

**STROUD DISTRICT COUNCIL**

**AGENDA  
ITEM NO**

**HOUSING COMMITTEE**

**27 MARCH 2018**

**7**

<b>Report Title</b>	<b>CAPITAL PROJECT MONITORING</b>
<b>Purpose of Report</b>	To inform the Committee of progress on capital projects within its remit. A - Tenant Services Capital Programme B - Assistance to Affordable Housing Providers C - Disabled Facilities Grants D - Sheltered Modernisation Project E - New Homes and Regeneration Programme
<b>Decisions</b>	<b>The Committee notes the report</b>
<b>Consultation and Feedback</b>	Budget setting has previously been agreed at Council. Progress has been discussed with the Tenant Reps for Housing Committee.
<b>Financial Implications and Risk Assessment</b>	<p><b>Item A</b> – The capital programme for ongoing major works within the HRA is funded within the HRA Medium Term Financial Plan (MTFP). This will be reviewed annually to ensure that the budget continues to support the delivery plan within overall affordability of the HRA. The budgets included in this report represent £4,758k of a total major works programme of £6,602k. A large underspend is currently forecasted within major works. At the end of the year any variance will be transferred to the Major Repairs Reserve and used to fund capital works in future years.</p> <p><b>Item B</b> – 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><b>Item C</b> – Further funding from the Better Care Fund would be available if necessary, up to a total of £0.5m. However demand is such that this will not be required and any unused funds will remain in the pooled Gloucestershire fund.</p> <p><b>Items D &amp; E</b> – 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>Lucy Clothier, Principal Accountant Tel: 01453 754343 Email: <a href="mailto:lucy.clothier@stroud.gov.uk">lucy.clothier@stroud.gov.uk</a></p> <p><b>Risk assessment by the report author (Item A)</b> 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>

<b>Legal Implications</b>	<p><b>Item A</b> – The Council as a landlord has a statutory duty to maintain its housing stock including the fabric of the building and heating/hot water systems. Having procured a new contractor satisfactory performance and monitoring of these contracts is therefore important to ensure compliance with this duty.</p> <p><b>Item B</b> – Where funding is provided by way of a grant it may be appropriate to be secured by a grant agreement (particularly where it is a large sum), this would ensure it is used for the purposes intended by SDC and allows appropriate provisions for clawback/termination if it is not.</p> <p>Where money has be secured through a S106 obligation towards Affordable Housing, if there are any obligations on the Council as to how that money must be spent/time limits/clawback these will be provided within the terms of the deed itself.</p> <p><b>Item C</b> – The update on this part of the report repeats that provided to the February committee. As such, there are no further legal implications to report.</p> <p><b>Items D &amp; E</b> – As the report for Item D is being given by verbal update at the Committee no specific legal implications can be given for this. In general the position remains that as these are ongoing projects with a range of legal implications, the cases will be considered on a case by case basis.</p> <p>Craig Hallett, Solicitor &amp; Deputy Monitoring Officer Tel: 01453 754364 Email: <a href="mailto:craig.hallett@stroud.gov.uk">craig.hallett@stroud.gov.uk</a> (Ref: rcd13.3)</p>
<b>Report Author (s)</b>	<p><b>Item A</b> - Joe Gordon, Head of Contract Services Tel: 01453 754190 Email: <a href="mailto:joe.gordon@stroud.gov.uk">joe.gordon@stroud.gov.uk</a></p> <p><b>Item B</b> - Pippa Stroud, Policy Implementation Manager Tel: 01453 754099 Email: <a href="mailto:pippa.stroud@stroud.gov.uk">pippa.stroud@stroud.gov.uk</a></p> <p><b>Item C</b> - Jon Beckett, Head of Health and Wellbeing Tel: 01453 754443 Email: <a href="mailto:jon.beckett@stroud.gov.uk">jon.beckett@stroud.gov.uk</a></p> <p><b>Items D</b> - Kimberley Read, Sheltered Housing Project Manager Tel: 01453 754175 Email: <a href="mailto:kimberley.read@stroud.gov.uk">kimberley.read@stroud.gov.uk</a></p> <p><b>Items E</b> - Leonie Lockwood, Business Development Manager Tel: 01453 754153 Email: <a href="mailto:leonie.lockwood@stroud.gov.uk">leonie.lockwood@stroud.gov.uk</a></p>
<b>Options</b>	This report is a standing report for Housing Committee.
<b>Performance Management Follow Up</b>	Update reports are to be supplied to this committee within the timeline of the committee work programme
<b>Background Papers/ Appendices</b>	None

## 1.0. Item A - Tenant Services Capital Programme

### 1.1. Introduction

1.1.1. The following report provides an ongoing **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. Reports have been tabled at June, September, and Decembers 2017's Housing Committee where members asked for further detail within each report and for information sheets to be attached where appropriate

1.1.2. The third quarter has been completed and positions of works against budget spend are detailed in 2.1

### 1.2. Current position

1.2.1. The third quarter works of the capital programme are as follows broken down by contractor:

<b>NKS (North of the district)</b>					
<b>Planned works</b>	<b>Delivered to Date</b>	<b>Actual Spend</b>	<b>Budget</b>	<b>Projected Outturn</b>	<b>Variance</b>
<b>Kitchens</b>	20	108,571	386,250	145,877	(240,373)
<b>Bathrooms</b>	76	96,606	386,250	396,208	9,958
<b>External works</b>	28	257,897	850,000	552,965	(297,035)
<b>Disabled adaptations (Both sides of the district)</b> To note the actual spend includes the over statement on the year end creditor	43	25,127	308,000	60'000	(248,000)

<b>Mears (South of the district)</b>					
<b>Planned works</b>	<b>Delivered to Date</b>	<b>Actual Spend</b>	<b>Budget</b>	<b>Projected Outturn</b>	<b>Variance</b>
<b>Kitchens</b>	66	249,760	386,250	266,630	(119,620)
<b>Bathrooms</b>	75	232,528	386,250	260,166	(126,084)
<b>External works</b>	16	126,435	850,000	330,087	(519,913)

<b>Proframe (Both sides of the district)</b>					
	<b>Delivered to Date</b>	<b>Actual Spend</b>	<b>Budget</b>	<b>Projected Outturn</b>	<b>Variance</b>
<b>Doors &amp; windows</b>	266,503	204,929	515,000	499,116	(15,884)

<b>Glevum (Both sides of the district)</b>					
	<b>Delivered to Date</b>	<b>Actual Spend</b>	<b>Budget</b>	<b>Projected Outturn</b>	<b>Variance</b>
<b>Heating &amp; boiler upgrades</b>	137	593,076	690,000	775,628	(85,628)

<b>Mitie &amp; Bell (Mixed sides of the district)</b>					
	<b>Delivered to Date</b>	<b>Actual Spend</b>	<b>Budget</b>	<b>Projected Outturn</b>	<b>Variance</b>
<b>Painting/communal areas</b>	351	133,094	515,000	300,000	(215,000)

### **1.3. Performance**

- 1.3.1. Following Decembers Housing Committee when we notified you of our intension to end our formal contractual relationship with Mears Group PLC, re-procurement of the South Contract went live on 31 January 2018.
- 1.3.2. The process ended on the 16 February 2018, and following evaluation we appointed a new contractor Mi Space (UK) Limited, who are part of the Midas Group. Midas will commence service provision on Monday 12 March 2018.
- 1.3.3. Works relating to the South of the District, which will not be delivered prior to 12 March 2018 has either been passed to the North Contractor (NKS) or moved forward into the 2018-19 programmes, dependant on priority. Affected stakeholders have been notified.

### **1.4. Summary**

- 1.4.1. We are committed to ensuring our resources deliver maximum value for money to the Council, and our partners delivering the services meet the high standards both our customers and us as a client demand. in order to improve our performance for our customers and clients. We continually need to make sure that we are not falling into patterns of complacency and will continually review our processes to ensure we work smarter with our Partners.

### **2.0. Item B, Support to Social Housing Providers Capital Programme**

- 2.1. The Council has a small General Fund capital programme that provides occasional grant assistance to housing associations, and this supplements the much greater resources available to them from Homes England.
- 2.2. We allocate our resources to those schemes that best meet housing need in the Stroud district in terms of type, location and tenure. However, value for money is also a consideration, and those projects that produce the greatest number of

homes for the lowest grant cost are obviously more attractive in terms of investment.

- 2.3. At the time of writing, there was £192,000 in uncommitted funds remaining in the s.106 code, and £230,000 of former Homebuy funds being held. Some of these funds are likely to be committed to support a large-scale ExtraCare scheme for older people while a commitment of £190,000 has now been made to support the purchase of a site in Wotton Under Edge by Two Rivers Housing Association for the development of a shared ownership scheme.

Recent funding allocations and forthcoming commitments are set out below:

Location	Grant	Number of units	Grant Per Unit	Provider	Date paid	Notes
Littlecombe, Dursley	£240,000	22	£11,000	SDC	July 2013	SDC regeneration site
Bisley Old Road Stroud	£130,000	23	£5,700	Stonewater	July 2014	All rented homes
Lynch Road Berkeley	£66,374	10	£6,600	Fortis	March 2016	Abnormal costs for sewer re-routing
Elm Road Stonehouse	£90,000	8	£11,300	Two Rivers	Oct 17	Off the shelf purchase
<b>Commitments</b>						
Stagholt Standish	£30,000	4	£7,500	Two Rivers	June 18	Rural site. Planning application now received.
Full Moon, Wotton Under Edge	£190,000	10	£19,000	Two Rivers	TBA	Market housing site purchase opportunity.

### **3.0. Item C Disabled Facilities Grants**

- 3.1. The Council has a statutory duty to provide Disabled Facilities Grants (DFG) under the Housing Grants, Construction & Regeneration Act 1996. Funding is provided by Central Government for this purpose through the Better Care Fund (BCF) which is jointly administered by the County Council and Clinical Commissioning Group (CCG).
- 3.2. The DFG is a means tested grant to assist disabled occupants to remain living safely in their own homes by the provision of adaptations such as stairlifts and wet floor showers. The maximum limit for a DFG is £30,000. This is a statutory function and the Council has no discretion as to the use of these funds and no control over demand as referrals must come from the County Council Occupational Therapy Service. There is no waiting list and all applications are dealt with expediently.
- 3.3. For 2017/18 a sum of £330,000 has been identified in the BCF for DFG's in the Stroud district and this is considered sufficient to meet demand based on previous expenditure. Any unspent allocation has to be returned to the BCF.

3.4. The table below illustrates the numbers of approvals and expenditure since 2015:

Year	No. of DFG's Approved	Amount Paid
15/16	27	£269,935
16/17	31	£279,710
17/18 Q1	4	£48,454
17/18 Q2	5	£35,559
17/18 Q3	3	£53,525

#### **4.0. Item D Sheltered Housing Modernisation Project Update**

4.1. A full update is being presented to Housing Committee at the meeting to be held on 27 March 2018.

#### **5.0. Item E New homes and regeneration programme**

##### **5.1. Introduction / Background**

5.1.1. Stroud District Council has an objective to invest in 150 new Council homes by March 2018 and has also approved the regeneration of 3 sites where defective Woolaway properties are to be replaced with new homes providing a total target delivery number of 236 homes.

5.1.2. An additional budget of £700,000 was approved at Strategy and Resources on the 13 June 2017, with 30% of that budget funded from right to buy receipts, to purchase properties on the open market.

5.1.3. A full update on the New Homes and Regeneration Programme was provided to members at the meeting on the 20<sup>th</sup> February. Since then the planning application for The Ship Inn has been submitted. A summary of the number of new build completions for 2017/18 will be presented to the Housing Committee in June 2018 together with a further update on the programme at that stage.

##### **5.2. Programme**

5.2.1 The table below sets out the schemes within the programme.

Scheme	No. replacement units	No. additional Units	Total No. of Units	Status
<b>New Homes Completed</b>				
Hanover, Dursley	0	18	18	Completed
Ex Warden conversions	0	11	11	Completed
Minchinhampton Woolaways	35	0	35	Completed
Top of Town, Stroud -Phase 1	14	8	22	Completed
Littlecombe, Dursley	0	22	22	Completed
Leonard Stanley Woolaways	19	32	51	Completed
Top of Town – Phase 2	8	5	13	Completed
The Corriett, Cam	0	6	6	Completed
Fisher's Road, Berkeley	0	4	4	Completed

Hillside, Coaley	2	2	4	Completed
Top of Town – Phase 3	10	2	12	Completed
Chapel Street, Cam	0	14	14	Completed
Top of Town – Phase 4	3	3	6	Completed
Property purchases (RTB receipts)	0	3	3	Completed
<b>Sub Total</b>	<b>91</b>	<b>127</b>	<b>221</b>	
<b>Completions by Year End</b>				
Ex Warden conversions	0	4	4	On site
Property purchases (RTB receipts)	0	1	1	Sale agreed
<b>Sub Total</b>	<b>0</b>	<b>5</b>	<b>5</b>	
<b>Balance of Programme</b>				
The former Ship Inn site , Bridgend	0	9	9	Design Stage
Southbank, Woodchester	4	1	5	Design Stage
Site to be identified	0	5	5	Design Stage
<b>Sub Total</b>	<b>4</b>	<b>15</b>	<b>19</b>	
<b>Grand Total</b>	<b>95</b>	<b>150</b>	<b>245</b>	

### 5.3. Balance Of Programme

- 5.3.1. The former Ship Inn site is in the design stage and a planning application is due to be submitted prior to the date of this meeting with work starting in 2018/19.
- 5.3.2. For the scheme to develop 5 homes at Southbank Woodchester, once we have finalised issues with the original contractor, we aim to retender the scheme and this is currently being prepared. A figure has been included within our budget for 2018/19 for the scheme.
- 5.3.3. Various alternative sites are being progressed to feasibility stage to be considered for the balance of the remaining budget, which again has been moved to 2018/19.