

**WAVERLEY BOROUGH COUNCIL**

**EXECUTIVE – 9 APRIL 2013**

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**Title:**

**MAJOR STRUCTURAL AND ADAPTATION WORKS 2013/14**

**[Portfolio Holder: Cllr Keith Webster]**

**[Wards Affected: All]**

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**Note pursuant to Section 100B(5) of the Local Government Act 1972**

The annexe to this report contains exempt information by virtue of which the public is likely to be excluded during the item to which the report relates, as specified in Paragraphs 1 and 3 of Part I of Schedule 12A to the Local Government Act 1972, namely:-

Information relating to any individual; and

Information relating to the financial or business affairs of any particular person (including the authority holding that information)

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**Summary and purpose:**

The purpose of this report is to seek approval to undertake structural and adaptation works required to 24 properties. The total cost of the works is estimated to be £594,000. The works will be funded from the 2013-14 HRA Capital Works Programme.

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**How this report relates to the Council's Corporate Priorities:**

The report relates to three of the Council's corporate priorities:

- Value for Money, ensure our actions are customer focused and provide tenants with value for money.
- Affordable Housing, invest in our housing stock and achieve the Decent Homes standard.
- Understanding Residents Needs – ensure our services are designed to meet people's needs.

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**Financial Implications:**

The 2013/14 HRA capital programme includes a budget of £800,000 for major structural works and £540,000 for adaptation works and additional slippage is requested from 2012/13 which, if approved, will increase these budgets in 2013/14.

At the time that the budget was set, specific programmes of works were not presented to Members and it is usually the case that detailed spending proposals only emerge during the year as needs are identified. This report seeks approval to spend part of the 2013/14 budget with proposals totalling £594,000. In future, specific approvals may also be sought via the month budget management reports to Executive.

In some cases it will be prudent to undertake kitchen and bathroom works at the same time as carrying out the structural or adaptation works. Where this is the case, it is indicated in Exempt Annexe 1 where these costs are included in the 'cost of works' figure. This will create further capacity in the kitchen and bathroom budgets.

### **Legal Implications:**

The Council has statutory and contractual responsibilities to maintain and repair its property assets to defined standards. In contractual terms this includes responsibilities on the frequency of maintenance work and the recommended planned maintenance programmes should be implemented.

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### **Introduction**

1. Major structural and adaptation works have been identified in the properties listed in Exempt Annexe 1.
2. Officers considered if the proposed reinvestment for each property was appropriate and cost-effective by using a decision making model which considered three criteria:
  - i. Financial
  - ii. Demand (housing need)
  - iii. Redevelopment potential
3. Two potential options were considered for each property
  - i. Reinvestment
  - ii. Housing Delivery Board to consider disposal/ redevelopment

#### **4. Details of the Assessment Criteria**

##### **(i) Financial**

In Exempt Annexe 1, column K shows the estimated long term cost over thirty years including the repairs requested for approval in this report. These costs were considered in relation to the total income potential from that property over 30 years. A traffic light system was used to identify if the reinvestment was financially feasible.

- i. Total costs equalling or under 33% of total income – green
- ii. Costs equalling 34% - 66% of income – amber
- iii. Costs equalling 66% plus of income – red

Column L (Annexe 1) shows that all properties are Green for this criteria (repairs cost less than 34% of projected income)

## (ii) Demand

The Housing Options Team assessed each property (using data from the Housing Waiting List) by giving a score out of 5.

- 1-3 high demand – green
- 4 medium demand – amber
- 5 low demand – red

Column M (Annexe 1). All the properties were given a green light (properties in demand and meet housing need).

## (iii) Redevelopment Potential

The Housing Development Officer rated the development potential of each property/site by the following categories:

- i. Redevelopment potential
- ii. Limited potential
- iii. Negligible

18 properties were given a negligible development potential rating and 6 were given a referral (to the Housing Delivery Board) rating.

## **Conclusion**

5. Taking into account the three criteria, officers conclude that the identified reinvestment is appropriate and cost-effective for 18 of the properties and these works are recommended for approval (green in column R) as the development potential is negligible.
6. For the remaining 6 properties (amber in column S) it is recommended that the identified works are undertaken subject to the Housing Delivery Board being satisfied that it is cost-effective to do so, given that these properties have some degree of development potential.

## **Recommendation**

It is recommended that approval be given to:

1. the major works to the 18 properties identified in the green column R on (Exempt) Annexe 1, to be funded from the budget provision for 2013/14; and
2. the major works to be undertaken for the remaining 6 properties (amber column S) subject to the Housing Delivery Board being satisfied that it is cost-effective to do so, given these properties' development potential.

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## **Background Papers**

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

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