

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 2020/21 PROGRAMME

1. PURPOSE OF REPORT

- 1.1 To approve the 2020/21 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.
- Cabinet notes the commentary relating to the installation of new gas boilers as set out in paragraph 4.2 and the implications of the capital works programme in relation to the Council's Zero 40/45 objectives at paragraph 18.1.

3. INTRODUCTION

- 3.1 Cabinet approved the HRA Housing Capital Investment Programme for 2020/21 on the 11 December 2019 and the indicative programme up to 2024. This report seeks approval for the detail of the programme for 2020/21. The work is additional to the Barnsley Homes Standard Programme and is complimentary by helping to maintain 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 Wates.

- 4.2 Whilst the Council is committed to moving stock to fossil-free heating sources (off-gas) over the medium term (in line with Zero 40/45), this will need to be a phased approach which considers the needs and views of tenants and considers the 30-year business plan financial implications, future technology options and a full training programme for both staff and tenants. However, older gas boilers are significantly less efficient compared with a modern combination boiler. Changing from one to the other on a semi-detached property will save our tenants money on their fuel bills (potentially up to £105 per annum (source: Sedbuk). This will, in turn, help reduce fuel poverty in the borough. More efficient boilers also emit less CO2 because they burn less gas. This contributes to local and national emission targets.

4.3 Planned Works to District Heating Networks - £0.606M

The Council has 24 District Heating Networks serving 1,212 dwellings, independent living schemes, community centres, and a school. 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 four years, with no increase for the 2020/21 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 2020/21 include Phase 2 – replacement of the under and above ground heating mains at Marston Cres, New Lodge. The heating mains at Marston Cres 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. This scheme as part of a three-project programme has been previously approved by cabinet.

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.

4.4 Major Adaptations for Tenants with Special Needs - £2.407M

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.

4.5 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 Wates.

4.7 Community Refurbishment Scheme One - £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 Community Refurbishment Scheme Two - £0.090M

Given the continuing success of the Community Refurbishment Scheme, Berneslai Homes proposes to launch a second Community Refurbishment Scheme. This will initially be based also in Athersley South, co-locating with the original CRS staff and trainees whilst the works and training model is established. It is intended that the CRS 2 scheme will then re-locate to another area of the Borough where it has been previously identified that Estate Environmental works are urgently required. Work programmes will be similarly 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 will be delivered in Partnership with Barnsley Community Build.

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

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- 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 will be primarily used for establishment costs (staff recruitment and training, plant, tools, materials and establishment fees etc.).

4.9 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 2020/21.

4.10 Works Programme Contingency - £0.174M

The proposal is to hold the remaining balance of resources totalling £0.174M 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 safe, 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 £5.871M including £0.174M as a contingency for emerging pressures.
- 7.3 The funding associated with these proposals was set aside and formally approved as part of the 2020/21 HRA Budget Planning process that was submitted to Cabinet on 11 December 2019 (Cab. 11.12.2019/6 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 2020/21. 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 programmes. The majority of these works are delivered by Berneslai Homes Construction Services and Wates. Between them they employ 370 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 31 March 2030.

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. COMMUNICATION IMPLICATIONS

11.1 There are no communication implications contained within this proposal.

12. CONSULTATION

12.1 Consultation on this report has 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 Wates under the Property Repairs and Improvement Partnership. Both contractors have excellent Health and Safety records.

17. COMPATIBILITY WITH THE EUROPEAN CONVENTION ON HUMAN RIGHTS

- 17.1 None arising from this report.

18. IMPLICATIONS FOR AND CONTRIBUTIONS TO THE COUNCIL'S ZERO 40/45 TARGETS

- 18.1 The programme includes the installation of new gas boilers. Whilst these systems will run more efficiently (saving tenants money on their heating bills) and emit less CO₂ than the older systems that they are replacing, it is acknowledged that to achieve carbon zero targets we will need to move away from fossil fuel heating in the medium term. This will need to be a phased approach which considers the needs and views of tenants and considers the 30-year business plan financial implications, future technology options and a full training programme for both staff and tenants.

Barneslai Homes has a good track record of introducing non fossil fuel technology including air source heat pumps (632 domestic installations) and on heat networks, ground source heat pumps and biomass systems. From 2020, the Council's New Build programme will no longer build homes 'on' gas and is piloting a Barnsley Low Carbon Standard specification as part of its 2020/21 delivery programme. This will inform the most efficient and cost-effective ways of delivering new homes which are low carbon and provide the best energy efficiency for our tenants; whilst being affordable within the capital investment programme and 30-year business plan.

Officers are working closely with Barneslai Homes to explore the options for moving stock to renewable heating sources (air source/ground source/hydrogen) as part of the future homes standard programme; these will

be built into the SEAP's to ensure that stock is on track to meet the Zero 45 target.

19. GLOSSARY

HRA – Housing Revenue Account

PRIP – Property Repairs and Improvement Partnership.

20. LIST OF APPENDICES

Appendix A – Financial Implications.

21. 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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