

# Housing Investment Plan (HIP) – 2019/20

**See also HIP spreadsheet appendix A3**

## **Introduction**

This report and the accompanying appendix sets out the capital and revenue budget for investment in our homes for 2019/20, and includes a view of the requirement over the following 4 years for information. There is also a list of key procurement projects that will be needed to deliver the programme.

Assumptions are held in the HRA Business Plan (in the 30 year HIP) around future investment requirements to meet the replacement dates and condition needs of our homes. The repair and improvement of existing homes is planned using comprehensive house condition and energy performance data, building element life-cycles and accurate costings. Investment planning aims to ensure repairs and replacement of key building elements is undertaken in a timely way so homes continue to meet the government's Decent Homes Standard. (currently more than 95% of our homes meet this standard). The plan also focusses spend on tenants' priorities such as affordable warmth, kitchens, and health and safety.

### **Key points to note:**

1] This programme is entirely funded from the ring fenced HRA, and will from now on show a rolling 5 year outlook based on stock condition and planned projects. The budget proposal for the coming year, is for delivery of this ongoing investment plan. Each year this report will bring the new five year rolling programme.

2] We are reviewing our budget assumptions within the HRA 30 year HIP for future investment needs and contingencies. We will also be doing more proactive structural assessments of our blocks and assessing asset performance, appraising options to inform future investment and estate regeneration priorities. Our active asset management approach will also include evidence based modelling to assess the performance of our assets (turnover, lettable, meeting current and future housing need, investment needs and opportunities for development). We will assess the best use of non-housing assets for housing development, generating an income for housing, or meeting other local community needs.

3] Our approach to delivery of the rolling programme needs to change to ensure we are able to flexibly resource, plan, and respond to challenges that often prevent timely delivery (leading to underspends). The requirements for this are:

- Delivery focussed on using in-house construction surveying and engineering skilled staff resources, with a single delegated authority and flexibility to recruit within HRA budget, and to resource and skill the teams as required, including increasing internal workforce where this is within the approved budgets.

- To support this with authority for using external architectural, design, consultant surveying and agency staff.
- A single approval to the procurement programme by CPG (this will be compliant with procurement regulations and the Council's procurement regulations and delegated authorities).
- A clear consistent and agile procurement and legal support service that enables a more robust approach to procurement outcomes with contractors delivering good value and service to our tenants.

4) New Build Programme: This is a rolling programme with each of the project duration running over different financial years, The budget for 2019/20 covers phase 3 of the programme, which includes the completion of Richeson Close, Broomhill EPH, Guildford Road, Monsdale Close, the start of the Alderman Construction phase £21m over the period 2019 – 2021 and will see 53 new council homes and 80 market sale new homes built, and we are due to receive a income for the sale of the market homes of £18m and the commencement of Phase 4 of the programme at St Peters, Coombe, Oakhanger, Capel, Littlemead and Brunel Ford

With the removal of the borrowing cap on local authorities, it has meant a larger and quicker development programme can be enabled. Phase 4 of the programme of the continuing New Build Programme, will commence in 2019 and will be included in the future years budget requirements and include, Brentry House, Greville, Branwhite, Kingswear Road , Bonnington Walk, Gaywood House and Florence Brown sites. Further or additional sites may also become available during this phase and could replace or add to the phase 4 Programme.

### **2019/2020 budget**

Capital / Revenue	2018/2019 Budget	2019/2020 HIP assumptions	<b>2019 / 2020 Budget</b>
Capital	£39,544,000	£61,667,747	£51,832,242
Revenue	£32,092,199	£33,035,877	£30,614,046
<b>Total</b>	<b>£71,636,199</b>	<b>£94,703,474</b>	<b>£82,446,288</b>

### **Procurement Summary – 2019/2020**

Much of the Capital and Revenue investment programme is via our in house workforce or existing contracts and frameworks previously approved. Over the coming years some will expire or new contracts will need to be procured to continue to deliver the works programmes arising from the agreed CRIP. The table below provides a summary of the required main procurement activity during the year. The request is for Cabinet to delegate authority to the Service Director to approve these procurement projects as they are prepared to go to tender, and in line with the Councils approval process via CPG and delegated levels of authority. The reports for approval will include costs and timescales, and an Equalities Impact Assessment and ECO assessment will be undertaken and included for each major procurement project.

## **Principles of Housing Repairs and Maintenance procurement and delivery strategy**

1. Co-ordinating works that go together; and sequencing works to prevent waste and disruption
2. Reviewing / standardising product and material specifications based on good practice, market engagement, tenant engagement and lessons learned, - and to prevent maintenance costs ( reducing spares on vans, van sizes, travelling to stores).
3. strategic decision-making around supply and fit verses labour only contracts with materials purchased directly where this can bring savings and standardisation
4. Best use of in-house workforce, supported by external contractors
5. Strategic advantage optimised around when to use internal workforce alongside external contractors for the same works programmes.
6. Good customer standards built into contracts and for the internal teams
7. Strategy to mitigate risk of contractors entering administration
8. Maximising opportunities for Social value contributions
9. Governance of our approach through Project Boards and the planned programme portfolio board.

### Value for money will be achieved by:

- a. Selecting appropriate procurement route to ensure competent contractors can apply and are selected, and the length of contract to ensure contractor commitment and a competitive price.
- b. Using fit for purpose contract documentation prepared with legal services.
- c. Involving tenants in setting standards of customer care and in contractor selection process as an advisory panel
- d. Nominated contract managers accountable for managing the quality and delivery of the contract once let, and engaging tenants in core group meetings.
- e. Select contractors who will have the resources and appropriately skilled workforce to undertake the works, supporting our aims of right first time and increasing customer satisfaction

Opportunities will be proactively explored for each contract type to include for the provision of apprentices working in partnership with On-Site Bristol, where possible. The Council will encourage the successful contractors to use local labour, social value being part of the quality assessment process.

The procurement approach for each programme will follow the council's agreed Procurement approval processes including reporting to Commissioning and Procurement Group (CPG).

Budget / Service	Duration	Estimated Annual contract sum	Notes
<b>Response Repairs contracts</b>			
Scaffolding	4 years	£100,000	Void and response maintenance have a requirement for internal teams to use scaffolds and surveyors to carry out investigation works .
<b>M&amp;E contracts</b>			
Communal Rewiring	2019/2020	£450,000	Redwood and Willow House Rewires
Domestic Testing	5 years	£300,000	1200 tests a year
Fire Alarm Testing	5 years	£78,950	Expires June 2020. Procurement process to start 19/20
Smoke Vents Servicing & Maint	5 years	£13,000	Expires June 2020. Procurement process to start 19/20
TV Maint	2 years	£65,000	Expires July 2020. Procurement process to start 19/20
Lift Refurbishment	2019/2020	£990,000	Winterstoke, Whitemead and Southbow House. This will be via open tender as a single project. Lifts are at end of life requiring replacement. They are hard to maintain and find replacement parts for.
Underground Mains	2019/2020	£70,000	Callington Road underground water mains
Boiler and Plant	2019/2020	£75,000	Winterstoke House Boilers
Boiler and Plant	2019/2020	£40,000	Patterson HWS cylinders
Door Entry, Access	2019/2020	£90,000	Barton Hill sites, Gate reversals to due vandalism
Laundry refurbishment	2019/2020	£200,000	Juniper Court, The Brambles, Jim O Neil House, Hilton Court, Arncliffe, Moorgrove House, Henacre Road, Playford Gardens, Henbury Court, Rossitor Wood Court
Sprinkler Pilot	2019/2020	£300,000	Individual flats and / or whole block sprinkler system pilot
<b>Planned Programmes</b>			
Fire Safety Works –	1 Year programme via individual tenders, (internal workforce installing fire doors made by joinery shop).	957,500	Compartmentation works to 998 Flats within low rise blocks at Carrick Hs, Hillsborough, Clifton Vale Close, Wellington Terrace, Downview Flats, Priors Hill, Gatcombe, Hareclive, Acresbush, Cornleaze, Greenditch, Burlington Ct, Cotham Rd, Trinity Lodge, Aberdeen Rd, Henbury Ct, Vincent Cl, Rossitor Wood, Westcott, Whartons, Adams Hay, Overton, Brocks, Ledbury Rd, Staple Hill, Malago Rd. Tenders to FIRAS accredited companies who can certify works.
Insulation Works	1 Year extension option to be	£149,500	1 Year extension option to be requested for the CWI & LI Framework, with view to commence work on new framework 2019 to

Budget / Service	Duration	Estimated Annual contract sum	Notes
	requested for the CWI & LI Framework, with view to commence work on new framework 2019 to commence 2020		commence 2020
Roof Replacement	3 + 1	£1,200,000	Pitched Roof Framework expires 2020. Therefore either an extension will be requested or work commence to set up a procurement exercise in 2019 to renew in readiness for 2020
Cyclical External maintenance (houses and low rise blocks)	1 year extension option to current framework with view to commence work on a new 4 year Framework during 2019 to start 2020.	£3,471,300	2208 units/properties on the 18/19 programme 955 houses @ est ave 1.5K each = £1,432,500 756 housetype flats @ est ave 1.2K each = £907,200 533 units in 3 storey flats @ est ave 1.K = £533,000 Mini Tender for works at Hillsborough Flats, Apsley Rd, Greenditch Ave, Bentry Lodge & Derham Rd. Combined Works To Be Tendered Under Lot 3 Of Ext Maint Framework 89 dwellings @ est 2.75K each = £244,750
<b>Works to blocks</b>			
Block Refurbishment - Framework	3 to 4 years	£5m to £7m	To cover works to all high rise blocks against the ten year maintenance and refurbishment programme. (below projects are tendered individually until the framework is in place).
Ext Maint & Repairs (via open tenders)	Tendered via existing frameworks, or open tenders. Each project lasts 3 to 6 months on average	£3,821,250	Planned works to blocks – Callington Road blocks – Brocks, Overton, Wharton, Adams Hay, Bowmead, Canynge House, Vincent Close, Tyndall House, Haviland House, Carrick House, Langton House, Roegate, John Cozens <i>Other blocks may be substituted as priorities emerge</i>
Major Refurbishments	Projects last 6 months to 2 years each. Each tendered individually or in	£6,750,000	Priority blocks at this stage.. Spencer & Norton Chalcroft Gaywood Polden Walwyn Eccleston

Budget / Service	Duration	Estimated Annual contract sum	Notes
	batches.		Hayleigh, Middleford, Millmead Butler, Castlegate, Moorfields Other blocks may be substituted as priorities emerge , particularly blocks requiring cladding repairs in relation to fire safety
Window Servicing	4 years	£150,000	5 year programme completed in 18/19 and needs to restart in 19/20. Generally 9 blocks per year.
<b>New Build</b>			
New builds	Various (Normally 1-3 years in duration)	Various (all estimated to be over £500k)	<p>Priority sites for phase 4 of the rolling new build programme are –</p> <p>St Peters EPH(estimated value £5m for 32 new council homes),</p> <p>Florence Brown(estimated value £12m for 32 new council homes and 32 private sale homes, which will produce an income to the HRA estimated at £8m),</p> <p>Conversion Projects (These are small one off project at around £15 – 25k each and there are 50 proposed over next 4 years),</p> <p>Coombe EPH (estimated value £2.8m for 16 new council homes),</p> <p>Greville EPH (estimated value £6m for 32 new council homes),</p> <p>Brentry EPH (estimated value £7m for 37 new council homes),</p> <p>Brunel Ford Site, Horfield(estimated value £4m for 23 new council homes),</p> <p>Kingswear (estimated value £9m for 24 new council homes and 24 private sale homes, which will produce an income to the HRA estimated at £5.5m),,</p> <p>Capel Rd site/ Oakhanger and Littlemead sites in Lawrence Weston(estimated value £9.5m for 53 new council homes),</p> <p>Branwhite(estimated value £5.7m for 34 new council homes),</p> <p>Bonnington Walk(estimated value £38m for 82 new council homes and 122 private sale homes, which will produce an income to the HRA estimated at £30m),</p> <p>Gaywood House(estimated value £3.5m for 20 new council homes),</p> <p>The number of units and actual costs are estimates currently based on an option</p>

Budget / Service	Duration	Estimated Annual contract sum	Notes
			<p>appraisal of each site, as the schemes are developed, planning consent obtained and each scheme procured the final costs will be known and approval sought from the service Director Homes and Landlord Service to proceed to the construction phase as per the agrees new build process</p> <p>Other sites may be substituted as priorities emerge and as these sites are subject to further feasibility studies, surveys and seeking planning consent and we will be looking to commence phase 5 of the rolling programme over the next financial years 20/21 – 22/23</p> <p>The types of procurement will vary for each project and will include both Consultant appointments and Construction Procurement.</p> <p>(CPG approval has been obtained for the procurement of the various options for each of the Phase 4 of the programme) The result of which we are using the Scape Framework for the mixed tenure schemes and the Southern construction framework and the Procurement Hub framework for the rest of phase 4 projects.</p>
<b>Other</b>			
Adaptations	3 + 1 years	£5m per year	Investment in disabled adaptations to HRA and private sector homes. The current contract expires March 2020 – early work to start on new tendering process.
Contracts / framework mini tenders for use of surveying /engineering and design consultants	Ad hoc	Various amounts up to £100,000	To assist in house teams with specialist skills and options appraisal expertise across plant, assets, blocks, depots and estates to inform, specify and manage works programmes and projects.
ICT improvement projects	Ad hoc	Various amounts	Procurement of ICT improvement products for housing management systems
Joinery shop removals projects, and depot building improvement alternations works	Ad hoc tenders for various works and removals up to approx. £450,000	Various amounts up to £450,000	Tenders and quotes around moving joinery shop plant, alterations and improvements to buildings at depot locations.