



Report to:	STOCKPORT HOMES MEMBER COMMITTEE		
	05 July 2021		
Report of:	DIRECTOR OF OPERATIONS		
Contact Officer and contact details	Joe Keating, Head of Assets 07891949487 Joe.keating@stockporthomes.org		
Type of Report	Assurance		
Title of Report:	2020/21 CAPITAL PROGRAMME OUTTURN REPORT		
Purpose of Report:	To highlight the outcomes from the 2020/21 Capital Investment Programme.		
Recommendation(s):	That the Member Committee comment on and note the report.		
Confidentiality	Non Confidential		
Resource Implications	The 2020/21 Capital Programme has been delivered in accordance with the HRA Business Plan and SHG's Asset Management Strategy.		
Impact on Risk Appetite and Risk Register	<p>SHG has a 'minimal' appetite for risk in relation to Reputation, Key Relationships and Decision Making, and so the successful and efficient delivery of the Capital Programme as a high profile activity for customers and stakeholder is vital to ensuring that relationships are maintained or enhanced.</p> <p>SHG also has an 'adverse' appetite for Health & Safety risks for customers and staff, and the Programme has been delivered in consultation with the Health & Safety Team to ensure that it is as safely as possible.</p>		
	Risk Number	Risk Description	Risk Mitigation

	4	SHG is not able to meet the long term stock investment requirements of homes and neighbourhoods	Delivery of a new Asset Management Strategy in 2021 that incorporates the investment priorities for the stock that is managed.
	N/A	The Impact Covid 19 has on the ability to deliver the programme	Officers working closely with other directorates and contractors to ensure all reasonable steps are taken to conduct safe practices on site regards to Covid 19 restrictions.
	N/A	Poorly planned activities result in wasting money	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
Customer Voice		The views of customers are sought throughout the delivery of the Programme, and levels of satisfaction remain high. A recent Customer Scrutiny Review of the process for gathering customer views was undertaken and its anticipated that the recommendations will further enhance the opportunities for customers to provide their views.	

Equality, Diversity & Inclusion implications	Delivering a successful programme will ensure that homes can better meet the needs of all customers, including those with additional needs.
Regulatory compliance	The successful delivery of the Capital Programme is a key mechanism for SHG/Council to ensure that it is meeting its obligations under the Home Standard to provide good quality accommodation that meets the Decent Homes Standard.
Comments of the Stockport Homes Monitoring Group	<p>The Stockport Homes Monitoring Group provided comments relating to the Capital Programme Outturn Report. The comments covered:</p> <p>The Monitoring Group commended the Capital Investment work through 2020/21, recognising that SHG has had to adjust during the pandemic by using alternative methods and materials and despite this, performance continues to be at a very high level.</p> <p>The Monitoring Group welcomed the use of the income generated from income streams such as solar panels to indirectly benefit customers from across Stockport by reinvesting the money into the community via capital investment works.</p> <p>The Monitoring Group particularly commended the sprinkler works in high rise flats and the appointment of a Head of Building Safety and a safety team. They added that this demonstrates an awareness of the importance of keeping customers safe.</p> <p>The Group highlighted that not only does the Capital Programme positively impact from a safety perspective but using and investing in Three Sixty and B4Box provides evidence that there is a level of continuity and accountability that contractors cannot offer.</p> <p>The Group felt that Property MOTs were a great way of maintaining and improving properties and ensuring that tenants feel their homes matter.</p>

1 INTRODUCTION

- 1.1 During 2020/21 the Capital Investment Programme delivered a range of internal and external works to the housing portfolio and the external environment. The programme is developed and delivered by the Assets Team to meet the long-term objectives of the Asset Management Strategy. The programme for 2020/21 was approved by Board on 23rd March 2020. Key points from the programme include:
- Continued business growth for Three Sixty.
 - Social added value through the works delivered by B4Box.
 - Customer satisfaction achieved a year end cumulative figure of 98.7% which is slightly higher than the previous year and in line with the target.
 - Expenditure of £18.483m against a budget of £18.932m.

2 COVID19

- 2.1 The UK has experienced varying levels of disruption of lockdown measures since March 2020 due to the Covid-19 Pandemic. During early 2020 amid the first of the three lockdowns of that year; high-levels of disturbance was experienced with the UK as a whole; coming to terms with and learning how to manage a way through the lockdown status.
- 2.2 The global pandemic disrupted the capital programme delivery to varying degrees including problems in accessing customer's homes, supply chain logistics, higher costs, slower processes due to social distancing and sickness of workforces.
- 2.3 Although Covid-19 disrupted the capital programme the concerted effort of all concerned enabled the vast majority of planned projects to be delivered successfully with a high level of customer satisfaction.

3 CAPITAL PROGRAMME DELIVERY

- 3.1 The Capital Programme is managed by the Asset Team and delivered through a combination of Three Sixty and other external contractors.
- 3.2 SHG have adopted a 'Big Impact' approach which has been in place now for several years. This strategy was endorsed by the Board and is based on development of programmes which create efficiencies in delivery by combining workstreams, providing a larger impact on customers' homes and neighbourhoods.
- 3.3 The 2020/21 Capital Programme continued the main themes which have been the focus for the past few years:
- Customer & Building Safety (Fire)
 - Estate Regeneration
 - Energy Efficiency/Carbon reduction and reducing Fuel Poverty
- 3.4 Examples of the 2020/21 Capital Programme outcomes can be seen in Appendix 1.

4 FIRE SAFETY

- 4.1 SHG has responded robustly to the Grenfell Towers tragedy with a wholesale review of fire safety within all blocks
- 4.2 For several years SHG have had on-going fire risk programmes such as the replacement of fire doors, installation of signage and upgrade of smoke detectors. In addition to these “standard” fire risk programmes in the summer of 2019 works commenced to install sprinkler systems across all 22 high-rise tower blocks.
- 4.3 The sprinkler installation was expected to be completed in March 2021 however, the Covid-19 lockdown will require this programme to be extended and completed in summer 2021.
- 4.4 Due to a small number of residents refusing to have sprinklers installed a mop-up programme has been planned which will ensure in time that all flats within the tower blocks are covered by the sprinkler system.
- 4.5 Within 2021 the Government is expected to implement new legislation relating to building safety, fire safety and compliance.
- 4.6 In preparation for the legislative changes in December 2020 SHG appointed a Head of Building Safety who is responsible for the management of a small building safety team.
- 4.7 In the first instance the Head of Building Safety and the building safety team are working on a 12 months pilot project which started in February 2021. The pilot is concentrating on six tower blocks at Lancashire Hill and Mottram Street.
- 4.8 After the 12 months pilot and in line with the new legislation SHG will have a draft building safety case for Lancashire Hill and Mottram Street tower blocks. Learning from the pilot will then be used to formulate building safety cases for the remaining tower blocks and will help formulate future safety cases for other buildings should they become in scope.
- 4.9 The duties of the safety team and the requirements of the new legislation will form part of a building safety strategy which will be presented to board for approval later in the year.

5 ESTATE REGENERATION

- 5.1 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.
- 5.2 The Offerton Masterplan fully demonstrates the benefits of the big impact approach. The master plan progressed throughout 2020/21 with investment works being delivered in partnership with Three Sixty including roofing, external wall insulation (EWI), cladding, lighting and environmental improvements. In 2020/21 93 properties had works completed as outlined in table one below.
- 5.3 External works to complement the works completed to the homes includes large-scale fencing renewal programmes and further landscaping works planned for 2021/22.

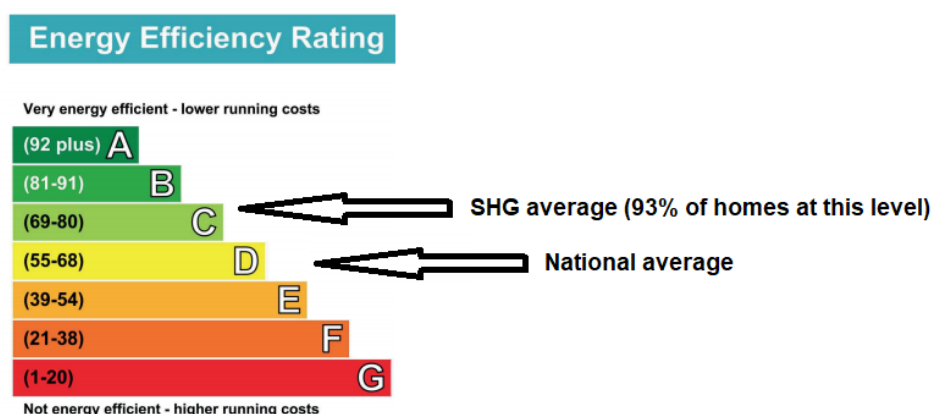
Table 1	WORKS	No. PROPERTIES
	Front Door, Roofing & EWI	11
	Roofing & EWI	45
	Roofing	37
	TOTAL	93

Total number of completed works in the Offerton Masterplan during 2020/21

- 5.4 Big Impact works have also been completed across the Adswold estate during 2020/21. These works include coordinated workstreams including roofing, rooflines, pointing and rendering.
- 5.5 Whilst not funded from the Capital Programme; works which certainly enhance the Capital Programme have been completed in Cheadle Heath. These works are referred to as Property MOT's; this takes a proactive and preventative approach to maintenance. Painting, pointing, cleaning and general "mending" of external components gives an overall improved and enhanced appearance as well as prolonging component life and reducing reactive maintenance.

6 ENERGY EFFICIENCY AND CARBON REDUCTION

- 6.1 SHG have a good record of addressing carbon reduction by investing in energy efficiency measures including high levels of insulation, installation of photovoltaic panels and the installation of Air Source and Ground Source Heat Pumps.
- 6.2 The investment in energy efficient measures has enabled 93% of all SHG managed properties to have an Energy Performance Certificate rating of C or above this is against an internal target of 92.5% and against a national average of EPC rating D.



- 6.3 The most high profile Energy Efficiency programme of the last 12 months is the European Regional Development Funding (ERDF) "Homes as Energy Systems".
- 6.4 Homes as Energy Systems (HaES) is a collaborative working project across the following Greater Manchester partners:
- SHG – Delivery Partner
 - Northwards Housing – Delivery Partner

- Procure Plus – Accountable body and main project lead
 - Salford University – Academic study and reporting
 - Retrofit Works – Specialist in energy efficiency
 - Upside Energy – Specialist in energy monitoring
- 6.5 This project concludes in 2021/22 and is 45% funded from ERDF with around £2.4m coming from this source.
- 6.6 When complete the HaES project will deliver External Wall Insulation (EWI) to 291 properties, Solar PV and batteries to 39 properties and Ground & Air Source Heat pumps to 241 properties.
- 6.7 To align with the Big Impact strategy and to take advantage of scaffolding some other works such as new roofs have also been incorporated into the HaES project.
- 6.8 In addition to work on customers' homes SHG started the installation of Electric Vehicle (EV) Charge Points: 2020/21 was the first of a three-year rollout of EV charge points across the housing portfolio. Officers have worked closely with the Energy Saving Trust to analyse the operational fleet's general movement and daily travel. This resulted in a decision to plan for the transition from Diesel vehicles to EV's starting in 2023. The introduction of EV charge points is to implement a charging network to support this transition.
- Contract Value - £40k
 - Contractor – Pod Point
 - Number of units completed – 5x dual 7kWh charges
- 6.9 Initiatives and plans to address carbon reduction and introduce more energy efficiency measures are being captured in the new SHG Carbon Reduction Strategy which will be presented to board later in the year.

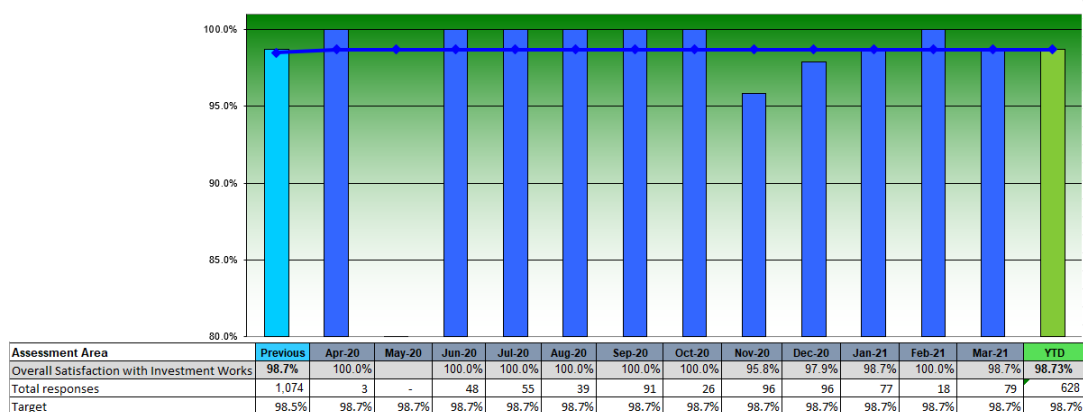
7 FINANCIALS

- 7.1 The Capital Programme budget for 2020/21 was set at £18,932,000 (which includes the £950,000 underspend from 2019/20).
- 7.2 The expenditure during 2020/21 was £18,483,991 resulting in a minor year-end underspend position of £448,009 (2.3%). This is a significant achievement considering the challenges faced in the year due to the pandemic.
- 7.3 The underspend position was mainly due to the impact of Covid19, lockdowns, customer access and slower processes whilst maintaining social distancing.
- 7.4 Appendix 2 highlights the budget spend across each of the workstreams.

8 CUSTOMER SATISFACTION

- 8.1 Customer satisfaction achieved a year to date figure of 98.73% against a target of 98.7% (so slightly above target) based on 628 returns. The following graph highlights the customer satisfaction and response returns on a monthly basis.

Overall Satisfaction with the quality of service during Investment works



9 HEALTH & SAFETY

- 9.1 SHG use an online portal for the management of all health and safety associated documentation with reference to large-scale Capital Programme delivery. The online CDM system is provided by a company called A.I. Solution Ltd and the system has been in place since 2019.
- 9.2 The CDM system allows any number of users to enter project details and upload documents such as risk assessments, method statements, F10 notices and onsite audits.
- 9.3 Through the online portal the Health and Safety Manager systematically runs reports to ensure projects remain compliant and notice is provided one month in advance of any documentation which is due to expire.

10 SOCIAL VALUE

- 10.1 Social value to achieved as part of the delivery of the capital programme and examples of this can be seen in Three Sixty such as:
 - 2x new Apprentice Roofers (improver rate) and 1x just about to complete qualification (within Three Sixty Construction).
 - 3x Apprentices (2x Joiners, 1x Electrician) within Three Sixty Maintenance.
 - 1x Apprentice Administrator role within Three Sixty business support.
 - 73 Three Sixty staff living within SK postcode areas.
- 10.2 Social value is a real focus as strategic goal with reference to B4Box social enterprise delivering projects to improve stock and customers' homes and the environment.
- 10.3 The following table highlights the achievement for social value in the training element of B4Box works. Figures are year to date as of March 2021.

Table 2		
Outcome	Indicator	Number
Employment	Number of People Employed at the End of last Year:	60
	Number of Local People Employed at the End of last Year:	55
	New Local People Started in last Year:	13
Apprenticeships	Number of Apprentices in Training in last Year:	14
	Number Apprenticeship Achievements at the end of Year:	4
Trainees Qualifications	Number of Trainees working towards Qualifications in last Year:	20
	Number of Trainees Achieving Qualifications at the end of Year	15
School Pupils	School Children working towards Qualifications in last Year:	16
	School Children Achieving Qualifications at the end of Year:	8

11. CONCLUSION

- 11.1. The 2020/21 Capital Programme has been delivered successfully despite the challenges presented by Covid-19. This achievement represents 97.7% of the budget being delivered in what is arguably the most globally challenging year in a generation, ensuring that the future sustainability of the Council's housing stock is maintained.
- 11.2. In addition to the substantial allocation of funds a high level of customer satisfaction has been achieved.
- 11.3. The 2020/21 Capital Programme aligned with the Asset Management Strategy with regards to strategic outcomes and funding levels. The 2021/22 budget year is the scheduled period for the review of the Asset Management Strategy and this is expected to be reviewed by Board in December 2021.

12. RECOMMENDATION

- 12.1. That the Member Committee note and comment on the report.