

Classification: Open	Decision Type: Key
--------------------------------	------------------------------

Report to:	Cabinet	Date: 16 July 2024
Subject:	Housing Revenue Account – Proposed Capital Works Programme 2024/25	
Report of	Cabinet Member for Housing Services	

1.0 Summary

- 1.1 In February 2024 the Council took back direct management of its housing stock with the transfer of Six Town Housing’s principal responsibilities to it. A review of the capital works programme has been quickly undertaken to ensure compliance with regulatory standards and in recognition of the backlog of work that has been identified during the transfer process.
- 1.2 The 2024/25 housing major works budget was approved during the Annual Budget Setting at February Council in the sum of £23.1m. This report sets out a proposed major works programme with an estimated cost of £19.8m, to be funded through the Housing Review Account (HRA).
- 1.3 The proposed work will improve homes, increase energy efficiency and through the replacement of key components reduce the need for routine repairs. It supports meeting the decent homes standard and reducing associated risks with elemental failures e.g. water ingress, damp and trip hazards.
- 1.4 As noted in previous update reports to Cabinet, in recent years environmental work has been lacking and tenants have expressed dissatisfaction with communal outdoor spaces and boundary treatments. This programme makes provision for environmental work which will be shaped by tenants in their neighbourhoods. The proposed programme also addresses the backlog of adaptations for tenants.
- 1.5 Developing the 2024/25 programme has been delayed because of the transfer from Six Town Housing (STH). This report asks for Cabinet to recommend that the revised scheme is approved by Council, to be procured and delivered through Council processes, as per the Constitution.
- 1.6 While the ongoing survey of all the Councils housing stock will inform future budgets, the 2024/25 programme is based on verified information from the previous surveys undertaken by STH and feedback from tenant engagement.
- 1.7 With regards to the delivery of this Capital Programme, the involvement of tenants in the specification and contractor selection will be developed as part of the Council's broader approach to Tenant Engagement and Involvement.

2.0 Recommendations

2.1 That Cabinet:

- a. Acknowledges the proposed Capital Programme to be funded within the HRA, estimated at £19,841,760 and recommends to Council that it be approved.
- b. Subject to Council approval, authorises external competitive procurement to be commenced in respect of the respective schemes identified within the Capital Programme on a compliant basis in accordance with the Public Contracts Regulations 2015 and the Council's Contract Procedure Rules 2022.
- c. Requests reports back on the individual schemes with recommendations as to contract awards at the conclusion of the respective procurement processes.
- d. Notes that whilst the target completion date for the respective contract works is the end of the current financial year, the duration of some contracts and the associated expenditure will run into 2025/26 and that further updates will be provided to Cabinet as part of the Budget reporting process.
- e. Approves payments to Green Grants Install Limited for decarbonisation works under the Social Housing Decarbonisation Fund (SHDF) Wave 1 and 2 programmes grant funded by the GMCA and delegates to the Director of Law and Governance authority to facilitate the necessary contractual arrangements.

3. Reasons for recommendations

- 3.1 To enable work to the Council's housing stock to be undertaken.
- 3.2 A requirement of the Regulator of Social Housing is to have "accurate, up to date and evidenced understanding of the condition of homes that reliably informs their provision of good quality, well maintained and safe homes for tenants.". The 2024/25 programme of work has been developed to address this need.

4. Alternative options considered and rejected

- 4.1 This is an asset led programme, undertaking work where it is needed and not geographically based. The focus for the 2024/25 is on dealing with long standing issues, delayed projects, and backlogs to ensure compliance with regulatory standards. To ensure an improved approach to longer term planning from 2025/26 onwards, including the introduction of a cyclical painting and repairs programme, a full stock condition survey is currently being completed.

5. Background

- 5.1 The 2024/25 draft programme formed part of the year three programme of work previously approved by the Council based on its Asset Management Strategy and the STH Business Plan. The level of investment approved at that time was £14.2m to ensure that the programme would meet most of the investment needs indicated at that time.
- 5.2 However previous programmes have been subject to delay creating the need for carryover from previous years. There have also been additional schemes identified through condition surveys and backlogs e.g. major adaptations which has a backlog of approved work of more than £1m.
- 5.3 Understanding the assets is essential and in 2021 Pennington Choices were instructed by STH to carry out a representative stock condition survey of the Council's housing stock to assess the condition and future maintenance budget costs.
- 5.4 Initially STH planned to survey 100% of the housing stock over a 5-year period. This programme was accelerated in 2023 to target 100% survey by April 2024. Due to issues with gaining access to all properties, the programme achieved over 80% survey coverage by the end of April; the programme will continue during 2024 to access all properties.
- 5.4 The current data is being uploaded into the asset management system cleansed and validated. This will provide reliable information for business planning and programming of investment for future years.

6. The 2024-2025 Capital Investment Programme

- 6.1 The majority of the budget has been allocated to identified projects. A proportion has been allocated to projects currently being scoped. As projects are finalised, they will be funded from this budget line. Procurement and approval being in accordance with the councils standing orders and delegated authority sought in this report.
- 6.2 Sources of evidence used to develop the 2024/25 investment programme include:
 - a. The STH draft 3-year programme previously provided to the council.
 - b. Initial results from the stock condition surveys.
 - c. Feedback from the repairs service.
 - d. Inspection requests from tenants and staff, including walkabouts.
 - e. The current carbon reduction programme.
 - f. Fire Risk Assessment recommendations.
 - g. Potential Compliance failures.
- 6.3 An outline of the proposed programme is set out below:

Major Project	Number of Properties	Number of leaseholders	Budget Estimate
Replacement Kitchens, Bathrooms, Heating	138	0	£1,137,211

Replacement Windows, Doors, Pointing, Lintels	565	0	£2,833,194
Replacement Roofing Incl. fascia, soffits & rainwater	386	11	£3,579,649
Communal Areas	326	45	£1,271,706
Environmental Projects	87		£850,000
Garages	46		£165,000
Carbon Reduction	314	0	£3,690,000
Total Planned Programme	1862	56	£13,526,760
Minor Projects			
Asbestos Removal			£30,000
Misc Elemental Renewals via (repairs, voids, condition surveys)			£1,240,000
Structural repairs			£300,000
Surveys: stock condition / EPC's /HHSRS/FRA/asbestos			£200,000
Major Adaptions (backlog)			£1,100,000
Major Adaptions (24/25 budget)			£800,000
Stairlift Renewals			£10,000
FRA remedial works and improvements			£1,500,000
Demolition Works			£75,000
Capitalised Salaries			£380,000
Other -salaries, fees, design etc			£580,000
Advanced Design (carbon reduction projects)			£100,000
Total Miscellaneous Capital			£6,315,000
	Capital Budget Estimates		£19,841,760
	Approved HRA Capital Budget		£23,082,000
	Slippage from 2023-2024		£2,794,000
	Total Budget Available		£25,876,000
	Budget not allocated		£6,034,240
Projects being scoped			
Eton Hill (Revised options appraisal)			
St Thomas (Roofing)			
Trinity Green Estate Bin Stores (Environmental work)			
Crompton Close Bin Stores (Environmental work)			
Pavilion Walk Radcliffe - Road resurfacing			
Heywood Road (Energy efficiency)			
Hunters Hill Cavity Wall properties Insulation (Energy efficiency)			
Winifred Street (Energy efficiency)			

7. Procurement Route

7.1 In order to provide the Council with sufficient procurement capacity the Council has renewed its contract with the local authority owned STAR organisation. For the year 2024/25. As part of those arrangements there is a separate contract

between the Council and STAR funded by the HRA to provide specialist support to Housing Operations following the in-housing of the STH housing stock management responsibilities.

- 7.2 STAR will be responsible for the conduct of the respective procurements required in respect of the identified schemes. Frameworks will be utilised for this purpose as this constitutes the most efficient and speedy method of proceeding as they contain panels of contractors pre-qualified as to expertise and experience.
- 7.3 Historically STH has utilised the Procure Plus framework. There are a number of other housing frameworks such as Fusion 21 and NCA and STAR will determine which is the most appropriate in consultation with the Council.

Social Housing Decarbonisation Fund (SHDF) Waves 1 and 2

- 8.1 The Council is in receipt of grant funding from the GMCA under the SHDF programme in respect of its housing stock and Grant Funding Agreements were duly entered into between the Council and the GMCA. However, due to a historic process error valid contracts were not subsequently entered into with the contractor, Green Grants Install Limited. Work has been carried out satisfactorily under STH and subsequently post-transfer Council instruction.
- 8.2 In order to facilitate payments to the contractor for work carried out prior to and post-transfer, Cabinet is requested to give its formal approval. There is no net cost to the Council as the costs are fully granted funded. The works will be completed by the end of the current financial year.

Next Steps

- 9.1 Cabinet to submit the Capital Programme to Council for Approval.
- 9.2 Subject to Council approval under 9.1, to commence the external procurement process in respect of the identified schemes.
- 9.3 To develop ways of engaging tenants in the design and delivery of the schemes within the programme.
- 9.4 To link the proposed Capital Programme program to wider neighbourhood initiatives to increase the impact of improvement in areas.
- 9.5 To continue the development of unallocated projects and scope future projects for inclusion in the 2024/25 and 2025/26 programmes.

10. Links with the Corporate Priorities:

- 10.1 This proposal contributes towards meeting the Council's priorities across a range of policy areas including reporting and evidencing good quality homes, through the Asset Management Plan, the HRA Business Plan, supporting the

Council's Carbon Neutrality by 2038 as well as meeting the expectations laid out in the Social Housing Regulations.

- 10.2 It sets out plans for the delivery of a housing programme in conjunction with the ambitions of the Bury 2030 Let's Do It! Strategy.

11. Equality Impact and Considerations:

- 11.1 The programme has defined the priorities for investment within the social housing stock based on pre-defined criteria relating to the dwelling.
- 11.2 Investment has been targeted to the worst properties needing investment first.
- 11.3 Service Standards are documented, which define the way the works will be delivered to ensure consistency for internal and external contractors.
- 11.4 Special needs will be determined during the pre-commencement phase of all projects, via the "Getting to Know You" proforma developed with tenants through the Customer Review Group.
- 11.5 "Getting to Know You" will be undertaken prior to works commencing and a dedicated Tenant Liaison officer appointed to support tenants and leaseholders through the process.
- 11.6 Tenant and Leaseholder consultation and choice opportunities are part of the pre-commencement activities. Ensure the section 20 process is followed to consult with Leaseholders as required.

12. Environmental Impact and Considerations:

- 12.1 These schemes help meet the Council's carbon reduction targets, providing healthier, warmer homes and reducing the instances of damp and condensation connected to thermal efficiency, reducing fuel poverty, and achieving EPC property targets.

13. Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation
1. Delayed approval preventing the schemes starting in a time to complete within this financial year and slip into following year.	Work is on site on those schemes slipped into this financial year and scoping has been done so that work can be procured now to continue the programme and a continued development of the programme in year.
2. The essential work is not carried out to those properties identified as potentially non decent as the elements reach expiration beyond the Decent Homes Standards set by Government.	All potentially non decent work has been identified and planned within this programme.

3. The Social Housing Regulations Standards and Customer Codes of Practice are not met.	Demonstrating an understanding of our stock and an approach to planning programmes that considers exceptions and not a blanket approach to planning.
4. Insufficient staff to deliver the programme as the new housing structure is developed.	Maximise existing resources and close monitoring of programmes.
5. Due to the compressed programme the tenants voice is not heard, and programmes do not maximise their neighbourhood impact.	Early engagement with stakeholders

14. Legal Implications:

- 14.1 This report updates Cabinet as regards the proposed Capital Programme to be recommended to Council for approval and as such it raises no new legal issues.
- 14.2 It authorises external procurement of the individual schemes to be undertaken in a compliant manner in accordance with the relevant Regulations and the Council Constitution.
- 14.3 Recommendations as to the award of contracts in respect of the individual schemes under the approved Capital Programme which exceed £500K in overall value or are Key Decisions within the meaning of the Council's Constitution will be the subject of further Cabinet Reports.
- 14.4 The Council is also legally obliged to meet the payment obligations to Greem Grant Installs Limited under the SHDF programme on a quantum meruit basis. Cabinet approval serves to regularise the payment basis in accordance with the Constitution. This is essentially a legal technicality as there are no issues between the parties regarding the works and the costs are fully grant funded.

15. Financial Implications:

- 15.1 The proposed major works programme with an estimated cost of £19.8m will be contained with the HRA Capital Programme approved at February 2024 Budget Council.

Report Author and Contact Details:

Name: Kate Waterhouse

Position: Executive Director of Strategy & Transformation

Department: Corporate Core

E-mail: K.waterhouse@bury.gov.uk

Appendices:

None

Background papers:

None.

Glossary of terms, abbreviations and acronyms used in this report.

Term	Meaning
HRA	Housing Revenue Account
FRA	Fire Risk Assessments
COP	Code of Practice
D&C	Damp and Condensation
EPC	Energy Performance Certificate