

ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	Executive Committee
Date:	20th April 2015
Subject:	Public Sector Housing Investment Programme 2015 - 2016
Portfolio Holder(s):	Councillor Kenneth P Hughes Councillor H E Jones
Head of Service:	Shan Lloyd Williams, Head of Housing Services Richard Micklewright, Section 151 Officer
Report Author: Tel: E-mail:	Dafydd J Rowlands 01248 752240 drxhp
Local Members:	N/A

A – Recommendation/s and reason/s
<p>RECOMMENDATION</p> <p>Members are asked to note and approve the allocation of capital budget for 2015/16.</p> <p>1.0 INTRODUCTION</p> <p>1.1 The attached Planned Maintenance Programme for 2015 – 2016 (Appendix 1) in the sum of £8.589m allocates the capital resources previously included in our approved 2015 – 2045 Housing Revenue Account (HRA) Business Plan. The overall budget will include for carried forward commitment and slippage from the approved budget for 2014 – 2015. Total budget including commitment is in the sum of £9.889m. The proposed programme is underpinned by independently collected stock condition data and will contribute towards our Housing Management Strategy and the Corporate Asset Management Strategy.</p> <p>1.2 Moving forward, the Public Sector Investment Programme post Housing Revenue Account Subsidy buy out, will form part of the corporate Capital plan from 2016/17. In</p>

principle it will adopt the same annual Capital bidding process as the corporate Capital plan, with delegated authority being granted to the new Housing Services Board for individual schemes to be financially evaluated and prioritised. It is anticipated that the constitution of the proposed Board will include the Section 151 Officer and the Finance Manager for Social Care and Housing . A further report will be presented to the Executive Committee during June of this year proposing the new governance arrangements and Terms of Reference for the proposed Board.

1.3 In the table in Appendix 1 Balance brought forward on current contracts relates to existing Planned Maintenance Contracts where contractors are currently on site, but the work is not yet complete.

1.4 It is anticipated that all the 2015/16 Budget will be spent in the financial year, therefore no Balance brought forward on current contracts is forecasted for 2016/17 or 2017/18

2.0 2015 – 2016 INVESTMENT PROGRAMME

2.1 Internal Investment Programme

We are satisfied that, wherever practically possible, all properties meet WHQS with the exception of refusals of acceptable fail criteria. Improvement works on past refusals are automatically carried out at Change of Tenancy and we will continue to allocate capital funding for this programme until all work has been completed.

This budget will also be utilised for the continued management of asbestos within the housing stock or, where appropriate, the removal of asbestos containing materials.

2.2 Traditional External Planned Maintenance

During 2014-15 five new contracts were awarded which involved expenditure in the region of £4m on over 160 dwellings. The general scope of the work undertaken or currently on site typically involves re-roofing, the application of an insulated render system, replacement windows and doors where appropriate, external works to include paths, fencing and boundary walls. As part of this programme 24 dwellings also benefited from the installation of Solar PV systems.

The Housing Service is pleased to confirm that all 5 contracts were awarded to contractors based in North Wales following open tender notices posted via sell2wales.

Home improvement in all the above mentioned schemes will significantly improve the comfort and appearance of the homes as well as making them more affordable to heat.

Similar external refurbishment schemes will form the basis of our Capital Investment Plan for 2015-2016. It is our intention to continue utilising the sell2wales web portal to advertise tender opportunities and we expect to issue a minimum of five contract notices during 2015.

The Housing Service fully supports the Welsh Government's Wales Procurement Policy Statement and all new procurement schemes over £500k from April, 2015 will be measured for impact on the local economy via the 'Value Wales Community Benefit Tool'.

It is the Housing Service's aim that the above contracts and procurement strategy will afford local contractors every opportunity to bid for capital investment works.

2.3 Fire Risk Management

To facilitate continued compliance with the Regulatory Fire Reform Order 2005 we propose to allocate funds towards upgrading and/or renewal of fire fighting equipment and fire detection systems in accordance with fire risk assessments undertaken.

2.4 Central Heating Works

In order to ensure that our properties are as fuel efficient as practically possible we will continue to invest in modern and efficient central heating on a cyclical basis when boilers and/or systems have reached the end of their useful life cycles.

2.5 Environmental Works

The WHQS Environmental Standard requires homes to be located in 'attractive and safe environments to which residents can relate and in which they can be proud to live'. Our approach to deliver environmental improvements include funding the Environmental and Community Improvement Fund whereby tenants are invited to make formal bids for funding towards community improvements. In addition, we propose to carry out further improvements to communal paths, parking areas and associated garages.

2.6 Review of Sheltered Accommodation / Remodelling of Existing Stock

The Housing Service has undertaken an option appraisal of accommodation designated for the elderly in Llangefni and a separate report will be presented to the Executive Committee for consideration during June of this year.

2.7 Development of New Properties / Acquisition of Existing Properties

As included within the approved HRA Business Plan 2015 – 2045 and subject to the successful completion of the Housing Revenue Account Subsidy (HRAS) buy out, during 2015 – 2016 we will commence a development programme of new properties as a result of the future self financing HRA regime.

During the first quarter of the financial year a Development Strategy will be developed for approval which will set out the councils priorities in relation to new developments which we envisage will be based 2/3rd new build and 1/3rd purchase of existing dwellings such as former Right to Buy (RTB) properties within our existing estates.

During 2015 – 2016 a provision of £1.372m has been included within the capital budget for the acquisition of 10 dwellings. Whilst we intend to target former RTB properties that have been empty for more than 6 months for purchase, we will also give consideration to acquiring other properties that may be offered for sale such as completed new-build properties from property developers in areas where the need for affordable housing have been identified.

2.8 Funding for Public Sector Adaptations

In order to maximise funding available to support stock retention the Executive Committee resolved during September, 2006 that public sector housing adaptations expected to exceed £10k in value shall be funded via statutory Disabled Facility Grants Funding. Following completion of the WHQS programme, we propose that from 2015 / 16 housing adaptations in the public sector will revert back to being funded by Housing Services. This will ease pressure on limited General Fund finance for Disabled Facility Grants.

B – What other options did you consider and why did you reject them and/or opt for this option?

N/a

C – Why is this a decision for the Executive?

To approve the allocation of capital budget

CH – Is this decision consistent with policy approved by the full Council?**D – Is this decision within the budget approved by the Council?**

It is within the budget of the HRA Business Plan submitted to the Executive during February 2015.

DD – Who did you consult?		What did they say?
1	Chief Executive / Strategic Leadership Team (SLT) (mandatory)	To be confirmed
2	Finance / Section 151 (mandatory)	No further comments – Report prepared in consultation with Finance
3	Legal / Monitoring Officer (mandatory)	No comments
4	Human Resources (HR)	No comments
5	Property	
6	Information Communication Technology (ICT)	
7	Scrutiny	
8	Local Members	
9	Any external bodies / other/s	

E – Risks and any mitigation (if relevant)

1	Economic	
2	Anti-poverty	HRA self-financing will provide additional revenue to improve property standards and with the additional borrowing capability, we can commence a Council housing development programme in 2016.
3	Crime and Disorder	

4	Environmental	Environmental programme will enhance the appearance of the environment.
5	Equalities	
6	Outcome Agreements	
7	Other	

F - Appendices:
Appendix 1: Planned Maintenance Programme 2015 - 2016

FF - Background papers (please contact the author of the Report for any further information):
Housing Revenue Account Business Plan 2015 – 2045

Capital Programme HRA 2015/16

Scheme	Financial Year		
	2015/16 (£ '000)	2016/17 (£ '000)	2017/18 (£ '000)
Slippage	1,300		
WHQS Internal Works Package & Asbestos Management	750	750	750
Traditional Planned Maintenance	3,787	3,754	4,091
Fire Risk Management	250	0	0
Central Heating Works	250	250	250
Environmental works	500	500	250
Remodelling of Existing Stock	1,530	832	0
Acquisition of Existing Properties	1,372	1,959	714
New build	0	3,710	1,470
Public Sector Adaptations	150	150	150
	9,889	11,905	7,675

Funding:	Financial Year		
	2015/16 (£ '000)	2016/17 (£ '000)	2017/18 (£ '000)
Major Repair Allowance	2,650	2,650	2,650
Capital Receipts	170	0	0
Revenue Contribution	5,769	6,635	5,025
Carried Forward Commitment	1,300		
Borrowing	0	2,620	0
	9,889	11,905	7,675