

BARNSELY METROPOLITAN BOROUGH COUNCIL

REPORT OF: EXECUTIVE DIRECTOR GROWTH AND SUSTAINABILITY

TITLE: HRA Decent Homes Capital Investment Report 2024/25

REPORT TO:	CABINET
Date of Meeting	06 March 2024
Cabinet Member Portfolio	Regeneration and Culture
Key Decision	Yes
Public or Private	Public

Purpose of report

The purpose of the report is to inform Cabinet of, and seek approval for, the Housing Revenue Account (HRA) Capital Investment Programme for 2024/25, delivered through the Property, Repairs, and Improvement Partnership (PRIP) contract and tendered elemental works programmes.

Council Plan priority

Healthy, Growing, Learning & Sustainable Barnsley

Recommendations

That Cabinet:-

- 1. Approves the HRA 2024/25 Barnsley Homes Standard Programme; and**
- 2. Approves the HRA 2024/25 Supplementary Investment Programme.**
- 3. Approves the HRA 2024/25 Other Investments.**

1. INTRODUCTION

- 1.1** 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 annual programme of supplementary investments that compliments BHS. These investments will allow Berneslai Homes to continue to maintain its Decent Homes target of 100% [set in conjunction with BMBC] through 2024/25.
- 1.2** As part of the 2024/25 budget setting process, the Council and Berneslai Homes have reviewed the in-year approach to planned investment in housing

stock, with the approach recently agreed by Cabinet as part of the HRA Budget. To accommodate the prioritised delivery of allocated works from 2023/24, the 2024/25 Barnsley Homes Standard programme will be a smaller programme than in previous years.

- 1.3 The development of a strategic approach that addresses the allocated works during 2024/25 will ensure that tenants receive outstanding works in line with the Council's set of standards and those set by the Regulator of Social Housing i.e., Social Housing Consumer Standards.
- 1.4 During 2024/25, the decency programme will focus on maintaining 100% decency but targeting those areas requiring immediate decency works (e.g., any components failing by the end of the calendar year 2025) rather than delivering a wider whole house programme. There will be a focus on completing elemental decency works around kitchens, bathrooms, and roofs, with a smaller number of properties (200) continuing to receive the whole-house approach. This work will include retrofit measures to bring properties up to EPC C or above, in line with an agreed specification, where this is required. This approach ensures that the Council remains compliant in maintaining 100% decency across all stock, whilst releasing budget to complete outstanding allocated works on a prioritised basis during 2024/25 and utilising the 100% stock condition data.
- 1.5 The properties on the BHS 2024/25 programme with an Energy Performance Certificate [EPC] rating of D will receive retrofit energy efficiency improvement measures, which will be delivered in conjunction with decency works so they achieve a minimum of EPC C.

Decent Homes Standard

- 1.6 The Council first met the Decent Homes Standard for all 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.
- 1.7 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, which preceded the Social Housing Regulation Act 2023, indicates that the Decent Homes standard will be reviewed to consider whether it needs to be updated to strengthen the definitions of safety, energy efficiency and decency. Initially expected to be completed by Summer 2022, this has now been pushed back by the Government to Summer 2024. The implications of the revised Decency Standard on the Council's HRA will need to be considered in due course.
- 1.8 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 [PIMSS] 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.
- 1.9 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 asset management database. In addition to these property inspections, stock condition surveys of 20% of the stock per annum have been undertaken since April 2022. Following approval from the Council in December 2022, the programme has been accelerated to achieve a full 100% position for March 2024. As of the end of October 2023, Berneslai Homes had attained approximately 75% of stock condition surveys. These stock condition surveys ensure we have full visibility of the housing stock, providing data and 30-year business plan accuracy.
- 1.10 The schemes proposed within the 2024/25 programme are addresses that were last improved during the early years of the previous decent homes programme pre-2010. 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 a high proportion of kitchens, bathrooms, roofs, and central heating boilers are likely to require replacement. 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 as part of void works.

- 1.11 It has been identified that the stock has a high number of kitchens and bathrooms that were fitted during the Decent Homes period that are now nearing the end of their 20- and 30-year life cycles respectfully. Following analysis and physical surveys, 200 kitchens and bathrooms will be replaced on the BHS 2024/25 programme.
- 1.12 During the original Decent Homes programme only a small proportion of roofs were replaced due to not failing against the Decent Homes standard upon survey. Officers are now seeing, via the asset management database, and through stock condition surveys, that there are an increasing number of full roofs needing replacement within the next 5 years. Berneslai Homes will thus be including a roofing replacement to 200 properties on the BHS 2024/25 programme.

SOCIAL VALUE

- 1.13 The Barnsley Home Standard programme is required to meet the Council's decency target and the Council has contractual agreements with Construction Services and Wates for the delivery of the work through the PRIP 2020 Contract.
- 1.14 The PRIP contract is designed to add social value including directly employing staff who live within the borough, a requirement to have over 30 directly employed apprentices and annual programmes of work experience. Further, the contract makes a significant financial contribution to the Better Barnsley Bond Scheme.
- 1.15 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%) and investment in the Barnsley Pound (more than 75%) tree planting and green initiatives.

2. PROPOSAL

2.1 Barnsley Home Standard - Core Programme

The proposed core Barnsley Homes Standard programme for 2024/25 will be delivered by Berneslai Homes Construction Services (CS) and Wates and is summarised per area in the table below:

Barnsley Homes Standard 2024/25

Delivery Partner	Scheme	Number of Properties	Budget Cost £M
CS	Kendray	28	£0.273
CS	Smithies	25	£0.243
CS	Royston	8	£0.078
CS	Staincross	19	£0.185
CS	Elemental Kitchen and Bathroom programme	86	£1.075
CS	Elemental Roofing programme	47	£0.441
Wates	Birdwell	20	£0.195
Wates	Goldthorpe / Bolton on Dearne	2	£0.019
Wates	Hoyland	70	£0.681
Wates	Elemental Kitchen and Bathroom programme	20	£0.250
Wates	Elemental Roofing programme	113	£1.060
TOTAL		438	£4.500

2.2 The programme, together with other works detailed, will maintain the Council's Housing Stock within its strategic target by the end of March 2025.

2.3 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.

Urgent Individual Property Heating Replacements - £0.541M

2.4 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 18,000 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.

Reactive Component Replacements - £3.512M

2.5 The proposed replacement items budget is to be used to replace items in council stock 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.

2.6 The proposed budget is sufficient to fund around, on average, 1,975 replacements at an average cost of £1,778 (2023-24 average price) and will contribute towards maintaining the Council's Decent Homes target and assist in clearing the current rolling programme of allocated works throughout the 2024/25 financial year.

Supplementary Investment Programme

2.7 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 - £0.338M

2.8 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 should operate on an 'at cost' basis for revenue income and expenditure.

2.9 The plans for 2024/25 include improvements to two heating schemes that will improve the overall efficiency of the schemes and reduce running costs. These improvements include additional insulation to plant rooms and new heat meters that will allow the schemes to maintain a lower running temperature.

2.10 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 Additional Needs - £3.240M

2.11 The population in Barnsley is aging and tenants are living longer, and consequently, the number of these demand led adaptation requests are rising year on year meaning we must have sufficient resources to be responsive and reactive to fulfil our obligations.

2.12 All applications are first assessed by the Council's Equipment, Adaptation and Sensory Impairment Service, to determine exact requirements. The applications are then assessed by officers from the Equipment and Adaptation Service jointly with Berneslai Homes' officers. Following the introduction of a new Equipment & Adaptations Policy back in 2022, the right to appeal was removed, with individual cases now being reviewed and managed between Berneslai Homes SMT and key stakeholders withing BMBC to ensure the

needs of tenants are fully met and all options are explored including re-housing.

2.13 The three most frequent types of adaptations requested are:

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

2.14 The proposed budget also covers significant conversions to the Council's properties where tenants have specific needs that cannot be met through this work. The demand for such conversions is managed through the process outlined above.

2.15 It is estimated that 289 adaptations will be completed at an average cost of £11,081 per property allowing for a reactive budget of £3.204M.

2.16 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, with four requests going to panel for decision in January 2024. Officers from BMBC Housing are working closely with Berneslai Homes to continue 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 Extensive Works - £1.000M

2.17 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. This budget is also utilised to carry out works agreed as part of Disrepair Claims against BMBC.

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

2.19 Typically, structural works will include:

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

Void Replacements - £3.196M

2.20 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. Costs of bringing acquisitions to a lettable standard are also covered within this proposed budget.

- 2.21 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. 2023/24 has seen a large influx in voids requiring extensive works with common trends being extensive plastering, re-wires and kitchens being required before they can be re-let. The 2024/25 budget has been uplifted in line with demand to allow us to manage the works and keep the overall void rent loss to a minimum.

Community Refurbishment Schemes - £0.375M

- 2.22 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 Barnsley residents into work-based learning and employment. It provides level 2 basic skills training in construction, mainly groundworks and bricklaying. Work programmes are based on a trainee profile of up to 16 in total at any one time. They are split between working on site under Team 1 and Team 2, as well as undertaking off site training in line with their qualification. Training is delivered in Partnership with Barnsley Community Build. Berneslai Homes have also recently joined in partnership with Barnsley College, offering work placements and practical experience for T-Level and full-time students.
- 2.23 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.
- 2.24 Given the continuing success of this scheme, it was agreed in 2020 for Berneslai Homes to launch a second Community Refurbishment Scheme, which has been based with the original CRS staff in Athersley South. The aim for Team 2 is to relocate in 2024/25 to where it has been previously identified that Estate Environmental works are urgently required. A high priority scheme has been identified at Summer Lane, Barnsley.
- 2.25 The proposed budget is used to undertake general boundary estate works inclusive of fencing, drives, walls, paths, and minor landscaping. 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 - £0.190M

- 2.26 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 2024/25.

Timber Floor Replacement - £0.440M

- 2.27 The Mapplewell timber floor replacement scheme is ongoing until August 2024. Utilising current costs to date, and forecasting forward, sees an additional investment of £440k required to successfully complete this programme.

High Rise Wall Ties - £0.250M

- 2.28 In line with the recent changes in legislation in relation to Fire & Building Safety, Berneslai Homes has produced the required Safety Cases for our three High Rise Buildings, Buckley, Britannia & Albion House located in the town. As part of this, structural surveys were carried out which highlighted the need to consider replacement wall ties to the three buildings. Given the importance of actioning this work in a timely manner, an initial works estimates of £250k has been provided. The works will be competitively tendered.

Contingency - £0.204M

- 2.29 Due to the current volatility surrounding costs of resources and materials to deliver the above works, a contingency of £204k has been built into the budgets in line with robust and pro-active financial account management with spend being monitored and reported on quarterly.

3. IMPLICATIONS OF THE DECISION

Financial and Risk

- 3.1 Consultations have taken place with representatives of the Director of Finance (S151 Officer).
- 3.2 This report details to cabinet how Berneslai Homes intend to deploy the total HRA Capital Investment Programme for 2024/25.
- 3.3 The resources in respect of these proposals have been set aside as part of the HRA budget papers for 2024/25 which have been already approved by Cabinet (Cab.24.1.2024/7).
- 3.4 The total capital resources of £18.642M has been allocated between The Barnsley Home Standard (BHS) Investment Programme totalling £9.001M

and the Supplementary Investment Programme totalling £9.641M. This is shown in the tables below:-

Barnsley Homes Standard Programme:	2024/25		
	Estimated No. of Units	Estimated Unit Costs exc. Fees	Budget £M
Barnsley Homes Standard	438	£10,274	£4.736
Urgent Domestic Heating	200	2,706	£0.569
Reactive Component Replacements	1,800	£1,951	£3.696
Sub Total Barnsley Homes Standard Programme			£9.001

Supplementary Investment Programme:	Estimated No. Units	Estimated Unit Costs exc. Fees	Budget £M
District Heating Network			£0.356
Major Adaptations - Reactive	720	£4,500	£3.410
Extensive Structural	130	£7,692	£1.052
Voids	398	£8,035	£3.364
Community Refurbishment Scheme			£0.375
Timber Floor Replacements			£0.440
High Rise Wall Ties			£0.250
Capitalised Salaries			£0.190
Contingency			£0.204
Sub Total Supplementary Investment Programme			£9.641

Total HRA Core Capital Investment Programme 2024/25	£18.642
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- 3.5 There are risks associated in the delivery of any building contract and working in occupied homes can also involve additional risks. These risks will be managed and monitored by a contract Core Group consisting of staff from BPS, Berneslai Homes and our contract partners. 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.
- 3.6 Berneslai Homes are currently accelerating the stock condition surveys of the council's stock to achieve 100% coverage by March 2024. This improved data will improve the business planning process and align the capital programme budgets towards frontline delivery plans.
- 3.7 Financial risks will be monitored throughout the programme and contained with the resources allocated and detailed in this paper.

3.8 The financial implications of these proposals are summarised in the attached Appendix A.

Legal

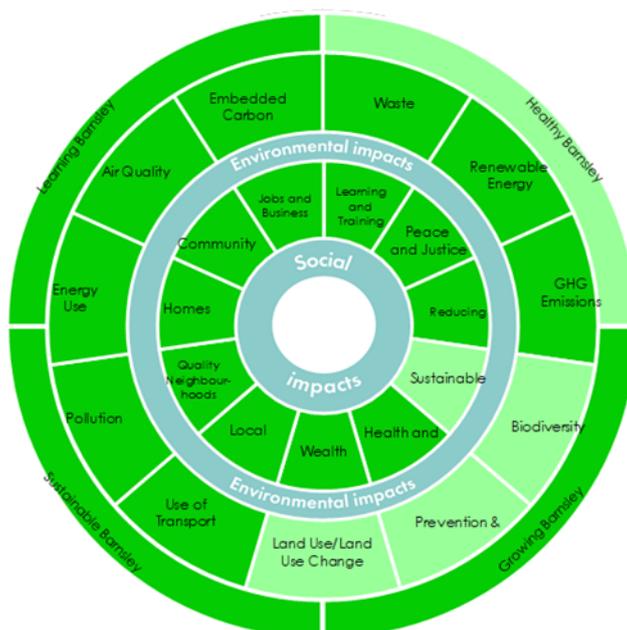
3.9 There are direct legal implications for the Council/ BH arising from this work. The Council has a requirement to ensure that its properties meet the decent homes standard as a minimum. Compliance with decency is also included in the Regulator of Social Housing's Home Standards and is a key indicator in the Tenant Satisfaction Measures being implemented from April 2023. Schemes proposed to be carried out under the PRIP contractors are already covered by existing contractual arrangements. However, elemental works will be undertaken following procurement under the Contract Procedure Rules and the signing of a standard form of building contract.

3.10 Consultation with tenants in respect of major works and/ or any qualifying long-term agreement must comply with the procedures set out in sections 20 and 20ZA of the Landlord and Tenant Act 1985 (as amended) and the Service Charges (Consultation Requirements) (England) Regulations 2003.

4. Equality

4.1 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. A Full Equality Impact Assessment has been completed for the wider Decency Programme.

5. Sustainability



- 5.1 The management and maintenance of the Council's 18,000 stock will need significant focus, investment, and strategic asset management if it is to increase the energy efficiency of homes to an average of SAP rating C or above by 2030. A key focus for the 2024/25 budget, BH Strategic Plan and Business Plan is to ensure that there is robust data to inform the retrofit plan, to embed retrofit works into the decency programme, going forward, and to ensure that the Council and Berneslai Homes are best placed to access external funding for retrofit works.
- 5.2 In delivering investments via the agreed HRA Budgets, the Sustainability Wheel shows a strong positive impact on homes, communities and creating quality neighbourhoods in line with the priorities of B2030 and thus scores green on all areas. The Sustainability Wheel shows a positive impact from the development/retrofit of quality of housing, energy use, renewable energy production and reduction of fuel poverty. These can be linked the investment in existing stock via the installation of insulation, more efficient heating systems and renewable technologies – such as air source heat pumps and solar panels and batteries. Retrofit installation and building new homes does increase construction waste and pollution in the short-term; however, these should be offset by the reduction in the use of energy once completed and the reduction in emissions via renewable energy sources.
- 5.3 Working with tenants to encourage recycling and to look after greenspaces should both reduce waste and improve biodiversity; particularly if our estate green spaces are used to promote opportunities for rewilding, the development of tiny forests and district eating schemes. There are also opportunities to make better use of estate car parks and garage sites to provide EV infrastructure and charging points.
- 5.4 Finally, social housing providers have a real opportunity to develop retrofit programmes at significant scale (and across tenures) to encourage local supply chains and training and development opportunities for green industry.

6. Employee

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

7. Communications

- 7.1 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.
- 7.2 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.

- 7.3 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. Berneslai Homes will also encourage customers as part of the programme to take up smart meters from their energy supplier and provide advice on keeping the home warm. Support is available for those struggling with energy and other bills.
- 7.4 Before and during the programme of works, tenants will receive dedicated tenant support from 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.

8. CONSULTATION

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

9. ALTERNATIVE OPTIONS CONSIDERED

- 9.1 A robust budget setting process is undertaken by the Council and Berneslai Homes as part of the preparation for the annual HRA budget (Cab.24.1.2024/6). The budget prioritises investment in stock/services/resources to ensure that HRA funding is balanced (against income) and effectively prioritised to meet all statutory and regulatory requirements/standards for the management, repair and maintenance of the Council's stock and the needs of tenants. This report sets out the detailed work programmes and planned works required to ensure that our council homes continue to meet decency standards, directing funding to rolling decency and replacement programmes in line with asset management data and property inspections. Supplementary works focus on building safety and compliance works as well as adaptation and environmental projects to improve health and well-being, neighbourhoods and support local training and development.

10. REASONS FOR RECOMMENDATIONS

- 10.1 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 ensure that Berneslai Homes to continue to maintain the Council's housing stock to required decency standards throughout 2024/25.

11. LIST OF APPENDICES

Appendix A: Financial Implications

12. REPORT SIGN OFF

Financial consultation & sign off	Senior Financial Services officer consulted and date See Appendix A.
Legal consultation & sign off	Legal Services officer consulted and date <i>Ian Goldsmith 16.01.24</i>

Report Author: Sarah Clyde (in partnership with Berneslai Homes)

Post: HOS Housing

Date: 04/01/2024