



ADUR & WORTHING  
COUNCILS

Joint Strategic Committee  
2 March 2021  
Agenda Item 8

Key Decision Yes

Ward(s) Affected: All Adur Wards except  
Marine and Buckingham

## **Adur District Council - Housing Revenue Account (HRA) Capital Programme 2021-2023**

### **Report by the Director for Communities**

#### **Executive Summary**

##### **1. Purpose**

- 1.1. This report informs members of the capital investment programme for two years combined - 2021/22 and 2022/23. It contains information about the planned investment in the housing stock which is owned by Adur District Council and managed under the name of Adur Homes. Approval is sought for the release of the budget in compliance with Financial Regulations.
- 1.2. The new investment allocated in the Housing Revenue Account for 2021/22 is £5,600,000 and for 2022/23 is £5,600,000.

##### **2. Recommendations**

- 2.1. The Joint Strategic Committee is recommended to approve the revised Housing Capital Investment Programme for 2021/22 and 2022/23 and to release the budgets for 2021/22 and 2022/23.

##### **3. Context**

- 3.1. Despite the impact of the COVID-19 pandemic, the Adur District Council is committed to continue to invest in its social housing stock, referred to as Adur Homes.

- 3.2. The investment in Adur Homes stock, which consists of 2,539 tenanted, 529 leasehold dwellings, is funded through the Housing revenue account (HRA).
- 3.3. As part of the plans to ensure a continuous regime of planned works and cycle maintenance for the stock, an asset management strategy will be in place by the summer of 2022. This strategy, which will include a plan, will form the basis for future investment in Adur Homes stock. The strategy will be aligned with the HRA Business plan and the Council's affordable homes ambition.
- 3.4. As part of the Adur Homes Transformation Programme, adequate structures will be put in place to achieve the delivery of the strategy and manage planned works and cyclical maintenance.
- 3.5. This report therefore, describes the plans for the next two years only. and priorities for the repair and refurbishment of the stock. The Council plans to invest £5,600,000 each year 2021/22 and 2022/23.
- 3.6. An informed investment programme will enable officers to consider the most appropriate methodology for procurement and work packages during this period.

#### 4. Funds to be carried forward from 2020/21 Budget

- 4.1. It is proposed to carry forward to 2021/22 funds for the projects that are ongoing or are at an advanced stage of planning. The table below shows the funds that the Council has committed to each scheme. The final amounts to be carried forward will be confirmed at the year end as part of the Capital 2020/21 Outturn Report to the Joint Strategic Committee.

Project	Total 2020/21 and 2021/22 Budgets	Project Status
Rocks Close External Works	£1,111,000.00	The works have been tendered but due to Covid-19 restrictions the contract was not awarded and will need to be retendered.
Locks Court External Works	£844,000.00	The works have been tendered but due to Covid-19 restrictions the contract was not awarded and will need to be retendered.
Bushby Court	£640,000.00	Contract has been awarded.

Works		Construction works have started on site with completion for Bushby Court anticipated Spring 2021, and Beachcroft Court December 2021.
Beachcroft Court Works	£876,000	Contract has been awarded. Construction works have started on site with completion for Bushby Court anticipated Spring 2021, and Beachcroft Court December 2021.
Fire Door Replacements	£924,500.00	Contract awarded. Budget reprofiled in line with anticipated expenditure.
Fire Safety Improvements - Sheltered	£257,400.00	The works were originally delayed by Covid 19 restrictions and the contract was eventually awarded and works commenced. However, the contract has had to be terminated due to failure to comply with CDM regulations 2015. Budget reprofiled to 2021/22 in line with anticipated expenditure.
Fire Safety General Needs Works	£716,150.00	Contract award report submitted to the Executive Member. Budget reprofiled in line with anticipated expenditure.

## 5. **Breakdown of the Capital Investment Programme for 2021/22 and 2022/23**

5.1. As experienced this year, the Council anticipates that the uncertainty created by the COVID-19 pandemic may impact delivery of projects for 2021/22 and possible 2022/23. Also, it is still too early to understand the impact of the exit from the European Union on contractors supplies especially in 2021/22. Therefore, this plan is designed to be flexible such that works can be either brought forward or delayed within both financial years depending on the prevailing circumstances.

### 5.2. Adaptations for Tenants with Disabilities

Undertaking adaptations to a property where the existing tenant (or member of the tenant's household) has a disability and requires

adaptation works to the property in order for them to remain in the home. These are made via a recommendation from West Sussex County Council through the Occupational Therapy service.

2021/22 Budget:	£250,000
2022/23 budget:	£250,000

### 5.3. External and Structural Safety Works

This includes external works and structural works to address health and safety issues. This work potentially includes elements such as

- Balcony railings replacement
- Concrete works
- Repair or replacement to gully grills
- Roofs recovering and replacement
- Door entry systems

Some of the priority buildings are identified below with work expected to commence in 2021/22:

- Arundel Court
- Broadway Court
- Kingston Court
- Osbourne Court
- Penstone Court
- Warren Court
- Grange Court

2021/22 budget:	£430,000
2022/23 budget:	£1,371,000

### 5.4. Fire Safety Works

There is a continual programme of Fire Risk Assessments (FRA) to the communal areas in blocks and schemes which is resulting in an action plan to reduce and mitigate risk. The works from these action plan have been prioritised in accordance with the risks identified. Some of the longer term solutions are more complex. Therefore, after immediate mitigation has been put in place to ensure resident safety, the complex long term solutions will run over a number of years. Fire Safety works include fire safety remedial works, fire alarm installations and upgrades to sheltered housing and works to mitigate fire safety risks from inner rooms.

2021/22 budget:	£3,000,000
2022/23 budget:	£2,300,000

## 5.5. Electrical inspection condition report (EICR) remedial works

The Council is currently on programme to ensure it assesses a fifth of its stock every year. Remedial works will be carried out on any risk identified to improve the safety of the building and bring it into compliance with electrical safety regulations. This budget will meet the second and third years of that programme. It is expected that all of the Council's stock will be in compliance at the end of the fifth year of the programme. These assessments include all electrical wiring and installations such as plug sockets, fuse boxes and light fittings. Electrical Safety Standards now require that landlords inspected and tested every fixed electrical installation at least every five years. Therefore, it is intended that testing a fifth of the stock annually will be a rolling programme to ensure continuous compliance with electrical safety standards.

2021/22 budget:	£481,000
2022/23 budget:	£690,000

## 5.6. Heating and Energy Efficiency

Adur District Council has been awarded £1.3m of capital grant funding towards Adur Homes Schemes under the Public Sector Decarbonisation Scheme (PSDS) to deliver carbon reduction works in Shadwells Court and Marsh House. Due to the funding criteria and larger scope of works, the Adur District Council bid required approximately £367,950 of match funding in order to secure over £1.3m of PSDS grant.

The works need to be completed in 2021/22. These involve the installation of heat pumps to replace or complement gas boilers. Heat pumps use electricity to extract heat from either air (air source heat pumps, ASHP) or the ground (ground source heat pumps, GSHP) and emit significantly less carbon emissions and air pollution than fossil-fuel fired alternatives.

The Council will continue to seek external funding for energy efficient and decarbonisation works.

There is also an annual need to replace boilers identified as part of the gas safety inspection and testing contract or where boilers fail during the year.

2021/22 budget:	£1,880,000
2022/23 budget:	£130,000

#### 5.7. Responsive Capital Works and Works to Void Properties

This budget is to be used to undertake individual works which are not in a current programme and works to vacant voids properties before they can be re-let. In some of these cases, the condition of the vacant property is so poor that it requires additional investment.

2021/22 budget: £200,000  
2022/23 budget: £200,000

#### 5.8. Asbestos Surveys and mitigation works

To continue the ongoing need to assess and deal with asbestos

2021/22 budget: £75,000  
2022/23 budget: £75,000

#### 5.9. Stock Condition Surveys

These are essential to enable informed planning for future investment.

2021/22 budget: £40,000  
2022/23 budget: £40,000

#### 5.10. Professional and Consultancy Fees (Works)

This budget funds the costs of the technical services staff undertaking the HRA projects and the costs of consultancy services.

2021/22 budget: £544,000  
2022/23 budget: £544,000

#### 5.11. The table below shows a breakdown of spend above

<b>Planned Works</b>	<b>2021/22</b>	<b>2022/23</b>
Disability adaptations	£250,000.00	£250,000.00
Fire Safety	£3,000,000.00	£2,300,000.00
External and Structural Safety Works	£430,000.00	£1,371,000.00
Electrical Safety Works	£481,000.00	£690,000.00
Heating and Energy Efficiency	£1,880,000.00	£130,000.00
Capitalised Maintenance	£200,000.00	£200,000.00
Asbestos Surveys and Mitigation	£75,000.00	£75,000.00
Professional and Consultancy Fees (Works)	£544,000.00	£544,000.00
Stock condition surveys	£40,000.00	£40,000.00
<b>TOTAL</b>	<b>£6,900,000.00</b>	<b>£5,600,000.00</b>

## 6. Engagement and Communications

- 6.1. This report was presented to the Adur Homes Management Board on 13 February 2021. Comments from the board has been reflected in the report

## 7. Financial Implications

- 7.1. The Capital Strategy approved by the Joint Strategic Committee 7th July 2020 approved annual resources of £5.6m to fund the Housing Capital Investment Programme 2021/22 and 2022/23 as set out in the Capital Strategy 2021/24 and are as follows

Major Repairs Reserve:	£3,900,000
Prudential Borrowing:	£1,600,000
Capital Receipts:	£100,000
<b>Council Funding 2021/22 and 2022/23:</b>	<b>£5,600,000</b>

### **External Funding 2021/22**

Public Sector Decarbonisation Funding:	£1,300,000
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<b>Total Investment 2021/22:</b>	<b>£6,900,000</b>
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- 7.2. The budget allocations set out in paragraphs 5.1 - 5.10 can be funded within the annual allocations and external funding secured for 2021/22 and 2022/23.

## 8. Legal Implications

- 8.1. Section 9(1) Housing Act 1985 provides that the Local Authority may provide housing accommodation by erecting houses, or converting buildings into houses, on land acquired by them, or by acquiring houses. Section 9(2) provides that the Council may alter, enlarge, repair or improve such a house. This would give the Council the power to maintain and repair Adur Homes properties.
- 8.2. Section 111 Local Government Act 1972 provides that the Council shall have the power to do anything (whether or not involving expenditure, borrowing, or lending of money or the acquisition or disposal of any property or right) which is calculated to facilitate, or is conducive or incidental to the discharge of any of their functions.

- 8.3. s1 Local Government (Contracts) Act 1997 confers power on the local authority to enter into a contract for the provision of making available of assets or services for the purposes of, or in connection with, the discharge of the function by the local authority

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## **Sustainability & Risk Assessment**

### **1. Economic**

These programmes and projects demonstrate economic investment into assets owned by Adur District Council

### **2. Social**

#### **2.1 Social Value**

The work to the housing stock outlined in the report will have a beneficial impact on the health and wellbeing of the residents many of whom are more disadvantaged in terms of health and income than other residents.

#### **2.2 Equality Issues**

2.2.1 The programme contains an element for adapting properties for tenants with a disability.

2.2.2 Consultation with residents as part of all other programmes will identify where any reasonable adjustments need to be made.

#### **2.3 Community Safety Issues (Section 17)**

2.3.1 Aspects of several programmes described in the report will have a positive impact on community safety for example the repair and replacement of door entry systems to blocks of flats.

#### **2.4 Human Rights Issues**

2.4.1 Matter considered and no specific issues identified.

### **3. Environmental**

There are aspects of the programmes described in the report which will improve thermal efficiency and reduce fuel poverty for example replacement windows and replacement flat roofs.

### **4. Governance**

The progress is regularly monitored via the Capital Working Group. Progress is reported to members 4 times a year.

The procurement of works will comply with the procurement regulations and contract standing orders.