

## Report of the Portfolio Holders for Housing and Resources and Personnel Policy

### CAPITAL PROGRAMME 2023/24 – VARIATION TO HOUSING REPAIRS AND COMPLIANCE BUDGETS

#### 1. Purpose of report

To consider proposals for variations to the approved Capital Programme 2023/24 relating to the Housing Revenue Account (HRA) relating primarily to health and safety and compliance issues.

#### 2. Recommendations

**Cabinet is asked to RESOLVE that the proposed variations to the Capital Programme 2023/24, as presented, be approved. The additional capital cost of £1,205,900 to be being funded by prudential borrowing and the associated costs being factored into future years HRA budgets.**

#### 3. Detail

Each year the Council sets a three-year rolling Capital Programme for the General Fund and Housing Revenue Account (HRA). A review of progress made in quarter 1 of the 2023/24 HRA capital budgets has identified a number of important health and safety and compliance works that are not currently covered within the approved budgets as presented in appendix 1. The current HRA capital budgets are insufficient to meet the expenditure required to comply with health and safety compliance and standards. It is important to note that, in relation to electrical compliance, the Council is making faster progress than legislation, as the Council's Electrical Compliance standards exceed statutory obligations as properties have electrical inspections every five years rather than the legislative requirement of 10 years.

The additional proposed compliance work includes essential fire door replacements (both HRA tenants and leaseholders), work arising from fire risk assessment, electrical works, asbestos remedial works and concrete surveys.

It is therefore proposed that an additional net capital budget of £1,205,900 be approved made to complete these essential works. In order to partly mitigate the increase in the capital budget, it is proposed that budget allocations from two existing schemes that are underspent is used. The net budget increase will be funded from increased prudential borrowing.

#### 4. Financial Implications

The comments of the Head of Finance Services were as follows:

The Capital Programme for 2023/24 was approved as part of the budget setting process which culminated in a recommendation from Cabinet on 7 February 2023 that was duly approved at full Council on 2 March 2023.

The net capital cost of the HRA element of the Capital Programme following the above review and re-profiling exercise is £1,205,900. This additional budget requirement would have to be funded by prudential borrowing. The additional borrowing costs of around £65,000 per annum would have to be factored into future years HRA budgets. The 30-Year HRA Business Plan outlining the HRA financial sustainability will be presented to Cabinet in September.

5. Legal Implications

The comments from the Head of Legal Services were as follows:

The Council, as a landlord, has many legal obligations it must satisfy to ensure the health, safety and welfare of its tenants and leaseholders. It must also adhere to the regulatory standards as set out by the Regulator, particularly the Home Standard.

6. Human Resources Implications

There were no comments from the Human Resources Manager.

7. Union Comments

There were no Unison comments in relation to this report.

8. Climate Change Implications

The comments relating to climate change implications:

8. Data Protection Compliance Implications

This report does not contain any OFFICIAL Sensitive information and there are no Data Protection issues in relation to this report.

9. Equality Impact Assessment

As there is no change to policy an equality impact assessment is not required.

10. Background Papers

Nil

## APPENDIX

## CAPITAL PROGRAMME 2023/24 – HRA CAPITAL REPAIRS, IMPROVEMENTS AND COMPLIANCE BUDGETS

Scheme	Original Budget # 2023/24 £	Revised Estimate 2023/24 £	Additional required/ available £	Notes
Windows and Door Replacements	300,000	600,000	300,000	There are an estimated 200 fire doors for HRA tenants and 30 for leaseholders that require replacement. It is expected that these should be completed by the end of 2023/24.
Electrical Works	400,000	1,390,000	990,000	Two additional budgets are being requested: 1. A requirement resulting from Fire Risk Assessments (FRA) to upgrade smoke alarms and replace existing plastic boards with metal boards. 2. Around 1,300 properties will have Electrical Installation Condition Reports (EICR) completed for full compliance (the Council inspects every five years, with legislation stipulating every 10 years).
Fire Safety Works	396,500	850,000	453,500	External FRA have identified a variety of fire safety works required at Hopkins Court, Richmond Court, Phoenix Court, Bexhill Court and Cloverlands Court.
External Works - Paths, Paving and Hard Standing	210,000	40,000	(170,000)	The budget requirement includes the cost of the scooter store and any ad-hoc remedial works. Internal resources are required for inspections to identify further works required.

Scheme	Original Budget # 2023/24 £	Revised Estimate 2023/24 £	Additional required/ available £	Notes
Garage Refurbishment and Replacement	467,600	-	(467,600)	Officers are currently reviewing the garage stock to identify sites requiring refurbishment and sites to be demolished and incorporated into the Housing Delivery Programme. All works on-hold until this review has been completed.
Structural Remedial Works (including £40k approved for Crumbling Concrete Survey)	272,700	272,700	-	This budget is largely dedicated to damp and mould works. Additionally, £40,000 was allocated by Cabinet on 4 July 2023 to survey properties with concrete bases. A firmer estimate of total costs will be available following the concrete surveys. There are approximately 19 three-storey blocks and 60 two-storey blocks with concrete bases that may require work once the surveys are completed.
Asbestos Surveys	141,250	141,250	-	This budget will be used to fund the cost of asbestos surveys for properties where there is currently no survey available or the current survey is deemed inadequate. Once surveys are completed an asbestos management plan will be developed.
Asbestos Remedial Works	-	100,000	100,000	Once the required asbestos surveys are complete this budget will fund the cost of any works required.
<b>Net Additional Budget Requirement</b>			<b>1,205,900</b>	

# Original Budget includes Budgets Carry Forward from 2022/23 agreed by Cabinet on 4 July 2023, but excludes Capital Salaries.