



Report to:	<b>STOCKPORT HOMES MEMBER COMMITTEE</b>		
	01 July 2024		
Report of:	<b>EXECUTIVE DIRECTOR OF OPERATIONS</b>		
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Type of Report	Assurance		
Title of Report:	<b>2023/24 CAPITAL PROGRAMME OUTTURN REPORT</b>		
Purpose of Report:	To provide a summary of the 2023/24 Capital Programme		
Recommendation(s):	That Member Committee note the content of the report.		
Confidentiality	Non Confidential		
Resource Implications	The 2023/24 Capital Programme has been delivered in accordance with the HRA Business Plan and SHG's Asset Management Strategy as agreed by SHG Board		
Impact on Risk Appetite and Risk Register	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.		
	SHG also has an 'averse' appetite for Health & Safety risks for customers and staff and such risks will not be tolerated. The Programme has been developed in consultation with the Health & Safety Team to ensure that it is delivered as safely as possible.		
	Risk Number	Risk Description	Risk Mitigation
1	SHG is not able to deliver the Asset	Delivery of the 23-24 Capital	

		Management Strategy and meet the long-term stock investment / zero carbon requirements of homes, communal areas and neighbourhoods	Programme helps in maintaining the long-term requirements of the stock (owned and managed)
	2	Building Safety Cases are not of sufficient quality to obtain a Building Assessment Certificate from the Building Safety Regulator	The delivery of fire related programmes as part of the 2023/24 capital programme ensures SHG maintains compliance with all Building Safety and Fire Safety requirements.
	3	Health and safety obligations to customers aren't fulfilled, including gas safety, electrical safety, fire safety, legionella, lift safety, asbestos and carbon monoxide	Health and Safety focused projects completed as part of the capital programme, ensure homes are compliant and keep customers safe.
	4	SHG does not deliver excellent customer services in the way that customers require them and does not maintain a strong, positive reputation where stakeholders have trust and confidence in SHG	The continued investment in customers' homes assists with maintaining high customer satisfaction, good quality homes and places where people want to live.

Customer Voice	The views of customers are sought throughout the delivery of the Programme, and levels of satisfaction remain high.
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 to ensure that it is meeting its obligations under the <b>Home Standard</b> to provide good quality accommodation that meets the <b>Decent Homes Standard</b> .

# 1 INTRODUCTION

1.1 During 2023/24, the Capital Investment Programme delivered a range of internal and external works to the housing portfolio and the external environment. The programmes of work were identified and delivered by the Asset Team to meet the long-term objectives of the Asset Management Strategy and provide high quality, sustainable homes for customers.

The Capital Investment Programme for 2023/24 was approved by Board in December 2022, as part of the wider asset management strategy.

. Key points from the programme include:

- Customer satisfaction achieved a year end cumulative figure of 94.4 %
- HRA expenditure of £14.431m against a budget of £15.297m. (See Section 2&6)
- Of the £866k positive variance when comparing budget vs spend, there are some variances in units delivered against originally planned. These are detailed in the relevant sections below.
- Significant social value achieved through the delivery of the programme throughout the year.

## 2 CAPITAL PROGRAMME DELIVERY

2.1 The Capital Investment Programme is managed by the Asset Service Area and delivered through a combination of Three Sixty and external contractors.

2.2 The 2023/24 Capital Programme continued the main themes which have been the focus for the past few years:

- Customer Safety & Building Safety (Compliance)
- Estate Regeneration
- Energy Efficiency/Carbon reduction and reducing Fuel Poverty

2.3 Examples of the 2023/24 Capital Programme outcomes can be seen in Appendix 1.

## 3 FIRE SAFETY

3.1 SHG continued to focus on programmes of work that improve fire safety within blocks. These are procured in consultation with the Building Safety Team, prior to their implementation. Examples of programmes are detailed below.

3.2 During 2023/24, 68 new front entrance fire doors have been fitted to Voewood House by Three Sixty. This completes SHG's front entrance fire door replacement programme, to high rise blocks across the borough.

3.3 Fire Stopping works have continued to high rise blocks at Mottram Street and Hollywood Towers. The works have been undertaken by specialist fire protection contractors, Neo Property Solutions Ltd.

3.4 SHG continue to ensure fire safety remains a primary focus, investing in a Hilti Portal where firestopping can be logged by any contractors undertaking works

in high and medium rise blocks. To date, over 4800 measures of firestopping have been logged. The information recorded includes before and after photos, products used, who carried out the work and a date which can be accessed via a unique QR code.

- 3.5 During 2023/24 the team have undertaken compartmentation upgrades to balcony partitions at Lincoln and Radcliffe Towers, delivered by B4Box.

SHG takes a zero tolerance to no access and refusals when it comes to fire safety. The team have successfully used the Section 239 process to enforce fire safety works via the courts. To date, 3 warrants have been granted and works completed at the properties. All the works have been logged on SHG's Hilti Portal to record compliance. In conjunction with these works, B4Box have also carried out window checks and any necessary repairs.

## **4 ESTATE REGENERATION**

- 4.1 External works completed during 2023/24 include 82 new roofs (73 Planned and 9 Responsive) against the 95 budgeted for at the start of the year. The works also included new fascia boards, soffits, and associated chimney works, which ensures customers' homes are wind and watertight.
- 4.2 In addition to the new roofs, photovoltaic panels (PV) have been installed to 56 new roofs, demonstrating SHG's commitment to carbon reduction and making energy bills cheaper for customers.
- 4.3 Heating upgrades to 547 properties have been installed during 23/24, which is an increase of 114 against the 433 originally budgeted for at the start of the year. This provides customers with new gas boilers and radiators, replacing the existing units that had reached the end of their life. The new systems will provide customers with a more energy efficient system and reduce ongoing maintenance costs.
- 4.4 Communal heating upgrades at York Street were completed in April 2024. The project replaced 227 properties with new HIU's (Heat Interface Units), pipework and radiators within 7 blocks. The HIU gives customers the ability to control the heating within their own flat, and only pay for the energy they use. These works also support ongoing projects to improve the overall energy efficiency of the heat networks.
- 4.5 The communal heating upgrades at York Street were completed in partnership with the government's, Heat Network Energy Scheme. SHG were successful with their bid, which funded up to 49% of the works, circa £1.815m.
- 4.6 The successful delivery of this programme can be measured by the minimal customer refusals and no access across the estate. At completion, only 3 properties are outstanding (1.3%), demonstrating the teams hard work communicating the benefits of the new heating system to customers. The 3 remaining properties will be escalated through the no access and void procedures and delivered by Three Sixty's inhouse heating teams.
- 4.7 The new heat tariff at York Street will be implemented from 1st May 2024. Moving from a fixed weekly charge gives customers more control over their properties heating and how and when they pay for it.

Customers at other sites who have already moved to this metering and payment system have seen up to a 40% saving in their annual heating costs when compared to previous service charging.

This saving is driven by the accuracy of tariff calculation, when compared to blanket service charging, improved efficiencies to the buildings heating system and individual customer efficiencies, reducing actual consumption by around 20%.

All customers across York Street have been notified of the change and the Energy Team are running well attended drop-in sessions to support the customers with this transition.

- 4.8 New communal front and rear doors have been installed to 7 blocks in North Reddish. The project included new rear uPVC doors and new Cloud based Fob Access Control / Door Entry Systems.
- 4.9 The above 23/24 projects, including Roofing and PV, Heating, York Street Communal Heating Upgrades and Communal Front and Rear Doors, were delivered by Three Sixty.
- 4.10 In partnership with B4Box, SHG have undertaken internal improvement works to 10 properties during the year of the 16 which were planned. Works included new kitchens, bathrooms, WC's.
- 4.11 In line with the Asset Management Strategy, the Asset Team are committed to engaging customers to shape capital projects. An example of this is the communal upgrade works to 11 blocks, including Northgate Road and Laburnum Way in Cheadle Heath and Exeter Road in Brinnington. The works undertaken within the communal spaces include, new decoration and flooring, to help make the blocks a pleasant place to live.
- 4.12 With analogue phone lines forecast to be switched off by December 2025, the Investment Team have commenced programmes to upgrade the warden call systems in Sheltered Schemes. After looking at a range of options, Appello UK was chosen as the preferred supplier. Working in conjunction with SHG's maintenance provider Reflex, Sheltered Schemes at Birch Court, Marple and Torkington House in Hazel Grove have received brand new, warden call systems and cloud-based fob access controls.
- 4.13 The Asset team continue to work with ENWL (Electricity Northwest) and their delivery partner Quartzelec to upgrade infrastructure cabling within high-rise blocks. To date, 13 high-rise blocks have benefitted from these works with another 5 either started or in the pipeline.

## **5 STOCK CONDITION SURVEYS**

- 5.1 During 2023/24, the Asset Team procured services to undertake stock condition surveys to all council owned stock. Rapleys LLP were successful in their bid and are currently carrying out surveys throughout the borough. To date Rapleys have completed circa 27% of the stock against a target of 30%.

Rapleys have increased their survey resource to accelerate survey rates. The project is still projecting completion before March 2025.

- 5.2 The Asset Team are periodically undertaking desktop and onsite data validation checks to ensure the accuracy of the data. The team are also assisting with data formatting to ensure the data's smooth transition into SHG's new housing management system.
- 5.3 Improving the asset data through stock condition surveys enables SHG to accurately budget and plan for future investment programmes. This also benefits customers, by ensuring the replacement of key components to their home are correctly assessed and prioritised.

## **6 RAAC SURVEYS (REINFORCED AUTOCLAVED AERATED CONCRETE)**

- 6.1 Following the failure of reinforced autoclaved aerated concrete roofs (RAAC) within schools in the summer of 2023, surveys were extended to other forms of public buildings. Whilst the use of RAAC within social housing is rare, specifically selected archetype blocks were identified for survey.
- 6.2 The Asset Team focused on blocks which have existing flat roofs or have been previously converted from flat to a pitched. Additional areas such as intermediate floors, outbuildings and lift motor rooms were included in the survey scope.
- 6.3 The asset team instructed Rapleys LLP to undertake intrusive surveys to 30 HRA blocks. SHG are happy to report that no RAAC was identified within the inspected areas.

## **7 ENERGY EFFICIENCY AND CARBON REDUCTION**

- 7.1 SHG have a good record of addressing carbon reduction by investing in energy efficiency measures, including electrical heating upgrades, the installation of photovoltaic panels to new roofs and improvements to insulation measures.
- 7.2 The investment in energy efficient measures has enabled 97.5% of all SHG managed properties to have an Energy Performance Certificate rating of C or above.
- 7.3 During 2023/24, the Asset Team have delivered Wave 1 of the Social Housing Decarbonisation Fund (SHDF). SHDF is a consortium project in partnership with the Greater Manchester Combined Authority (GMCA) and the Department of Energy Security & Net Zero (DESNZ). The purpose of the project is to improve dwellings by increasing the energy efficiency (EPC) rating to a Band C or above. This is in line with SHG's Climate Change Strategy and the wider Greater Manchester's carbon reduction targets.
- 7.4 SHDF Wave 1 was completed in 2023/24 with measures being installed at 46 homes, increasing the properties EPC to level C. Measures included replacing old inefficient storage heaters with new high heat retention versions and

installing Solar PV where appropriate. The total project spend was £339k, of which £257k (76%) was funded by the SHDF Scheme.

- 7.5 Following the success of SHDF Wave 1, the Greater Manchester Combined Authority (GMCA) consortium was successful in its bid for further funding (SHDF Wave 2)

The application and procurement for SHDF Wave 2 was completed in 2023/24, with the installation of measures due to be completed by March 2025. At least 76 properties will be targeted with a total spend of circa £900k with up to 45% being funded through the SHDF scheme.

Surveys are ongoing to confirm which measures will be installed.

- 7.6 In June 2023 the Greater Manchester Combined authority (GMCA) were awarded grant funding of £15,000,000, by the Minister of State for the Department for Levelling Up, Housing and Communities (DLUHC) to tackle damp and mould health hazards.

- 7.7 The GMCA created the Social Housing Quality Fund (SHQF) where they distributed grant funding based on successful applications from Greater Manchester Social Housing Providers.

SHG were successful with their bid and were awarded £168k of grant, as part of an overall project budget of £224k. Works included various remedial measures to combat damp and mould and the installation of mechanical ventilation to 899 properties.

## **8 FINANCIALS**

- 8.1 The HRA Capital Programme budget for the year is £15.3m, which incorporates the £2.3m underspend rolled forward from the previous year.

- 8.2 At the end of March 2024, £14.4m has been spent. This gives a year end outturn positive variance position of £866k, which will be carried over into 2024/25.

- 8.3 A further £850k relates to projects that are now expected to span across two financial years, these include Stock Condition Surveys and SHDF Wave 2 Decarbonisation Works, which will be funded from the £866k.

- 8.4 Appendix 2 highlights the budget spend across each of the workstreams.

## **9 CUSTOMER SATISFACTION**

- 9.1 Customer satisfaction achieved a year-to-date figure of 94.69%.

- 9.2 The wider Asset Team have worked hard to increase customer satisfaction return rates during the financial year, receiving 1,054 returns, which is an increase of 348 surveys on the previous year's 706.

- 9.3 Throughout 2023/24 the Senior Programme Officer within the wider Investment Team reviewed the customer satisfaction process, as a way of improving data and making targets more transparent. The collection survey was simplified, and the target setting was removed to ensure that the results being reported were an accurate reflection of the service being delivered.



- 9.4 During 2024/25, the team will continue to work on data collection and further service improvement.

## **10 CUSTOMER ENGAGEMENT**

- 10.1 Throughout 2023/24, the investment team have worked alongside the Customer Engagement Team on several larger projects. The most significant of these was York Street Heating Upgrades.
- 10.2 Due to the changes in the way customers will be charged for their heating (see section 4.7) it was imperative communication was clear and concise. The Customer Engagement Team helped to draft letters and information sheets, which would assist customers with this change.
- 10.3 In September 2023, the Asset, Energy and Customer Engagement Team's held a customer engagement event at York Street, prior to the commencement of the project. The afternoon was a great success, with over 46 households attending. The customers were provided with expert advice and literature about the upcoming project and had any questions answered by colleagues.
- 10.4 The customers were also treated to a 'fish and chip lunch' by a local supplier, which went down well. Following its success, the teams will look to hold similar events for larger investment schemes where applicable.

## **11 HEALTH & SAFETY**

- 11.1 SHG used an online portal for the management of all health and safety associated documentation, with reference to large-scale Capital Programme delivery. The contract for the online portal solution provided by A.I. Solution Ltd, came to an end in February 2024.
- 11.2 In partnership with SHG's Digital Team, the Asset, Development and Health and Safety Teams have developed a Sharepoint portal to collate health and safety documents. The new portal enables the upload and storage of documents such as risk assessments, method statements, F10 notices and onsite audits.
- 11.3 The new portal is visible throughout the business and can be audited if required.
- 11.4 In addition to inspections by the wider Asset Team, additional Health and Safety audits are carried out by the Health and Safety Team on behalf of Three Sixty. 5 audits were carried out with 13 actions identified. Of the 13 actions, all were minor and completed within the year.

## **12 SOCIAL VALUE**

- 12.1 Social value is achieved as part of the delivery of the capital programme. Examples of this can be demonstrated through Three Sixty, shown in the table below:

Outcome	Indicator	Number / %
Apprenticeships	Apprenticeship posts within Three Sixty Construction	1
	Apprenticeship posts within Three Sixty Maintenance.	3
	Apprenticeship posts within Three Sixty M&E.	2
Staff Locations	Percentage of Three Sixty staff live within GM boroughs	88%
	Percentage of Three Sixty staff live within SK postcodes	39%

Table 1. Numbers of Apprenticeships achieved by Three Sixty for 2023/24 and the percentage of staff living in GM boroughs and SK postcodes.

Three Sixty achieved a total of 6 apprenticeships throughout the year. Each apprenticeship generates a value of £2,353, totalling a social value of £14,118 based on the HACT methodology.

12.2 Social value is a real focus and strategic goal for SHG. Examples of this are procuring B4Box social enterprise, to deliver projects which improve stock and customers' homes and the environment.

12.3 The following table highlights the social value achievement on B4Box works, providing training and employment opportunities and are detailed in Table 2.

Outcome	Indicator	Number
Employment	Number of People Employed on-site at the End of Year:	66
	Number of Local People Employed at the End of Year:	63
	Total Local People Employed in the last Year:	79
	New Local People Started in last Year:	19
Trainees Qualifications	Number of Trainees working towards Qualifications in last Year:	50
	Number of Trainees Achieving Qualifications at the end of year:	33
School Pupils	School Children working towards Qualifications in last Year:	31
	School Children Achieving Qualifications at the end of Year:	10

Table 2. The number of employment and training opportunities achieved by B4Box for 2023/24 contract year.

12.4 All employment and training opportunities shown in the table above, were hired as a direct result of SHG contracts, with 63 locally based, bringing over £909,249k of social value to the local community. The contract currently has 43 staff working towards recognised qualifications, generating a further £326,846. This totals £1,236m worth of social value during the 2023/24 financial year.

12.5 SHG also creates social value through Procure Plus. During 2023/24, SHG achieved 10 employment outcomes against an overall spend for the year of £1,451m.

12.6 Of the 10 employment outcomes, 3 are locally based, full time posts and are a direct result of contracts with SHG. The remaining 7 are full time posts based with other providers living within SK postcodes.

## **13 CONCLUSION**

13.1 The 2023/24 Capital Programme has seen most of the capital projects delivered successfully. This represents 94% of the budget being delivered in the year.

13.2 The 2023/24 Capital Programme aligned with the Asset Management Strategy, with regards to strategic outcomes and funding levels.

## **14 RECOMMENDATION**

14.1 That Member Committee to note the content of the report.