

Lead Officer(s): Director of District Centres and Regeneration

Wards: All

Subject: HOUSING CAPITAL INVESTMENT PROGRAMME 2018/19

RECOMMENDATIONS

The Panel is asked to note and provide feedback on the proposed 2018/19 capital investment programme relating to investment in the council's housing stock set out at Appendix 1.

The Panel is also asked to note that the council has consulted with the capital investment service improvement group to include priorities from residents. Meetings have been held on a quarterly basis and feedback has been given by residents on their priorities for the coming year, particularly fire safety and communal entrance doors.

1. Purpose of Report

1.1. Each year, the council undertakes a programme of investment in its housing stock supporting the council's aim of providing homes that are decent and safe. Within this overall programme is a range of works to maintain and improve individual properties, blocks and the wider environment in which the council's housing stock is located. This report provides an overview of the planned investment programme for 2018/19.

2. Background

2.1. In the Community Strategy 2016-21 and Corporate Plan 2015-18 the council has established its aim to create places where people want to and are proud to live, to provide homes that are decent, safe and affordable, and to create places where families can excel in work, education and in the community.

2.2. The council has 13,567 tenanted homes within the housing revenue account (HRA). These are maintained and improved through an ongoing programme of capital investment. The council also has 2,375 leasehold homes that benefit from works carried out to the 1,101 blocks in the HRA. Works to these blocks are generally recharged to the owners of the leasehold flats.

- 2.3.** In addition, this year the council has taken over the management of 3 blocks at Concord House, Sycamore House and Windsor House containing a total of 339 flats. These blocks are allocated as temporary accommodation and costs do not come under the HRA.
- 2.4.** The specific aims of the capital investment programme are to:
- Ensure that we continue to provide homes that meet or exceed our statutory requirements.
 - Minimise the risk within properties where health and safety issues have been highlighted.
 - Ensure that properties are safe, secure and weather tight.
 - Improve the internal living conditions to a modern standard.
 - Make homes warmer, more energy efficient and cheaper to heat whilst reducing the borough's carbon footprint and NO₂ emissions.
 - Enhance the spatial environment of our estates to create places where people want to be.
 - Ensure that properties, blocks and neighbourhoods cater to older and vulnerable people through providing a range of adaptations to homes and providing additional services such as mobility scooter stores.
 - Make best use of the housing stock through the conversion of homes to better meet the housing needs of residents in the borough or through the provision of specific facilities to meet a need.
 - Generate savings on the responsive repairs contract.
- 2.5.** The council, like all housing providers, has invested additional resources this year in fire safety following the Grenfell Tower fire in June 2016. Tests were immediately carried out to our 16 taller tower blocks with cladding, confirming that they do not pose a fire safety risk. In addition, all blocks with communal areas are being systematically checked to ensure that the blocks continue to meet fire safety regulations. The administration have committed to installing sprinkler systems and related fire safety measures to all 25 blocks of 10 storeys or more and one eight storey sheltered block at an estimated overall cost of £10m. The administration has written to the government on three separate occasions to request financial support for this essential work.

3. 2017/18 Performance

- 3.1.** So far this year the council has:
- Installed 177 double glazed UPVC window replacements.
 - Modernised kitchens to 212 homes.
 - Replaced bathrooms to 168 homes.
 - Installed security doors to 253 properties.
 - Upgraded rewiring to 470 homes.
 - Installed boilers and upgraded central heating systems to over 600 properties.
 - Installed/upgraded communal flooring at 25 blocks.
 - Redecorated 154 blocks and externally decorated 632 houses.
 - Refurbished lifts at 4 blocks.
 - Scoped and planned the installation of sprinklers in 26 blocks. The pilot sprinkler system installation at 98-176 College Green is now complete. The next 5 blocks will commence in February.

- Installed storage facilities at Layton Crescent and Allington Court sheltered/special sheltered blocks to allow the safe storage and charging of mobility scooters in line with fire regulations. We are currently on site at Southlands Close with completion due in February.
- Supported tenants to continue to live independently in their homes each year through major adaptations, such as wet rooms, stair lifts, through floor lifts, ramps, etc. In the last year we have supported 109 tenants in this way. In addition, we have installed 35 wet rooms through the Kitchen and Bathroom programme.
- Made arrangements to upgrade two commercial boiler systems in this financial year. This will benefit 81 dwellings.
- Started work at 11 blocks on Longheath Gardens on a major programme of improvements and replacements to drainage, exterior walls, walkways and roofs. The full programme to all 17 blocks will be complete in 18/19.
- Started work on site at 98-176 College Green to replace the roof and windows, upgrade the lifts, and install rain screen cladding.

3.2. The council has also:

- Developed plans and carried out feasibility for major works programmed in 18/19 at 56A-76D Chertsey Crescent and Dartmouth House.
- Carried out intrusive structural surveys, feasibility studies and planning applications to make 6 long term void properties available for letting. The works required include subsidence, creating larger homes, and converting existing properties into additional units.
- Initiated a large scale roof survey and validation programme on the Waddon estate to most houses and maisonettes.

3.3. This year's investment has allowed the council to continue to meet the following targets:

- *To assess and improve fire safety by working closely with the fire brigade, with 100% of blocks of flats complying with regulations.* The council has 100% valid fire risk assessments. Work has been completed or is planned to 5 blocks where London Fire Brigade (LFB) has issued fire safety deficiency notices, this is the lowest level of notice issued by LFB. We have had no enforcement notices served.
- *100% of homes to be maintained at the decent home standard over time.* The council has achieved a constant 99-100% over the last seven years.
- *A year-on-year improvement in energy efficiency as measured by RdSAP.* The council has achieved an average energy efficiency rating of 68.87 points (RdSAP) in January 2018, an improvement of 0.88 points from 2017. This compares favourably against the national average of 65.6 points. The council has a target of 70.6 for 2020.

4. Resources for investment

- 4.1.** The level of new budget available for 2018/19 has been assumed at £26.771m. This is based on an equal investment figure to that within the 2016/17 and 2017/18 budgets.

- 4.2.** Additional funds have also been allocated for:
- Procuring an asset management database (£434,000). Procurement rules state that we are required to routinely test the market to ensure that value for money is achieved. The aim of the project is to develop better integrated asset management and housing management systems to improve service delivery.
 - Creating larger homes (£100,000)
- 4.3.** An additional £5m has been allocated from HRA reserves in 2018/19 for the delivery of sprinkler systems (£3.5m) and associated works (£1.5m).
- 4.4.** The total new capital investment budget for 2018/19 is expected to be £32,305,000. The council's 2018/19 budgets, including the HRA, will be formally approved at the Council meeting on 19th February 2018.
- 4.5.** A number of works originally envisaged to be carried out in 2017/18 are now due to be delivered in 2018/19. This is because of the diversion of resources following the Grenfell Tower fire, the mobilisation of new contracts, and spend profile of earmarked special projects which are delivered over multiple years leading to the majority of delivery costs falling within the later stages of these projects. Therefore, an estimated £3m is to be carried over from 2017/18 to 2018/19 for:
- Sprinkler installation works (£500,000).
 - 98-176 College Green roof and window replacement, installation of rain screen cladding, and lift upgrade (£750,000).
 - Longheath Gardens concrete and drainage repairs, and roof replacement to several blocks on the estate (£900,000).
 - Dartmouth House roof and window replacement, installation of rain screen cladding system, and lift upgrade (£350,000).
 - Chertsey Crescent roof and window replacement, and installation of rain screen cladding system (£350,000).
 - Energiesprong net zero carbon retrofitting pilot (£150,000).
- 4.6.** Therefore, the estimated total capital investment budget for 2018/19 is £35,305,000.
- 4.7.** An cyclical budget is for 2018/19 is £1,209,000.

5. Resident involvement

- 5.1.** The Council has established an active capital investment service improvement group, containing several tenant and leaseholder representatives. These meetings are held on a quarterly basis and discuss progress in the investment programme and matters arising regarding future investment priorities.
- 5.2.** A detailed 2018/19 programme will be presented to the group at the meeting on 22nd January 2018.
- 5.3.** It should be noted that the capital investment service improvement group is not consulted on the amount allocated to the stock investment programme

annually as this takes place through the Your Rent, Your Say group, which has the wider remit of resident consultation in relation to HRA spend overall.

- 5.4.** The council's work on fire safety included face to face drop ins at our tallest blocks, letters to residents in all blocks of 3 or more storeys to provide reassurance in relation to fire safety and new approaches to engaging residents, such as co-production of Q&A, in advance of the installation of sprinklers which is a major programme of works taking place within people's homes. This has proved very successful with positive feedback from residents and we will be rolling out similar engagement approaches for future major works programmes such as those programmed at Dartmouth House and Chertsey Crescent in 2018/19.
- 5.5.** The council regularly benchmarks its performance with similar authorities and ALMOs through the HouseMark service. The results of this year's benchmarking exercise are not available at the time of producing this report, but will be presented to residents at the Your Rent, Your Say meeting in spring. All TLP members will be invited to this session.

6. The programme in detail

- 6.1.** Appendix 1 sets out the proposed programme for 2018/19. The overall level of investment will ensure that we meet current outstanding need and regulatory requirements.
- 6.2.** The main elements of the programme are as follows:
- Major Work Projects (£8.93m): The Council are embarking on several projects to ensure that properties remain wind and water tight, improve energy performance, and contribute to the overall attractiveness of the neighbourhood.
 - Longheath Gardens (£3.1m) – repairs to spalling concrete and broken drains, and replacement roofs.
 - 98-176 College Green (£2.25m) – roof and window replacement, rain screen cladding, reconfiguration of lower floors to create two new homes.
 - Dartmouth House (£1m) – roof and window replacement, rain screen cladding, separation of the two blocks, and improvement to off street parking.
 - Chertsey Crescent (£750,000) – roof and window replacement, rain screen cladding, and improvement to off street parking
 - Davidson Lodge (£800,000) – conservation property requiring masonry repairs, roof repairs, and upgraded windows.
 - Conversions and Extensions (£300,000) – four long term void properties to be converted or extended.
 - Major works (including voids) (£730,000) – eight properties to have structural works or underpinning to remedy structural issues.
 - Sprinkler Programme (£5.5m): installation of sprinkler system and associated works to remaining 24 blocks 10 storey or above and one block of eight storeys.
 - Roofs (£1.5m): surveying and replacement of roofs and associated works.
 - Kitchens and Bathrooms (£3.45m): £3m improving internal facilities to modern standards. An additional £450,000 has been provided to extend

the existing property where space limitations mean that it is not possible to bring up to modern standards.

- Major Adaptations (£1m): installation of adaptive equipment to aid vulnerable residents, as recommended by occupational therapists.
- Central Heating (£1.8m): nearly all boilers now under 15 years, will upgrade boiler and review need for radiator upgrade on a needs basis. Planned replacements £1.5m plus an additional £300,000 for ad hoc replacements through the responsive repairs contractor.
- Communal Heating (£200,000): upgrade to existing plant room and controls to improve efficiency and reduce breakdowns.
- Windows (£1.85m): upgrade existing windows to modern double glazed UPVC windows to improve security and thermal comfort.
- Electrics (£1.5m): rewiring of electrical circuits over 30 years old to meet modern standards required by modern lifestyles.
- Lifts (£650,000): refurbishment or replacement of lifts to improve efficiency and reduce breakdowns.
- Decorations (£850,000): reduced programme to target remaining properties in cycle one.
- Security measures (£500,000): all blocks that meet the criteria have been offered a door entry system, although some have refused the work. The oldest and highest repaired door entry systems are being revisited to ensure that they are fit for purpose. A budget of £250,000 has been set for upgrades. In addition, £250,000 has been allocated for security door installation.
- Support Costs (£1.8m): The total cost of the staff and overheads required to manage, monitor and ensure works are done to the standards expected by residents and to work with the contractors to improve delivery and find efficiencies is £1.8m. This was reduced from £2m in 15/16 and represents 5.1% of the total capital investment programme budget.

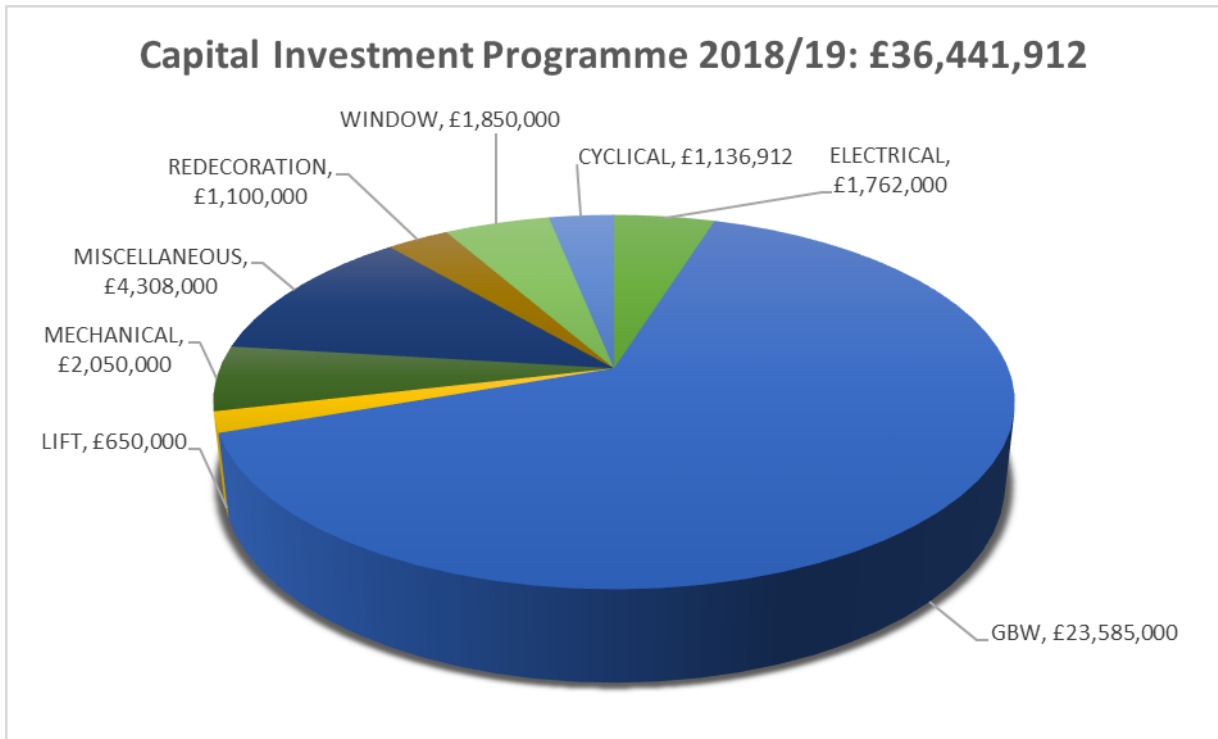
6.3. A more detailed breakdown of the programme can be found in Appendix 1 and 2.

Appendix 1 – the 2018/19 housing capital investment programme

CONTRACT	BUDGET LINE	BUDGET 18/19
CYCLICAL	CYCLICAL - REPAIR AND MAINTENANCE OF LIFTS	£77,912
CYCLICAL	ELEC - DISABLED ADAPTATIONS	£10,000
CYCLICAL	ELEC - DRY RISERS	£67,000
CYCLICAL	ELEC - FIRE PROTECTION SERVICING	£108,000
CYCLICAL	ELEC - SOLAR & PV MAINTENANCE	£19,000
CYCLICAL	ELEC - TEST & INSPECT COMMUNAL AREAS	£20,000
CYCLICAL	ELEC - TEST & INSPECT DWELLING	£100,000
CYCLICAL	ELEC - WARDEN ALARMS SERVICING	£31,000
CYCLICAL	ELEC - TEST & INSPECT LIGHTNING CONDUCTORS	£11,000
CYCLICAL	SERVICING - BOOSTER PUMPS	£8,000
CYCLICAL	SERVICING - COMMUNAL BOILERS & PLANT	£45,000
CYCLICAL	SERVICING - GAS APPLIANCES & GAS SOUNDNESS TESTING	£649,000
CYCLICAL Total		£1,256,912
ELECTRICAL	DOOR ENTRY SYSTEM - PAC TESTING	£12,000
ELECTRICAL	DOOR ENTRY SYSTEM - REPLACEMENT	£250,000
ELECTRICAL	ELECTRICS - REWIRING	£1,500,000
ELECTRICAL Total		£1,762,000
GBW	AD HOC WORKS - MAJOR WORKS (INC VOIDS)	£730,000
GBW	COMMUNAL FLOORING	£75,000
GBW	CONVERSIONS AND EXTENSIONS	£300,000
GBW	GARAGES - DEMOLITION	£50,000
GBW	GBW - PRELIMS/OVERHEADS (EST)	£1,871,000
GBW	GBW VARIABLE PROFIT	£187,100
GBW	KITCHEN & BATHROOMS - EXTENSIONS	£450,000
GBW	KITCHEN & BATHROOMS - REPLACEMENT	£3,000,000
GBW	MAJOR ADAPTATIONS - GBW	£700,000
GBW	REGULATORY REFORM ORDER (FIRE SAFETY)	£250,000
GBW	RESURFACING WORKS	£100,000
GBW	ROOFS	£1,500,000
GBW	SECURITY DOOR INSTALLATION	£250,000
GBW	SPECIAL PROJECTS - 3 SALEM PLACE	£250,000
GBW	SPECIAL PROJECTS - CHERTSEY CRESCENT	£400,000
GBW	SPECIAL PROJECTS - CHERTSEY CRESCENT (C/O)	£350,000
GBW	SPECIAL PROJECTS - COLLEGE GREEN	£1,500,000
GBW	SPECIAL PROJECTS - COLLEGE GREEN (C/O)	£750,000
GBW	SPECIAL PROJECTS - DARTMOUTH HOUSE	£650,000
GBW	SPECIAL PROJECTS - DARTMOUTH HOUSE (C/O)	£350,000
GBW	SPECIAL PROJECTS - DAVIDSON LODGE	£800,000
GBW	SPECIAL PROJECTS - GRANGE ROAD	£300,000
GBW	SPECIAL PROJECTS - LONGHEATH GARDENS	£2,212,900
GBW	SPECIAL PROJECTS - LONGHEATH GARDENS (C/O)	£900,000
GBW	SPECIAL PROJECTS - PRINCESS ROAD	£500,000
GBW	SUBSIDENCE	£325,000

GBW	THE SPRINKLER PROGRAMME	£3,500,000
GBW	THE SPRINKLER PROGRAMME (C/O)	£500,000
GBW Total		£23,585,000
LIFT	LIFT - REFURBISHMENT	£650,000
LIFT Total		£650,000
MECHANICAL	COMMUNAL BOILER REPLACEMENT	£200,000
MECHANICAL	ENERGY PERFORMANCE CERTIFICATES	£50,000
MECHANICAL	GAS CENTRAL HEATING - PROGRAMMED REPLACEMENTS	£1,500,000
MECHANICAL	GAS CENTRAL HEATING - REPAIRS REPLACEMENT	£300,000
MECHANICAL Total		£2,050,000
MISCELLANEOUS	APEX DEVELOPMENT	£55,000
MISCELLANEOUS	ASBESTOS REMOVAL & INSPECTION	£50,000
MISCELLANEOUS	ASSET MANAGEMENT DATABASE PROCUREMENT	£434,000
MISCELLANEOUS	CAPITALISED RESPONSIVE REPAIRS WORKS	£200,000
MISCELLANEOUS	CYCLICAL - INSPECTION & MAINTENANCE OF PLAYGROUNDS & EQUIPMENT	£19,000
MISCELLANEOUS	ENERGIESPRONG (C/O)	£150,000
MISCELLANEOUS	MAJOR ADAPTATIONS - MISC	£300,000
MISCELLANEOUS	OPTION APPRAISALS & FEASIBILITY STUDIES	£30,000
MISCELLANEOUS	PEST CONTROL	£120,000
MISCELLANEOUS	RRO (NON GBW)	£1,150,000
MISCELLANEOUS	SUPPORT COSTS (CLIENT STAFFING)	£1,800,000
MISCELLANEOUS Total		£4,308,000
REDECORATION	EXTERNAL DECORATIONS	£850,000
REDECORATION	SUPPORTED DECORATIONS SCHEME	£250,000
REDECORATION Total		£1,100,000
WINDOW	WINDOWS REPLACEMENT	£1,850,000
WINDOW Total		£1,850,000
Grand Total		£36,561,912

Appendix 2 – Proportion of Housing Capital Investment Programme



Appendix 3 – Performance Data

Chart 1: Percentage of properties meeting the decent home standard over time

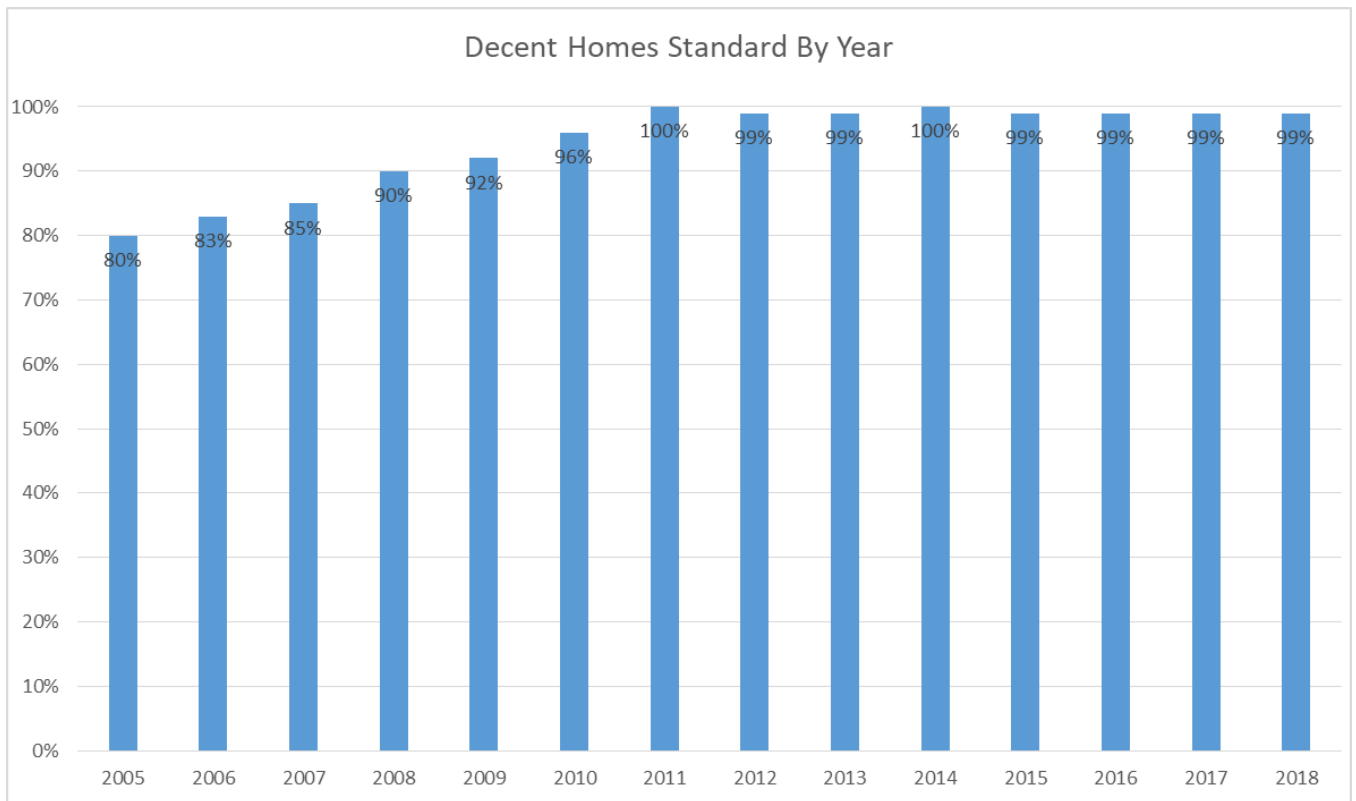
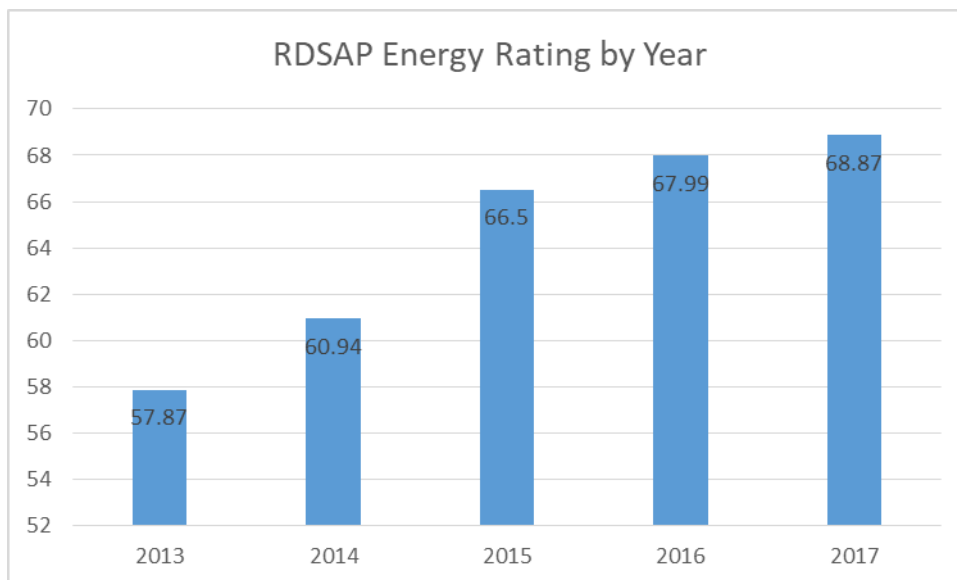


Chart 2: Energy rating of the housing stock



Energy efficiency

Energy performance is measured against the data standard assessment procedure (SAP). The ongoing programme includes a range of measures which improve energy efficiency – replacing older boilers with more efficient ones, topping up loft insulation, cavity wall and solid wall insulation, replacing storage heaters with gas systems, double-glazing and new doors with a better thermal performance etc. The 2015 figure compares well with the national social housing average of 62.9.