

 Northwards Housing North Manchester's Council Homes		Report to: Northwards Housing Board 20 January 2016		Item No: <h1>11a</h1>	
Title:		Capital Programme 2016/17			
Date:		8 January 2016			
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Confidential:		No			
For: (Please tick action required)		NOTING		DISCUSSION	
				APPROVAL ✓	
PURPOSE OF REPORT					
To seek agreement from the Board to the 2016/17 Capital Programme.					
RECOMMENDATION					
That the Board approve the programme and recommend the programme to Manchester City Council. The programme will also be approved by officers through the Council's Gateway process.					
IMPLICATIONS					
Risk Management		There is a risk of overspending or resources being lost without effective management of the programme and good quality stock condition information. The Investment & Strategic Asset Management team have overall responsibility for this. The Home Improvement Teams are responsible for completing risk registers for each individual project and delivering schemes on site.			
Regulatory & legal compliance		The Capital Programme is delivered in full regard to Northwards' Equality and Diversity policy. All capital projects comply with health and safety and CDM requirements. There are procedures in place to ensure that financial regulations are adhered to. The implementation of the capital programme contributes to ensuring that the HCA Home Standard is met.			

Consultation/Consideration:

	Yes, No or N/A:	Name:	Date:
Sub-Committee:	Y	Operations	10 th November 2015
Area Panel:			
Task Groups:			
Ward Councillors:			

1.0 Introduction

- 1.1 A version of this programme was approved by Operations Sub Committee on 10th November, who recommended the programme to the Board. The programme was, in the meantime, approved by the Council's Gateway 1 Review Group on 18th December. The programme was based on a total anticipated budget of £18.4m, with the caveat that it may be reduced in light of the Government's decision to reduce rents over the next four years.
- 1.2 A revised budget has now been proposed by the Council, which shows a reduction in RCCO funding of £1.462m in 2016/17 and £0.567m in 2015/16. This equates to a total reduction of just over £2m over the two years. The total budget now proposed for 2016/17 is £16.9m, which also takes into account slippage from 2015/16 on the National Energy Action grant funded project.
- 1.3 The Council has stated that they will be looking to provide additional resources during the year to bring the total budget back up to the original expected levels.
- 1.4 There has been an increase in commitments from 2015/16 since the 10th November report, in part due to slippage which occurred on some projects in order to deliver the solar PV project. The budget for new work in 2016/17 is now reduced to £4.28m as a consequence of this and the budget reductions referred to above.
- 1.5 This has meant the deferral, for now at least, of the following schemes:-
 - Harpurhey Shiredale and Jolly Miler estates external cyclical works
 - Moston Miners low rise and Moston estate (Chauncy/Edith Cliff/Kenyon/Thorverton Square) external cyclical works
 - Cheetham Smedley Road external cyclical works
 - Newton Heath Limerston Drive and Troydale estates external cyclical works
 - Moston Bannatyne/LightbowneRdf/St Georges Drive external cucla works
 - Next phase of lift refurbishment works to multi storey blocks
- 1.6 Spend profiles on some of the other schemes has also been adjusted.
- 1.7 An additional scheme has been added to the programme at a total cost of £23k. This is to install building level heat metering to Somerton, Cartmel, Kentmere, Rusland and Whitebeck Courts, following the introduction of the new Heat Network (metering and billing) regulations. The regulations create new duties on communal and district heating suppliers, one of which is to install building level metering on district heating schemes where properties are served by a stand-alone central boiler plantroom.
- 1.8 The proposals below are for new schemes to commence in 2016/17.

2.0 Decent Homes related - £2.982m in 2016/17 (and £4.517m in future years)

The following schemes all contribute to making homes decent, or to maintaining the Decent Homes Standard:-

- 2.1 Charlestown Victoria Avenue multi storey blocks window and balcony enclosure replacement phase 2 (Cartmel and Rusland Courts). This is to follow on from phase 1 (Kentmere Ct) that is due on site soon.

- 2.2 External cyclical works (ECW) to 925 properties across various estates in Ancoats, Cheetham, Harpurhey, Moston, and Newton Heath. This is a continuation of the programme to revisit all properties that had windows installed as part of the Decent Homes programme around 7 to 8 years ago, to ensure that any external works now required are carried out - to walls, roofs, chimneys, windows, doors, porches, fencing etc, plus improvements to any communal areas of low rise flats including redecoration and installation of low energy lighting. 34 communal areas are included in this programme.
- 2.3 Replacement of old and inefficient boilers with new 'A' rated ones.
- 2.4 'Mops ups' of properties that previously refused Decent Homes work, where tenancies have now changed or tenants' circumstances have changed and they are now able to have the work. At the moment there are around 370 properties that have not yet received some or all of the Decent Home improvements, due to tenant refusals. Budget is also required to fund instances where we have tenancy terminations on properties that had a Decent Homes bathroom fitted, but the kitchen is deemed to be in such poor condition that it is beyond economical repair and a complete new kitchen is required in order to make the property fit to let. As it is now nearly 10 years since the first phases of the Decent Home programme were completed, the instances where this is occurring are now starting to increase.
- 2.5 'One off' replacements that may be required such as rewiring, door replacements and cavity wall or loft insulation.

3.0 Health and safety related - £0.316m in 2016/17 (and £0.248m in future years)

- 3.1 The provision of accessible secondary lifts to Apprentice, Edward Grant, Annie Derby and Aldbourne retirement blocks to bring them in line with other retirement blocks. Aldbourne and Annie Derby Courts do not have secondary lift provision or a stair lift at present, and Apprentice and Edward Grant Court had stair lifts but they are obsolete, un-repairable and inoperable. The provision of secondary lifts will assist those with restricted mobility, especially when the main lift is out of action.
- 3.2 Renewal of warden call systems at Liverton and Apprentice Courts retirement blocks, which have reached the end of their life and are incurring high repair costs.
- 3.3 Renewal of fire alarm system in community room at Victoria Square as the system is old and obsolete.
- 3.4 Provision of emergency services override switches to the front entrance doors of 15 multi storey blocks. This will ensure the emergency services will be able to gain rapid access to blocks without the need for fobs or codes. The matter has been raised by Manchester Fire Service as a suggested improvement, and was identified as a priority following the electrical fire at Clifford Lamb Court. Override switches have been installed at all other retirement and multi storey blocks.
- 3.5 Replacement of obsolete roof mounted bathroom fans with energy efficient variable speed fans, plus installation of intumescent air valves in accordance with Building Regulations, to prevent the spread of fire.
- 3.6 Updating of Electricity Northwest (ENW) distribution network phase 2 at multi storey blocks, maisonettes and retirement properties. The maintenance and upgrading of the electrical distribution network is jointly shared between the distribution

company (ENW) and the building owner. ENW will supply and install the cabling and distribution equipment etc, but Northwards will be required to provide all civil works to support the installation including route and trenches into the building and entry within each flat. The work to be carried out is subject to site surveys by ENW. Work to Clifford Lamb Court is currently in progress (phase 1). Further phases of works will be required in coming years.

3.7 Measures to alleviate overheating in Whitebeck Court. This block is very well insulated and with large glazed areas, and has suffered from excessive internal temperatures during periods of very hot weather. We are currently in dialogue with the contractor, Wates Living Space (who refurbished the block under a 'Design and Build' contract in 2010) to agree the best way to mitigate the problem going forward. One proposal put forward by Wates is to utilise existing smoke vents to introduce fresh air to cool the communal areas. Further discussion on this option and the way forward will take place with Wates but for now we have set aside £45,000 from the capital programme as a potential contribution.

4.0 Specifically energy efficiency related - £0.346m in 2016/17 (and £0.016m in future years)

4.1 Continuation of the air source heat pump project that is part funded by the Japanese Government's New Energy and Industrial Technology Development Organisation (NEDO). A further 25 properties are proposed for inclusion in the 2016/17 capital programme, to fund any pipework, new radiators, insulation etc. This will bring the total number of installations to 150. 70 have been installed to date. Feedback from tenants is positive, with average satisfaction of 9.87 out of 10.

4.2 External wall insulation to 15 flats at Central House in Higher Blackley. This is a continuation of our strategy to insulate all hard to treat solid walled properties. The current average SAP (energy rating) is 64.07 (Band D) will rise to average 71.43 (Band C) following the work. Any other external cyclical works required will be done at the same time including redecoration of the communal areas.

4.3 The installation of building level heat metering to Somerton, Cartmel, Kentmere, Rusland and Whitebeck Courts, following the introduction of the new Heat Network (metering and billing) regulations.

5.0 Environmental - £0.230m 2016/17 (and £0.2m in future years)

5.1 A small sum is included to continue with the allocation of an environmental budget, where local tenants play a key role in deciding how the budget is to be spent.

5.2 Additional environmental works in Collyhurst. The work currently on site to provide new fencing and brick walls and improve open spaces across Collyhurst is due to complete in June 2016. Some additional work has been identified to be completed within this contract such as rendering rear outhouses, repairing retaining walls and parking are improvements. The City Council have a ring-fenced budget set aside for this work.

6.0 Salaries and fees - £0.407m for new projects in 2016/17 (and £0.474 for commitments into future years)

6.1 In total £1.5m has been budgeted in 2016/17 to deliver this programme, including previously approved committed projects. This is for Northwards staff working on the

programme, plus any external fees such as building regulations, asbestos and fire surveys and Structural Engineer's fees.

7.0 A detailed programme is attached at **Appendix 1**.

8.0 Recommendations

8.1 That the Board approve the programme as recommended by the Operations Sub Committee and recommend the programme to Manchester City Council. The programme will also be approved by officers through the Council's Gateway process.

Job Number	Project	Number of properties	Unit cost	Total Cost	2016/17	2017/18	2018/19
					Excl Fees £000's	Excl Fees £000's	Excl Fees £000's
	MAINTAINING DECENT HOMES:-						
40397	Charlestown multis window replacement & ECW phase 2	188	£9,293	£1,747,084	100	1,647	
40398	Ancoats Anita St and George Leigh external cyclical works ph 3b	55	£4,975	£273,625	260	14	
40399	Cheetham Halliwell Lane external cyclical works ph 3b	318	£2,294	£729,492	250	479	
40400	Harpurhey Lathbury & 200 Estates external cyclical works ph 3b	232	£5,179	£1,201,528	400	802	
40401	Moston Mill estate (excl timber framed) external cyclical works ph 3b	279	£3,671	£1,024,209	256	768	
40404	Newton Heath Donleigh & Plantagenet estates external cyclical works ph 4a	41	£6,865	£281,465	267	14	
40407	Boiler replacements	250	£3,159	£789,750	649	141	
40408	Decent Homes mop ups phase 8 and voids			£1,000,000	500	500	
	One off rewires, boilers, doors, insulation etc			£450,000	300	150	
	HEALTH AND SAFETY:-						
40410	Retirement blocks lift programme	117	£1,580	£184,860	50	135	
40411	Warden call system renewal at Liverton & Apprentice Courts	101	£600	£60,600	58	3	
40412	Fire alarm system renewal in community room at Victoria Square	165	£90	£14,787	14	1	
40414	Multi storey blocks emergency services override switch to front doors			£17,744	17	1	
40416	Multi storey blocks replacement of roof top fans and air valves	180	£769	£138,420	131	7	
40417	Updating of Electricity Northwest distribution network phase 2 to multi storeys,			£103,506	5	99	
40415	Charlestown Whitebeck Court communal areas	94	£453	£42,582	41	2	
	ENERGY EFFICIENCY RELATED:-						
40418	Air Source Heat Pump Trial phase 3 (NEDO project)	25	£2,588	£64,700	62	3	
40419	Higher Blackley Central House solid wall insulation	15	£18,237	£273,555	262	12	
40422	Charlestown Victoria Avenue Multis - building level meters	156	£146	£22,776	22	1	
	COMMUNAL AREAS AND ENVIRONMENTAL:-						
	Environmental works			£300,000	100	100	100
	Collyhurst environmental works			£130,000	130		
	SALARIES AND FEES						
	Salaries and fees			£881,000	407	464	10
	Total			£9,731,683	4,281	5,343	110
	Committed projects from 15/16				12,608	167	
	Total programme				16,889		
	Total anticipated budget				16,889		