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| Report Title | CAPITAL PROJECT MONITORING |
| Purpose of Report | To inform the Committee of progress on capital projects within its remit. A - Tenant Services Capital Programme B - Assistance to Affordable Housing Providers C - Disabled Facilities Grants D - Sheltered Modernisation Project E - New Homes and Regeneration Programme |
| Decisions | The Committee notes the reports. |
| Consultation and Feedback | Budget setting has previously been agreed at Council. Progress has been discussed with the Tenant Reps for Housing Committee, the scrutiny members assigned by Housing Committee and the Chair and Vice Chair of Housing Committee. |
| Financial Implications and Risk Assessment | <p>Item A - The capital budget for 2017/18 was approved by Council in February 2017. The capital programme for ongoing major works and maintenance is funded within the HRA Medium Term Financial Plan. This will be reviewed annually to ensure that the budget continues to support the delivery plan within the overall affordability of the HRA.</p> <p>Items B & C - There are no direct financial implications as this report is for information only. Any additional expenditure outside of the agreed budget must be reported separately.</p> <p>Items D & E - There are no direct financial implications as this report is for information only. These programmes will continue to be monitored through ongoing budget monitoring and any changes in profiling would need to be included within a budget report.</p> <p>Lucy Clothier, Principal Accountant Tel: 01453 754343 Email: lucy.clothier@stroud.gov.uk</p> <p>Risk assessment by the report author (item A) The capital programme of planned and cyclical maintenance provides relevant information of content and performance in the delivery of works. These are monitored and managed via Key Performance Indicators (KPI's).</p> |

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| Legal Implications | The capital projects referred to are pertinent to the Council's high level strategic risks concerning housing services in particular CCR5 and CCR14. (Ref: r1109c1109d1209) K Trickey, Legal Services Manager Email: karen.trickey@stroud.gov.uk |
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| Options | This report is for information only. |
| Performance Management Follow Up | Update reports are to be supplied to this committee within the timeline of the committee work programme. |
| Background Papers/ Appendices | Item A - Appendices can be supplied on request of specific KPI's. |

Item A - Tenant Services Capital Programme

1.0. Introduction

- 1.1. The following report provides an ongoing **executive summary** of the Capital Projects within the remit of the Housing Committee. The purpose of this report is to advise Committee on progress and management of the capital projects and allow members to question project managers. The first report was presented at June 2017's Housing Committee where members asked for further detail within each report and for information sheets to be attached where appropriate.
- 1.2. The first quarter has been completed and positions of works against budget spend are detailed in 2.1.

2.0. Current position

- 2.1. The first quarter works of the capital programme are as follows broken down by contractor:

| NKS (North of the district) | | | | | |
|----------------------------------------------------------|--------------------------|---------------------|---------------|--------------------------|-----------------|
| | Delivered to Date | Actual Spend | Budget | Projected Outturn | Variance |
| Planned works | | | | | |
| Kitchens | 0 | 0 | 386,250 | 215,136 | 171,114 |
| Bathrooms | 3 | 12,115 | 386,250 | 281,165 | 105,085 |
| External works | 10 | 59,665 | 850,000 | 830,423 | 19,577 |
| Disabled adaptations (Both sides of the district) | 15 | 76,231 | 308,000 | 240,000 | 68,000 |

| Mears (South of the district) | | | | | |
|--------------------------------------|--------------------------|---------------------|---------------|--------------------------|-----------------|
| | Delivered to Date | Actual Spend | Budget | Projected Outturn | Variance |
| Planned works | | | | | |
| Kitchens | 28 | 97,965 | 386,250 | 327,337 | 58,913 |
| Bathrooms | 0 | 0 | 386,250 | 204,447 | 181,803 |
| External works | 0 | 0 | 850,000 | 807,254 | 42,746 |

| Proframe (Both sides of the district) | | | | | |
|----------------------------------------------|--------------------------|---------------------|---------------|--------------------------|-----------------|
| | Delivered to Date | Actual Spend | Budget | Projected Outturn | Variance |
| Doors & windows | 19 | 13,633 | 515,000 | 514,694 | 306 |

| Glevum (Both sides of the district) | | | | | |
|--------------------------------------------|--------------------------|---------------------|---------------|--------------------------|-----------------|
| | Delivered to Date | Actual Spend | Budget | Projected Outturn | Variance |
| Heating & boiler upgrades | 54 | 218,652 | 690,000 | 730,000 | (40,000) |

| Mitie & Bell (Mixed sides of the district) | | | | | |
|-------------------------------------------------------|--------------------------|---------------------|---------------|--------------------------|-----------------|
| | Delivered to Date | Actual Spend | Budget | Projected Outturn | Variance |
| Painting/communal areas | 0 | 0 | 515,000 | 400,000 | 115,000 |

3.0. Performance

3.1. Performance in the first quarter has been slow, however, spend projection is due to accelerate over the next 2 quarters. All works have been subject to accurate stock validations which have caused some works to be removed or deferred to future years. Coupled with more robust contractor management and the revision of the key performance indicator suite, making this a smarter tool to analyse contractor performance and resident satisfaction within specific work streams.

3.2. To note, an additional commercial boiler upgrade at St Nicholas Court has been added to the programme, causing a forecast overspend. The current existing system condition and potential system failure was highlighted following a stock condition survey.

4.0. Summary

4.1. We continue to be committed to a smarter way of working and more robust contract management, which in turn has reflected in the slow start and the current spend levels for the first quarter. Programmes of work have been fully validated and issued to our service providers.

Item B - Support to Social Housing Providers Capital Programme

1.1. The Council has a small General Fund capital programme that provides occasional grant assistance to housing associations, and this supplements the much greater resources available to them from the Homes and Communities Agency.

1.2. The Council's Affordable Housing Capital Programme comprises a mixture of recycled funding from the old Stroud Homebuy scheme, which ceased in 2014, where properties then bought under the scheme have now been sold on and the grant repaid, and s.106 commuted sums where developers have paid a contribution to the provision of affordable housing elsewhere rather than providing it on-site.

1.3. We allocate our resources to those schemes that best meet housing need in the Stroud district in terms of type, location and tenure. However, value for money is also a consideration, and those projects that produce the greatest number of homes for the lowest grant cost are obviously more attractive.

1.4. At the time of writing, there was £50,000 in uncommitted funds remaining in the s.106 code, and £230,000 of former Homebuy funds being held. The residual Homebuy funds are likely to be committed to support a large-scale ExtraCare scheme for older people, should a suitable site be identified.

1.5. Recent funding allocations and forthcoming commitments are set out below:

| Location | Grant | No of units | Grant Per Unit | Provider | Date paid | Notes |
|------------------------|----------|-------------|----------------|------------|------------|-------------------------------------|
| Littlecombe, Dursley | £240,000 | 22 | £11,000 | SDC | July 2013 | SDC regeneration site |
| Bisley Old Road Stroud | £130,000 | 23 | £5,700 | Stonewater | July 2014 | All rented homes |
| Lynch Road Berkeley | £66,374 | 10 | £6,600 | Fortis | March 2016 | Abnormal costs for sewer re-routing |
| Commitments | | | | | | |
| Stagholt Standish | £30,000 | 7 | £4,300 | Two Rivers | Feb 18 | Rural site |
| Elm Road Stonehouse | £90,000 | 8 | £11,300 | Two Rivers | Sept 17 | Off the shelf purchase |

Item C - Disabled Facilities Grants

- 1.1. The Council has a statutory duty to provide Disabled Facilities Grants (DFG) under the Housing Grants, Construction & Regeneration Act 1996. Funding is provided by Central Government for this purpose through the Better Care Fund (BCF) which is jointly administered by the County Council and Clinical Commissioning Group (CCG).
- 1.2. The DFG is a means tested grant to assist disabled occupants to remain living safely in their own homes by the provision of adaptations such as stairlifts and wet floor showers. The maximum limit for a DFG is £30,000.
- 1.3. This is a statutory function and the Council has no discretion as to the use of these funds and no control over demand as referrals must come from the County Council Occupational Therapy Service. There is no waiting list and all applications are dealt with expediently.
- 1.4. For 2017/18 a sum of £330,000 has been identified in the BCF for DFG's in the Stroud district and this is considered sufficient to meet demand based on previous expenditure. Any unspent allocation has to be returned to the BCF.
- 1.5. The table below illustrates the numbers of approvals and expenditure since 2015.

| Year | No. of DFG's Approved | Amount Paid |
|-------------|------------------------------|--------------------|
| 15/16 | 27 | £269,935 |
| 16/17 | 31 | £279,710 |
| 17/18 Q1 | 4 | £48,454 |

Item D - Sheltered Modernisation Project Update

1.1. Dryleaze Court, Wotton-under-Edge

We have now successfully relocated all residents at Dryleaze Court to alternative accommodation. Planning permission for the new laundry facility has been secured and the contract is being tendered. The contractor will be appointed ready to start on site at the beginning of October. The work will comprise the conversion of two existing garages to provide a new laundry facility.

The main building at Dryleaze Court will be closed off. However secure access to communal areas will remain to enable residents in the surrounding bungalows to continue using the existing laundry facility at the top of the building. This arrangement will remain in place until the new laundry facility is complete and ready for use in early November.

Dryleaze Court will now be marketed for sale in line with the Committee's decision in June 2016, to dispose of the Council's freehold interest in the property.

1.2. Ringfield Close & Tanners Piece, Nailsworth

The planning application for new purpose built older persons accommodation at Tanners Piece is currently pending consideration. It is likely that the application will be called in for review at Development Control Committee, due to the

sensitive nature of the site. Due to a full agenda it is not likely to go to Committee until October/November and at which point a decision will be made.

The new development will provide 7 one bedroom flats and 4 two bedroom flats, as well as a lift and scooter store facility. The design of the new flats will encourage independent living and in addition they will be energy efficient, reducing the overall running costs of the properties.

Numbers 26 and 28 Ringfield Close were marketed for sale and both properties have now been successfully sold.

1.3. Cambridge House, Dursley

We will begin the consultation with residents to begin re-housing them in early 2018.

1.4. Glebelands, Cam

We will begin the consultation with residents to begin re-housing them in early 2019.

1.5. Ex-Warden Accommodation

The ex-scheme warden's accommodation at Dryleaze House is virtually complete and is partially occupied. The conversion at Trinity Drive in Minchinhampton will be completed by September. These schemes have endured delays due to service installations.

Planning permissions have been secured for the conversion of the ex-wardens accommodation at Grange View, George Pearce House, Malvern Gardens and Hamfallow Court. The contract is out to tender and a contractor will be selected in mid-September ready for a start on site in October. It is anticipated that the conversions will be complete and ready for occupation by January 2018.

We remain in negotiation with a local charity specialising in support for vulnerable people. They are interested in leasing three of our ex-warden properties, Grove Park Road, Archway Gardens and Willow Road. Negotiations are progressing well and leases are currently being drafted and agreed.

1.6. Sherborne House

An architect has been appointed and a number of options for scheme improvements have been identified. An interior designer and furniture supplier have also been appointed to work with the architect on the delivery of the improvements to the scheme.

Officers will begin consultation with residents at Sherborne House shortly to open dialogue about the changes and improvements to their communal areas. The residents will be able to engage in activities with the interior designer to select colour schemes for the communal lounge, kitchen and corridors.

The work is due to start in January 2018 and the next step will be to procure a contractor to undertake the works.

1.7. Communication

The second issue of the Sheltered Modernisation News went out to all residents in July. The third issue of the Sheltered Modernisation News is due out in October.

Due to the sensitive nature of the information, Members requiring information on re-housing and numbers of voids are asked to contact officers direct.

Item E - New Homes and Regeneration Programme

1.0. Introduction

- 1.1. Stroud District Council has an objective to invest in 150 new Council homes by March 2018 and has also approved the regeneration of 3 sites where defective Woolaway properties are to be replaced with new homes providing a total number of 236 homes.
- 1.2. In addition to the construction of new homes, the programme includes the properties purchased from Hanover in 2013/14 and the conversion of the ex warden's properties funded through the Sheltered Housing Modernisation Project.
- 1.3. An additional budget of £700,000 was approved at Strategy and Resources on the 13 June, with 30% of that budget funded from right to buy receipts, to purchase properties on the open market. It is anticipated that this will deliver up to four new properties.

2.0. Programme

- 2.1. To date 189 new homes have been built. These comprise 35 new homes at Minchinhampton, 22 at Littlecombe, all 4 phases of our regeneration scheme at the Top of Town in Stroud where 53 new homes have been completed, 4 new homes at an ex garage site at Fishers Road, Berkeley, 6 additional properties at The Corriett, 51 homes at our large regeneration scheme at Mankley Road in Leonard Stanley, 4 homes that replaced 2 defective Woolaway properties in Far Green Coaley and the new 14 unit scheme at Chapel Street in Cam. These 189 new homes are a mix of tenures with 150 for rent and 39 for shared ownership.
- 2.2. Together with the properties purchased from Hanover and the 11 ex wardens conversions, where houses have been converted to flats to create additional units, the Council has provided 218 new homes.
- 2.3. The conversion of a further 4 ex-wardens houses are to be completed this financial year along with the property purchases which will bring the total to 226, depending upon the values of properties acquired.
- 2.4. This leaves the delivery of 10 units to reach the target of 236 and there is budget remaining to deliver approximately 19 new homes.

The table below sets out the schemes within the programme.

| Scheme | No. of Units | Status |
|--------------------------------|---------------------|---------------|
| New Homes Completed | | |
| Hanover, Dursley | 18 | Completed |
| Ex Warden conversions | 11 | Completed |
| Minchinhampton Woolaways | 35 | Completed |
| Top of Town, Stroud -Phase 1 | 22 | Completed |
| Littlecombe, Dursley | 22 | Completed |
| Leonard Stanley Woolaways | 51 | Completed |
| Top of Town – Phase 2 | 13 | Completed |
| The Corriett, Cam | 6 | Completed |
| Fisher’s Road, Berkeley | 4 | Completed |
| Hillside, Coaley | 4 | Completed |
| Top of Town – Phase 3 | 12 | Completed |
| Chapel Street, Cam | 14 | Completed |
| Top of Town – Phase 4 | 6 | Completed |
| Sub Total | 218 | |
| Completions by Year End | | |
| Ex Warden conversions | 4 | Design stage |
| Property purchases | 4 | Feasibility |
| Sub Total | 8 | |
| Balance of Programme | | |
| The Ship Inn, Bridgend | 10 | Design Stage |
| Southbank, Woodchester | 5 | Feasibility |
| Site to be identified | 4 | Design Stage |
| Sub Total | 20 | |
| Grand Total | 245 | |

3.0. Balance of Programme

- 3.1. The Ship Inn site is in the design stage with feedback awaited from highways that may require some changes to the layout of the scheme prior to a planning application being submitted within the next few months with work starting in 2018/19. This is later than planned due to various issues on the site. This scheme is now due to deliver 10 new homes with a mix of 6 properties for rent and 4 for shared ownership.
- 3.2. A scheme to develop 5 homes at Southbank Woodchester is in contract but has experienced delays due to drainage issues for the site and issues with the contractor. We propose to terminate the contract with the contractor and have obtained a revised budget estimate from our Employer’s Agent to deliver the scheme and this figure has been included within our budgets for the remainder of the programme. There are various abnormal on the site such as piled foundations and the viability of the site is in question. Further financial appraisals are currently being carried out with one of the options being to introduce some shared ownership properties on to the site.
- 3.3. There is a remaining budget of £565k to complete the programme due to the fact that the Council has not been able to persuade owner occupiers to sell or swop their properties at Top of Town to enable a more comprehensive demolition and replacement option to be carried out at the top of Mason Road.

The two properties at the top of Mason Road attached to the owner occupied properties are now on the market. Various alternative sites are being considered and, once initial sketch plans have been prepared, consultation will take place in order that a recommendation can be brought to members in December on which site to progress to deliver more homes from this remaining budget.

- 3.4. Due to the delays stated above and the need to find an alternative site, the completion of a number of the units will not take place until the end of 2018/19. The re-profiling of the budget for 2017/18 has therefore been carried out to reflect this situation, as members were advised would be necessary in the June update report. The revised figures are included within the HRA outturn report for this meeting.
- 3.5 As a condition of receiving grant from the HCA, the Council has to be part of their compliance audit process and was selected to have schemes audited in the 2016/17 compliance audit programme. The purpose of the compliance audit exercise is to carry out a comprehensive review of a sample of HCA funded schemes to validate adherence to the HCA guidelines as set out in the Capital Funding Guide and any other supplementary compliance audit criteria.

The HCA uses the audit findings to inform their future investment decisions and to reassure the HCA chief accounting officer that public funds have been properly used.

The HCA awards green, amber and red gradings and the Council received the highest award, a green grading, for the audit, which demonstrates that it meet their requirements. This included two low severity breaches, the same issue for each scheme, as the Council had not carried out a whole life costing assessment. This is now to be done on all schemes.