

**STROUD DISTRICT COUNCIL**

**AGENDA  
ITEM NO**

**HOUSING COMMITTEE**

**12 DECEMBER 2017**

**7**

<b>Report Title</b>	<b>CAPITAL PROJECT MONITORING</b>
<b>Purpose of Report</b>	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
<b>Decisions</b>	<b>The Committee notes the report</b>
<b>Consultation and Feedback</b>	Budget setting has previously been agreed at Council. Progress has been discussed with the Tenant Reps for Housing Committee.
<b>Financial Implications and Risk Assessment</b>	<b>Item A</b> - 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 (MTFP). This will be reviewed annually to ensure that the budget continues to support the delivery plan within the overall affordability of the HRA. A large underspend is currently being forecasted within major works. At the end of the year, any variance will be transferred to the Major Repairs Reserve and used to fund capital works in future years. <b>Items B &amp; C</b> – 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. <b>Items D &amp; E</b> – The HRA Budget 2018/19 Report includes the reprofiling of the Sheltered Modernisation and New Homes and Regeneration budget in line with the narrative of this report.  Lucy Clothier, Principal Accountant Tel: 01453 754343 Email: <a href="mailto:lucy.clothier@stroud.gov.uk">lucy.clothier@stroud.gov.uk</a> <b>Risk assessment by the report author (item A)</b> 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).

<b>Legal Implications</b>	<p>The capital projects referred to are pertinent to the Council's high level strategic risks concerning housing services in particular CCR5 and CCR14.</p> <p><b>Item A</b> - The Council as a landlord has a statutory duty to maintain its housing stock with this duty including the fabric of the building and heating/hot water systems. Satisfactory performance and monitoring of these contracts is therefore important to ensure compliance with this duty. Concerns have been raised about performance issues and it is understood that these are being resolved by the responsible officers with the contractors.</p> <p><b>Item B</b> – The update on this part of the report repeats that provided to the September committee. As such, there are no further legal implications to report.</p> <p><b>Item C</b> – The update records the Quarter 2 expenditure. As such, there are no further legal implications to report.</p> <p><b>Items D and E</b> – There are no significant changes to the updates in comparison to the September report and as such the position remains that as these are ongoing projects with a range of legal implications, the cases will be considered on a case by case basis. (Ref: c2711d2811).</p> <p>K Trickey, Head of Legal Services Email: <a href="mailto:karen.trickey@stroud.gov.uk">karen.trickey@stroud.gov.uk</a></p>
<b>Report Author (s)</b>	<p><b>Item A</b> - Kevin Topping, Head of Housing Services Tel: 01453 754196 Email: <a href="mailto:kevin.topping@stroud.gov.uk">kevin.topping@stroud.gov.uk</a></p> <p><b>Item B</b> - Pippa Stroud, Policy Implementation Manager Tel: 01453 754099 Email: <a href="mailto:pippa.stroud@stroud.gov.uk">pippa.stroud@stroud.gov.uk</a></p> <p><b>Item C</b> - Jon Beckett, Head of Health and Wellbeing Tel: 01453 754443 Email: <a href="mailto:jon.beckett@stroud.gov.uk">jon.beckett@stroud.gov.uk</a></p> <p><b>Items D</b> – Kimberley Read, Sheltered Housing Project Manager Tel: 01453 754175 Email: <a href="mailto:kimberley.read@stroud.gov.uk">kimberley.read@stroud.gov.uk</a></p> <p><b>Items E</b> - Leonie Lockwood, Business Development Manager Tel: 01453 754153 Email: <a href="mailto:leonie.lockwood@stroud.gov.uk">leonie.lockwood@stroud.gov.uk</a></p>
<b>Options</b>	This report is a standing report for Housing Committee.
<b>Performance Management Follow Up</b>	Update reports are to be supplied to this committee within the timeline of the committee work programme

<b>Background Papers/ Appendices</b>	Appendix A - Ex-warden accommodation details log
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## **1.0. Item A - Tenant Services Capital Programme**

### **1.1. Introduction**

1.1.1. 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. Reports have been tabled at June and Septembers 2017's Housing Committee where members asked for further detail within each report and for information sheets to be attached where appropriate

1.1.2. The second quarter has been completed and positions of works against budget spend are detailed in 2.1.

### **2.1. Current position**

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

<b>NKS (North of the district)</b>					
<b>Planned works</b>	<b>Delivered to Date</b>	<b>Actual Spend</b>	<b>Budget</b>	<b>Projected Outturn</b>	<b>Variance</b>
<b>Kitchens</b>	4	0	386,250	215,795	170,445
<b>Bathrooms</b>	30	47,734	386,250	457,111	(70,861)
<b>External works</b>	27	59,665	850,000	602,874	247,126
<b>Disabled adaptations (Both sides of the district)</b>	35	50,218	308,000	156,658	151,342

<b>Mears (South of the district)</b>					
<b>Planned works</b>	<b>Delivered to Date</b>	<b>Actual Spend</b>	<b>Budget</b>	<b>Projected Outturn</b>	<b>Variance</b>
<b>Kitchens</b>	47	222,481	386,250	309,506	76,744
<b>Bathrooms</b>	10	0	386,250	286,589	99,661
<b>External works</b>	0	0	850,000	832,256	17,744

<b>Proframe (Both sides of the district)</b>					
	<b>Delivered to Date</b>	<b>Actual Spend</b>	<b>Budget</b>	<b>Projected Outturn</b>	<b>Variance</b>
<b>Doors &amp; windows</b>	28	42,417	515,000	534,985	(19,985)

<b>Glevum (Both sides of the district)</b>					
	<b>Delivered to Date</b>	<b>Actual Spend</b>	<b>Budget</b>	<b>Projected Outturn</b>	<b>Variance</b>
<b>Heating &amp; boiler upgrades</b>	92	224,494	690,000	562,094	127,906

<b>Mitie &amp; Bell (Mixed sides of the district)</b>					
	<b>Delivered to Date</b>	<b>Actual Spend</b>	<b>Budget</b>	<b>Projected Outturn</b>	<b>Variance</b>
<b>Painting/communal areas</b>	0	0	515,000	414,733	151,000

### **3.1. Performance**

3.1.1. All works have been subject to accurate stock validation. This process ensures that work streams are undertaken in the most economically advantageous way, and limits the disturbance which may be caused to our tenants. The contractors and supply chains are now fully mobilised and delivery will be accelerated over the coming two quarters. Programmes effected by tenant refusal or the omission of elements due to validation are not routinely backfilled unless it is a viable option to do so.

### **4.1. Summary**

4.1.1. We are committed to ensuring our resources deliver maximum value for money to the Council. We are continually reviewing our processes to ensure we work smarter with our Partners and other service areas within the Council and with this in mind budgets and delivery will continue to be monitored and reviewed in year.

## **2.0. Item B, Support to Social Housing Providers Capital Programme**

2.1. 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.

- 2.2. 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.
- 2.3. 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.
- 2.4. 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.

Recent funding allocations and forthcoming commitments are set out below:

<b>Location</b>	<b>Grant</b>	<b>Number of units</b>	<b>Grant Per Unit</b>	<b>Provider</b>	<b>Date paid</b>	<b>Notes</b>
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
Elm Road Stonehouse	£90,000	8	£11,300	Two Rivers	Oct 17	Off the shelf purchase
<b>Commitments</b>						
Stagholt Standish	£30,000	7	£4,300	Two Rivers	Feb 18	Rural site

### **3.0. Item C - Disabled Facilities Grants**

- 3.1. 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).
- 3.2. 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.

- 3.3. 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.
- 3.4. 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.

The table below illustrates the numbers of approvals and expenditure since 2015.

<b>Year</b>	<b>No. of DFG's Approved</b>	<b>Amount Paid</b>
15/16	27	£269,935
16/17	31	£279,710
17/18 Q1	4	£48,454
17/18 Q2	5	£35,559

#### **4.0. Item D - Sheltered Modernisation Project Update**

##### **4.1. Red Schemes**

- 4.1.1. In line with the approvals sought at Housing Committee in June 2016, good progress has been made on the red schemes. Dryleaze Court is now empty and is currently being marketed for sale.
- 4.1.2. Ringfield Close is on programme to close by January 2018. Planning permission has been secured which will deliver 11 new older persons apartments at Tanners Piece.
- 4.1.3. We are on programme to start consultation with residents from Cambridge House to re-house them in January 2018; which will be followed by Glebelands in early 2019.

##### **4.2. Amber Schemes**

- 4.2.1. In line with the recommendations of the Ark Report and outlined in previous information papers we are now able to detail the improvements for the first amber scheme to be improved as part of the programme. Sherborne House in Stonehouse was identified as the first amber scheme to be improved due to its popularity and frequent use of the communal areas, and there were no concerns raised about the future viability or suitability of this scheme for Sheltered Housing. In addition the scheme has already benefitted from a number of bedsit conversions providing a good mix of accommodation
- 4.2.2. The improvement plans proposed are in line with those outlined in the September 2016 information paper, however due to the finite budget available we have chosen to focus on the improvement items which would deliver the most value and benefit for the residents.

- 4.2.3. The use of mobility scooters has been highlighted as an important strategic focus for SDC and residents, so the modernisation project seeks to address this issue where possible. The layout of Sherborne House lends itself to enabling provision for all residents to have access to the rear of their properties using a mobility scooter by constructing an external path around the scheme. Residents will have space outside their back door to store their mobility scooter and a charging point which is connected to their individual meter. These improvements will ensure ease of access to all properties in the building and assist with the ongoing housing management of the scheme.
- 4.2.4. To improve the level of natural light in the scheme, improvements should be made to the entrance lobby, creating a brighter space for residents with improved visibility of visitors to the scheme. The corridors throughout the scheme should also be plastered and decorated with new flooring throughout.
- 4.2.5. The lounge will be upgraded by providing new furniture and furnishings, the design and colour of which has been selected by the residents following a meeting with SDC's appointed interior designer. At the meeting, residents and tenant representatives were able to choose from six mood boards with various colour schemes and designs. The kitchen which is accessed from the lounge will be made open plan and a resource room for use by residents will also be created on the opposite side of the lounge. The room can be used as a quiet space for a computer or other activities. This proposal makes use of office space which is no longer required.
- 4.2.6. The Sheltered Housing Project team have been working closely with colleagues across other service areas to align programmed works with the improvements at Sherborne House to reduce the impact to residents and provide efficiencies to SDC. Detailed proposals have been presented to the Sheltered Housing Modernisation Project Steering Group for agreement and were approved by Heads of Service.
- 4.2.7. The current works cost estimate\* is £212,000, which can be accommodated within the budget secured in the Medium Term Financial Plan. The cost of this work has been profiled across 2017/18 and 2018/19 with the works due to start in January 2018 which are due to run for approximately 5 months.  
*\*The final contract sum will be established once the project has been tendered to find a suitable contractor.*

#### **4.3. 2018/19 & 2019/20 Programme (Amber & Green Schemes)**

- 4.3.1. A programme of schemes to be improved in 2018/19 and 2019/20 will be provided at the Housing Committee meeting in February 2018 for decision and approval.

#### **4.4. Ex-Warden Accommodation**

- 4.4.1. The ex-warden accommodation at George Pearce House, Grange View, Malvern Gardens and Hamfallow Court are all currently on site and have a contract completion date of 16<sup>th</sup> February 2018. The ex-warden

accommodation details log provides an update on action taken to date. This was previously distributed to Housing Committee on 29<sup>th</sup> March 2016 and the updated copy is available in appendix A of this report.

- 4.4.2. Negotiations with the specialist housing provider for the remaining three properties at Grove Park Road, Archway Gardens and Willow Road were not as successful as first hoped and they are only interested in Willow Road. The Tenancy Operations Manager is currently exploring whether there are any other specialist housing providers who may be interested in these properties.

#### **4.5. Communication**

- 4.5.1. The third issue of the Sheltered Modernisation News was distributed at the end of October. The fourth issue is due to be distributed in January 2018. Due to the sensitive nature of the information, Members requiring information on re-housing and numbers of voids are asked to contact officers direct.

#### **5.0. Item E - New Homes and Regeneration Programme**

##### **5.1. Introduction / Background**

- 5.1.1. 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 target delivery number of 236 homes.
- 5.1.2. 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.
- 5.1.3. 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.
- 5.1.4. By the end of the financial year 226 homes will have been delivered, leaving 10 homes to reach the target of 236. Budget remains for a further 19 homes dependent upon build costs for the remaining projects and therefore the target of 236 is currently projected to be exceeded.

## 5.2. Programme

5.2.1. The table below sets out the schemes within the programme.

Scheme	No. replacement units	No. additional Units	Total No. of Units	Status
<b>New Homes Completed</b>				
Hanover, Dursley	0	18	18	Completed
Ex Warden conversions	0	11	11	Completed
Minchinhampton Woolaways	35	0	35	Completed
Top of Town, Stroud -Phase 1	14	8	22	Completed
Littlecombe, Dursley	0	22	22	Completed
Leonard Stanley Woolaways	19	32	51	Completed
Top of Town – Phase 2	8	5	13	Completed
The Corriett, Cam	0	6	6	Completed
Fisher’s Road, Berkeley	0	4	4	Completed
Hillside, Coaley	2	2	4	Completed
Top of Town – Phase 3	10	2	12	Completed
Chapel Street, Cam	0	14	14	Completed
Top of Town – Phase 4	3	3	6	Completed
<b>Sub Total</b>	<b>91</b>	<b>127</b>	<b>218</b>	
<b>Completions by Year End</b>				
Ex Warden conversions	0	4	4	On site
Property purchases	0	4	4	Sales agreed on 3
<b>Sub Total</b>	<b>0</b>	<b>8</b>	<b>8</b>	
<b>Balance of Programme</b>				
The former Ship Inn site , Bridgend	0	9	9	Design Stage
Southbank, Woodchester	4	1	5	Design Stage
Site to be identified	0	5	5	Design Stage
<b>Sub Total</b>	<b>4</b>	<b>15</b>	<b>19</b>	
<b>Grand Total</b>	<b>95</b>	<b>150</b>	<b>245</b>	

5.2.2. The homes that have been replaced were all defective properties that had reached the end of their economic life and therefore would have been lost to our stock numbers if new homes had not been built.

5.2.3. With regard to the right to buy receipts budget, solicitors have been instructed for the purchase of 3 properties. There remains a small budget available and the purchase of a further 1 bed property may be possible.

## 5.3. Balance Of Programme

5.3.1. The former Ship Inn site is in the design stage. Feedback from highways has resulted in some changes and the reduction of units on the site from 10 to 9. The revised scheme is being reviewed by planning and highways 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 this being a challenging

site to develop with various issues on the site (e.g. ground conditions, location within an industrial heritage conservation area, highway considerations and the fact that the site is located on the canal).

5.3.2. The scheme to develop 5 homes at Southbank, Woodchester, is still in contract but has experienced delays due to drainage issues for the site and issues with the contractor. We now have a settlement claim from the original contractor to consider. Once we have finalised issues with them, we aim to retender the scheme, subject to financial viability. A figure has been included within our budget for 2018/19 for the scheme.

5.3.3. Various alternative sites are still being considered for the balance of the remaining budget, which again has been moved to 2018/19.

Ex-Warden Accommodation Update

Scheme	Accommodation	Works Undertaken	Converted	Let	Comments
Archway Gardens	3 bed flat	NONE	N	N	Awaiting decision.
Ashcroft House	1 bed flat	No conversion needed - flat added to scheme	N	Y	
Ashwell House	3 bed bungalow	Converted to 2 flats	Y	Y	
Broadfield Road	3 bed flat	NONE	N	N	Option appraisal followed by consultation.
Burdett House	3 bed bungalow	Converted to 2 flats	Y	Y	
Chapel Lane	1 bed flat	No conversion needed - flat added to scheme	N	Y	
Concord	3 bed flat	Converted to 2 flats	Y	Y	
Draycott	3 bed house	Converted to 2 flats	N	Y	
Dryleaze House	3 bed house	Converted to 2 flats	Y	Y	
George Pearce House	3 bed flat	ON SITE – converting to 2 flats	ON SITE	N	Completion in February 2018.
Grange View	3 bed house	ON SITE – converting to 2 flats	ON SITE	N	Completion in February 2018.
Grove Park Road	2 bed flat	NONE	N	N	Awaiting decision.
Hamfallow Court	3 bed flat	ON SITE – converting to 2 flats	ON SITE	N	Completion in February 2018.
Hazelwood	3 bed house	Let by housing provider (refurbished)	N	Y	Contract in place with social housing provider.
Jenner Court	3 bed flat	Converted to 1 flat/office	Y	Y	
Malvern Gardens	3 bed flat	ON SITE – converting to 2 flats	ON SITE	N	Completion in February 2018.
Sherborne House	3 bed bungalow	Converted to 2 flats	Y	Y	
Springfields Court	3 bed house	Rented as 3 bed house - general needs	N	Y	
St Nicholas Court	3 bed house	Converted to 2 flats	N	Y	
The Beeches	3 bed flat	Converted to 2 flats	Y	Y	
The Corriett	3 bed house	Developed site (no longer exists)	N/A	N/A	
Trinity Drive	3 bed house	Converted to 2 flats	Y	Y	
Vizard Close	3 bed house	Converted to 2 flats	Y	Y	
Walter Preston Court	3 bed house	Let by housing provider (refurbished)	N	Y	Contract in place with social housing provider.
Willow Road	3 bed flat	Converted 1 flat & office	Y	Y	A housing provider is interested in letting the office space if it is converted to a general needs flat. The cost of undertaking this conversion would need to be recovered over the 5 year term of the lease. Awaiting decision.

Key: Orange = Works Planned    Green = Works Complete/Property Let    Yellow = Consider Alternative Use