

30 January 2013		ITEM: 6
Housing Overview & Scrutiny Committee		
FIVE YEAR HOUSING CAPITAL INVESTMENT PROGRAMME REPORT		
Report of: Councillor Val Morris-Cook. Portfolio-Holder Housing		
Wards and communities affected: All	Key Decision: Non key	
Accountable Head of Service: Kathryn Adedeji		
Accountable Director: Barbara Brownlee, Director of Housing		
This report is Public		
Purpose of Report: Provide an outline of indicative five year housing investment programme for scrutiny committee to review.		

EXECUTIVE SUMMARY

- 1.1 This report provides an outline five year housing capital investment programme, the indicative programme has been constructed using the principles agreed by cabinet on the 16th January 2013.
- 1.2 The report provides an overview of the proposed estimated packages of works that will take place in each street, estate, and area, together with associated costs. The indicative costs required to deliver this programme were set out in Finance and Resources – Capital estimates report and approved by cabinet on the 16th January.

2 RECOMMENDATIONS

- 2.1 **Note the outline five year Housing capital programme for existing housing detailed in the report and in Appendix 1.**
- 2.2 **Note this is an indicative programme which remains subject to change based on a number of key factors outlined in section 4.3**

3 BACKGROUND

- 3.1 On January 16th Cabinet approved a more strategic approach to investment in the Council's housing stock. The new approach is based on an improved standard for homes in Thurrock and a new set of principles for use in determining the prioritisation for moving homes to this new standard.
- 3.2 The report provided an outline of the age profile of components within council owned stock, based on data held in council's asset management database. This showed that council homes have a heavily ageing profile across the majority of components. Maps provided in appendix one show the age profile of kitchens and bathrooms by area.
- 3.3 The investment approach agreed will be undertaken within the wider context of development within the borough including; growth areas ensuring key investment programmes are analysed to explore potential synergies and to produce potentially greater financial efficiencies where possible.
- 3.4 Where refurbishment is identified as the best solution, homes will be improved to the new standard. The new standard aims to maximise the energy efficiency of homes, minimise damp and mould, and use the triggers outlined below as a threshold at which replacement for elements should take place:
- Kitchens over 20 years
 - Bathrooms over 30 years
 - Boilers over 15 years
 - Electrics over 25 years
 - Windows over 30 years or single glazed
 - Roofs over 40 or 50 years as applicable
- 3.5 The new standard and move to a strategic investment approach is required to maximise return on investment made in housing as an asset and a home. The estimated funding requirement of 68M is predicated on procuring contracts more strategically to obtain improved prices to those currently paid through existing contracts. The increased volumes of work offered to the market through this

programme will provide a degree of leverage in purchasing power, and other delivery efficiencies that will ensure improved value. It will also allow for the first time, the council to place a stronger requirement on contractors working on this programme to deliver local benefits in the areas of jobs, apprenticeships, training and other community benefits

- 3.6 Maximising return on investment includes the provision of highest quality homes, to the greatest number of residents in Council owned properties. To achieve this value for money is essential. The investment approach required will amongst other benefits, result in a shift from the current disproportionate comparatively inefficient spend on demand led responsive repairs to increased spend on more efficient strategic capital investment and proactive planned maintenance.

4 Outline five year programme

- 4.1 A new revised risk based delivery approach has been used in the development of this programme to determine the prioritisation of homes, estates and areas. The approach based on the principles outlined below has been used to provide an indicative five year programme.

- Levels of disrepair, and energy inefficiency
- Repairs and maintenance demand
- Age of stock and different elements within homes
- Household need
- Desirability of homes.
- Geography
- Proximity to proposed new build
- Potential for wholesale regeneration schemes

- 4.2 A summary of the split of areas by year is outlined in table one below. As the programme is primarily based on data held in asset management database, it will remain subject to change.

Table One

YEAR	ONE	TWO	THREE	FOUR	FIVE
AREA/ ESTATE	TILBURY FOBBING GRAYS CRUX BLACKSHOTS SEABROOKE RISE GRAY'S HIGH RISES	CHADWELL TILBURY SOUTH OCKENDON WELLINGTON BROADWAY CHADWELL HIGH RISES	SOUTH OCKENDON PURFLEET STIFFORD HORDON EAST TILBURY THE GREENS FLOWERS BROXBURN GARRISON	AVELEY CHADWELL KENNINGTON USK	CORRINGHAM GRAYS LINFORD BULPHAN W.THURROCK SHELL THE AVENUES GRAY'S HIGH RISES
Rationale for current placement	Green funding exemplar scheme. Highest roofing and rewiring works. Proximity to new development	Substantial possible HHSRS failure risk. High repairs demand. High roofing works.	Pockets of high repairs demand, substantial damp and mould issues	Comparatively low repairs demand Lower age profile of key components	Comparatively low repairs demand and requirement for Roof or window replacement
COSTS	14M	14M	13M	14M	13M

4.3 Several other factors listed below may result in significant changes to the prioritisation of areas and properties within the outline five year programme.

- Outcome of green study and external funding opportunities
- Outcome of detailed stock condition survey
- Diagnostics from Property MOT and cost efficiency
- Improvements in customer information regarding vulnerability
- Wider regeneration programme.

4.4 Housing has commissioned a green study to evaluate the best type of energy efficiencies measures applicable to maximise the energy efficiency of the range of different stock archetypes. These range from non-traditional housing - to homes made of solid wall, which are comparatively expensive to make energy efficient. The outcome of the study will be integrated into the five year programme and may determine reprioritisation of the least energy inefficient homes. A project plan for this is detailed in Appendix three.

4.5 Where an estate or street has risks, but is currently estimated to be done in the latter years of the programme, then relevant properties in this area will be subject

to a Property MOT under the new responsive repairs contract. The MOT is being introduced as a diagnostic tool to proactively manage responsive repairs demand. Should the MOT determine comprehensive works are required sooner than outlined in the capital programme; these properties may be brought forward.

- 4.6 Should the outcome of stock condition survey show significant variance from information held on the database, and demonstrate that actual condition of a property or block is substantially worse it may necessitate moving blocks, streets, or individual homes to earlier year.
- 4.7 The following streets and estates are in the process of being re-evaluated based on further condition survey and information from local area managers. This re-evaluation will be undertaken within the context of all agreed principles, and may result in the re- prioritisation of the following estates to earlier years within the programme:
- Flowers
 - Garrison
 - Coronation Ave
 - Clayburn Gardens
- 4.8 The proposed programme is designed to ensure the borough is able to deliver on its strategic objectives of aiming to provide housing that is both sufficient in quantity and decent in quality in the most cost effective and efficient way.

5 CONSULTATION

- 5.1 The indicative programme is to be subject to consultation with residents and may result in changes to the prioritisation, when reviewed within the context of other principles.
- 5.2 The improved Thurrock standard for existing homes has been discussed with the residents rent review panel held on 10th January 2013 and is scheduled to be reviewed alongside the indicative programme with the new investment forums, the first of which is scheduled for January 31st
- 5.3 Residents are also in the process of being consulted, through the Residents' Excellence Panel, alongside the new investment forums. Feedback from these meetings will be considered and may result in changes to the prioritisation of blocks or streets, when reviewed within the context of other principles.

6 IMPACT ON CORPORATE POLICIES, PRIORITIES, PERFORMANCE AND COMMUNITY IMPACT

6.1 The improvement of housing in Thurrock is linked to two key corporate priorities in Thurrock:

To: **Build pride, responsibility and respect to create safer communities.** In particular this programme proposes to:

- Involve communities in shaping where they live and their quality of life
- Reduce crime, anti-social behaviour and safeguard the vulnerable.

And: **Improve health and well-being**

- Ensure people stay healthy longer, adding years to life and life to years
- Reduce inequalities in health and well-being
- Empower communities to take responsibility for their own health and well-being.

7 IMPLICATIONS

7.1 Financial

Implications verified by: Mike Jones
Telephone and email: 01375 652772
mxjones@thurrock.gov.uk

The estimate cost of Capital works in relation to existing stock is £68m over the next five years. This is to be funded through a combination of the Major Repairs Reserve, the Major Repairs allowance and revenue funding to Capital.

The funding is detailed within the HRA Base Estimates report to Cabinet 16 January 2013.

7.2 Legal

Implications verified by: Daniel Toohey
Telephone and email: 01375 652049
daniel.toohey@BDTLegal.gov.uk

Any contracts to be commissioned in order to deliver the capital programme are likely to be of a value that will attract the provisions of the EU procurement regulations, and the Council's own Constitutional requirements for competitive tendering. A move towards strategic investment and five year planning will greatly improve the Council's approach to and compliance with these legislative requirements. Legal Services, working with the Council's procurement officers will provide ongoing advice and assistance in relation to these legislative requirements.

7.3 **Diversity and Equality**

Implications verified by: David Lawson
Telephone and email: 01375 652087
David.lawson@bdtlegal.org.uk

The programme principles take into account the ability to change prioritisation of properties should household need or vulnerability of a given resident determine it is required.

The diversity considerations will include adherence to the relevant 'Equality' Codes of Practice on Procurement. These require consideration of the equality arrangements of all companies bidding for any capital contract; that they have relevant policies on equal opportunities and are able to demonstrate a commitment to equality and diversity. These arrangements will also be subject to a full review as part of the contract management of the Housing capital programme.

8 CONCLUSION

- 8.1 The aim of the Housing Capital Investment Programme is to improve living conditions and the physical environment for our tenants. The programme will significantly improve the quality of life for many of our residents and has prioritised homes in greatest need of investment based on geographic efficiency.
- 8.2 The five year programme will ensure that the capital investment made will significantly reduce the repair and maintenance demands on the Council in the longer term as it involves an 'intelligent' use of resources designed to maximise efficiency of investment in the asset and improve the quality of homes for residents.

Report Author Contact Details:

Name: Kathryn Adedeji
Telephone: 01375 652810
E-mail: Kadedeji@thurrock.gov.uk

BACKGROUND PAPERS USED IN PREPARING THIS REPORT (include their location and identify whether any are exempt or protected by copyright):

Cabinet report on Housing Investment principles

Finance and resources report

APPENDICES TO THIS REPORT

Appendix 1 – Detailed outline of indicative five year programme

Appendix 2 – Maps of components by area

Appendix 3 – Green Study project plan