

# HOUSING HRA FORWARD INVESTMENT PROGRAMME 2024/25 (INCLUDING 2023/24 REVIEW)

<b>Cabinet Member(s)</b>	Councillor Jonathan Bianco Councillor Eddie Lavery Councillor Martin Goddard
<b>Cabinet Portfolio(s)</b>	Cabinet Member for Property, Highways & Transport Cabinet Member for Residents' Services Cabinet Member for Finance
<b>Officer Contact(s)</b>	Gary Penticost, Place Directorate
<b>Papers with report</b>	None

## HEADLINES

<b>Summary</b>	<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 2024/25 financial year. The report also seeks the continuation of streamlining decision-making in this particular service area, as provided for by Cabinet in September 2023, by providing specific, targeted delegated authority to the Director to implement the programme over the remaining period within approved budgets and contracts. Progress will be subject to oversight by Cabinet Members,</p> <p>The report also includes a look-back at delivering the previous year's programme for Cabinet review and wider transparency.</p>
<b>Putting our Residents First Delivering on the Council Strategy 2022-2026</b>	<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>
<b>Financial Cost</b>	The HRA Works to Stock 2024-25 Capital Programme has an approved budget of £26,767k & Green Homes Initiative budget of £6,756k. The recommendations in this report are proposing a continuation of the streamlined approach for how these funds are released and to enable the effective delivery of the programme, whilst maintaining effective controls over this spend.
<b>Select Committee</b>	Property, Highways and Transport
<b>Relevant Ward(s)</b>	All Wards

## RECOMMENDATIONS

That the Cabinet:

- 1) **Note the delivery of the 2023/24 HRA Works to Stock Programme set out in the report which has provided essential upgrades to the Council's housing stock, along with higher energy efficiency standards, whilst improving the quality of life of tenants.**
- 2) **Agree the HRA Works to Stock Programme for the 2024/25 financial year, as set out in the report.**
- 3) **Delegate to the Director of Operational Assets, 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.**
- 4) **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 Director, via framework agreement, exceeding £500k be reported to Cabinet for information as part of the budget monitoring report.**
- 5) **Agree, that any variations to the overall programme or approved programme budget be reported to Cabinet for approval in the first instance.**

### Reasons for recommendations

In September 2023, Cabinet received an interim report on the Forward HRA Works to Stock Programme which agreed the programme of works for the remainder of the year and also provided special delegated authority to officers and streamline decision-making where necessary for efficient delivery of the works.

Cabinet is recommended to agree the programme of HRA works to the housing stock for the ensuing financial year and continue with the associated delegated authority as set out in the recommendations, which are the same as those granted by Cabinet in September 2023.

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.

### **Alternative options considered and rejected**

Cabinet could decide to maintain existing authority levels reserved to Cabinet Members. Also, Cabinet could choose to amend the specific works programme as set out in the report.

### **Democratic compliance and previous authority**

The proposed decision-making on this programme enables to Cabinet to set the strategy and overall programme, and then charge 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**

### **Review of the delivery of the programme during 2023/24**

The Operational Assets team have continued to deliver across a wide range of work areas in 2023/24.

Working with the procurement team, we are developing and using framework agreements to deliver works and where leaseholder consultation and recharges are required, we are continuing to tender work packages to ensure that we are compliant with leaseholder consultation requirements.

The mix of works throughout the year not only included 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.

### **Framework contract development**

We have completed the stage 1 procurement of a Framework agreement for the "design and supply of domestic kitchens" and have appointed Howdens Joinery Ltd as the supplier. We are in the process of preparing tender documents for the stage 2 procurement for a framework of Contractors for the Installation of kitchens and bathrooms throughout the Borough for an initial

period of 5 years to speed up the process, increase the number of installations and reduce office admin/procurement time.

### Adaptations in homes

Adaptations Framework agreement is in place with three contractors for an initial period of 4 years undertaking all adaptation and wet room works.

### Gas

New service and maintenance contracts for Domestic Gas and Passenger Lift service and maintenance have been procured and are in place. Domestic Boiler replacement contract is in place and is on target to replace over 1,900 No. units this financial year. This contract has also been used to Pilot the installation of two stand-alone heat pump system in refurbished void properties.

### Decarbonisation / Energy efficiency

Social Housing Decarbonisation Fund (SHDF) Wave 1 – Project is nearing completion and has installed the following energy efficiency measures to 158 number properties:

- 58 Cavity Wall insulations
- 150 Loft Insulations
- 144 MVHR installations
- 124 Window replacements
- 89 Replacement Doors
- 39 External Wall Insulations

### Kitchen & Bathroom replacements

In 2023/24, the Council has tendered in numerous phases and awarded contracts for the replacement of 566 Kitchens and 575 Bathrooms with works in progress.

### Window replacements

In 2023/24 the following works have been undertaken / progressing:

- Barden Court - Communal doors and windows replaced.
- Barden Court – Old asbestos cladding removed and replaced with composite cladding.
- 200 Planned works window replacements to general housing stock (+124 in SHDF)
- Barr Lodge & Bond Close Windows awaiting Capital Release.
- Phases 14 – 20 tendered and include 590 properties of which 60+ are leaseholders.

### Roofing works

In 2023/24 the following works have been undertaken / progressing:

- Whitby Road Properties tendered and works to commence on site 18<sup>th</sup> March 2024 with a 20-week contract duration. Section 20 processes followed for the leasehold dwellings.

- Shawfield Court Properties tendered and works commence on site 25<sup>th</sup> March 2024 with a 20-week contract duration. Section 20 processes followed for the leasehold dwellings.
- Melbourne House Roofing, External & Internal Decs tendered and works commence on site following Cabinet Approval (March 2024) with a 20-week contract duration. Section 20 processes followed for the numerous leasehold dwellings.

### Fire Safety

The installation of water sprinkler systems has been completed in 6 No high-rise blocks. Additionally, Officers have completed the submission of all safety reports to the Fire Safety Commission and have prepared and issued safety information packs to residents in high rise blocks.

### **Proposed 2024/25 Works-to-Stock Programme**

The operational assets team lead on delivery of all planned works to the Council's housing stock and will continue to use and develop framework agreements where possible to deliver works programs for the new financial year 2024/25.

The planned programme for 2024/25 includes the following activity:

#### Roofing Programme

Property locations where essential roofing works are required have been identified from referrals from the reactive repairs team and the existing asset database. These locations are currently being surveyed by external consultants (Keegans) with a view to tendering Spring 2024 and completion by Autumn 2024. The final number of locations to receive new roofs will be confirmed on completion of the condition surveys and budget estimates on required works. However, the currently expected programme for 2024/25 is for 17 Blocks and 21 houses.

#### Window replacement

This will target the replacement of first-generation metal/ aluminium windows in solid wall properties in approximately 500 properties as a priority to assist with the prevention of Damp, Mould, and Condensation. This will be support by the installation of heat recovery fans which have successfully been installed as part of the SHDF wave 1 project. The solid walled properties are being reviewed to assess further requirements to improve energy efficiency, i.e. external or internal wall insulation. This process will also investigate development opportunities where possible.

Framework agreements are being prepared for tender with the aim to appointment several contractors for the supply and installation of A+ Double glazed window installations in non-leasehold properties. This procurement is in its development stage and may take approximately 9 months to complete. In the interim, phases will be tendered as required.

#### Kitchen renewals

For 2024/25 the Council plans renewals to approximately 500 properties will be delivered via the new framework agreements. Stage 1 procurement of a Framework agreement for the "design and

supply of domestic kitchens” is complete. Stage 2 kitchen installers will be procured in the spring of 2024 with a view to going live in the summer / autumn. In order for the programme to progress, in the interim, multiple small phases will be tendered.

### Bathrooms

Officers estimate the replacement of 1000 bathrooms will be undertaken in line with home improvement requirements.

### Domestic and Communal Boilers

This replacement program will continue and replace a further approximate 1,900 obsolete units in houses. For communal boilers, currently scheduled for major works to one communal heating system in the Borough with the installation heat meters and an upgrade of the boiler plant.

### Passenger lifts upgrade

Current, officers are planning to upgrade four lifts; however, they are in blocks which are under wider review, including one block in Avondale House and another in Queens Lodge. Therefore, this budget will be reviewed.

### Fire Doors Sets

External Framework agreement from Hyde Housing for the estimated replacement of 750 Fire Door Sets is currently scheduled for Cabinet approval in April 2024. During 2023/24, we have continued to procure contracts and have replaced 4,869 since 2017 with a further 283 units scheduled for replacement in the latest tendered phase of works.

### Compliance and Fire Safety

This important work continues each year and covers 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.

### Decarbonisation / Energy Efficiency

For the Social Housing Decarbonisation Fund (SHDF) Wave 2.2 project, officers have submitted the Council’s bid for grant funding to carry out Energy Efficiency Measures (EEM) to approx. 250 Council owned dwellings. We should be notified by mid-March if we have been successful.

### Revenue Expenditure

In addition to the Works-to-Stock Programme there are revenue budgets for maintaining the condition of stock.

## Procurement activity and further framework agreements in the pipeline

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. Developments include:

- External Repairs and Redecoration Programme - properties identified by Programme Team are currently being surveyed by consultants (Quatrefoils) with a view to tendering Spring 2024 and completion by Autumn 2024.
- Voids Repair – the framework agreement for Voids refurbishment contract works is going through the procurement process, this will appoint up to three contractors and one back up with a view to start in July 2024.
- Minor Works Framework – the Council are currently developing a Minor works framework agreement to be used for smaller buildings works projects across several workstreams as follows:

Workstream 1 – General Building & Repair Works (Domestic)

Workstream 2 – General Building Works (Education, Corporate & Public Buildings)

Workstream 3 – Domestic Extension & Conversions - Capital

Workstream 4 – Decarbonisation Works – Capital and grant funding

Each workstream will have 5 contractors and will work on a cascading call off process and will assist with developing relationships between client and contractor and create efficiencies within any programmes. This Framework is currently in the development stage with a view to approaching the market in the Spring 2024.

## **Financial Implications**

The 2024/25 HRA Capital Programme, approved by Cabinet and Council in February 2024, includes a capital budget for the Works to Stock programme of £26,767k and Green Homes Initiatives of £6,756k.

This gives a revised total budget for the Works to Stock 2024/25 capital programme of £33,523k breakdown provided in the table below.

The table also highlights the 2023-24 budget against approved capital releases for the various HRA Capital Programme workstreams.

**Table - HRA Works to Stock Programme and specific planned works to the housing stock already approved and then for the remainder of the 2024/25 financial year.**

Workstream	2023/24				2024/25	
	Revised Budget	Approved with Capital Release	Forecast	Budget to Capital release Variation	Revised Budget 2024/25	Number of units
	£'000	£'000	£'000	£'000	£'000	No.
Roofing Programme	2,522	902	1,227	325	2,943	TBC
Windows Programme	2,198	1,857	2,198	341	3,150	500
Kitchens Programme	2,820	7,253	7,253	0	3,918	600
Bathrooms Programme	2,820	281	497	216	3,918	1,000
Structural Works Programme	1,620	1,104	1,620	516	1,794	TBC
Electrics Programme	0	0	0	0	0	0
Domestic Boiler Replacement	4,670	4,670	4,670	0	4,590	1,900
Communal Heating	540	461	540	79	252	1
Communal Lifts	324	166	324	158	512	TBC
Sprinkler Systems Tower Blocks	457	457	457	0	0	0
Fire Doors	916	122	458	336	1,824	750
Replacement of Emergency Lighting	125	0	0	0	160	1
Fire Alarms / Detection	1,671	245	916	670	161	130
Warm Safe Dry	1,080	908	1,297	389	1,124	TBC
Contingency	404	0	0	163	2,202	TBC
Playground Replacement Programme	270	148	270	122	219	0
<b>HRA WTS Total</b>	<b>22,437</b>	<b>18,574</b>	<b>21,727</b>	<b>3,315</b>	<b>26,767</b>	<b>4,882</b>
Green Homes Initiatives Programme	<b>3,000</b>	3,291	3,291	(291)	<b>6,756</b>	250
<b>Total - Capital HRA Works to Stock &amp; Green Homes Initiative</b>	<b>25,437</b>	<b>21,865</b>	<b>25,018</b>	<b>3,024</b>	<b>33,523</b>	<b>5,132</b>

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 there will be 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. 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 enable transparent approval of the important housing works programme and 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 2024/25 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