

WAVERLEY BOROUGH COUNCIL

EXECUTIVE

8 OCTOBER 2018

Title:

**DELIVERY OF THE HOUSING CAPITAL AND CYCLICAL WORKS PROGRAMME
FROM 2019-20**

**[Portfolio Holder: Cllr Carole King]
[Wards Affected: All]**

Summary and purpose:

The housing capital and cyclical works programme is currently delivered by five officers within the planned works team. There is a need to recruit an additional four officers to make sure the housing capital and cyclical works programme from the financial year 2019-20 onwards is fully delivered within the required timescale and budget.

This report seeks approval to increase the planned works team within the Housing Service by four officers. This will mean the team comprising a total of nine officers.

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

The report supports the following corporate priorities: People, Place and Prosperity.

Equality and Diversity Implications:

None at this stage.

Financial Implications:

The financial cost of these four additional staff is estimated as £160K. This figure includes salary, national insurance and pension costs and lifts the cost of the team to an estimated £390K. To execute an estimated programme of £4,130,000, this figure would represent fee levels of 9.4% which reflects a market rate for a service that requires high levels of pre-inspection, specification and customer involvement and engagement.

Currently the HRA working balance totals £5.2million (as at the 31 March 2018) against an approved minimum of £2million. Although initially the extra cost can be accommodated within working balances, the growth will need to be built into the HRA Business Plan. The Business Plan will be realigned during the budget setting process to recognise the increase to rents from 2020-21 for a five year period.

Legal Implications:

There are no legal implications.

1. Background

- 1.1 The planned works team oversees capital work programmes that maintain and improve council housing homes. The team also oversees cyclical work programmes to council housing homes such as external redecorations that are carried out over an agreed cyclical period. The planned works team is scheduled to deliver a programme of approximately £3.6 million within the current financial year 2018-19.
- 1.2 There has been an underspend in allocated budget within planned works in recent years as resourcing levels have been insufficient.
- 1.3 In March 2018, the Value for Money and Customer Services Overview and Scrutiny Committee produced a report, following their review of the process and management of capital expenditure. This report included the following recommendations that are relevant to the need to increase human resources within the planned works team:
 - 1.3.1 The ownership of projects concerning property needs to be clearly defined to ensure clear lines of responsibility.
 - 1.3.2 Officer resource needs to be properly measured and factored when agreeing projects to ensure both delivery on projects and day to day work is covered. A time based resource plan including milestones would enable easier identification of a potential strain on resources.
- 1.4 In July 2018, an interim review of the Housing Revenue Account (HRA) Asset Management Strategy 2015-20 was undertaken. One of the strategic objectives within the strategy is to 'maximise the councils assets, minimise liabilities and develop a capital programme that meets tenants' aspirations'. This objective has only been partially achieved due to the rent reduction of 1% per annum (from April 2016). This has meant the council has prioritised investment in the basic maintenance of homes and clearing the backlog of day to day responsive repairs.
- 1.5 The partial achievement of the above objective within the HRA Asset Management Strategy 2015-20 has potentially impacted on tenant satisfaction with the quality of their home. This is reflected in the survey of tenants and residents (STAR) that was carried out in 2017 and showed a static satisfaction level of 79%.
- 1.6 Increasing officer numbers within the planned works team will mean a more effective project management of capital and cyclical programmes and ensure there is no under spend in the budget allocated. This in turn will enable the housing service to further invest in the council stock, thereby reducing the time and expenditure on day to day, responsive repairs. Such an expansion in officer numbers is likely to result in an increase in tenant satisfaction with the quality of their home.

2. The proposed operation of the planned works team

- 2.1 The new rent standard that is currently subject to consultation is intended to permit registered providers to increase their rents by up to the Consumer Price Index (CPI) plus 1% each year for a period of at least five years from 2020 onwards. This in turn will result in an increase in the capital and cyclical programme in future years. This will allow the housing service to catch up on the capital and cyclical programmes frozen due to the rent reduction of 1% per annum from April 2016.

2.2 The table below summarises the work and resources required to deliver the draft housing capital and cyclical programme for 2019-20:

Proposed capital and cyclical programme	Estimated expenditure	Officer requirement (FTE)
Planned repairs and painting to common areas	£80,000	0.5
Planned maintenance to garages	£30,000	0.5
External repairs and decoration	£850,000	1.0
Kitchens and bathrooms	£1,150,000	1.0
Roofs	£375,000	0.5
Structural works	£160,000	0.5
Window and doors replacements	£555,000	1
Insulation	£60,000	0.5
Improvements and conversions	£100,000	1
Garage upgrade and reprovision	£140,000	0.5
Internal remodelling	£280,000	0.4
Communal flooring	£50,000	0.3
External cladding, tile hanging and other	£300,000	0.3
Tenant liaison and project co-ordination		1.0
Total	£4,130,000	9

2.3 The proposed structure, annual cost and functions of team members is shown in the table below:

Officer title	Current position	Annual Cost*¹	Role function
Stock Investment Manager	Permanent officer	£59,733	Oversees the planned works team
Senior Surveyor	New post	£46,921	Delivery of more complex higher value capital works
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Surveyor	Permanent officer	£46,513	Delivers the capital and cyclical programme
Surveyor	Agency cover	£45,263	Delivers the capital and cyclical programme
Surveyor	Vacancy	£41,514	Delivers the capital and cyclical programme
Clerk of Works	Agency cover	£36,600	Cost analysis and scrutiny of the capital and cyclical programme
Tenant Liaison Officer	New post	£36,600	Customer engagement
Project Co-ordinator	New post	£28,180	Provides administrative support to the planned works team
Total annual salary cost		£388,245	

¹ Incorporates salary, National Insurance and pension contributions.

2.4 The annual salary costs will equate to 9.4% of the total estimated expenditure for the capital and cyclical programme in 2019-20. This equates to an increase in salary costs of approximately £160,000 per annum when increasing the structure within the planned works team from five to nine officers. However the increased level of expenditure from £3.6 million in 2018-19 to £4.1 million in 2019-20 will necessitate an increase in staff resources within the planned works team. This will ensure the delivery of the required capital and cyclical programme within the budget allocated.

Recommendation

That the Executive recommends to Council that:

1. the planned works team is increased from five to nine officers.
 2. The associated costs required to increase the team by a further four officers are agreed.
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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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