

## **Somerset West and Taunton Council**

**Tenants' Strategic Group – 27<sup>th</sup> March 2023**

**Name of Report – Capital Programme – Major Works Programme 2023-2024**

This matter is the responsibility of Executive Councillor Member for Housing.

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### **1. Executive Summary / Purpose of the Report**

The report is to update the Tenants' Strategic Group on work being undertaken and progress made by the Housing Directorate since the last TSG meeting in January 2023.

### **2. Recommendations**

The Tenants' Strategic Group is asked to note this report and are invited to ask questions.

### **3. Background and Full details of the Report**

#### Introduction

The Asset Management team are responsible for identifying stock investment need to achieve decency and progress the Council's low carbon retrofit strategy. This report provides details of the services 2023/2024 Major Works Programme. It is proposed to prepare a similar report annually each November. In future years the programme should include greater detail and addresses relating to compliance and planned works to ensure alignment with the capital programme, better customer service and provide houses and blocks with packages of component replacement to reduce customer disruption and prelims.

The Asset Management Team is transforming aspects of their work to ensure sufficient insight into the condition of homes and the components being used by the Directorate when carryout major works, void works, compliance, and maintenance.

Currently the Directorate does not have consistency in the components being installed or specification be used.

The Asset Management team consider they should have oversight in all components and the specification of components to ensure c5700 council homes and c400 leasehold properties are maintained efficiently with consistency of product, aligning investment packages and a no regrets approach. It is the case that compliance and voids are being required to do more as the capital programme is failing to invest in a timely way in component renewal. The team will host more meeting with compliance, void, capital programme and void colleagues to encourage consistency.

### 2023/2024 Major Works Programme

Asset Management maintain data bases and recommend annual investment budgets based on Medium Term Financial Plan (MTFP) and 30-year business plan assumption. Table One contains the major works programme for 2023/2024. The value of this programme is £8,720,660 to be delivered directly by the capital delivery team plus £5,000,000 to be delivered by E-On/JJ Crump and contract managed by the Development and Regeneration team. Table one can be translated easily into KPIs for the Performance Board (or Programme Board) to allow tracking of the 2023/2024 programme. This information should also translate to help manage budget performance.

The major works programme is the largest element (80%) of the capital programme, excluding the new build programme. 20% of the capital programme is made up of compliance components, capitalised void works, environmental and other miscellaneous works. The budget for works outside the Major Works Programme is £2,272,250.

The asset management team have provided the following information to the capital team in order for the Capital Team to consult tenants and deliver works. The Capital Programme team have access via SharePoint to the following information:

- Component Type
- Number of homes to receive the component.
- Specification for the component
- Address list inc. any properties which would fail the Council's Decent Homes Standard by 31<sup>st</sup> March 2024 (most but not all properties have been verified in advance, the aim is to ensure the address list is fully verified in advance for future years)
- A reserve list of addresses which can substitute properties which fall out of the programme due to works being no longer required or refusals.
- Appointed contractor.

New features of this year's Major Works programme include:

- Significant funding for surveys in order to better align decent homes funding with retrofit needs and grant.
- Instruction to the capital programme to test/renew ventilation as part of the kitchen and bathroom programme.
- A wrap around fabric package (loft insulation plus boiler controls/LEDs) when boilers and windows are replaced where properties are EPC D.
- A capital budget for the renewal of ventilation to support and damp and mould action plan.
- A small budget for mobility scooters/environmental works.
- Piloting of remote monitoring (Oake, NTWP new build, Disrepair Claims, grant funded properties) - (a paper on this will follow).

### 2022/2023 Budget/Component Slippage

The 2022/2023 budget has progressively reduced its spend forecast during the year. This was primarily due to five key factors;

- Failure to survey and verify homes in a timely fashion,
- Procurement needs,
- Capital team capacity,
- Poor contract performance by some contractors; and
- Revisions of specification due to the integration of low carbon retrofit into the Decent Home's standard.

The Asset Management team has reprofiled the delivery dates for components and the MTFP to ensure funding is available to replace components in years 2024-2027. The realignment will mean a larger programme in future years and retain pressure on the void service to manage stock failures in greater numbers than would be ideal.

If no additional slippage takes place in quarter 4 the Council will have between 6%-3% non-decent homes (TBC). The addresses of any non-decent homes will remain a priority in the 2023/2024 programme. The 2023/2024 programme also includes all properties which would fall out of decency on 31<sup>st</sup> March 2024. If the 2023/2024 programme is delivered the service will have 100% of its homes achieving the decent homes standard April 2024.

### Grants and Subsidy

The asset management team have attracted grants and subsidy which will support the delivery of decent homes and retrofit works. The grants will place additional pressure on the Asset Management Team and Capital Programme Team as timely delivery and reporting is essential to claim funds. The grants/subsidy are:

- SHDF Wave 1 Awarded = £419,924 inc. £80,000 Revenue – Spend required by 30<sup>th</sup> June 2023

- SHDF Wave 2 Bid = £2,522,000 inc. c£300,000 Revenue – Award to be announced February 2023 and spend to take place 2023/2025
- ECO4 E-ON/JJ Crump Neighbourhood Fuel Efficiency Programme - £20,000,000 pledge 2023/2027 with 8 schemes identified for 2023/2024

If the grants are delivered the HRA will benefit in excess of £1,000,000 over the next twelve months and benefit c£5,000,000 unbudgeted retrofit works reducing future liabilities.

### Risks and Uncertainties

There are a number of risks which must be addressed/mitigated in order to deliver timely stock investment including:

- Asset data to be placed in Open Assets
- Greater capacity to analysis data and create packages of works based on evidence.
- Verification of property lists to take place in advance of programme setting.
- Contract management capacity in the Capital Programme team to reflect the scale of programme.
- Standardisation of components and specification between Major Works, Compliance, Repairs, New Build and Voids
- Early Communication with tenants on the annual programme
- Greater awareness and skills relating to ventilation, PAS Assessments, no regrets.

#### **4. Risk Assessment (if appropriate)**

A risk assessment is not required to accompany this report.

#### **5. Are there any Finance / Resource, Legal implications directly to do with this report?**

There are no financial implications directly to do with the recommendations in this report.

#### **6: Are there any Equality and Diversity Implications?**

There are no equality implications directly to do with this report.

#### **7. Are there any Data Protection Implications?**

There are no data protection implications directly to do with this report.

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**Table One – Capital Programme Major Works**

|    | Component/Title   | 2023/2024 Budget   | Target number of units/ component | Inc non decent units (SWT standard) | Additional reserve addresses provided /available | Contractor in place  | 2024/2025 Budget   |
|----|---|--------------------|-----------------------------------|-------------------------------------|--|--|--------------------|
| 1  | HRA C Major Repairs Capital Programme   | £0                 | N/A                               | N/A                                 | N/A  | N/A  | £0                 |
| 2  | HRA C Major Repairs Capital Programme/Surveys   | £350,000           | 438                               | N/A                                 | N/A  | Yes, new procurement seeking VfM   | £150,000           |
| 3  | HRA C Kitchens  | £2,126,700         | 438                               | 41                                  | 101 (3)  | Yes, ends 17/10/2023 but has 2x12 month extensions   | £2,126,700         |
| 4  | HRA C Bathrooms   | £994,700           | 226                               | 41                                  | 70 (3)   | Yes, ends 17/10/2023 but has 2x12 month extensions   | £994,700           |
| 5  | HRA C Roofing   | £1,515,000         | 152                               | 10                                  | 152  | Yes, ends 6/10/2025 but has 2x12 months extensions   | £1,515,000         |
| 6  | HRA C Windows   | £1,575,000         | 250                               | 212                                 | 250  | Yes (may 23), ends 2028 with extensions  | £2,000,000         |
| 7  | HRA C Heating Improvements  | £1,219,200         | 254                               | 138                                 | 244 (24)   | No, procurement in progress.   | £1,219,200         |
| 8  | HRA C Doors   | £165,000           | 103                               | 47                                  | 240 (25)   | Yes (may 23), ends 2028 with extensions  | £165,000           |
| 9  | HRA C Fascia's and Soffits  | £0                 | N/A                               | N/A                                 | N/A  | Inc with roofing   | -                  |
| 10 | HRA C Air Source Heat Pumps   | £0                 | N/A                               | N/A                                 | N/A  | No   | -                  |
| 13 | HRA C Insulation and eco wrap around works  | £1,500,000         | TBC                               | TBC                                 | TBC  | Yes JJ Crump ends July 2023 with 12 month option to extend. Will need a further procurement. | £500,000           |
| 14 | HRA C Ventilation (excluding ventilation installed during bathroom and kitchen replacement) and Remote monitors | £50,000            | TBC (c83)                         | N/A                                 | TBC  | Ends January 2024 with a further 12 month extension option.                                  | £50,000            |
|    | <b>Sub Total</b>  | <b>£9,495,600</b>  |                                   |                                     |  |  | <b>£8,720,600</b>  |
| 36 | ECO4 - E-On   | £5,000,000         | Projects 1-8                      |                                     |  |  | £5,000,000         |
|    | <b>Total</b>  | <b>£14,495,600</b> |                                   |                                     |  |  | <b>£13,720,600</b> |

**Table Two – Capital Programme Major Works, Compliance, Voids, Vehicles, Other**

|    | Component/Title   | 2023/2024 Budget   | Target number of units/ component                | Inc non decent units (SWT standard) | Additional reserve addresses provided /available | Contractor in place  | 2024/2025 Budget   |
|----|---|--------------------|--|-------------------------------------|--|--|--------------------|
| 1  | HRA C Major Repairs Capital Programme   | £0                 | N/A  | N/A                                 | N/A  | N/A  | £0                 |
| 2  | HRA C Major Repairs Capital Programme/Surveys   | £350,000           | 438  | N/A                                 | N/A  | Yes, new procurement seeking VfM   | £150,000           |
| 3  | HRA C Kitchens  | £2,126,700         | 438  | 41                                  | 101 (3)  | Yes, ends 17/10/2023 but has 2x12 month extensions   | £2,126,700         |
| 4  | HRA C Bathrooms   | £994,700           | 226  | 41                                  | 70 (3)   | Yes, ends 17/10/2023 but has 2x12 month extensions   | £994,700           |
| 5  | HRA C Roofing   | £1,515,000         | 152  | 10                                  | 152  | Yes, ends 6/10/2025 but has 2x12 months extensions   | £1,515,000         |
| 6  | HRA C Windows   | £1,575,000         | 250  | 212                                 | 250  | Yes (may 23), ends 2028 with extensions  | £2,000,000         |
| 7  | HRA C Heating Improvements  | £1,219,200         | 254  | 138                                 | 244 (24)   | No, procurement in progress.   | £1,219,200         |
| 8  | HRA C Doors   | £165,000           | 103  | 47                                  | 240 (25)   | Yes (may 23), ends 2028 with extensions  | £165,000           |
| 9  | HRA C Fascia's and Soffits  | £0                 | N/A  | N/A                                 | N/A  | Inc with roofing   | -                  |
| 10 | HRA C Air Source Heat Pumps   | £0                 | N/A  | N/A                                 | N/A  | No   | -                  |
| 11 | HRA C Door Entry Systems  | XX012H             | £286,250   | TBC by Compliance                   | N/A  |  | £286,250           |
| 12 | HRA C Community Alarms  | XX016H             | £155,120   | TBC by compliance                   | N/A  |  | £0                 |
| 13 | HRA C Insulation and eco wrap around works  | £1,500,000         | TBC  | TBC                                 | TBC  | Yes JJ Crump ends July 2023 with 12 month option to extend. Will need a further procurement. | £500,000           |
| 14 | HRA C Ventilation (excluding ventilation installed during bathroom and kitchen replacement) and Remote monitors | £50,000            | TBC (c83)  | N/A                                 | TBC  | Ends January 2024 with a further 12 month extension option.                                  | £50,000            |
| 15 | HRA C Kitchen rep'd due to dam (voids)  | £150,000           | Responsive                                       | N/A                                 | N/A  |  | £150,000           |
| 16 | HRA C Bathroom rep'd due to da (voids)  | £80,000            | Responsive                                       | N/A                                 | N/A  |  | £80,000            |
| 17 | HRA C Underground Drainage  | £50,000            | Responsive                                       | N/A                                 | N/A  |  | £50,000            |
| 18 | HRA C Environmental Improvement/ mobility scooter storage   | £50,000            | Prioritisation                                   | N/A                                 | N/A  |  | £50,000            |
| 19 | HRA C Electrical Testing (EICR)   | £250,000           | TBC by compliance                                | N/A                                 | N/A  |  | £250,000           |
| 20 | HRA C Sewerage Treatment Plant  | £125,000           | TBC by Dev and Reg on behalf of Asset Management | N/A                                 | N/A  | No   | £100,000           |
| 21 | HRA C Unadopted Areas   | £100,000           | Responsive                                       | N/A                                 | N/A  |  | £100,000           |
| 22 | HRA C Scaffolding   | £0                 | N/A  | N/A                                 | N/A  |  | -                  |
| 23 | HRA C Water - Planned Maint   | £25,000            | Responsive                                       | N/A                                 | N/A  |  | £25,000            |
| 24 | Radon Remediation   | £35,000            | TBC by compliance                                | N/A                                 | N/A  |  | £35,000            |
| 25 | HRA C Water - Safety Compliance   | £66,000            | TBC by compliance                                | N/A                                 | N/A  |  |                    |
| 26 | HRA C Fire Safety Works Commun  | £150,000           | TBC by compliance                                | N/A                                 | N/A  |  | £150,000           |
| 27 | HRA C Meeting Halls   | £20,000            | Responsive & prioritisation                      | N/A                                 | N/A  |  | £20,000            |
| 28 | HRA C Garages   | £20,000            | Responsive                                       | N/A                                 | N/A  |  | £20,000            |
| 29 | HRA C Shops   | £10,000            | Responsive                                       | N/A                                 | N/A  |  | £10,000            |
| 30 | HRA C Asbestos Works  | £300,000           | Responsive                                       | N/A                                 | N/A  |  | £300,000           |
| 31 | HRA C Building Services Vehicle   | £0                 | N/A  | N/A                                 | N/A  |  | £266,000           |
| 32 | IT  | £10,000            | N/A  | N/A                                 | N/A  |  | £10,000            |
| 33 | Transformation  | £100,000           | N/A  | N/A                                 | N/A  |  | £0                 |
| 34 | HRA C Aids and Adaptations  | £70,000            | Responsive                                       | N/A                                 | N/A  |  | £70,000            |
| 35 | HRA C DFGs  | £300,000           | Responsive                                       | N/A                                 | N/A  |  | £300,000           |
|    | <b>Sub Total</b>  | <b>£11,406,600</b> |  |                                     |  |  | <b>£10,992,850</b> |
| 36 | ECO4 - E-On   | £5,000,000         | Projects 1-8                                     |                                     |  |  | £5,000,000         |
|    | <b>Total</b>  | <b>£16,406,600</b> |  |                                     |  |  | <b>£15,992,850</b> |