

BARNSELY METROPOLITAN BOROUGH COUNCIL

This matter is a Key Decision within the Council's definition and has been included in the relevant Forward Plan

REPORT OF THE EXECUTIVE DIRECTOR PLACE TO CABINET

HOUSING REVENUE ACCOUNT (HRA) – CAPITAL WORKS 2019/20 PROGRAMME

1. PURPOSE OF REPORT

- 1.1 To approve the 2019/20 HRA Capital Programme Works complimentary to the core Barnsley Homes Standard Programme.

2. RECOMMENDATIONS

It is recommended that:

- **Cabinet approve the HRA Capital Works detailed in the report.**

3. INTRODUCTION

- 3.1 Cabinet approved the HRA Housing Capital Investment Programme for 2019/20 on the 9th January 2019 and the indicative programme up to 2024. This report seeks approval to the detail of the programme for 2019/20. The work is additional to the Barnsley Homes Standard Programme which Cabinet also approved on the 9th January 2019, but is complimentary and helps maintains the housing stock to the Decency Standard.
- 3.2 This report covers Council Housing Individual heating replacements, general replacement Items, extensive structural works and the major adaptations programme.

4. PROPOSAL AND JUSTIFICATION

4.1 Urgent Individual Property Heating Replacements – £0.475M

In all cases following a heating breakdown, a repair is attempted in the first instance. In some cases, the boiler cannot be repaired or is beyond economic repair which cannot wait for a planned programme. The budget is sufficient for around 200 such replacements each year within the housing stock of 18,500 properties. This work is delivered through the Property Repairs and Improvement Partnership (PRIP) with the works carried out by Berneslai Homes Construction Services or Kier.

4.2 Planned Works to District Heating Networks - £0.606M

The Council has 24 District Heating Networks serving 1,212 dwellings, community centres, a school and a doctor's surgery. Properties have heat meters and pay at cost of the heat they use. The systems operate on an 'at cost' basis for revenue income and expenditure and the Council has been able to maintain the same charge for the last three years, with no increase for the 2019/20 financial year. The capital cost of improvements and replacements for the systems falls on the HRA, as it does for all other domestic systems.

The plans for 2019/20 include replacement of underground heating mains at Aldham House Farm in Wombwell and a refurbishment of the Grey Street Plant room at Elsecar. The heating mains at Aldham House are towards the end of their life expectancy. Replacement of heating mains reduces the risk of mains failure, improves flow rates and the overall efficiency of the heat network. The plant room work at Grey Street is also designed to improve system efficiency and will include new highly efficient gas boilers. Each scheme will require individual approval and further details of each schemes will be presented at that time.

A smaller part of this capital budget may be required for any major failures that occur during the year, for example, major boiler failure requiring a renewal or a bust underground main requiring section renewal rather than repair.

4.3 Major Adaptations for Tenants With Special Needs - £2.007M

The Council has an approved policy that any major adaptations that are required for Council Housing tenants are funded through the Housing Revenue Account and not the Disabled Facilities Grant. This budget is used to fund those adaptations each year.

The population in Barnsley is aging and tenants are living longer, and as a consequence, the number of adaptation requests is rising, which are responsive and reactive in nature.

All applications are first accessed by the Council's Equipment, Adaptation and Sensory Impairment Service, to determine exact requirements. Following this, applications are assessed by officers from the Equipment and Adaptation Service jointly with Berneslai Homes' officers. Applicants have a right of appeal, with a final decision from an independent appeals panel.

The three most frequent type of adaptations requested are:

- Level Access Shower;
- Entrance Ramps; and
- Stair lifts and Ceiling Hoists.

The proposed budget is sufficient to fund around, on average, 860 adaptations.

Where appropriate, the proposed budget is also used to build a small number of extensions to properties where tenants cannot be re-housed to more suitable accommodation.

4.4 Replacement Items - £1.539M

The proposed replacement items budget is to be used to replace items in Council Housing, where they cannot be repaired, are reasonably urgent in nature and are not heating related (where there is a separate budget allocation). The items are placed in planned programmes released monthly through the Property Repairs and Improvement Partnership (PRIP) to Berneslai Homes Construction Services and Kier. These batched releases enable the work to be properly planned and priced, making delivery efficient and costs more controllable. The works typically consist of:

- Full or Partial Kitchen Replacements;
- Full or Partial Bathroom Replacements;
- New Guttering;
- New Doors; and
- New Windows.

The proposed budget is sufficient to fund around, on average, 1,300 replacements.

4.5 Extensive Structural and Void Replacements - £1.685M

This proposed budget is to be used to fund extensive, one-off structural works that are urgent and which cannot wait for the Barnsley Homes Standard Programme, and to fund replacement items in void properties that are required to bring the properties back to the lettings standard which need to be carried out quickly to let the property and keep void rent loss to a minimum.

All of these works are delivered through the Property Repairs and Improvement Partnership (PRIP) by Berneslai Homes Construction Services or Kier.

Typically extensive structural works will include:

- Re-roofing;
- Subsidence Underpinning;
- Major Damp Works; and
- External Retaining Wall Failure.

Void replacements are typically home standard type works of kitchens, bathrooms, replacement heating replacements and rewires, which take place in empty properties following tenant vacation or property purchase.

4.6 Community Centre Rewires - £0.065M

This proposed budget is to be used to fund electrical upgrade works in a number of the 14 HRA Community Centres and 18 other HRA buildings with communal facilities. The budget is sufficient to fund two to three upgrades per year, dependant on the scale of the project. This work is planned and is carried out by partners in the Property Repairs and Improvement Partnership (PRIP) by Berneslai Homes Construction Services or Kier.

4.7 Community Refurbishment Scheme - £0.191M

Berneslai Homes runs a very successful Community Refurbishment and Training Scheme which has been operational for the last 15 years. The scheme helps young, unemployed and some older, long-term unemployed into work based learning and employment. It provides level 2 basic skills training in construction, mainly, bricklaying. Work programmes are based on a trainee profile of 20 in total at any one time with a split of 10 on site and 10 undertaking off site assessment and training. Training is delivered in Partnership with Barnsley Community Build.

The types of work undertaken on Council owned properties and estate includes:

- General tidying up and clearance of open space;
- Brick boundary walls;
- Installation of metal fencing and gates;
- Timber fencing;
- Construction of footpaths and driveways in concrete, tarmac and block paving;
- Pavement crossings and dropped kerbs; and
- Minor / incidental hard landscaping works.

The proposed budget is used to purchase building materials and hire of plant etc. The scheme is currently working in Athersley South and has been very popular with residents. In addition to skills training, it is a cost effective way of delivering environmental improvements.

4.8 Barnsley Homes Standard Capitalised Salaries - £0.178M

A number of Berneslai Homes' support staff work specifically on the Barnsley Homes Standard capital schemes throughout the year, whose cost is charged to the HRA via the Berneslai Homes Management fee.

This proposed budget is to be used to fund the cost of those project managers which are capitalised during 2019/20.

4.9 Works Programme Contingency - £0.213M

The proposal is to hold the remaining balance of resources totalling £0.213M as a contingency for the whole works programme, pending any new priorities that may emerge throughout the year.

Subsequent approval reports will be submitted in due course.

5. CONSIDERATION OF ALTERNATIVE APPROACHES

- 5.1 The delivery of works as described above has worked well for a number of years and enabled capital expenditure from essentially demand led works to be tightly controlled within budget allocations. The method of delivery is however kept under review.

6. IMPLICATIONS FOR LOCAL PEOPLE/SERVICE USERS

- 6.1 The works programs enable Council tenants to live in homes that are good quality, maintained to the National Decent Homes Standard and at an affordable social rent. The Major Adaptations Budget additionally supports tenants with special adaptation needs to continue to live in their homes and in the community.

7. FINANCIAL IMPLICATIONS

- 7.1 Consultations have taken place with representatives of the Service Director – Finance (S151 Officer).
- 7.2 The estimated cost of this proposal totals £6.960M including £0.213M as a contingency for emerging pressures.
- 7.3 The funding associated with these proposals was set aside and formally approved as part of the 2019/20 HRA Budget Planning process that was submitted to Cabinet in January 2019 (Cab.9.1.2019/11 refers).
- 7.4 The individual elements and associated costs of the Capital Works Programme are detailed at Section 4 to the report.
- 7.5 The 30 year business plan, including the capital programme requirements will be subject to review during 2019/20.
- 7.6 The financial implications are summarised in the attached Appendix A.

8. EMPLOYEE IMPLICATIONS

- 8.1 There are no additional employee implications arising from the work programmers. The majority of these works are delivered by Berneslai Homes Construction Services and Kier. Between them they employ 372 staff on the Property Improvement and Repairs Contract almost all who live within the borough. The planned Works to District Heating Schemes is specialist work and will be competitively tendered.

9. LEGAL IMPLICATIONS

- 9.1 All of these work programs are carried out under contract approved and signed by the Borough Secretary. The largest of these is the Property Repairs and Improvement Contract which runs in its current form until 31st March 2020.

10. CUSTOMER AND DIGITAL IMPLICATIONS

- 10.1 Customers who receive works under planned programmes have a number of consultations and communications in the lead up period to work being carried out, including planned appointment times. Work is ongoing to improve the range and quality of digital platforms enabling tenants to report repairs.

11. COMMUNICATIONS IMPLICATIONS

11.1 There are no communications implications contained within this proposal.

12. CONSULTATIONS

12.1 Consultations on this report have taken place within Berneslai Homes, the Council Strategic Finance manager, and the Head of Housing and Energy.

12.2 Consultation on individual works items takes place with the tenant, including elements of choice for kitchen and bathroom replacements.

13. THE CORPORATE PLAN AND THE COUNCIL'S PERFORMANCE MANAGEMENT FRAMEWORK

13.1 The works described in this report feed into a number strategic goals and KPI's including:-

- Council Homes meeting the decency standard.
- Reducing Fuel Poverty.
- Enabling Residents to live safely and longer in their homes and tackling health inequalities.

14. TACKLING THE IMPACT OF POVERTY AND HEALTH INEQUALITIES

14.1 Having and maintaining an affordable home is an important part of tackling the impact of poverty and health inequalities.

14.2 Council Housing provides by far the main provision of Social Housing in Barnsley. Maintaining adequate numbers of well managed low cost, good quality Council owned social rented properties in therefore a major part of tackling poverty and health inequalities within the borough.

15. REDUCTION OF CRIME AND DISORDER

15.1 All Council owned properties have a good level of security particularly door and windows which have secured by design locking mechanisms.

16. RISK MANAGEMENT ISSUES

16.1 Health and Safety risk management forms part of the delivery strategy for all of these works. Larger works falling under the Construction Design and Management regulations will have individual plans and a health and safety file. Smaller works are covered by risk assessments carried out by Construction Services and Kier under the Property Repairs and Improvement Partnership. Both contractors have excellent Health and Safety records.

17. GLOSSARY

HRA – Housing Revenue Account

PRIP – Property Repairs and Improvement Partnership.

18. LIST OF APPENDICES

Appendix A – Financial Implications.

19. BACKGROUND PAPERS

Budget Reports.

If you would like to inspect background papers for this report, please email governance@barnsley.gov.uk so that appropriate arrangements can be made

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