

HOUSING HRA FORWARD INVESTMENT PROGRAMME 2023/24

Cabinet Member(s)	Councillor Jonathan Bianco Councillor Eddie Lavery Councillor Martin Goddard
Cabinet Portfolio(s)	Cabinet Member for Property, Highways & Transport Cabinet Member for Residents' Services Cabinet Member for Finance
Officer Contact(s)	Perry Scott & Gary Penticost, Place Directorate
Papers with report	Appendix A

HEADLINES

Summary	<p>The report details the significant investment planned for the Council's housing stock to both upgrade tenants' homes and make them more energy efficient for the 2023/24 financial year.</p> <p>As an interim report (but one that is intended to be an annual report in March each year), it asks Cabinet to agree the forward programme of specific Housing Revenue Account works for the remaining financial year. The report seeks to streamline operational works delivery and also Cabinet Member decision-making in this particular service area by providing specific, targeted delegated authority to the Corporate Director of Place to implement the programme over the remaining period within approved budgets and contracts. Progress will be subject to oversight by Cabinet Members, including capital spend which will be delegated to the Corporate Director exceptionally.</p> <p>It is also proposed, that in the forward-looking report in March annually, that this includes a look-back at delivering the previous year's programme for Cabinet review and wider transparency.</p>
Putting our Residents First Delivering on the Council Strategy 2022-2026	<p>This report supports our ambition for residents / the Council of: Live in good quality, affordable homes in connected communities</p> <p>This report supports our commitments to residents of: Thriving, Healthy Households</p>
Financial Cost	<p>The HRA Works to Stock 2023-24 Capital Programme has an approved budget of £28,974k. The recommendations in this report are proposing a change in process for how these funds are released and to enable the effective delivery of the programme, whilst maintaining effective controls over this spend.</p>

Relevant Select
Committee

Property, Highways and Transport

Relevant Ward(s)

All Wards

RECOMMENDATIONS

That the Cabinet:

- 1) Agree the HRA Works to Stock Programme and specific planned works to the housing stock for the remainder of the 2023/24 financial year, as set out in the report.
- 2) Delegate to the Corporate Director of Place, the authority to:
 - a) Utilise existing internal or external framework agreements or develop new LBH framework agreements for Cabinet approval, to enable the effective delivery of appropriate works, tenders and contracts.
 - b) Approve project specific works completed using an approved LBH Framework or Term contract.
 - c) Release capital funds for the specific works, as set out in the programme and strictly within approved budgets;
 - d) Agree minor variations to specific projects within the programme, subject to agreement from the Cabinet Member for Property, Highways and Transport;
 - e) Make any other operational decisions required to implement the works agreed by the Cabinet.
- 3) Agree that relevant portfolio Cabinet Members receive quarterly summary updates, on progress delivering the programme providing capital releases and also capital spend to-date for monitoring purposes. Furthermore, any contracts entered into by the Corporate Director, via framework agreement, exceeding £500k be reported to Cabinet for information as part of the budget monitoring report.
- 4) Agree, that any variations to the overall programme or approved programme budget be reported to Cabinet for approval in the first instance.
- 5) Agree to receive a similar report annually in March to agree the forward HRA programme of works for the ensuing financial year and also to review works delivered from the previous financial year.

Reasons for recommendations

Cabinet Members are constitutionally required to make a significant number of formal democratic decisions on the HRA Works to Stock programme each year, often for specific batches of works to the housing stock.

This important programme of works, led by the Operational Assets Division of the Council, ensures that the Council manages essential upgrades to the housing stock, ensures that houses, flats and their tenants are safe and also is increasingly now transitioning properties to higher energy efficient standards, such as through new boilers and home insulation.

As this programme has picked up pace in the past few years, the vast majority of decisions made by Cabinet Members on the programme now tend to be operational in nature and it is considered that an exceptional re-balancing of executive delegations from Cabinet Members to the relevant Chief Officer would be justified for this particular service area.

The proposal is that Cabinet, as the executive, will set the strategy and approve the overall programme of works, which is set out in this report, whilst Officers will then be charged the delivery of that programme, within budget and approved contractual arrangements. Not only will this streamline the decision-making process over time as new approaches to procurement are developed in this area, it will also assist in speeding up project delivery, the transformation of the housing stock and ultimately resident satisfaction.

As this is a significant area of Council spend, predominately capital in nature, it is important to maintain Member oversight on budgets, so Cabinet Members will receive quarterly reporting on progress and spend. Additionally, any significant variations to the programme or any change in budget will require formal Cabinet approval.

Cabinet is therefore, recommended to agree the programme of HRA works to the housing stock for the remainder of the financial year and provide the associated delegated authority as set out.

Alternative options considered and rejected

Cabinet could have decided to keep the status quo with the current level of executive delegations and such operational project decisions made by Cabinet Members, but this will not help to streamline the decision-making process in this particular service area.

Cabinet could choose to amend the specific works programme as set out in the report.

Democratic compliance and previous authority

There are a significant number of formal Cabinet Member Decisions, to multiple Cabinet Members, annually on the HRA Works to Stock programme. These decisions are largely works specific and operational in nature and deliver the wider HRA Works to Stock Programme.

Constitutionally, the Cabinet Member for Finance may refer his capital release authority to Cabinet in specific cases. Additionally, Cabinet has the authority to decide how to delegate the Council's executive functions to Cabinet Members or indeed Council Officers.

Given the high degree of operational level of decision-making within the HRA Works to Stock programme, it is considered a specific service area where a re-balancing of established Cabinet Member delegations towards officers would both be permissible and enhance project delivery.

The proposed decision-making hierarchy is sound, where Cabinet sets the strategy and overall programme, and then charges officers to deliver it within approved budgets and approved procurement arrangements which will develop further over time. Similarly, officers will have accountability to Cabinet Members on delivery.

Select Committee comments.

None at this stage.

SUPPORTING INFORMATION

The operational assets team lead on delivery of all planned works to the Council's housing stock. For the year 2023/24 these include:

- 150 No roofing replacements (houses and flats)
- 400 No window and door renewals (houses), plus renewals to two sheltered housing schemes
- 400 No bathroom renewals (houses and flats)
- 600 No kitchen renewals (properties) passenger lifts (as per replacement plan)
- 1,900 + domestic boiler replacements, commercial boilers plant renewals
- 400 communal door entry renewals/upgrades
- electrical engineering replacements and rewiring
- fire safety
- structural engineering (subsidence)
- drainage renewals
- water quality and maintenance of around 500 cold water storage installations
- major disabled adaptations building fabric repairs
- energy efficiency measures, including loft and cavity wall insulation
- the installation of MHVR (moisture and heat recovery fans)

This list of works is not exhaustive, and the team will deal with all building and engineering related activities associated with the housing and corporate building stock. The team also leads on all statutory works contracts; Gas, Electrical, Legionella, Asbestos and Fire (Building Safety) undertaking statutory servicing, maintenance and associated capital works to ensure buildings are safe places to live and work.

The mix of works throughout the year not only includes required internal and structural works to improve the fabric of the housing stock and corporate buildings, but they also included all additional works to deliver substantial investment in the stock to meet future energy efficiency requirements and to support delivery of the Council's climate change strategy targets.

The warm safe and dry budget is allocated to enable capital works to services and equipment (CCTV systems, door entry, security systems, alarms etc) which are not scheduled under the main budget heads and are normally at lower financial costs.

The overall aim of this report is to try and speed the works delivery process, while still providing Councillors with assurance that officers are working within the delegated budgets allocated and delivering on the agreed works program to maintain the Council's housing stock.

Corporate Procurement are working with the Service area in respect of the effective delivery of works, tenders and contracts by developing framework agreements for certain services and also longer-period term contracts for Cabinet approval.

Financial Implications

The 2023/24 HRA Capital Programme, approved by Cabinet and Council in February 2023, includes a capital budget for the Works to Stock programme of £22,437k and Green Homes Initiatives of £5,784k. In June 2023 Cabinet approved the rephasing of £2,845k from the 2022/23 Works to Stock Capital Programme into future years and the rephasing of £363k from the 2022/23 Green Homes Initiatives Programme into 2023/24. This gives a revised total budget for the Works to Stock 2023/24 capital programme of £28,584k.

Previously, £15,029k has been approved for release with further capital release requests in progress of £3,488k, noted below in the Table below:

Table - HRA Works to Stock Programme and specific planned works to the housing stock already approved and then for the remainder of the 2023/24 financial year.

Workstream	Number of Units:				Budget 2023/24 £'000	Rephasing from 2022/23 £'000	Revised Budget £'000	Capital Release Yes or No		Budget Remaining to be released £'000
	Budget	Approved with Capital Release	To be approved under Delegated Authority	Surveyed and Tended for Future Approval				Yes £'000	No £'000	
Roofing Programme	195	133	0	62	2,522	0	2,522	1,719	0	803
Windows Programme	393	306	0	87	2,198	0	2,198	1,709	0	489
Kitchens Programme	600	328	166	106	3,900	0	3,900	1,155	1,968	777
Bathrooms Programme	497	281	141	82	1,740	0	1,740	532	924	284
Structural Works Programme	0				1,620	0	1,620	1,023		597
Electrics Programme	0				0	0	0	0		0
Domestic Boiler Replacement	1,914	1,914	0	0	4,667	0	4,667	4,667		0
Communal Heating	2	0	2	0	540	0	540	0		540
Communal Lifts	2	1			324	0	324	191		133
Sprinkler Systems Tower Blocks	5	5	0	0	457	0	457	457		0
Fire Doors	458	122			916	0	916	245		671
Replacement of Emergency Lighting	1				125	0	125	0		125
Fire Alarms / Detection	1,396	1,314	0	0	1,671	0	1,671	675	596	400
Warm Safe Dry	TBC	0	0	0	1,080	0	1,080	723		357
Contingency					407	0	407	0		407
Playground Replacement Programme	4	2			270	0	270	148		122
Green Homes Initiatives Programme	TBC	157	0	0	6,147	363	6,510	1,785		4,725
Total - Capital HRA Works to Stock					28,584	363	28,947	15,029	3,488	10,430

Elements of the works within the above programme will be subject to statutory leaseholder consultation. The Council will seek leaseholder contributions on post completion of the works, which will reduce the financing contribution from the HRA Major Repairs Reserve.

To ensure accountability and transparency it is proposed to introduce quarterly reporting to the relevant Portfolio Cabinet Members. The report will include updates of progress on delivery of the programme, capital released, spend to date, and forecast spend for monitoring purposes, this report will highlight any significant variations to the programme, an example of the suggested reporting format is included in Appendix A. Any contracts entered into and any decisions made by the Corporate Director that exceed £500k will be reported to Cabinet as part of the Monthly Budget Monitoring Report. Any significant variations to the programme or change to the approved budget will be reported to Cabinet for formal approval prior to any action taken.

RESIDENT BENEFIT & CONSULTATION

The benefit or impact upon Hillingdon residents, service users and communities

This report will help streamline the decision-making process in this area of Council activity, speeding up project delivery, the transformation of the housing stock and ultimately resident satisfaction.

Consultation carried out or required

No external consultation required.

CORPORATE CONSIDERATIONS

Corporate Finance

Corporate Finance have reviewed this report and concur with the Financial Implications set out above, noting the recommendations to agree the HRA Works to Stock Programme for 2023/24 as set out in the table above and release the Capital Programme budget for this element of the HRA Capital Programme in line with the approved budget as agreed by Cabinet, with the relevant Cabinet Members to receive quarterly summary reports on the progress against the planned budget. Furthermore, it is noted that any contracts entered into as part of these workstreams that exceed £500k will be reported back to Cabinet through the Council's budget monitoring updates.

Legal

Legal Services confirm that there are no legal impediments to Cabinet agreeing the recommendations set out in the report which will assist the Council in improving its performance on repairs and reduce the potential for legal claims from tenants.

BACKGROUND PAPERS

NIL

APPENDIX A - Proposed Quarterly Report to Relevant Portfolio Cabinet Members

Project	2023/24 Overview														Comment (by exception)	Upcoming Activity (by exception)		
	No of Units to be delivered within Budget	No of Units to be delivered within Forecast	Original Budget	Rephasing from 2022/23	Revised Budget	Capital Release Approved	Capital Release in Progress	YTD Spend	Commitments	Latest Forecast	Latest Slippage	Variance - Cost Underspend / Overspend	Change in Slippage	Change in Variance				
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000				
Roofing Programme	195	195	2,522	0	2,522	1,719	0	18	75	2,522	0	0	0	0	0	0	Renewals are based on the asset data base, referrals from reactive repairs and inspection before inclusion in program	
Windows Programme	393	393	2,198	0	2,198	1,709	0	234	965	2,198	0	0	0	0	0	0	Renewal of first-generation aluminium units with new A+ rated double glazed windows	
Kitchens Programme	600	600	3,900	0	3,900	1,155	1,968	515	274	3,900	0	0	0	0	0	0	Renewals based on asset data base, responsive repairs referrals and inspection before inclusion in program	
Bathrooms Programme	497	497	1,740	0	1,740	532	924	359	218	1,740	0	0	0	0	0	0	Renewals based on asset data base, responsive repairs referrals and inspection before inclusion in program	
Structural Works Programme	0	0	1,620	0	1,620	1,023		121	332	1,620	0	0	0	0	0	0	Demand Lead and based on referrals from Reactive Repairs	
Electrics Programme	0	0	0	0	0	0	0	0		0	0	0	0	0	0	0	Planned renewals are based on the electrical testing regime which informs the planned renewals programme	
Gas (Domestic Boiler Replacements)	1,914	1,914	4,667	0	4,667	4,667	0	461	3,987	4,667	0	0	0	0	0	0	Replacing obsolete gas boilers over 16 years old with high efficiency condensing boilers	
Communal Areas - Heating	2	2	540	0	540	0		3		540	0	0	0	0	0	0	Replacing obsolete boilers and associated equipment in sheltered hsg	
Communal Areas - Lifts	2	2	324	0	324	191		31	49	324	0	0	0	0	0	0	Planned replacement of obsolete passenger lifts	
Sprinkler Systems (Tower Blocks Communal Areas)	5	5	457	0	457	457		83	23	457	0	0	0	0	0	0	Completion of the installation of sprinkler systems in 6 high rise blocks	
Fire Safety Programme - Fire Doors	458	458	916	0	916	245		134	164	916	0	0	0	0	0	0	Planned replacement of fire doors set following Fire Risk assessments to comply with new legislation	
Fire Safety Programme - Replacement of Emergency Lighting	1	1	125	0	125	0		0		125	0	0	0	0	0	0	Planned replacements linked to fire risk assessments	
Fire Safety Programme - Fire Alarms / Detection	1,396	1,396	1,671	0	1,671	675	596	102	242	1,671	0	0	0	0	0	0	Planned replacement of domestic consumer units with Fire rated units, plus installation of smoke, heat and CO detectors	
Warm Safe Dry	0	0	1,080	0	1,080	723		76	296	1,080	0	0	0	0	0	0	Replacement of Obsolete Door Entry Systems, CCTV at various Housing Sites	
Contingency	0	0	407	0	407	0		0		407	0	0	0	0	0	0	Emergency Remedials	
Playground Replacement Programme	4	4	270	0	270	148		0	134	270	0	0	0	0	0	0	Planned renewal of play sites following statutory safety inspections	
Green Homes Initiatives Programme - SHDF Wave 1	317	317	6,147	363	6,510	1,785		758	868	6,510	0	0	0	0	0	0	Improving the energy efficiency of domestic housing properties, improving insulation, heat recovery ventilation and new windows	
Total - Capital HRA Works to Stock			28,584	363	28,947	15,029	3,488	2,895	7,627	28,947	0	0	0	0	0	0		