

Birmingham City Council

Report to Cabinet Member – Housing and Homelessness

26 April 2024



Subject: Birmingham City Council Housing Investment Programme 2024-25

Report of: Strategic Director – City Housing

Relevant Cabinet Member: Cllr Jayne Francis – Cabinet Member for Housing & Homelessness

Relevant O & S Chair(s): Cllr Mohammed Idrees – Homes, Overview and Scrutiny Committee

Report author: Asha Patel – Interim Head of Repairs
Adele Livesey - Interim Head of Assets
Email: asha.x.patel@birmingham.gov.uk

Are specific wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s): Erdington, Castle Vale, Gravelly Hill, Kingstanding, Perry Common, Pype Hayes, Stockland Green, Aston, Holyhead, Ladywood, Lozells, Bordesley and Highgate, Nechells, Newtown, Soho and Jewellery Quarter, Bordesley Green, Heartlands, North Edgbaston, Balsall Heath West, Alum Rock, Bromford and Hodge Hill, Glebe Farm and Tile Cross, Shard End, Small Heath, Ward End, Edgbaston, Harborne, Quinton, Weoley and Selly Oak, Allens Cross, Bournville and Cotteridge, Frankley Great Park, Kings Norton North, Kings Norton South, Longbridge and West Heath, Northfield, Rubery and Rednal, Weoley and Selly Oak		
Is this a key decision?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, add Forward Plan Reference:		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential :		

1 Executive Summary

- 1.1 This report sets out the planned Housing Investment Programme for 2024/2025 aligned to Asset Management Strategy and HRA Business Plan approved by Cabinet at its meeting of 16th January 2024. Future years programmes will be developed over the next 6 months and submitted to future meetings through the council's normal governance process.
- 1.2 The Council has developed a robust and comprehensive Asset Management Strategy as a corporate priority and as part of the recovery following intervention and the regulatory breach. The strategy sets out how investment will be prioritised and where and how expenditure will be directed.
- 1.3 The Asset Management Strategy 2024-2029 will be delivered with our core vision in mind; for residents to live in warm, safe and sustainable homes.

2 Recommendations

That the Cabinet Member:

- 2.1 Approves the planned investment allocation across the various elements and;
- 2.2 Authorises officers to continue the delivery of this programme through the approved interim contract with the City's two incumbent contractors for Responsive Repair & Maintenance Services, Gas Servicing and Capital Improvement Work Programmes (Equans and Fortem).

3 Background

- 3.1 The City Council currently owns and manages a portfolio of approximately 58,000 residential properties excluding leaseholders. A high proportion of our stock is non-traditionally built homes and the average age of our properties is approaching 70 years.
- 3.2 To safeguard the condition/asset value of our stock achieved through previous capital investment programmes, all future investment programmes will be collated based on stock condition data, component life and a RAG rated approach around a number of criteria such as;
 - No of properties with high repairs
 - Properties suffering with damp and mould
 - Properties with disrepair cases
- 3.3 The capital budget from the HRA Business Plan for 2024-25 is £215m for all investment works including compliance, components & adaptations. The works will be allocated to the current incumbent service providers in accordance with the scope of the interim contracts 2024-2026 which were also approved at cabinet on 16th January 2024 and reported to capital board at its meeting on 30th January 2024. The revenue budget for the repairs service in its entirety is £97.9m.

- 3.4 The 2024-25 capital Investment Programme budget allocation is projected to achieve 100% budget spend. Further details are set out in the table below. The table clearly shows the increase in investment compared to the previous year and the additional areas in which our stock will be improved going forward.
- 3.5 There are some lines which differ from previous years, this is due to refinement in our data and incorporation of similar types of work. The volumes shown are indicative and can change through the year based on customer access, contractor resource and other economic and external factors. The baseline level of investment in our stock remains as reported and approved within the HRA Business Plan.

	2023/24 £m	No Dwellings / Flats	2024/25 £m	No Dwellings / Flats
Major Improvements				
Energy Efficiency (SHDF combined)	0	300	34,368,094	1,400
Retrofit Programme	10,160,000	200	Included in above	
Structural Investigations	750,000		Incorp into LPS/Struct	
Windows	4,000,000	2,909	8,744,890	1,108
Front Doors Secure by Design	6,350,000	4233	4,290,569	2,041
LPS / Structural Works – High-rise and Low-rise	9,482,000	120	34,241,613	886 (12 blocks)
Kitchens and Bathrooms	6,500,000	1083	42,650,884	6,474
Roofing	500000	63	5,077,133	380
Communal Decorations	1,000,000	2	8,935,274	12 blocks
Adaptations – Council Tenants	4,000,000	N/A	5,125,000	
Central Heating	7,000,000	3,500	16,290,596	5,192
Compliance				
High Rise Fire Risk Management Works	12,540,000	400	Incorp into LPS/Struct	
Lift Refurbishments	1,500,000		2,774,688	
Electrical programmes	5,950,000	11,900	3,128,447	
DDA and Door Entry	1,890,000	151	850,000	
Fire Suppression Systems (Sprinklers)	0	0	2,100,000	
Legionella	800000		1,437,500	
Lighting Column	1,000,000		500,000	
Other Allocations - Capital Works				
District Environmental Works	800,000		514,850	
Garages			792,402	

SCS & EPCs			1,560,000	
Damp & Mould			768,750	
Disrepair & Litigation			768,750	
Voids Capital Works			11,941,250	
Carry Over / Major Improvements			24,334,461	
Other Capital Works			4,337,849	
Concierge / Caretaker Rooms	300,000		Incorporated into above	
Total Housing Investment Programme	74,522,000		215,533,000	

3.6 There are many wards which will benefit from the investment, the following are where the initial investment for 2024-25 will be targeted across each contract area. As this is the initial programme, not all wards will benefit initially, but over the 7-year period all wards will.

Contract Area	Contract Area	Contract Area
North/ West Central	East	South
Erdington	Balsall Heath West	Edgbaston
Castle Vale	Alum Rock	Harborne
Gravelly Hill	Bordesley & Highgate	North Edgbaston
Kingstanding	Bordesley Green	Quinton
Perry Common	Bromford & Hodge Hill	Weoley & Selly Oak
Pype Hayes	Glebe Farm & Tile Cross	Ladywood
Stockland Green	Heartlands	Allens Cross
Aston	Shard End	Bournville & Cotteridge
Holyhead	Small Heath	Frankley Great Park
Ladywood	Ward End	King's Norton North
Lozells		King's Norton South
Bordesley & Highgate		Longbridge & West Heath
Nechells		Northfield
Newtown		Rubery & Rednal
Soho & Jewellery Quarter		Weoley & Selly Oak
Bordesley Green		Ladywood
Heartlands		
North Edgbaston		

4 Options considered and Recommended Proposal

4.1 Not applicable in this report.

5 Consultation

5.1 As planned works are set up, the contractors and officer will continue to work with residents, housing management teams and elected members in relation to all investment projects. Tenant Management Organisations (TMOs) and Leaseholders will be consulted prior to works being undertaken in accordance with the terms of Modular Management Agreement (MMAs) / leases respectively.

6 Risk Management

6.1 As our contractors mobilise to these significant levels of activity, we will continue to monitor delivery very closely as there is a risk that, in the first year of operation, we may not achieve the expected delivery. From a risk mitigation perspective, as this is a continuous programme, any underspend will be carried forward into the new financial year.

6.2 Progress of the delivery of the investment programmes will be monitored via the regular quarterly updates to capital board and business as usual processes.

7 Compliance Issues:

7.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?

7.1.1 The recommended decision is consistent with the Council's approved Asset Management Strategy 2023-2028.

7.2 Legal Implications

7.2.1 The proposed allocation of work is consistent with the effective management of the Council's housing stock under Part II Housing Act 1985.

7.2.2 The interim contracts for the Provision of Responsive Repairs & Maintenance Services, Gas Servicing and Capital Improvement Work Programmes (including Major Adaptations to Council Housing Stock) commence on 1st April 2024 and expire on 31st March 2026.

7.3 Financial Implications

7.3.1 The total investment allocation for the year 2024-25 in the HRA Business Plan is £215m, the budget detailed in this paper has been planned to be in line with that funded allocation in order to maximise decency improvements within the limited revenue resources available to finance the borrowing for this capital investment.

- 7.3.2 Any underspend against this programme will be cycled back into strategic planning and used to increase borrowing capacity to increase supply of housing, while any slippage against this programme will be used to bring forward borrowing capacity to accelerate supply of housing, allowing Repairs borrowing to increase in the future to catch up with the planned programme.
- 7.3.3 Overspend or over delivery against this programme will impact on the HRA's capacity to finance the borrowing to fund this, which creates a risk due to limited revenue funding in year. This risk will be closely monitored throughout the year, with monthly monitoring between the service and Finance, and quarterly budget reports to Cabinet.

7.4 Procurement Implications (if required)

- 7.4.1 The interim contract for Provision of Responsive Repairs & Maintenance Services, Gas Servicing and Capital Improvement Work Programmes (including Major Adaptations to Council Housing Stock) was approved by Cabinet at its meeting on 16th January 2024 and is fully compliant with procurement regulations.

7.5 Human Resources Implications (if required)

- 7.5.1 None

7.6 Public Sector Equality Duty

- 7.6.1 In relation to the recommendations set out in this report, due regard has been paid to the requirements of the Equality Act 2010 and an Equality Assessment was carried out and approved by Cabinet at its meeting of 16th January 2024.

8 Environment Sustainability Assessment

- 8.1 The Environmental and Sustainability Assessment carried out and approved by Cabinet at its meeting of 16th January 2024 applies.

9 Background Documents

HRA Business Plan and Rent Setting 2024-25

Asset Management Strategy

Appendices:

None