### **Safe, wind and weather tight**

The Council is responsible for maintaining dwellings to ensure they are safe for residents to live in and the overall structural integrity is maintained. This programme ensures that roofs are replaced as needed, all properties in the city have double glazed windows, electrical systems are safe and can accommodate modern demands, door entry systems are replaced and properties are structurally sound. This programme specifically includes provision to replace walkways to supported housing schemes.

The capital spending plans are based on the following:

<b>Expenditure Heading</b>	<b>Replacement Cycle</b>	<b>Comments</b>
Door Entry System	As required	Rolling £200k/yr programme
Windows	35 years	£5,364.77/dwelling (BRE)

Electrical Riser Upgrades	N/A	One off programme. Future replacement responsibility of Southern Electric Contracting.
Roof Finish – Flat	33 years	£745.06/dwelling (inc flats within blocks) (BRE)
Roof Finish - Pitched / Structure / Gutter / Downpipes etc	Various	Multiple components in this category with varying life cycles and costs.
Structural Works.	N/A	£400,000 pa contingency sum based on historic spending.
Wall Structure & Finish	Various	Replacement cycle and costs vary by element.
Chimney	Various	Multiple components in this category with varying life cycles and costs.
External Doors – Flats	30 years	£187.43/dwelling
External Doors – Houses	20 years	£1,157.63/dwelling
Garage Maintenance	As required	£366 per garage
Supported Housing 2 storey Walkway Repairs	One off repairs	£50,000 per block (of 8-10 flats)

### **Warm and energy efficient**

The Council recognises that with increasing utility bills it is vitally important to support our tenants by undertaking improvements to their homes that helps them save money on the basics of heating and lighting. A warm and comfortable home also contributes significantly to the wider health of our residents in the city. This programme provides insulation to some of our most needed properties such as tower blocks, some blocks of flats and our PRC houses. We are also developing a programme to install more energy efficient lighting and controls for our communal areas in our flats to help drive down electricity bills for tenants. This programme also specifically provides for the removal of over 5,000 tenants from the current landlord heating system to give the control and choice over heating their home back into the hands of our tenants. Energy efficiency grants (future and current) will be utilised as far as possible to supplement capital spend.

This section of the programme will also be enhanced by the use of some of the borrowing headroom in order to facilitate further energy efficiency measures, particularly those that enable the council to access matched funding through schemes such as green deal and FIT.

The capital spending plans are based on the following:

<b>Expenditure Heading</b>	<b>Replacement Cycle</b>	<b>Comments</b>
Loft Insulation + Pipe Lagging	To address newly identified need.	£57,000/yr provision.
Landlord Meter Conversion (1,000 properties)	One-off programme	£170 per dwelling
Cavity Wall Insulation	As required due to component failure.	£16,000/yr provision.
External Cladding (Flats)	30 Years	£5M estimated requirement over 30 years.
External Cladding (PRC Houses)	30 Years	£31M estimated requirement over 30 years.
External Cladding (Tower Blocks)	30 Years	£10M estimated requirement over 30 years.
Electrical System (communal lighting and controls)	30 Years	£5,000/block.

### **Modern facilities in the home**

We want our tenants to be able to live in good quality modern homes with facilities that are up to modern standards. This programme supports the installation of new kitchens and bathrooms across the city based on the current assessment of need. We will also be ensuring that all homes with gas central heating have modern boilers by removing all back boilers and upgrading systems as necessary. We will also ensure that our homes can continue to meet the needs of our older residents by continuing to provide disabled adaptations as required as well as updating bathrooms in some of our supported schemes with modern shower facilities.

The capital spending plans are based on the following:

<b>Expenditure Heading</b>	<b>Replacement Cycle</b>	<b>Comments</b>
Electrical System	30 years	£3,000 per dwelling
Bathroom Refurbishment	35 years	£2,951 per dwelling
Kitchen Refurbishment	20 years	£6,411 per dwelling
Disabled Adaptations	N/A	£900,000 pa provision based on current demands
Central Heating Gas Boilers	30 years	£2,166 per dwelling
Central Heating Distribution System (including electric storage Heaters)	30 years	£4,086 per dwelling (includes boiler replacement and full system for wet systems)
Supported Schemes Adapted Bathroom Programme	N/A	£400,000 pa provision based on estimates

### **Well maintained communal facilities**

We will continue with our programmes for investment in the areas outside our tenants' front doors. This will include refurbishing our lifts in our tower blocks and supported schemes as needed and improving the communal hallways and common areas of our supported schemes and blocks of flats. We will specifically maintain our commitment to the ongoing programme of Decent Neighbourhoods improvements to improve the open spaces around our homes

The capital spending plans are based on the following:

<b>Expenditure Heading</b>	<b>Replacement Cycle</b>	<b>Comments</b>
Communal Areas Works	20 years	£1,583.19/flat
Lift Refurbishment	30 years	Estimated cost based on projected need over 30 year period.
Concierge Walk-up Block Roll Out	N/A	£250,000/yr provision.
Fire doors (communal)	As required.	£212,000/yr provision for next 8 years.
Roads/Paths/Hard Standing	As required	£170,000/yr provision based on m <sup>2</sup> .
Future Decent Neighbourhood Schemes	N/A	Provision of £1.2M pa for future schemes

### **Estate Regeneration**

The programme includes provision for all approved schemes, including the master planning for Townhill Park and for this to be followed up on a city wide basis. A sum of £20M is also included in the early years of the plan to contribute towards funding the enablement and early implementation of the schemes.

### **New Build**

The programme allows for the completion of the current schemes that are on site. No further provision is made for additional schemes.

### **Stock replacement provision**

There is no indication from the current stock condition assessment that any of the existing dwellings will need to be replaced over the 30 year period of the business plan. However, with our varied stock type and our aspirations to improve our neighbourhoods over the life of the business plan we have made provision for the ability to begin to replace some stock should it arise and a provision of £100M has been included over the latter years of the plan.

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