

STROUD DISTRICT COUNCIL

**AGENDA
ITEM NO**

HOUSING COMMITTEE

7

20 FEBRUARY 2018

Report Title	CAPITAL PROJECT MONITORING
Purpose of Report	<p>To inform the Committee of progress on capital projects within its remit.</p> <p>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</p>
Decisions	The Committee notes the report
Consultation and Feedback	<p>Budget setting has previously been agreed at Council. Progress has been discussed with the Tenant Reps for Housing Committee.</p>
Financial Implications and Risk Assessment	<p>Item A – The capital programme for ongoing major works within the HRA 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 overall affordability of the HRA.</p> <p>A large underspend is currently 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.</p> <p>Item 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.</p> <p>Item C – Further funding from the Better Care Fund would be available if necessary, up to a total of £0.5m. However demand is such that this will not be required and any unused funds will remain in the pooled Gloucestershire fund.</p> <p>Items D & E – 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>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>
Legal Implications	<p><u>In general</u></p> <p>Where funding is provided by way of a grant it will need to be secured by a grant agreement, this will ensure it is used for the purposes intended by SDC and allow appropriate provisions for clawback/termination if it is not.</p> <p><u>Project B only</u></p> <p>Where money has been secured through a S106 obligation towards the provision of Affordable Housing any obligations on the Council as to how that money must be spent/any time dependant clawback provisions will be provided within the terms of the deed itself.</p> <p>Craig Hallett, Solicitor & Deputy Monitoring Officer Email: craig.hallett@stroud.gov.uk</p>
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Options	This report is a standing report for Housing Committee.
Performance Management Follow Up	Update reports are to be supplied to this committee within the timeline of the committee work programme
Background Papers/ Appendices	None

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, September, and Decembers 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 third quarter has been completed and positions of works against budget spend are detailed in 2.1

1.2. Current position

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

North of the district					
Planned works	Delivered to Date	Actual Spend	Budget	Projected Outturn	Variance
Kitchens	19	67,599	386,250	225,279	(160,971)
Bathrooms	63	45,333	386,250	397,886	11,666
External works	27	257,897	850,000	531,897	(318,103)
Disabled adaptations (Both sides of the district) To note the actual spend includes an over statement of the year end creditor of £80k	43	9,582	308,000	150,000	(158,000)

South of the district					
Planned works	Delivered to Date	Actual Spend	Budget	Projected Outturn	Variance
Kitchens	56	234,531	386,250	266,630	(119,620)
Bathrooms	69	221,687	386,250	260,166	(126,084)
External works	0	126,435	850,000	390,435	(459,565)

(Both sides of the district)					
	Delivered to Date	Actual Spend	Budget	Projected Outturn	Variance
Doors & windows	216	204,929	515,000	487,071	(27,929)

(Both sides of the district)					
	Delivered to Date	Actual Spend	Budget	Projected Outturn	Variance
Heating & boiler upgrades	137	593,076	690,000	713,076	23,076

Mitie & Bell (Mixed sides of the district)					
	Delivered to Date	Actual Spend	Budget	Projected Outturn	Variance
Painting/communal areas	296	75,434	515,000	300,000	(215,000)

1.3. Performance

- 1.3.1. Following Decembers Housing Committee when we notified you of our intension to end our formal contractual relationship with Mears Group PLC, re-procurement of the South Contract went live on 31 January 2018.
- 1.3.2. The process will end on the 16 February 2018, and following evaluation we expect to appoint a new contractor not later than 23 February 2018, for a period of up to two years.
- 1.3.3. Works relating to the South of the District, which will not be delivered prior to 12 March 2018 has either been passed to the North Contractor (NKS) or moved forward into the 2018-19 programmes, dependant on priority. Affected stakeholders have been notified.

1.4. Summary

- 1.4.1. We are committed to ensuring our resources deliver maximum value for money to the Council, and our partners delivering the services meet the high standards both our customers and us as a client demand. 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 in terms of investment.
- 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.

Recent funding allocations and forthcoming commitments are set out below:

Location	Grant	Number 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
Elm Road Stonehouse	£90,000	8	£11,300	Two Rivers	Oct 17	Off the shelf purchase
Commitments						
Stagholt Standish	£30,000	4	£7,500	Two Rivers	June 18	Rural site. Planning application now received.

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. 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.
- 3.3. 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.

3.4. 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
17/18 Q2	5	£35,559
17/18 Q3	3	£53,525

4.0. Item D Sheltered Housing 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 now empty. The sale of the site is being delayed so that contractors can use the site for parking during the construction of Tanner Piece. The procurement of a contractor to construct the eleven new apartments is underway. During the construction of the site, work will begin to prepare the site for sale, when it is no longer required.
- 4.1.3. Consultation to re-house residents from Cambridge House started in January. At the scheme meeting held on 22nd January, the improved 'moving home support pack' was issued to each tenant and individual meetings were arranged with our Tenant Liaison Officer, to discuss their support requirements in detail. Officers will continue to support them through the process of moving home.
- 4.1.4. Consultation to re-house residents at Glebelands will begin in early 2019 and consideration will now be given to the options for the scheme at Willow Road in Stonehouse as planned.

4.2. Amber Schemes

- 4.2.1. The process of securing a contractor to undertake the improvement works to Sherborne House, Stonehouse is underway. The improvements are due to start in the spring this year.
- 4.2.2. Residents have been heavily involved in choosing the overall design of the communal lounge, selecting colours and furniture.

4.3. Ex-Warden Accommodation

- 4.3.1. The ex-warden accommodation at George Pearce House, Grange View, Malvern Gardens and Hamfallow Court are all currently on site and are due for handover shortly, providing eight flats for rent.
- 4.3.2. Negotiations continue with specialist housing providers for the remaining three properties at Grove Park Road, Archway Gardens and Willow Road. The negotiations are being managed by the Tenancy Operations Manager.

4.4. Communication

- 4.4.1. The fourth issue of the Sheltered Modernisation News was distributed at the end of January. The fifth issue is due to be distributed in April 2018.
- 4.4.2. 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. An additional budget of £700,000 was approved at Strategy and Resources on the 13 June 2017, with 30% of that budget funded from right to buy receipts, to purchase properties on the open market.
- 5.1.3. As reported in December, 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
New Homes Completed				
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
Property purchases (RTB receipts)	0	3	3	Completed
Sub Total	91	127	221	
Completions by Year End				
Ex Warden conversions	0	4	4	On site

Property purchases (RTB receipts)	0	1	1	Sale agreed
Sub Total	0	8	5	
Balance of Programme				
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
Sub Total	4	15	19	
Grand Total	95	150	245	

5.3. Balance Of Programme

- 5.3.1. The former Ship Inn site is in the design stage and a planning application is due to be submitted prior to the date of this meeting with work starting in 2018/19.
- 5.3.2. For the scheme to develop 5 homes at Southbank Woodchester, once we have finalised issues with the original contractor, we aim to retender the scheme and this is currently being prepared. A figure has been included within our budget for 2018/19 for the scheme.
- 5.3.3. Various alternative sites are being progressed to feasibility stage to be considered for the balance of the remaining budget, which again has been moved to 2018/19.