

Appendix 3 – HRA Capital Investment Programme 2024/25 - 2028/29

Introduction

To supplement the main report this appendix provides the detailed breakdown of the capital programme for 2024/25 and the following four financial years. Only the 2024/25 budget requires approval. A high level summary is provided by programme with a strategy statement and detailed table for each programme provided.

High Level Capital Budget Proposals

	Proposed 2024/25 budget for approval £'000	Profiled budget from 2023/24 £'000	Total Budget 2024/25 £'000	Provisional Budget 2025/26 £'000	Provisional Budget 2026/27 £'000	Provisional Budget 2027/28 £'000	Provisional Budget 2028/29 £'000
Expenditure							
New Supply	13,040	22,969	36,009	13,081	5,000	3,634	*-
Health & Safety	11,814	482	12,296	12,116	10,096	8,011	8,450
Major Works	13,398	5,972	19,370	26,595	26,740	30,309	34,900
Planned Works	10,353	80	10,433	9,656	9,939	10,206	10,507
Sustainability	6,390	-	6,390	6,390	5,680	5,950	6,390
Other	2,960	165	3,125	2,968	2,826	2,835	2,844
Total Capital Investment	57,955	29,668	87,623	70,806	60,281	60,945	63,091
Funding							
Major Repairs Reserve	16,516		16,516	17,345	18,255	19,098	20,017
HRA Reserves		410	410				
Capital Receipts	700	2,088	2,788				
Right to Buy Receipts	1,856	1,306	3,162	2,923	1,500	1,090	
Energy Grants	180		180	180	180	180	180
Land Release Funding	1,797		1,797				
Commutated Sums	1,425		1,425				
Leaseholder Income	500		500	500	500	500	500
HRA Borrowing	34,891	25,864	60,845	49,858	39,846	40,077	42,394
Total Funding	57,955	29,668	87,623	70,806	60,281	60,945	63,091

*subject to the approval of new projects

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Detailed Capital Budgets breakdown

New Supply

Delivering new affordable housing remains a key investment priority for the HRA and is supported in the capital programme during 2023/24 and beyond. Dedicated staffing resources to continue to deliver on this priority are included in the revenue budget. The council takes a blended approach to delivery ensuring that new supply is provided through new build, acquisitions and refurbishment programmes.

Construction costs are estimated at the early design stage for new build projects (based on benchmark data and other tender returns) and then updated as the projects progress. New Build projects face significant challenges such as rising construction costs and will need to achieve key milestones e.g. achieving planning permission, to progress to the anticipated programme.

The forecast includes the council's commitment to a further 154 homes over the 5-year period in total; this is in addition to the 769 homes that have been delivered since 2019 up to March 2024. The policies and budgets for the projects listed below have received formal committee approval. New projects are subject to an individual business case being approved, where possible the current strategy is for the new schemes to break even, they will be presented to committee separately and included in future budget reports where applicable.

New Supply	Total Budget 2024/25 £'000	Provisional Budget 2025/26 £'000	Provisional Budget 2026/27 £'000	Provisional Budget 2027/28 £'000	Provisional Budget 2028/29 £'000
Acquisitions					
Home Purchase Policy	17,674	5,000	5,000	3,634	
Joint Venture Purchases	337	2,123			
Housing Led					
Palace Place	1,495				
Hidden Homes	3,700	2,200			
New Homes for Neighbourhoods					
Feasibility Studies	200	200			
Rotherfield Crescent & Frederick Street	1,423				
Windlesham	2,690	3,558			
Moulsecoomb Hub	8,423				
Eastergate Road	67				
Total New Supply	36,009	13,081	5,000	3,634	

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Health & Safety Works

The health & safety of our residents and those who visit and work on our homes is our key priority. Legislative and regulatory changes impacting social housing landlords following the Grenfell Tower tragedy, require the Housing service continue to review our approach to health & safety compliance and assurance for council homes. Housing & New Homes Committee on 21st June 2023 and 20th September 2023 considered reports on key outcomes, resourcing, Action Plan and progress arising from the Housing, Health & Safety Compliance Review undertaken to ensure resources and action in the service were aligned to compliance with new legislation and regulations. This includes the Building Safety Act, Fire Safety Regulations and Social Housing (Regulation) Act. The Capital Investment Programme supports programmes of work that are necessary to meet the new regulations now coming into force and the requirements of these. These works are essential for the safety of all our residents and will be programmes over the coming years.

Health & Safety Works	Total Budget 2024/25 £'000	Provisional Budget 2025/26 £'000	Provisional Budget 2026/27 £'000	Provisional Budget 2027/28 £'000	Provisional Budget 2028/29 £'000
Fire Safety & Asbestos Management	4,120	4,120	4,120	4,120	4,120
Fire Doors	830	860	891	924	967
Electrical Compliance Testing Programme*	3,154	3,280	1,640		
Rewiring - Domestic/ Communal	1,530	1,586	1,654	1,723	1,786
Condensation & Damp Works	830	860	891	924	967
Lifts	1,722	1,350	840	260	550
Water Tanks	110	60	60	60	60
Total Health & Safety Works	12,296	12,116	10,096	8,011	8,450

*Electrical compliance programme is expected to be for a 3 year period after this investment will be an ongoing revenue cost to ensure 100% compliance.

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Major Works

Major works meet our landlord obligations through maintaining the structural, general external integrity and fabric of our properties. A major works project will be either a combination of multiple work streams (new roof, windows and external repairs), or a single piece of work such as a new roof covering to a high-rise block of flats which typically has increased costs due to the complexity of the project. Other major works may include essential repairs to concrete, brickwork and other areas. Such works will enhance the thermal comfort and living conditions of our residents through improved thermal efficiency and improved wall insulation to the external fabric.

The investment required as a result of the implementation of the Building Safety Act and Fire Safety (England) Regulations is anticipated to be very significant, including in relation to works requirements expected to arise from compliance surveys currently being undertaken on Large Panel System (LPS). Some provision has been allowed for in the capital budget proposals. This will be kept under review during the financial year. In line with Building Safety Act compliance requirements, structural investigation surveys are being completed on the following 8 LPS blocks in the HRA: St James House; Nettleton Court; Dudeney Lodge; Swallow Court; Kestrel Court; Kingfisher Court; Heron Court; and Falcon Court.

Major Works	Total Budget 2024/25 £'000	Provisional Budget 2025/26 £'000	Provisional Budget 2026/27 £'000	Provisional Budget 2027/28 £'000	Provisional Budget 2028/29 £'000
Albion Hill - (Low Rise)		2,970	3,160	3,370	
Albion Hill - Richmond Heights	3,000	1,700			
Albion Hill -Other High Rise	3,000	6,300	6,830	6,413	7,055
Grand Parade	1,300				
Hampshire Court car park structural repairs		1,925			
Hampshire Court Main Works			5,000		
Kite Place	800				
Leach Court		5,700			
Loft Conversions & Extensions	675	750	750	750	750
Large Panel System Blocks	1,500	4,000	7,500	8,500	8,500
Manoj House	320				
Mayflower Square Externals				3,456	
Milner Flats (Fire Escape) & works	2,440				

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Major Works	Total Budget 2024/25 £'000	Provisional Budget 2025/26 £'000	Provisional Budget 2026/27 £'000	Provisional Budget 2027/28 £'000	Provisional Budget 2028/29 £'000
Milner Flats External Works				3,820	
Philip Court	300				
Stanmer Heights					14,095
Sylvan Hall			3,500	4,000	4,500
Theobald House (including concourse)	5,000	2,450			
Westmount, Crown, Highden (roof)		800			
Wiltshire House	1,035				
Total Major Works	19,370	26,595	26,740	30,309	34,900

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Planned Works

Planned works programmes are formulated for five years. Planned works will typically consist of a single work stream made up of single element works such as replacement of windows or a roof to street properties, low or medium rise blocks of flats. Planned works also include external repairs and decorations, internal decorations to communal areas and replacement of entrance doors. The programmes are developed from stock condition information following our stock surveys. Where possible we will combine external repairs and windows programmes as a project to make joint use of scaffold for value for money purpose.

Planned Works	Total Budget 2024/25 £'000	Provisional Budget 2025/26 £'000	Provisional Budget 2026/27 £'000	Provisional Budget 2027/28 £'000	Provisional Budget 2028/29 £'000
Main Door Entry Systems & CCTV	801	725	734	733	753
Ventilation, Lighting & Lightning Protection & Fire Alarms	302	252	279	339	329
Cyclical Repairs & Decorations	1,734	1,588	1,754	1,840	1,907
Seniors Housing Improvements	155	112	159	165	172
Kitchens & Bathrooms	2,040	2,124	2,201	2,291	2,384
Windows	1,629	1,545	1,454	1,586	1,654
Roofing	1,772	1,310	1,358	1,252	1,308
Gutter Clearance	1,000	1,000	1,000	1,000	1,000
Service Risers	1,000	1,000	1,000	1,000	1,000
Total Planned Works	10,433	9,656	9,939	10,206	10,507

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Sustainability Works

Helping residents to live in well-insulated, efficiently heated, healthy homes addressing fuel poverty issues remains a key long-term objective, which is supported through the capital programme. The five year programme sets out resources of £30.800m; an average investment of £6.160m per annum. This includes investment in making improvements to communal and domestic heating systems as well as identifying opportunities to install energy efficient & low carbon heating systems. The council's solar PV programme is also being taken forward.

Sustainability Works	Total Budget 2024/25 £'000	Provisional Budget 2025/26 £'000	Provisional Budget 2026/27 £'000	Provisional Budget 2027/28 £'000	Provisional Budget 2028/29 £'000
Domestic/Communal Heating Improvements	2,200	2,200	2,200	2,200	2,200
Energy Efficiency & Low Carbon Heating	1,650	1,650	1,650	1,650	1,650
Solar PV	1,540	1,540	830	1,100	1,540
Cavity Wall Insulation	1,000	1,000	1,000	1,000	1,000
Total Sustainability Works	6,390	6,390	5,680	5,950	6,390

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Other Works

The capital programme allows for investment in supporting people to live independently in their homes for longer through housing adaptations. The programme also supports environmental and communal area improvement work based on resident priorities. Environmental improvements are projects that are guided by communities for improvements to benefit the community on an estate.

There is an identified need for the council to have up to date Housing ICT systems required to support and develop our investment programmes, regulatory compliance, works and contractor management and customer service. The capital programme allows for this continued investment.

Other Works	Total Budget 2024/25 £'000	Provisional Budget 2025/26 £'000	Provisional Budget 2026/27 £'000	Provisional Budget 2027/28 £'000	Provisional Budget 2028/29 £'000
Disabled Aids & Adaptations	1,600	1,600	1,600	1,600	1,600
Housing ICT Systems	250	250	100	100	100
Minor Capital Works	660	660	660	660	660
Major Empty Property works	200	208	216	225	234
Environmental Improvements	415	250	250	250	250
Total Other Works	3,125	2,968	2,826	2,835	2,844