

BARNSLEY 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

2021/22 BARNSLEY HOMES STANDARD PROGRAMME & SUPPLEMENTARY INVESTMENT PROGRAMME

1. PURPOSE OF REPORT

- 1.1 The purpose of the report is to inform Cabinet of, and seek approval for, the Housing Revenue Account (HRA) Capital Investment Programme for 2021/22, delivered through the new Property, Repairs and Improvement Partnership contract and tendered elemental works programmes.

2. RECOMMENDATIONS

It is recommended that Cabinet:

- i. Approves the HRA 2021/22 Barnsley Homes Standard Programme;**
- ii. Approves the HRA 2021/22 Supplementary Investment Programme;**
- iii. Notes the added Social Value delivered by the Property Repairs and Improvement Partnership 2020 as set out at Section 5; including use of directly employed local staff and over 30 directly employed apprentices; and**
- iv. Notes the Carbon Saving efficiency measures, and anticipated reductions to tenant's energy bills, as set out in Paragraph 3.8 of the report.**

3. INTRODUCTION

- 3.1 This paper sets out the proposed programme for the Council's core housing capital programme for both the Barnsley Homes Standard (BHS) programme and the programme of supplementary investments that compliments BHS. These investments will allow Berneslai Homes to continue to maintain its Decent Homes target [set in conjunction with BMBC] through 2021/22. The current Decent Homes target is 96%.
- 3.2 In developing the Berneslai Homes Asset Management Strategy 2021-26, which is now underway, the Council will determine a range of options for decency performance across the life of the business plan. This work will also include a strategy for improving the energy efficiency of our stock and options for meeting our low carbon targets (including the phasing out of gas heating solutions).

Decent Homes Standard

- 3.3 The Council first met the Decent Homes Standard for all of its stock in December 2010, having delivered a £300M programme between 2004 and 2010 to achieve this. The standard is set by the government and requires a home to meet the following four criteria:
- a) It meets the current statutory minimum standard for housing – containing none of the 29 serious [Cat 1] hazards set out under the Housing Health and Safety Rating System [HHSRS].
 - b) It is in a reasonable state of repair where building components [Key and Other] do not require replacement or major repair due to age and condition.
 - c) It has reasonably modern facilities and services - dwellings which fail to meet this criterion are those which lack three or more of the following:
 - a reasonably modern kitchen (20 years old or less);
 - a kitchen with adequate space and layout;
 - a reasonably modern bathroom (30 years old or less);
 - an appropriately located bathroom and WC;
 - adequate insulation against external noise (where external noise is a problem); and,
 - adequate size and layout of common areas for blocks of flats.
 - d) It provides a reasonable degree of thermal comfort - this criterion requires dwellings to have both effective insulation and efficient heating.
- 3.4 Since January 2011, Berneslai Homes has implemented and managed the Barnsley Homes Standard programme [BHS] designed to maintain the social rented housing stock at the Decency Standard. Appropriate Council/ BH strategic targets are set annually to ensure this. The social housing White Paper, The Charter for Social Housing Residents, indicates that the Decent Homes standard will be reviewed to consider whether it needs to be updated to strengthen the definitions of safety and decency and this will be completed by Autumn 2021. The implications of the revised Decency Standard on the Council's HRA will be considered in due course.
- 3.5 The Government's Decent Homes standard covers a range of components whose useful lifespan is time-limited (for example, 20 years for a kitchen) and different components have different lifecycles. Berneslai Homes manages and uses its asset management database [PIMMS] which tracks the installation date of all home standard components within a property. This database is used to establish both the 30-year HRA business plan and the annual programme contained within this report. The annual programme details where work is required to maintain the standard in the coming year.
- 3.6 Actual lifespans for individual components vary from the government guidance, and components are not replaced where they are in good condition and their expected remaining life extended for a further period. Every home and every component is surveyed in advance of replacement within the annual programme with variations recorded in the database. In addition to these 100% checks, periodic sample

surveys of the whole stock are undertaken to ensure data and 30-year business plan accuracy.

- 3.7 The schemes proposed within the 2021/22 programme are addresses that were last improved during the early years of the programme from 2003 to 2006. The scope of works from the database shows that such elements as PVCu windows and doors, full rewires and central heating distribution systems will be unlikely to require replacement, but some kitchens, bathrooms and central heating boilers are likely to. The programme will also pick up other elements that were deemed not to fail at the time as well as original tenant refusals if not replaced since for instance as part of void works.
- 3.8 Gas central heating boilers are one element that consistently fails before the 15-year lifetime expectation within the government decency programme. Older boilers tend to break down more often, of which the Council has a high number, with some boilers being older than ten years old. The reason for this is due to the decent homes replacement programme being at its peak in the 2004 to 2008 period which saw significant replacements. Older gas boilers are also less efficient at around 78% efficiency compared with a modern combination boiler at 91% efficiency. From changing from the older boiler to a modern one, on a typical semi-detached property, this will save the tenant approximately £105 per annum (source: Sedbuk) which will contribute towards reducing fuel poverty in the borough.
- 3.9 Whilst the more efficient boilers also emit less CO₂ than the older boilers, as a result of burning less gas, it should be noted that such boilers do not meet the Council's Zero Carbon aspirations. Therefore, these boilers are not seen as a long term solution and an alternative will be factored into the HRA 30 year business plan in due course.
- 3.10 It is expected that the HRA will spend c.£1.9M per annum on gas heating breakdown this year which represents the largest single element of the responsive repairs and maintenance budget. To help reduce this problem, additional tendered elemental heating replacement schemes have featured as part of the Barnsley Homes Standard programme over the last four years. For 2021/22, this budget has been re-forecast to c. £0.340M in favour of our BHS programme.

4. PROPOSAL AND JUSTIFICATION

Barnsley Home Standard - Main Programme

- 4.1 The proposed main Barnsley Homes Standard programme for 2021/22 will be delivered by Berneslai Homes Construction Services (CS) and Wates and is summarised per area in the table overleaf:

Barnsley Homes Standard 2021/22

Delivery Partner	Scheme	Number of Properties	Budget Cost £M
CS	Honeywell	53	0.441
CS	Kingstone	131	1.089
CS	Royston	332	2.761
CS	Town	239	1.988
CS	Worsbrough Dale	187	1.555
Wates	Hoyland	125	1.040
Wates	Platts Common	96	0.798
Wates	Thurnscoe	237	1.971
TOTAL		1,400	11.644

- 4.2 The proposed programme is based on an average, indicative cost of works of approximately £8.3k per dwelling, on a whole-house approach. Each individual property is then subject to a full condition survey to ascertain the scope of works required to meet the decency standard, which is then used to design a bespoke programme of works. On receipt of these surveys, the contractors' teams can then assess the actual resources required and how that varies to the original estimate. Where significant, the resources no longer required for these schemes, coupled with a potential number of tenant refusals, will be then released for reinvestment into other decency schemes, on which, further reports will be presented for approval.
- 4.3 The programme, together with other works detailed, will maintain the Council's Housing Stock within its strategic target of 96% by the end of March 2022.
- 4.4 Budget costs are derived by using previous year's outturn costs and include all associated fees. Following a detailed survey of every property within each scheme and agreement on individual scopes of work for every property, partner contractors propose guaranteed maximum prices for each package.
- 4.5 Work is allocated to Construction Services and Wates on a two thirds and one-third basis in line with the requirements of the PRIP 2020 Contract. The PRIP contract is designed to add social value.

Urgent Individual Property Heating Replacements – £0.337M

- 4.6 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 approximately 200 such replacements 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 Barnsley Homes Construction Services or Wates.

Reactive Component Replacements - £1.547M

4.7 The proposed replacement items budget is to be used to replace items in Council Housing which aren't scheduled for renewal as part of the Core BHS programme as outlined above, 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 which are released monthly through the Property Repairs and Improvement Partnership (PRIP) to Berneslai Homes Construction Services and Wates respectively. 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 and will contribute towards maintaining the Council's Decent Home Standard Target of 96%.

Supplementary Investment Programme

4.8 The Supplementary Investment Programme is additional to the Barnsley Homes Standard Programme and is complimentary in maintaining the housing stock to the Decency Standard. The individual elements are outlined in the paragraphs below.

Planned Works to District Heating Networks - £0.781M

4.9 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 proposed for the 2021/22 financial year. The capital cost of improvements and replacements for the systems falls on the HRA, as it does for all other domestic systems.

4.10 The plans for 2021/22 include Phase 2 – replacement of the under and above ground heating mains at Marston Crescent, New Lodge where the heating mains 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.

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

Major Adaptations for Tenants with Specific Needs - £2.007M

4.12 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.

- 4.13 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.
- 4.14 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.
- 4.15 The three most frequent type of adaptations requested are:
- Level Access Shower;
 - Entrance Ramps; and
 - Stair lifts and Ceiling Hoists.
- 4.16 The proposed budget also covers a number of significant conversions to the Council's properties where sitting tenants have that particular need. The demand for such conversions is managed through the process outlined above and it is anticipated 5 significant conversions will be required during 2021/22, based on the average number of conversions over recent years.
- 4.17 In total, the proposed budget for 2021/22 is sufficient to fund around, on average, 860 adaptations.
- 4.18 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. Officers from BMBC Housing are working closely with Berneslai Homes to align the new build and acquisition programmes to best meet the needs of our tenants; including where that need might be a purpose built or adapted unit on a council build scheme and/or the acquisition of a unit not currently available amongst our stock. This often enables the tenant and their family to be suitably housed, without compromise, and makes best use of resources in the longer term.

Structural Works and Void Replacements - £1.685M

- 4.19 The proposed Structural Works budget is used to fund extensive, one-off structural works that are deemed urgent and which cannot reasonably wait for the Barnsley Homes Standard Programme. The proposed Void Replacements budget is to fund replacement items in void properties that are required to bring the properties back to the lettable standard which needs to be carried out quickly to let the property and keep void rent loss to a minimum.
- 4.20 All of these works are delivered through the Property Repairs and Improvement Partnership (PRIP) by Berneslai Homes Construction Services or Wates.
- 4.21 Typically, structural works will include:
- Re-roofing;

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

4.22 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.

Community Centre Rewires - £0.065M

4.23 The proposed Community Centre Rewire 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.

Community Refurbishment Schemes - £0.386M

4.24 Berneslai Homes has run 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.

4.25 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.

4.26 Given the continuing success of this scheme, it has been agreed for Berneslai Homes to launch a second Community Refurbishment Scheme which 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.

4.27 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.

Barnsley Homes Standard Capitalised Salaries - £0.178M

- 4.28 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 2021/22.

Subsequent approval reports will be submitted in due course.

5. SOCIAL VALUE

- 5.1 The Barnsley Home Standard programme is required to meet the Council's decency target of 96% and the Council will be contractually committed to Construction Services and Wates for the delivery of the work within the PRIP 2020 Contract.
- 5.2 The PRIP contract is designed to add social value and the vast majority of this is directly employed staff who live within the borough. Once fully up and running, the partnership will be required to have over 30 directly employed apprentices and annual programmes of work experience. Further, the contract makes a significant financial contribution to the Barnsley Bond Scheme.
- 5.3 The contract has targets for equality and diversity in the workforce, including encouragement of women into construction and carbon footprint sustainability. It sets stringent targets for re-cycling waste materials (more than 96%), tree planting and green initiatives and investment in the Barnsley Pound (more than 73%).

6. IMPLICATIONS FOR LOCAL PEOPLE/SERVICE USERS

- 6.1 The proposals in this report will ensure that BH properties continue to meet the Governments Decent Homes Standard and without the need for frequent repairs. This will benefit the customers as well as taking some budgetary pressure from the responsive repairs budget. The new heating systems and additional insulation work as part of the Barnsley Homes Standard programme will bring a reduction in heating costs to tenants.

7. FINANCIAL IMPLICATIONS

- 7.1 Consultations have taken place with representatives of the Service Director – Finance (S151 Officer).
- 7.2 The estimated cost of the HRA Capital Investment Programme for 2021/22 totals £18.630M. Within this, The Barnsley Home Standard (BHS) Investment Programme totals £13.528M with the Supplementary Investment Programme totalling £5.102M. This is shown in the tables below.

Barnsley Homes Standard Programme:	2021/22 £M
Barnsley Homes Standard	11.644
Domestic Heating Replacements	0.337
Reactive Replacements	1.547
Sub Total Barnsley Homes Standard Programme	13.528

Supplementary Investment Programme:	2021/22 £M
District Heating Network	0.781
Major Adaptations	2.007
Extensive Structural & Void Replacements	1.685
Community Centre Rewires	0.065
Community Refurbishment Scheme - One	0.191
Community Refurbishment Scheme - Two	0.195
BHS Capitalised Salaries	0.178
Sub Total Supplementary Investment Programme	5.102
Total HRA Capital Investment Programme 2021/22	18.630

- 7.3 The resources in respect of these proposals have been set aside as part of the HRA budget papers for 2021/22 which have been already approved by Cabinet (Cab.13.1.2021/8 refers).
- 7.4 The Council's partner, Berneslai Homes, who are responsible for the management of the Council's housing stock, are currently implementing a revised Asset Management Strategy. The financial implications in respect of the implementation of this Asset Management Strategy will be factored into the Council's 30 Year HRA Plan together with the impact on the HRA Medium Term Financial Plan.
- 7.5 The financial implications of these proposals are summarised in the attached Appendix A.

8. EMPLOYEE IMPLICATIONS

- 8.1 There are no employee implications arising from the recommendations within this report.

9. LEGAL IMPLICATIONS

- 9.1 There are direct legal implications for the Council/ BH arising from this work. Schemes proposed to be carried out under by the PRIP contractors are covered by those existing contractual arrangements. Elemental works will be undertaken following procurement under the Berneslai Homes Contract Procedure Rules and the signing of a standard form of building contract.

10. CUSTOMER AND DIGITAL IMPLICATIONS

- 10.1 As part of the BHS works, customers receiving new boiler installations will benefit from digital programmable timers and multiple location heat controls. They will receive both face to face and written instructions on the use of the heating systems. We will encourage our customers as part of the programme to take up smart meters from their energy supplier. We also provide advice on keeping the home warm and can help with specialist advice for those struggling with energy and other bills.
- 10.2 Before and during the programme of works, tenants will receive dedicated tenant support from our Project Liaison Officers. The officers prepare tenants for the work, explain what will be taking place, support them during the process and provide aftercare. Tenants are also eligible for a redecoration grant following major works.

11. COMMUNICATIONS IMPLICATIONS

- 11.1 All tenants and leaseholders involved will be fully consulted before works take place. Customers have choice for kitchen and bathroom ranges, and all customers have a right of refusal if they do not wish the works to be carried out.
- 11.2 Where leaseholders are affected by works, they will be consulted within the prescribed leaseholder timescales. Where leaseholders are required to pay for jobs, several established easy payment options have been devised, including interest-free and monthly term payments.

12. CONSULTATIONS

- 12.1 Consultations about the programme have been undertaken within BMBC and Berneslai Homes. Tenants are consulted about the works as described in paragraph 12 above.

13. BERNESLAI HOMES CORPORATE OBJECTIVES

- 13.1 The works proposed in this report will ensure that properties remain compliant with the Decent Homes Standard which aligns Berneslai Homes Strategic objectives with the Council's corporate priorities and requirements of Headline KPI's.

14. TACKLING HEALTH INEQUALITIES

- 14.1 The provision of a home that is warm, safe and comfortable is a fundamental requirement of the Decency standard, promotes good health and wellbeing and is a fundamental component of basic human rights. These works will form an essential part of ensuring that the housing stock meets these requirements.

15. RISK MANAGEMENT ISSUES

- 15.1 Contractual Risk - There are risks in the delivery of any building contract and working in occupied homes can involve additional risks. These risks will be managed and monitored by a contract Core Group consisting of staff from NPS, Berneslai Homes and our Contractors. The Core Group, who will meet regularly throughout the scheme, will monitor progress, costs, cash flow, performance and

customer satisfaction. This should result in timely interventions or value engineering to take place should the situation arise.

- 15.2 Financial risks will be monitored throughout the programme and by individual project. Additional mitigation will be by payment in arrears following satisfactory completion of stages, retentions and bonds as appropriate.

16. HEALTH, SAFETY AND EMERGENCY RESILIENCE ISSUES

- 16.1 The contract will be undertaken under the strict requirements of the Construction Design and Management Regulations 2015, which will be managed and monitored by Berneslai Homes with regular site meetings and inspections. Contractors will have to meet strict health and safety standards.

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

- 17.1 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.
- 17.2 Berneslai 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.
- 17.3 Officers are working closely with Berneslai 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.
- 17.4 The Property Repair and Improvement Partnership (PRIP) sets a challenging target for the partners to recycle waste from their operations of 96%. Construction Services achieve this by having waste sorting facilities at its depot at Carlton. Of the remaining mixed waste that leaves site, this is dealt with using a local waste contractor who further sort the waste; disposing of only a small amount that is currently un-recyclable. Up to quarter 4 of the 2019/20 period, a combined performance by both partners realised a waste recycling level of 97.28%. The partnership will continue to contribute to waste recycling initiatives and strive towards 100% waste recycling.

18. LIST OF APPENDICES

Appendix A – Financial Implications

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