

STROUD DISTRICT COUNCIL

AGENDA

HOUSING COMMITTEE

ITEM NO

8

20 JUNE 2017

Report Title	CAPITAL PROJECT MONITORING
Purpose of Report	<p>To inform the Committee of progress on capital projects within its remit.</p> <p>A - Tenant Services Capital Programme B - Assistance to Affordable Housing Providers C - Disabled Facilities Grants D - Sheltered Modernisation Project (information sheet) E – New Homes and Regeneration Programme (information sheet)</p>
Decisions	The Committee notes the reports.
Consultation and Feedback	Budget setting has previously been agreed at council.
Financial Implications and Risk Assessment	<p>Item A - The capital budget for 2017/18 was approved by Council in February 2017. The capital programme for ongoing major works and maintenance is funded within the HRA Medium Term Financial Plan. This will be reviewed annually to ensure that the budget continues to support the delivery plan within the overall affordability of the HRA.</p> <p>Items B & C - There are no direct financial implications as this report is for information only. Any additional expenditure outside of the agreed budget must be reported separately.</p> <p>Items D & E - There are no direct financial implications as this report is for information only. These programmes will continue to be monitored through ongoing budget monitoring.</p> <p>Lucy Clothier, Principal Accountant Tel: 01453 754343 Email: lucy.clothier@stroud.gov.uk</p> <p>Risk assessment by the report author (item A) The capital programme of planned and cyclical maintenance provides relevant information of content and performance in the delivery of works. These are monitored and managed via Key Performance Indicators (KPI's).</p>

Legal Implications	<p>Item A – There are no specific legal concerns arising from the report. The Council as a landlord has a statutory duty to maintain its housing stock with this duty including the fabric of the building and heating/hot water systems. Satisfactory performance and monitoring of these contracts is therefore important to ensure compliance with this duty. There is also a duty to comply with the Equality Act 2011 with regard to the provision of disabled adaptations.</p> <p>Item B – This report is for information purposes only and there are no specific legal implications. The permissibility of each proposed grant should be assessed in accordance with the relevant criteria prior to any award being made.</p> <p>Item C – There do not appear to be any significant legal issues which are not dealt with in the report.</p> <p>Items D and E – These are ongoing projects with a range of legal implications beyond the scope of this comment. Legal Services has advised and will continue to advise on individual projects as appropriate.</p> <p>Mike Wallbank Solicitor Tel: 01453 754362 Email: mike.wallbank@stroud.gov.uk</p>
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Options	This report is for information only.
Performance Management Follow Up	Update reports are to be supplied to this committee on a regular basis
Background Papers/ Appendices	Item A - Appendices can be supplied on request of specific KPI's.

Item A, Tenant Services Capital Programme

1.0. Introduction

- 1.1. The following report provides an **executive summary** of the Capital Projects within the remit of the Housing Committee. The purpose of this report is to advise Committee on progress and management of the capital projects and allow members to question project managers.
- 1.2. Tenant Services has allocated a budget up to £30 million over the next 5 years utilising the Medium Term Financial Plan (MTFP) as a guide to income. A breakdown by year can be supplied as an information sheet if required. The following is a summary of how these budgets are specified. It should, however, be noted that budgets are subject to movement depending on economic climate, contractor performance, validation of work streams and financial resource being available to deliver works.
- 1.3. There are an additional number of work streams that are not included within the planned and cyclical maintenance programmes which need to be considered, including:
 - Non traditional stock remedy
 - Stock condition backlog repairs
 - Estate regeneration programmes (post 2020)

2.0. Current position

- 2.1. In order for us to achieve value for money for our tenants, leaseholders and the Council, variations to how we apportion work may be fluid especially in line with robust contract management and accurate validation of works required to our properties. This may require some works to be accelerated or deferred and will be an operational matter with updates to Housing Committee where appropriate.
- 2.2. During 2017, the projected spend for the capital programme is £6,415 million with future years as follows:

2018/19 - £6,485
2019/20 - £5,790
2020/21 - £5,560
2021/22 - £5,310

Work areas are reflected below with a north south split of the district with contractors i.e. NKS = North, Mears = South.

Planned works include:

- Kitchens & Bathrooms
- Doors & Windows
- Roofing and render

- Disabled adaptations
- Heating & Boiler upgrades
- Loft and cavity wall insulation

Cyclical works include:

- Painting
- Communal areas
- External works
- Door entry systems
- Lift servicing
- Fire equipment (where applicable)
- Radon, Electrical testing & Legionella control

2.3. Tenant Services utilises the Keystone asset data system for managing its programmes; this system is key to ensuring our programmes are accurate, fed by detailed intelligence from validation works, stock condition surveys and officer input.

3.0. Performance

3.1. Our contractors are managed through a suite of key performance indicators (KPIs); regular meetings are held with our contractors to ensure performance is what we expect as not only the client but also as the guardian of value for money for our tenants and the Council.

3.2. Meetings are generally monthly but can be (and have, on occasion, been) escalated to weekly meetings. Also, within the scope of our contracts, there is facility to move works to the opposite contractor, if one is not performing as expected, until performance improves. This has already been applied in some small instances and has proven successful to prompt recovery from the contractor who was not performing as expected.

3.3. Robust contract management is the key to successful delivery of these work streams and all relevant officers have had this training and is reflected in their job descriptions following the redesign of the service.

3.4. These KPI's, which include specific performance areas and tenant satisfaction, are available to members to consider in terms of performance and actions as appropriate.

4.0. Summary

4.1. We are committed to smarter working, including the use of new technologies (where possible subject to ICT constraints) such as tablets and handhelds, lone worker devices and drones to provide working at height solutions to enhance our ability to be agile, efficient and effective. If committee deems it appropriate, an elected member could take responsibility to take the lead and report to Housing Committee progress of the planned and cyclical

maintenance programme or consider an appropriate officer to do so on a regular basis.

5.0. Item B, Assistance to Affordable Housing Providers

- 5.1. The Council has a General Fund capital programme that provides grant assistance to housing associations, and this supplements the greater resources available to RSLs from the Homes and Communities Agency.
- 5.2. Because rent levels for affordable housing are necessarily restricted, the amount of income generated from the rental stream is low and does not generate sufficient capital through loans to make a scheme commercially viable. This is particularly true where the land allocated for affordable housing has been bought at commercial rates. The funding shortfall is therefore expressed as a requirement for subsidy, which is usually paid as grant to a housing association.
- 5.3. The Council's Affordable Housing Capital Programme comprises a mixture of recycled funding from the Stroud Homebuy scheme, where properties previously bought under the scheme have been sold on and the grant repaid, and s.106 commuted sums where developers have paid a contribution to the provision of affordable housing elsewhere rather than providing it on-site.
- 5.4. We allocate our resources to those schemes that represent the council's highest priorities. However, value for money is also a consideration, and those projects that produce the greatest number of homes for the lowest grant cost are always more attractive.
- 5.5. Recent funding allocations and forthcoming commitments are set out below:

Location	Grant	Number of units	Provider	Date paid
Littlecombe	£240,000	22	SDC	July 2013
Bisley Old Road	£130,000	23	Stonewater	July 2014
Lynch Road	£66,374	10	Fortis	March 2016
Commitments				
Stagholt	£30,000	7	Two Rivers	
Elm road	£90,000	8	Two Rivers	

6.0. Item C, Disabled Facilities Grants

- 6.1. The Council has a statutory duty to provide means tested Disabled Facilities Grants (DFG's) to enable disabled occupants to remain living safely and independently in their homes. There is a maximum limit of £30,000. Typical works include the provision of stairlifts and wet floor shower facilities.
- 6.2. The funding for DFG's now forms part of the Better Care Fund (BCF) and is paid to upper tier authorities in two tier areas who have a duty to pass it on to District Councils in order to enable them to meet their statutory functions.

6.3. The budget of £250,000 in the capital programme is deemed sufficient to meet demand.

7.0. Item D, Sheltered Modernisation Project

7.1. The project is progressing well and the current position is in a members information sheet which has been published on the Councils website. Variations in the budget due to cost savings are set out in the Housing Revenue Account outturn report to this committee.

8.0. Item E, New Homes Programme

8.1. An update on the programme is set out in a members information sheet which has been published on the Councils website.

8.2 A recommendation to reprofile the 2017/18 budgets is set out in the Housing Revenue Account outturn report to this Committee.