

Report to:	STOCKPORT HOMES MEMBER COMMITTEE		
Date of Meeting:	06 July 2020 Stockport Homes Member Committee		
Title of Report:	CAPITAL PROGRAMME OUTTURN REPORT 2019/20		
Report of:	DIRECTOR OF PROPERTY AND MAINTENANCE SERVICES		
Confidentiality	Non Confidential		
Purpose of Report:	To inform Stockport Homes Member Committee on the performance of the 2019/20 Capital Programme delivery.		
Type of Report	Information		
Recommendation(s):	That the Stockport Homes Member Committee notes and comments on the report.		
Financial Implications of the recommendations	The 2019/20 Capital Programme has been delivered in accordance with the HRA Business Plan and SHG's Asset Management Strategy as agreed by Board.		
Value for Money Implications of the recommendations	Value for Money has been achieved through robust procurement protocols in accordance with SHG's Procurement Strategy alongside effective management of quality standards across the programme.		
Risk Implications of the recommendations	Risk Number	Risk Description	Risk Mitigation
		Risk that poorly planned activities result in wasting monies.	All works are targeted on areas of need and based on stock condition information, consultation with customers and staff. Risk of wasting resources is therefore mitigated.

		Risk that asset base misses out on regeneration opportunities	A planned approach with stakeholders to the Offerton Estate, Adswood continues through 2019/20.
		A risk that fire safety is not maximised.	This programme goes above and beyond legal requirements and allowances have been made within the programme dependent on the outcome from the Grenfell inquiry.
Council Impact Assessment (CIA)	Does a CIA need to be completed? No	If so, has one been completed?	
Comments of the Stockport Homes Monitoring Group	The Stockport Homes Monitoring Group provided comments relating to the Capital Programme Outturn Report. The comments covered: <ul style="list-style-type: none">• The customers highlighted how it is clear that the Capital Programme is making a positive impact to customer homes, community and lives particularly regarding energy efficiency and safety improvements.• Customers were encouraged by programmes being co-ordinated and managed so that there is minimal disruption to customers. In addition, the effective budgetary management was highlighted.		
Content of Report signed-off by Director	John Bowker 11/05/2020		
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1 INTRODUCTION

- During 2019/20 the Capital Investment Programme delivered a range of internal and external works to the housing stock and the external environment. The programme is produced by the Assets Team to meet the long term objectives of the Asset Management Strategy and delivered on site by the Investment Team. The programme for 2019/20 was approved by Board in March 2019. Key points from the programme include:
- Customer satisfaction achieved a year end cumulative figure of 98.7%.
- The continued growth and success of Three Sixty.
- The social added value of using B4box contractor
- Expenditure of £19,656,972 against a budget of £20,606,784

2 PROGRAMME DELIVERY

- 2.1 The programme is managed by SHG's Investment Team and delivered through a combination of Three Sixty and external contractors.
- 2.2 In April 2018 SHG developed and discussed the 'Big Impact' approach. This approach was endorsed by SHG Board and sees schemes developed and implemented that leave a lasting impact, futureproofing assets and neighbourhoods and ultimately resulting in strong demand and lowering turnover.
- 2.3 The key themes of the 2019/20 programme, in line with this 'Big Impact' approach were:
 - **Fire Safety**
 - **Estate Regeneration and Sustainability**
 - **Energy Efficiency and Reducing Fuel Poverty**

3 FIRE SAFETY

- 3.1 SHG has responded robustly to the Grenfell Towers tragedy with a wholesale review of fire safety within all blocks. An independent review of Building Regulations and Fire Safety has been undertaken by Dame Judith Hackitt. The final report is now with Government for implementation and is expected to "go live" in 2020. SHG are already taking measures which will meet the recommendations of the Hackitt review.
- 3.2 Even prior to the Grenfell tragedy SHG had a strong track record of investment in Fire Safety. SHG holds a comprehensive suite of fire risk assessments for all communal areas and since 2014 implemented type

four intrusive testing regimes to the high rise, medium rise, sheltered scheme and temporary accommodation stock.

- 3.3 Type four assessments involve looking at the fabric of the building, under ceilings and behind walls to identify any hidden voids. One of the key findings of the Lakanal House fire (2009), London in which six people died is that the fire-spread was accelerated due to breaches of compartmentation within the building (hidden voids).
- 3.4 All work identified from type four fire risk assessments to high-rise was completed in 2018/19 and all sheltered schemes have been completed as part of the 2019/20 programme.
- 3.5 A joint approach by SHG and SMBC has been taken to retrofit sprinkler systems across the high rise stock. SHG have carried out wide ranging consultation with Stockport Council, GMFRS, Independent Fire Risk Assessors and Mechanical and Electrical specialists (KGA Partnership). A number of reports were presented to, and endorsed by SHG Board. In 2019/20 a two year programme of installations started and as of February 2020 six high rise blocks have seen their sprinkler installations commissioned and in service. It is anticipated that all tower blocks will have sprinklers fitted by the end 20/21 however this will be subject to ongoing Covid-19 restrictions.

4 ESTATE REGENERATION

- 4.1 In line with the Big Impact approach and in order to achieve value for money and maximise impact, where applicable, works are undertaken on a large scheme basis to avoid a 'pepper pot' approach of repairing singular properties, particularly for external works which helps create efficiencies in delivery and costs.
- 4.2 The Offerton masterplan fully demonstrates the benefits of the big impact approach. The master plan progressed throughout 2019/20 with investment works being delivered in partnership with Three Sixty including roofing, external wall insulation (EWI), cladding, lighting and environmental improvements. In 2019/20 123 properties had works completed as outlined in table one below. These type of works together with wider estate environmental works will continue into 2020/21.

Table one	
WORKS	No. PROPERTIES
Front Door, Roofing, Windows &	10
Front Door & Windows	7
Front Door	1
Front Door, Roofing & Windows	5
Front Door, Roofing & EWI	16

Front Door & Roofing	12
Roofing, Windows & EWI	5
Roofing & EWI	16
Roofing	43
Front Door, Windows & EWI	8
TOTAL	123

4.3 Further examples of this approach include works on the Adswood and Bridgehall estates where 300 properties have benefited from a combination of new roofs, wall and chimney repointing and external render finish.

4.4 Large scale investment has also been started to the Laburnum Way estates on the Edgeley/Cheadle Heath border where external wall insulation, roofing and various environmental improvements will be completed in 20/21.

5 ENVIRONMENTAL IMPACT AND REDUCING FUEL POVERTY

5.1 SHG achieved an ambitious target in 2019/20 to have 92.25% of properties achieve an Energy Performance Certificate (EPC) rating of band C or above.

5.2 An EPC contains information about how energy is used in a home, along with details of how much the energy used actually costs. There are seven bands for these ratings, from A to G with A highest and G lowest, the current national average is Band D.

5.3 The above average EPC rating was achieved by a number of investment projects including: boiler and heating replacement, window replacements and external wall insulation being the most significant.

5.4 One of the most noticeable projects started in 2019/20 relating to energy efficiency was the European Regional Development Fund (ERDF) which is a two year programme and therefore, subject to Covid-19 restrictions, expected to complete in 2020/21.

5.5 The ERDF project is a partnership with GM partners and Procure Plus to access funding. An application has been successful to access £2.4m match funding to implement innovative energy performance measures. Schemes of work have been identified that include;

- External Wall Insulation (291), Photovoltaic Panels and Battery Systems (39) to 60 properties at Albion Close, Edmund Close, Furness Grove, Gresham Walk and Ince Close.
- Ground Source Heat Pumps at The Cloisters and Councillor Lane covering 117 properties
- Air Source Heat Pumps at Romiley Precinct, Offerton, Heaton

Norris, Reddish, Woodley and Birch House covering 124 properties

- 5.6 In 2019/20 SHG have carried out other planned works in conjunction with the ERDF project including re-roofing and rain water systems to support the 'Big Impact' approach of estate regeneration and achieving value for money. This includes the Laburnum Way estate discussed in point 4.4 above.
- 5.7 An illustration of some of the larger projects delivered or commenced in 2019/20 can be found in Appendix 1.

6 BUDGET V EXPENDITURE

- 6.1 The capital investment programme budget for 2019/20 was £20,606,784 and a spend of £19,656,972 was achieved this represents an underspend of £0.95m
- 6.2 The underspend is a result of some complex contracts which were not completed within the year due to difficulties in mobilisation and access issues; these includes high rise lifts, soil and vent pipe renewals at Hollywood Towers and sprinkler installations across the high rise portfolio. The budget underspend was predicted early enough to enable the budget to be rolled over into the 2020/21 programme.
- 6.3 A detailed breakdown of expenditure against budget can be found at Appendix 2.

7 CUSTOMER SATISFACTION WITH INVESTMENT WORKS

- 7.1 During 2019/20 customer satisfaction was 98.7% against a target of 98.7% this figure is based on a return rate of 42.5%
- 7.2 The works that Three Sixty carried in Offerton, which includes; Offerton Masterplan; Adswood roofing and facelift works; flat entrance doors; and canopies resulted in a customer satisfaction rating of 99.3%.
- 7.3 A graph representing customer satisfaction results can be found on Appendix 3.

8 PERFORMANCE INDICATORS

- 8.1 Project Leaders delivering the Capital Programme measure the performance of their contractors with a series of key performance indicators. In addition to customer satisfaction, the results are shown in

the table below:

Capital Programme 19/20 KPI's					
H&S - Site Audits		Right First Time		Customer Satisfaction	
Target	Actual	Target	Actual	Target	Actual
%	%	%	%	%	%
95	99.5	95	96.4	98.7	98.7

- 8.2 Performance has been either on or above target throughout the year. Any issues associated with performance are dealt with proactively by officers at monthly progress meetings.

9 SOCIAL VALUE – B4BOX

- 9.1 As well as delivering projects to improve stock and customers' homes and the environment, the investment programme also seeks to add social value where possible; this is predominantly achieved through the use of the social enterprise contractor B4Box.
- 9.2 As a result of the capital investment programme in 2019/20, B4Box realised the following achievements up to the end of March 2020.

Table 2		
Outcome	Indicator	Number
Employment	Number of People Employed on-site at the End of last Quarter:	61
	Number of Local People Employed at the End of last Quarter:	56
	New Local People Started in last Quarter:	3
Apprenticeships	Number of Apprentices in Training in last Quarter:	16
	Number Apprenticeship Achievements end of year	2
Trainees Qualifications	Number of Trainees working towards Qualifications in last Quarter:	16
	Number of Trainees Achieving	28

	Qualifications at the end of year	
Trainees Work Experience	Number of Trainees on Work Experience Placements in last Quarter:	5
	Work Experience Placements Completed end of year	23
School Pupils	School Children working towards Qualifications in last Quarter:	16
	School Children Achieving Qualifications at the end of year	7

- 9.3 B4Box remains a key partner in SHG's aims to deliver added social value as part of the investment programme in 2020/21 and beyond.

7 CONCLUSION

- 7.1 The 2019/20 Capital Programme was delivered successfully, ensuring that the future sustainability of Council's housing stock is maintained. Customer satisfaction remains high and the programme was delivered to within 4.7% of the budget.

8 RECOMMENDATIONS

- 8.1 That the Stockport Homes Member Committee note and comment on the report.