

TAUNTON DEANE BOROUGH COUNCIL

EXECUTIVE - 12th FEBRUARY 2003

Report of Community Services Policy Unit Manager and Financial Services Unit Manager

(This matter is the responsibility of Councillor P Stone)

HOUSING CAPITAL PROGRAMME 2003/2004

1. **Executive Summary**

1.1 This report reflects the views of the Housing Review Panel on the 23rd January 2003.

2. **Housing Review Panel - 23rd January 2003**

2.1 The January Housing Review Panel recommended that the proposal set out in paragraph 2.20 of the report at Appendix A be amended.

2.2 The budget for the Cash Incentive Scheme is to be increased from nil to £30,000.

3. **Recommendation**

3.1 That the Executive recommends the revised Housing Capital Programme for 2003/2004 to Full Council for their consideration.

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**TAUNTON DEANE BOROUGH COUNCIL
REVIEW PANEL – 23 JANUARY 2003**

Report of Community Services Policy Unit Manager and Financial Services Unit Manager

(This matter is the responsibility of Councillor P Stone)

HOUSING CAPITAL PROGRAMME 2003/2004

Executive Summary

This report sets out the proposed Housing Capital Programme for the 2003/2004 financial year and includes details of the resources available as well as recommendations for how they should be allocated. Investment focuses on the three areas of maintaining and improving the Council housing stock to a decent home standard, providing grants to Registered Social Landlords to build new homes and providing grants to individual homeowners to reduce levels of unfitnes in private sector properties.

1. Purpose of Report

- 1.1 To seek approval for the proposed Housing Capital Programme for 2003/04 as outlined in Appendices A and B of this report.

2. Resources to TDBC

- 2.1 Financing of the Housing Capital Programme 2003/04 utilises a number of funding sources. These are identified below (last year's figures are in brackets):-

Category of Funding	Amount £'000s	
Basic Credit Approval (BCA - HIP allocation)	948	(560)
Supplementary Credit Approval for Disabled Facilities Grants (estimated)	163	(163)
Estimated Useable Capital Receipts arising from RTB sales (est - 90 sales)	941	(1,166)
Revenue contribution to Capital	214	(370)
Piper Capital Programme	45	(45)
Resources b/f from 2001/02	1,396	(1,609)
Major Repairs Allowance	3,317	(3,276)
Enabling Fund	143	(143)
Total	£7,167	(£7,332)

2.2 The sum allocated by the Office of the Deputy Prime Minister (ODPM) through Borrowing Credit Approval to the Council's Single Capital Pot for Housing purposes for 2003/2004 is £948,000. In addition to this figure, there is a Supplementary Credit Approval for Disabled Facilities Grants. The allocation under this heading from the ODPM has not yet been received.

3. **Proposed Capital Programme**

3.1 The proposed Capital Programme for 2003/04, as detailed in Appendix A, and accompanied by the commentary in Appendix B, projects a programme of £5,757,890. This will fund work that is considered both necessary and achievable for the housing stock during the next year. There is a detailed programme of investment to both Council and private housing stock, and also support for Registered Social Landlords (RSLs) under the Joint Commissioning initiative. The balance of funding has been increased towards support for RSLs, to reflect the Council's first Housing Strategy Priority of providing a range of affordable, new build accommodation.

3.2 Members will note that an estimated balance of £1,409,110 remains (£7,167,000 less £5,757,890). £1,158,129 of this figure relates to the Major Repairs Allowance and £142,620 to the Enabling Fund. The number of Right to Buy sales has been estimated at 90.

3.3 The proportion of housing capital resources allocated on the basis of performance according to ODPM ratings was reduced in the 2002 HIP round as compared with previous years. Until 1999, 50% of total housing capital allocations were distributed in line with the Department's 'housing performance' assessment of each authority. Those graded as 'well above average' stood to gain substantially in this way. Since the introduction of the New Financial Framework (NFF), however, nearly two-thirds of housing capital resources are now distributed through the formulaic Major Repairs Allowance. In a further change in 2001 (affecting the current resource allocation), housing Basic Credit Approvals were incorporated within a single capital pot (SCP) allocated to each authority. This year, 20 per cent of the housing component of the SCP allocation has been distributed according to each authority's 'housing performance' as assessed by the ODPM.

3.4 In terms of housing performance, the ODPM classified TDBC as Above Average when compared to other authorities within the South West region. This improved rating meant that an additional £75,000 was provided in BCA for housing purposes.

3.5 Although the ODPM's assessment of authorities' 'housing performance' have become less significant in terms of resource allocation, they remain important as an indicator of Central Government's view of local authorities' 'efficiency and effectiveness' in their housing role. They are also significant in their probable influence on authorities' chances of success in securing challenge fund resources, or qualifying for privileged status such as under the Arms Length Company framework.

The following table is a summary of the ODPM classification of all Local Authorities in the South West (2002/2003 in brackets):-

South West Region - 2002/2003					
Well Above Average	Above Average	Average	Below Average	Well Below Average	Total Nos. Local Housing Authorities
5 (5)	10 (7)	16 (24)	9 (5)	5 (4)	45

4. **Recommendations**

- 4.1 The Housing Review Panel is asked to consider the Housing Capital budget proposals and to inform the Executive and full Council of any amendments the Panel wish to suggest.

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HOUSING CAPITAL ESTIMATES
HOUSING CAPITAL PROGRAMME (HRA)

APPENDIX A

Schemes	Revised Estimate 2002/03 £	Estimate 2003/04 £
Completed Contracts		
Modernisation, conversions & Repairs	36,100	0
Architects/Consultants/CDM Fees	2,890	0
Total	38,990	0
Current Contracts Financed out of MRA (wef 1 April 2001)		
Halcon – York Road	224,000	0
Priorswood Place Flats	117,000	183,000
Modernisation – Quantock/Brendon Road, Wellington	934,000	100,000
Energy Efficiency/Insulation	10,000	10,000
Fire Safety Works/Smoke Alarms	30,000	20,000
Replacement Water Services	52,000	50,000
Rewiring - various	30,000	100,000
Reroofing - various	50,000	100,000
Kitchen/Bathroom refurbishments	150,000	1,500,000
Central Heating/Upgrades	310,000	245,000
Replacement Windows	374,000	500,000
Door Entry Systems	100,000	0
Soundproofing flats - general	20,000	20,000
Sub Total	2,401,000	2,828,000
Architects/Consultants/CDM Fees	192,080	226,240
Total	2,593,080	3,054,240
Non MRA Funding		
Priorswood Place Shops	35,000	15,000
Lyngford Square/Place	200,000	150,000
Lyngford Crescent	88,000	2,000
Adaptations for Disabled People	200,000	200,000
Car Parking/Road Widening	10,000	10,000
Extensions - various	180,000	50,000
Environmental Security Measures	15,000	15,000
Work to achieve adoptable standards	50,000	50,000
Elderly Persons Clubrooms/Scheme Enhancements	70,000	80,000
Stock Condition Survey/Asbestos Investigations	20,000	50,000
New Hostel	163,000	5,000
Sub Total	1,031,000	627,000
Architects/Consultants/CDM Fees	60,080	25,360
Total	1,091,080	652,360
General		
Piper Systems	45,000	45,000
Tenants Improvements	5,000	5,000
Cash Incentive Scheme	50,000	0
Disabled Facilities Grants	100,000	200,000
Total	200,000	250,000
TOTAL HRA	3,923,150	3,956,600

HOUSING CAPITAL PROGRAMME (NON HRA)

Schemes	Revised Estimate 2002/03 £	Estimate 2003/04 £
<u>Renovation Grants</u>		
Private Sector Renewal Grants	590,000	590,000
Disabled Facilities Grants	271,000	271,000
Total Renovation Grants	861,000	861,000
Grants to Housing Associations (number of units shown in brackets)		
Knightstone (Ludlow Avenue) (7)	3,670	0
Knightstone (Taunton Green) (7)	9,330	0
Knightstone (Lisieux Way) (15)	61,460	0
Knightstone (Rugby Club) (12)	336,090	0
Knightstone (Nerrols) (20)	1,200	0
Knightstone (SWEB) (31)	0	110,000
Knightstone (Cotford St Luke) (10)	0	279,000
John Grooms (Nerrols) (4)	40,060	0
Magna (United Reform Church, Wellington) (9)	192,230	72,810
Magna (Swains Lane) (5)	108,110	36,480
Redland (Cotford St Luke) (20)	47,840	100,000
Falcon (North Curry) (7)	14,000	0
Falcon (Leper Hospital) (4)	30,000	0
SHAL (Beadon Road) (1)	19,000	0
SHAL (Cotford St Luke) (10)	0	159,000
Sanctuary (Nerrols) (24)	0	83,000
English Churches (Lindley House) (9)	59,000	0
Nerrols Farm – Infrastructure costs borne by TDBC	10,990	0
Housing 21 (Eastwick) (10)	79,000	0
Raglan (Tone Dale Mills) (12)	0	100,000
Build & Train	15,430	0
Total Housing Associations	1,027,410	940,290
<u>GRAND TOTAL</u>	5,811,560	5,757,890

1. **Housing Capital Programme Commentary**

1.1 The Capital Programme projected for 2003/04 is based on a realistic assessment of the resources that are available. It is designed to achieve a balanced investment strategy to meet the demands for the improvement of public and private housing and to make a significant contribution to Joint Commissioning for the provision of new homes.

2. **Comments**

2.1 The comments focus on the main items of expenditure as set out in Appendix A.

Modernisation of Local Authority Owned Stock

2.2 The modernisation of the pre-war housing stock has traditionally been the major priority for investment. Since 1985 work has concentrated on the Halcon and Lambrook areas and small rural schemes. More recently there has been a greater emphasis on the pre-war housing in the Wellington area. This work is now coming to an end.

2.3 Members will know that the work in Halcon has been conducted on a phased basis, with the size of each contract dependent upon the resources allocated for the purpose. Alongside the improvement of individual homes, the opportunity has also been taken within earlier schemes to undertake environmental street scene improvements. It is pleasing to report that the investment at this estate is now completed, although some further work is being undertaken to upgrade partial heating installations to full heating where this wasn't achieved under the earlier modernisation phases.

2.4 **Priorswood Place**

The final phase of the refurbishment of the large three storey block of flats and shops at Priorswood Place will be carried out during 2003/04, which will include repairs to the 'deck access' at the rear including the individual areas associated with each property, together with enhancements to the rear area of the shops.

2003/04 Budget

(£198,000)

2.5 **Wellington**

The pre-war modernisation programme at Wellington is progressing well. From 1996 investment has been targeted at houses in the central area where properties in Alexandra Road, Olands Road, Victoria Street, Longforth Road and Quantock Road have received the benefit of full modernisation. This year work commenced on properties in Brendon Road. A modernisation programme for the remaining dwellings in Brendon Road and Crosslands Terrace should be completed during 2003/04.

(£100,000)

		2003/04 Budget
2.6	<p><u>Energy Efficiency</u></p> <p>From 1997/98 the Council has worked in partnership with the two approved Home Energy Efficiency Scheme (HEES) contractors who are operating in the Somerset area. This partnership has proved very successful and now all dwellings that can benefit from this arrangement have been completed. It is proposed to continue investing by topping up the loft insulation to a minimum 200 mm at properties which have electric night storage heating, which will help to ensure these properties meet the 'Decent Homes Standard'.</p>	(£10,000)
2.7	<p><u>Fire Safety Works</u></p> <p>A main priority for investment in TDBC properties has been the installation of mains wired smoke alarms in all dwellings and a programme of fire safety works in three and four storey flats and maisonettes. Smoke Alarms have now been fitted to over 96% of the housing stock. The remaining properties are where tenants have chosen not to have this facility installed. As these properties become empty smoke alarms will be installed. There will also be a continuation of the fire safety work involving shared access to three and four storey flats. During this year modifications were commenced in the three storey flats in Lyngford Road and Slapes Close which will continue into 2003/2004.</p>	(£20,000)
2.8	<p><u>Miscellaneous Repairs</u></p> <p>This will include the replacement of water services where old shared pipes are seriously affecting water pressures, reroofing where frequent repairs are becoming necessary and rewiring properties where recent surveys have indicated a need to replace old wiring and enhance the installation in order to comply with the latest IEE regulations.</p>	(£250,000)
2.9	<p><u>Kitchen/Bathroom Refurbishment</u></p> <p>In July 2001 the Council received guidance on the Government target to "ensure that all social housing meets set standards of decency by 2010 by reducing the number of households living in social housing that does not meet these standards by a third between 2001 and 2004". In order to determine how many "non-decent homes" (as determined under this guidance) it is necessary to undertake a substantial number of inspections inside our properties. Last year the 10% sample stock condition survey determined that there are currently 1,270 dwellings that do not meet the standard. However, further detailed surveys will be necessary in order for contracts to be prepared. There are four criterion used to determine a "decent home" and each property has to satisfy these in order to be classified as decent. The four criterion are:-</p> <p>A. It meets the current statutory minimum standard for housing</p> <p>B. It is in a reasonable state of repair</p>	(£1,500,000)

- C. It has reasonably modern facilities and services
- D. Provides a reasonable degree of thermal comfort.

In order to ensure sufficient progress is made in the programme of kitchens/bathroom refurbishment, £1,500,000 has been included for 2003/04.

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| 2.10 | <p><u>Central Heating Schemes</u>
In January 1991, 3,250 TDBC dwellings lacked central heating. Since the programme started in 1992, more than 3,500 homes have received the benefit of new heating installations and additional insulation measures. In 1998 a programme commenced for the replacement/ upgrading of partial heating systems to full heating in 1,233 properties. At the present time this total now stands at 515. Tenants are offered a choice of upgrading their partial heating to full heating because of the increased rent implications whilst other essential repair/replacement work to the existing installation is undertaken. This work is necessary because many of the appliances are both inefficient and expensive to maintain. The composition and duration of this programme reflects both the age of the installations and the resources available. During 2003/04 planned expenditure should enable approximately 125 dwellings to benefit from the work.</p> | (£245,000) |
| 2.11 | <p><u>Replacement Windows and Doors</u>
Since 1992 as part of the strategy aimed at increasing the NHER ratings of Council properties together with bringing improved comfort to tenants, a revenue funded window replacement programme incorporating double glazing was linked to the pre-planned maintenance cycle. From 1992 over 5,000 properties have benefited from the installation of new windows, the majority of which are PVCu. Next year this investment is proposed to provide replacement double glazed windows in dwellings and also support the provision of new composite doors to replace defective timber doors.</p> | (£500,000) |
| 2.12 | <p><u>Door Entry Systems</u>
In recent years, door entry systems have been installed in Warden controlled schemes. Continuing this theme future proposals will concentrate on the remaining sheltered housing schemes, where communal entrances exist and also at General Needs Flats where there is known to be problems of anti-social behaviour. The funding for this work will be taken from the budget for Environmental Securities measures.</p> | |

		2003/04 Budget
2.13	<p><u>Soundproofing Work</u></p> <p>The programme which started with the 68 Duplex flats at Holway, Taunton in 1997 has been extended to other flats with timber floors where sound transmission problems exist. It is recommended that provision should be made to allow this work to continue, and to include other post-war flats where timber floors exist and there is evidence of sound transmission problems. Due to the disruptive nature of the work affecting the first floor flat, it is necessary to undertake this work as and when the properties are vacated in the normal termination process.</p>	(£20,000)
2.14	<p><u>Lyngford Square/Crescent Enhancement</u></p> <p>Work commenced last year at Lyngford Square and Lyngford Crescent area within Priorswood. Improvements include fencing and other security measures, reducing on-road parking, and visual enhancements such as planting. Greater security has been provided to the Bedsits in Lyngford Crescent. However, this essential work needs to continue so that all the properties in this area can benefit from this work.</p>	(£150,000)
2.15	<p><u>Disabled Facilities Grants</u></p> <p>There continues to be a high demand and a long waiting list for this service which is also identified as a statutory duty. Recommend doubling this budget, which will still mean a waiting time of over 12 months for more expensive jobs eg., extensions.</p>	(£200,000)
2.16	<p><u>Environmental Schemes and Security Measures</u></p> <p>This programme will concentrate on the following:-</p> <ul style="list-style-type: none"> • provision of security features identified by the Tenants Forum and residents groups to help combat crime and nuisance. Feedback from the Deane Consultation Panel confirms a high priority for additional street lighting and other safety features, e.g. window locks, improved door specification, door entry systems for blocks of flats, etc. • small car parking improvements and individual parking facilities for disabled tenants in HRA properties. • the Housing Service owns and is responsible for a number of services such as mains foul and surface water sewers, street lights, car parking, and footpaths within its estates. In order that responsibility is properly transferred to the relevant agencies, there is a necessity to undertake improvement works to bring them up to an adoptable standard. The programme which started in 2000/2001 will continue into 2003/04 enabling Housing Sewers and Housing Sewage Treatment Plants serving properties constructed post 1937 to be transferred to Wessex Water subject to the appropriate agreement being achieved. 	(£15,000) (£10,000) (£50,000)

		2003/04 Budget
2.17	<p><u>Elderly Persons Clubrooms</u></p> <p>Following the Best Value review of the Council's Sheltered Housing Service a recommendation made was that where circumstances permit on certain schemes, a clubroom should be provided for the benefit of elderly residents. A further consideration was that this could include office and guest room facilities. The construction of the proposed meeting hall serving the Sheltered Housing Scheme at Wellesley Street commenced in January 2003 with completion due in the early part of the next financial year.</p>	(£80,000)
2.18	<p><u>Stock Condition Survey/Asbestos Investigations</u></p> <p>Since 1985 the Council's investment strategy towards its own stock has been influenced by the findings of the National Building Agency (NBA) stock condition survey and a subsequent survey in 1994. They have demonstrated that TDBC strategy has been effective in targeting resources to both maintain and improve the housing stock. The sample stock survey carried out during early 2002 has been evaluated and following further more detailed surveys, future investment programmes will be developed over the period 2003-2005. These programmes will be targeting work under the Decent Homes Standard. A further survey will be carried out to help build a database to inform the Council, as a landlord, so that it can properly notify its tenants of the existence of mineral fibres in their homes. Although it is only possible at the present time to provide general advice, it is necessary to build a detailed database, identifying where these products exist. It is also proposed to commission a structural survey of the PRC (Prefabricated Reinforced Concrete) dwellings so that a proper programme of future investment can be undertaken.</p>	(£50,000)
2.19	<p><u>Homeless Hostels Units (4)</u></p> <p>Complete and in use. Very pleased with standard and delivery by TDBC Architects and Staceys, Wiveliscombe. May need to consider further expenditure if demand continues to increase.</p>	(£5,000 retention)
2.20	<p><u>Cash Incentive Scheme</u></p> <p>The high cost of housing in the private sector has made this our least successful year. Only three acceptances so far. In view of competing demands we are recommending the cessation of this scheme for the time being. To be considered as part of the Housing Best Value Review.</p>	Nil

		2003/04 Budget
2.21	<p><u>Grants to Housing Associations</u></p> <p>The current building programme (with reserve schemes) involves approximately 270 units of accommodation over the three year period, but we need to increase the number of units being provided to 131 per annum if we are to comply with DCA's Housing Needs Survey requirements. For this reason additional funding has been allocated to this area for the next year.</p> <p><u>Expenditure</u> in: 2000-1 was £233,739 2001-2 was £738,464 2002-3 estimate £1,027,410 and 2003-4 estimate £940,290 An average of £734,975 pa <u>Completions</u> were: 2000-1 - 67 2001-2 - 38 estimate for 2002-3 - 104 estimate for 2003-4 - 88</p>	£940,290
2.22	<p><u>Private Sector Renewal Grants</u></p> <p>Recommend estimates remain the same as current financial year. Looking at possibility of loans etc., under the Regulatory Reform of Grants. Councillors will be kept informed of progress.</p>	(£590,000)
2.23	<p><u>Disabled Facilities Grants - Private Sector</u></p> <p>This remains an important investment as evidenced by the recently completed Private Sector House Condition Survey. As with Council DFGs there is a statutory obligation to provide this service.</p>	(£271,000 est)