

CABINET

20 April 2004

ANNUAL REPORT ON PROPERTY MAINTENANCE & ENHANCEMENT PROGRAMME

REPORT OF THE DIRECTOR OF HEALTH & HOUSING

Contact Officer: C Broomfield Tel No: 01962 848149

RECENT REFERENCES:

Annual Report on Property Maintenance to Cabinet on 2 April 2003 (CAB 626 refers).

Delivering Decent Homes to Housing Performance Improvement Committee on 10 December 2003 (HO 20 refers).

Delivering Decent Homes, Summary & Investment Needs to Housing Performance Improvement Committee on 26 January 2004 (HO 28 refers).

EXECUTIVE SUMMARY:

The report advises Members on strategic, technical and financial aspects of the Council's Repairs and Improvement Plan (1990 – 2004 incl.) and following a stock condition survey carried out in 2003 similar information for the period 2004-2033.

Relative to this report, initial consultation with TACT took place at the joint meeting of the afternoon and evening groups on 17th March 2004. At that meeting the Head of Contracts and Property Services presented a summary report detailing the objectives of the 2004/05 (and beyond) Property Repair and Enhancement Programme. Further information was given about the Government's Decent Homes Standard, the identified "needs" of WCC housing stock following the stock survey in 2003, and the ongoing requirement to deliver a "balanced" programme of works, pending the ongoing Housing Options Appraisal being conducted throughout 2004. The proposed elemental budget summary 2004/05 as set out in Part 4 of this report was also tabled for the purposes of information and debate.

Following a stock condition survey in 1988 and well-targeted investment since, the report further details the results of the Council's second Stock Condition Survey carried out in 2003. This survey has concluded that 69.7% of housing stock currently meets the Government's Decent Homes Standard, and that in energy efficiency terms the housing stock achieves a Standard Assessment Procedure (SAP) rating of 65, significantly above the current national average of 51. It further sets out the financial resources required for the remainder of the housing stock to meet the Decent Homes Standard by the Government's

target of 2010, and over a 30 year business planning period, 2004 – 2033.

A 100% tenant stock condition and housing survey conducted by questionnaire was carried out throughout 2003. Based on the 2479 (47%) of Tenant Questionnaires returned, approximately 90% of tenants are either very or quite satisfied with their housing conditions.

The report is presented in 8 parts and comprises: -

- Part 1 – Introduction and 2003/04 House condition update.
- Part 2 – Housing Repairs Programme and Budget.
- Part 3 – Financing of the Maintenance & Enhancement Programme 2004/05 and Elemental Analysis of the Repairs and Enhancement Programme 2003/04 and proposed Programme 2004/05
- Part 4 – Elemental Summary 2004/05 Maintenance & Enhancement Programme
- Part 5 – The 2003 Housing Stock Condition Survey
- Part 6 – Ongoing and Emerging Issues
- Part 7 – Summary
- Part 8 – Other Considerations including TACT Comment.

RECOMMENDATIONS to Cabinet:

1. That the progress made and the levels of work still remaining as identified by and subsequent to the 1988 Stock Condition Survey (as detailed in Part 1 and summarised in Part 7 of this report) be noted.
2. That Cabinet approves the anticipated year end carried forwards of up to £643,000 (£130,000 revenue and £513,000 capital expenditure) from the 2003/04 Repairs Programme to meet existing contractual commitments towards works in progress and those in varying stages of procurement , as detailed in part 2 of this report.
3. That the proposed Property Maintenance and Enhancement Programme 2004/05, as detailed in Part 3 and summarised in Part 4 of this report, be endorsed.
4. (i) That the current performance of its housing stock relative to Decent Homes Standards and in energy rating terms as set out in para. 8.2.2 of this report be noted.

(ii) That the proposed property maintenance and enhancement strategy towards specific works required to bring defined properties up to the Government's Decent Homes Standard by 2010, as set out in para. 8.3.3 of this report, be endorsed.

CABINET20th April 2004ANNUAL REPORT ON PROPERTY MAINTENANCE & ENHANCEMENT PROGRAMMEREPORT OF THE DIRECTOR OF HEALTH & HOUSINGDETAIL:

- 1 Part 1 – Introduction and 2004 House Condition Update
 - 1.1 Disrepair in the sum of £35 million was identified by the House Condition Survey carried out by surveying consultants, Rand Associates, during 1988/9.
 - 1.2 Not included within the £35 million were the costs of cyclic maintenance, including external repair and painting, internal redecoration of OAP dwellings, mechanical and electrical servicing, etc. responsive day to day maintenance and inflation. (Report HO1492 dated 30th November 1988, paragraph 5.3 refers).
 - 1.3 Minute 232 (14th August 1990) gave authority to proceed with a 7 year Major Repair Programme as set out within report HO1746, commencing from 1st April 1990.
 - 1.4 Owing to the Council's revised financial circumstances that emerged throughout the second half of 1992, in March 1993 Members endorsed a revised housing repairs and improvements programme (HO2253 refers). This effectively redefined the former repairs plan over an eight year period commencing 1st April 1993 (1993 – 2000). Planned works have continued up to and including 2003/04 using the original stock condition survey as base strategic information.
- 2 1988/9 House Condition Survey (2003/04 update)
 - 2.1 Since conducting the condition survey, various aspects of repair and enhancement works have been carried out of both necessity and planned improvement to the housing stock.
 - 2.2 Members were advised (HO3032 June 1999 refers) that with the exception of a number of identified sites the PVCu window replacement programme was complete at that point in time. However, it is anticipated that approximately £1m will be required for future replacements to complete the programme. The timing of expenditure for window replacement will be reviewed annually at each appropriate five yearly external repair and painting cycle.
 - 2.3 In broad elemental terms, the work remaining as identified by the 1988 condition survey estimated at 1 April 2004 is as follows;-

c)	<u>Window Replacement</u>	<u>£ Million</u>
	Replacement with PVCu or upgrading existing windows	0.97
b)	<u>Modernisation</u>	
	Mini – modernisation of post 1950 and pre 1964 built properties including kitchen and bathroom refurbishment,	<u>1.86</u>
		<u>2.83</u>
	+ 3% inflation =	<u>0.08</u>
	<u>Total estimated cost</u>	<u>£2.91m</u>

- 2.4 At this stage in the programme, e.g. more than 14 years on from the survey, and with so many elements of the stock having changed, the work remaining to be carried out becomes more subjective. However, the total of £2.91m is still considered an appropriate headline guide to works outstanding that were identified primarily by the 1988 Stock Condition Survey.
- 2.4 A further assessment of the work becoming necessary in future years has recently been undertaken by the carrying out of a second stock condition survey. This survey carried out throughout 2003 by surveying consultants David Adamson and Partners has identified the work and financial resources required to meet the Governments Decent Homes Standard in 2010, and over a Business Planning Period of 30 years (2004 – 2033).
3. Part 2 - Housing Repairs and Enhancement Programme 2003/04 & Budget Out-turn
- 3.1 With the introduction of the Major Repair Allowance (MRA) from 2001/02 and a carry forward of £661,000 from 2002/03, the Repair Programme including revenue contributions for the year 2003/04 totals £6.9m, a significant increase on recent years. There is no requirement to spend the M.R.A. in any one year and ODPM/CIPFA guidance recognises that it should be used as a reserve to fund peaks and troughs, inevitable in any rolling programme, and for longer term projects. However, it is important to demonstrate that the funding is required so that future allocations of MRA or credit approvals are not jeopardised.
- 3.2 In addition, a revenue budget of £300,000 has been expended on building and associated demand led disabled adaptation works to Council owned properties.
- 3.3 The Makins Court redevelopment at Alresford, Phases I & II was officially opened on 24th January 2003. Final Accounts for both phases are currently being audited.
- 3.4 Whilst the majority of the programme is on track, it has not been possible to commence or complete all projects due to: -
- (i) The availability of suitable contractors to carry out the works within defined programme times e.g. external repair and painting contractors.

- (ii) The effect on staff time caused by the Audit Commission bringing forward the CPA Reviews.
- (iii) Schemes being deferred owing to changes in Council policy and creating further works e.g. Sussex Street Hostel.
- (iv) Factors beyond the Council's control e.g. Serco closing their PVCu window factory at short notice.
- (v) The fact that some parts of the programme are of a "rolling" nature, and due to timing will not be completed in any one financial year.

3.5 Budget and expenditure variances towards the 2003/04 programme are as follows and expressed in 3.5.1 as "committed works and projects", (i) Revenue funded works and (ii) Capital funded works:-

3.5.1 <u>Committed Works and Projects</u>	Estimated Value
(i) <u>Revenue Funded Works (HRA)</u>	
External Repair & Painting	£49,000
OAP Internal Redecoration	£26,000
Heating Appliance Servicing	£15,000
E&M Service Contracts	£20,000
Electrical Testing	<u>£20,000</u>
Total Estimated Carry Forwards =	£130,000

Note: - All revenue carry forwards are for works in progress but not practically completed on site at 31/03/04. The total proposed carry forward represents 4% of the 2003/04 revenue budget.

(ii) <u>Capital Funded Works (MRA)</u>	
(i) Re-roofing works; contracts are let. Due to high demand for roofing works contractors and inclement weather, works were deferred until 2004.	Estimated Value £120,000
(ii) Forder Court Upgrade: scheme at design stage. Due to workload the surveying consultant has made slow progress on survey and design. It is estimated that works will cost approximately £100,000 and that £50,000 should be carried forward with matching funding in 2004/05 budget.	£50,000
(iii) Heating Upgrade at Winnall Flats; scheme at feasibility stage. Currently investigating the possibility of Grant Aid via the Governments Community Energy and Energy Savings Trust.	£198,000
(iv) Replacement Paving; scheme at planning and consultation stage. This scheme to replace defective paving and associated works around Lawn, Godson and Windsor Houses and	

	Greyfriars is estimated to cost £100,000, and that £50,000 should be carried forward with matching funding in 2004/05 budget.	£50,000
(v)	Replacement Windows at Kingsworthy and Winchester; scheme at tender stage. Due to Serco closing window fabrication unit at short notice, it was not possible to procure window installation works as anticipated. It is estimated works will cost £45,000.	£45,000
(vi)	80-82 Sussex Street Conversion; scheme at design, planning and building regulation stage. It was agreed and resolved by Cabinet to carry forward £50,000 from 2003/04 budget to fund conversion works planned in 2004/05.	£50,000
	<u>Total estimated MRA carry forward =</u>	<u>£513,000</u>

Note: The total proposed carry forward represents 15% of the 2003/04 capital budget.

3.6 Owing to programming issues identified in paragraph 3.5.1 it will be necessary to carry forward an estimated £643,000 (£130,000 revenue and £513,000 capital) into next year's (2004/05) programme to meet defined expenditure commitments. Cabinet can approve such carry forwards up to £0.5m (revenue) and £1.5m (capital), but if further requests come later then Council approval may be needed to those further requests.

3.7 With effect from 1 April 2001, the introduction of resource accounting to the HRA and the Major Repairs Allowance a repair reserve was established in order to help demonstrate that the MRA has been used fully for the repairs programme. This accounting change is in recognition of the difficulty in keeping to a programme that can be affected by so many external factors (an explanatory note is provided in para. 6 of this report). It is therefore recommended that the estimated sum of £643,000 be retained within the HRA Repairs Reserve. Any repairs budget not committed in a given year will be retained within the reserve and still be available to support the following or subsequent year's repairs programme.

4. Part 3 - Financing of the Maintenance and Enhancement Programme 2004/05

4.1 The estimated cost of the works remaining as identified by the original stock condition survey is £2.91m.

4.2 The budget resources available for 2004/05 for maintenance and enhancement works total £7.091m (Including Sewerage Works Programme). Funding sources are as follows:-

HRA – Revenue Funded Repairs	=	£2,940,000
MRA – Major Repairs Allowance	=	£3,200,597

Satman – WCC’s Development Co	=	? (small residue of funds available after company wound up)
HRA – Revenue Funded Disabled Adaptations	=	£300,000
Total Revenue and MRA Programme	=	<u>£6,440,597</u>
Sewerage Works Programme	=	£200,000 (carried out by WCC’s engineers dept)
Conversion Works 80 – 82 Sussex Street (WCC Capital Programme one-off)	=	£450,000
		<u>£7,090,597</u>

4.3 An elemental analysis of the proposed Repairs and Enhancement Programme 2004/05 is set out in section 4 of this report.

5 Elemental Analysis of the Proposed Repairs and Enhancement Programme 2003/04 and Proposed Programme 2004/05

5.1 The tabulated analysis in this section shows the 2003/04 budget and works programme and details of the 2004/05 proposed programme with corresponding levels of expenditure.

The programme has been “balanced” to reflect the following objectives:-

- a) To ensure adequate provision to carry out statutory and essential repairs.
- b) Allow for increased costs associated with the Council’s Term Repairs and Maintenance Contract with Serco, and Term Heating Appliance Service Contract with Nationwide Ltd., whilst having regard to anticipated levels of spend.
- c) The financial resources allocated between responsive, cyclic and planned maintenance are balanced so as to maximise investment in cyclic and planned maintenance programmes, and reduce the level of non-effective responsive repairs where components are beyond economic repair.
- (d) Having regard to the results of the 2003 Stock Condition Survey and the type of works and estimated costs to achieve Decent Homes Standard by 2010.

6.0 Explanatory Note on Capital Expenditure

6.1 With the introduction of the Major Repairs Allowance (MRA) in 2001, the City Council has been provided with a capital spending resource of approximately £3.3m annually, from Central Government. The Governments financial regime allows this money to be spent on Housing Revenue Account assets only.

6.2 The type of work that can be funded from the MRA is predominantly of a HRA capital nature e.g. fitting new kitchens and bathrooms, rewiring etc. It cannot be used for day to day repairs and maintenance.

- 6.3 Authorities do have the flexibility to spend MRA resources outside the financial year on which they are allocated. The whole philosophy underpinning the MRA is to fund capital repairs having regard to each Authorities repair programme.
- 6.4 In the City Council's case a stock condition survey was carried out in 1988 which has subsequently formed the basis of the Council's Repairs and Enhancement Programme. Since 1990, year on year outcomes have been reported annually, via the Annual Maintenance Report on Property Maintenance and Enhancement Report, originally to Housing Committee and more recently to Cabinet. A second stock condition survey was undertaken in 2003 that primarily will provide information to enable the Council to produce an Asset Management Plan for the next 30 years and in particular will detail what works the Council will need to carry out on it's stock to meet the "Governments" Decent Homes Standard by 2010. A household survey has also been undertaken to determine the tenants aspirations so that these also can be quantified and inform the ongoing Housing Options Appraisal.
- 6.5 In essence therefore the technical and associated delivery aspects of the programme should quite properly inform when the monies are expended. Further, the balance of the programme at hand will have regard to the Council's capacity to deliver the works e.g. To pre plan, consult and procure works in accordance with recognised Best Value procurement practices, as well as sourcing contractors to carry out the works.
- 6.6 In the City Council's case, since the introduction of MRA in April 2001, the Council by 31st March 2004 will have received approximately £10m of capital finance from Government and have spent approximately £9.5m. Any residue of funds uncommitted or unspent at financial year-end is reflective of works that do not fall into the accounting 12-month period, and roll between respective financial years.

PART 3ELEMENTAL ANALYSIS OF REPAIRS AND ENHANCEMENT PROGRAMME2003/04 BUDGET FIGURES ARE SHOWN WITH PROPOSED BUDGET 2004/05 GIVEN IN BRACKETS

1.	<u>Responsive Maintenance</u> Works generated either by tenant request or instigated by a Property Surveyor, to restore building elements to an acceptable level. The majority of these repairs are administered through a Term Maintenance Schedule of Rates. Significant proportions of these repairs are required by Statute.	£1,650,000 (£1,650,000)	General repairs generated by tenant requests and/or authorised by Property Surveyors. Repairs carried out to restore building elements to an acceptable level.	Some works required by Statute, other discretionary to return components to an acceptable level.
2.	Heating Systems Service Contract			
(a)	Attend – to's and breakdown.	£185,000 (£219,000)	Call outs 24 hours a day, 365 days a year.	Statutory and/or essential
3.	<u>Maintenance to Void Properties</u>			
(a)	Repairs necessary to return vacated properties to a standard acceptable for re-letting. Estimated numbers of general needs and sheltered accommodation being vacated is estimated at 450-500 voids per year.	£700,000 (£700,000)	Extent of works determined by Void Surveyor in each property. Only works of a statutory type and those required to restore the property to a condition acceptable for re-letting purposes are carried out.	Some works required by Statute, other discretionary to return properties to an acceptable level
(b)	Hostels – Repairs necessary to return vacated properties to a standard acceptable for re-letting.		Approximately £250 of works carried out to each void is of a statutory nature. Reduction of other “discretionary” works can impact on tenant refusal rates, speed of re-letting, and loss of rental income.	.

4.	Decorating Vouchers	£60,000 (£60,000)	Vouchers allocated by Property Surveyor (Voids) to in-going tenants for purchase of decorating materials, where decorative condition is poor. Cost effective way of giving incentive to tenant to accept property in poor decorative order, and minimising lost rental income due to property refusals.	Discretionary scheme.
	<u>Cyclic Maintenance</u> Works items that occur on a rotational basis that are carried out at predetermined intervals. Works are normally administered through Schedule of Rates, Service or Works Contracts.			
5.	External Repair and Painting Contracts	£350,000 (£350,000)	External fabric repairs and redecoration carried out on a five year cycle to keep properties in a "wind and weather tight" condition, and to protect the Council's asset.	Considered essential
6.	OAP Internal Redecoration Scheme	£175,000 (£175,000)	Internal decoration offered to OAP's every five years to redecorate a room of their choice. Approximately 450 tenants benefit from this scheme each year. (Scheme revised in 1993 from two rooms to one room).	Discretionary Scheme

7.	Gas appliance/system annual service.	£420,000 (£443,000)	Annual servicing of all gas fired appliances/systems as required to ensure safety and optimise efficiency. (Including part C.O. Detector replacement programme).	Statutory
8.	Electrical & Mechanical Service Contracts	£140,000 (£140,000)	Service contracts relating to fire alarms, emergency lighting, lifts, lightning conductors, door entry systems, solid fuel boilers etc.	Statutory and/or essential
9.	Electrical Testing and Remedial Works	£75,000 (£75,000)	Seven year cyclic programme carries out safety checks to all properties with "fixed" wiring as recommended by IEE Regulations.	Considered essential.
10.	PVCu Window Maintenance (Report HO3023 and minute 77 refers gave in principle decision to commence with servicing regime)	£40,000 (£40,000)	Cyclic programme proposed to service windows and/or glazing that have been installed for 10 years or more. Programme is designed to protect previous capital investment.	Considered essential if PVCu windows are going to be retained in serviceable order.
	<u>Planned Works & Projects</u> Works that are being carried out with forethought, using the House Condition Survey as base strategic information, or that have been identified subsequent to the Condition Survey.			
11.	Upgrading of glazing and/or replacement of defective timber windows.	£130,000 (nil)	No works planned in 2004/05	

12.	Modernisation Refurbishment works to kitchens and bathrooms at/or reaching the end of their respective life cycles. (e.g. not serviceable or beyond economic repair). Also includes defined areas of major modernisation.	£550,030 (£650,000)	Part of refurbishment programme as identified by both 1988 and 2003 Condition Surveys in properties constructed prior to 1964.	Considered essential. Fundamental item within the Planned Maintenance items. (Some works of statutory nature).
13.	Fencing Replacement of Defective Fencing	£50,000 (£50,000)	This budget element was established in 1993 to deal with wholesale fencing replacements on estates where fencing is unsafe or beyond repair.	Considered essential.
14.	“Ad-hoc” Kitchen Refurbishments.	£300,000 (£300,000)	Replacement of kitchens throughout the stock that are beyond economic repair as identified by Area Property Surveyor, or when property becomes void.	Considered essential, some works of a statutory nature.
15.	Miscellaneous works including damp proofing, repointing, minor structural repairs etc.	£350,000 (£350,000)	High priority works that are carried out due to health and safety or constructional failures, etc.	Considered essential, some works of statutory nature.
16.	Stock Condition Survey	£22,000	Ongoing consultancy work associated with 2003 stock condition survey.	Considered essential.
17.	Consultancy works and associated costs. (Including DDA Survey).	£80,000 (£80,000)	Specialist work, advice etc. required to enable programme overall to be delivered.	Considered essential.
18.	Forder Court, Winchester. General Improvements.	£50,000 (£50,000)	Fabric repairs and improvement works to restore elements of property to economic repair.	Considered essential.

19.	Inspection and remedial works to pre-cast concrete garages. (Contingency Sum)	£50,000 (£100,000)	Works necessary to inspect, assess and repair/replace elements of pre-cast concrete garages throughout the district.	Considered essential to ensure structural integrity.
20.	Disability Discrimination Act works.	£30,000 (£50,000)	Following survey, works anticipated likely to make some communal areas to housing schemes more accessible.	Statutory.
21.	Decent Homes Standard Works	Nil (£51,597)	Balance of MRA to commence work on DHS specific work.	Considered essential. (Government policy).
22.	Communal TV Aerial Replacements	£20,000 (£25,000)	Works necessary to replace TV Aerials to sheltered schemes.	Considered essential.
23.	Boiler & Control Replacements.	£300,000 (£300,000)	Cyclic programme to upgrade obsolete and ageing gas-fired appliances between 15 and 25 years old. (Report HO2787 refers).	Considered essential. In some cases statutory to ensure compliance with safety regulations.
24.	Capital Works (Disabled Adaptations)	£100,000 (£100,000)	Demand driven works to carry out disabled adaptation works of a capital nature	Considered essential.
25.	Major Conversion Works (Bed-sits etc).	£60,000 (£60,000)	Works of a structural nature to convert properties for defined purposes.	Considered essential.
26.	Replacement Paving City Centre	£50,000 (£50,000)	Works to replace defective paved areas at City Centre Flats.	Considered essential.
27.	Pre-painting repairs (Capitalised)	Nil (£50,000)	Repairs of a capital nature carried out as part of 2004/05 Repairs & Painting Programme.	Considered essential.
	Total Programme 2003/04 (HRA & MRA).	£6,3188m		
	Proposed Programme 2004/05 (HRA & MRA)	(£6,140,597)		

Note – continued over

28.	Conversion of 80 – 82 Susses Street (Funding from WCC Capital Programme)	Nil (£450,000)	Approved scheme for conversion of beds into 6 self-contained flats with ancillary facilities for vulnerable single persons.	Considered essential to meet Homelessness demand.
29.	Disabled Adaptations (Revenue funding for adaptations is from sources extra-over to Repairs Budget).	£210,000 + £90,000 supplementary estimate (£300,000)	Works necessary to adapt properties to enable elderly and disabled persons to remain in their homes.	Considered essential. Part of Government policy (Care in the Community).
Total programme for 2004/05 =		£6,890,597		

Ref.	Work Element	Expenditure Type		Comments
		Revenue	MRA	
	PROPOSED CARRY FORWARDS FROM 2003/04			
	Revenue Funded Works (H.R.A)			All revenue carry forwards are for works in progress but not completed at 31/3/04
30	External Repair & Painting	£49,000		
31	OAP Internal Redecorations	£26,000		
32	Heating Appliance Servicing	£15,000		
33	E&M Service Contracts	£20,000		
34	Electrical Testing	£20,000		
	Total Revenue Carry Forwards	£130,000		
	Capital Funded Works (M.R.A)			
35	Re-Roofing Works		£120,000	Contracts let. Rolling programme.
36	Forder Court (Upgrade)		£50,000	Design stage
37	Heating Upgrades		£198,000	Feasibility study. Rolling Programme.
38	Replacement Paving (City Centre)		£50,000	Design stage
39	Replacement Windows		£45,000	Tender stage. Rolling Programme.
40	80-82 Sussex Street Conversion (MRA contribution to Phase II)		£50,000	Design and Tender stage
	Total Capital Carry Forwards		£513,000	
	Total Revenue and Capital Carry Forwards		£643,000	

PART 4 - HOUSING REPAIRS AND ENHANCEMENT PROGRAMME

7. The elemental analysis shown is a summary of all works and projects proposed within the 2004/05 programme.
- 7.1 It further gives details of the parts of the programme that are classified as revenue funded repairs, and those of capital nature and classified within the Major Works Allowance (M.R.A.) funding regime.

PART 4 - HOUSING REPAIRS AND ENHANCEMENT PROGRAMME
ELEMENTAL BUDGET SUMMARY – 2004/05

Ref.	Work Element	Expenditure Type		Budget	
		Revenue	MRA		£
	<u>Responsive Maintenance</u>				
1	Term Repairs (MRA work is over £300)	£1,150,000	£500,000	£1,650,000	
2	Heating Contract "Attend to's"	≤		£219,000	£1,869,000
	<u>Voids Maintenance</u>				
3	Works (MRA work is over £750)	£266,000	£434,000	£700,000	
4	Decorating Vouchers	≤		£60,000	£760,000
	<u>Cyclic Maintenance</u>				
5	External Repair & Paint	≤		£350,000	
6	OAP Internal Redecorations	≤		£175,000	
7	Gas Servicing	≤		£443,000	
8	E&M Service Contracts	≤		£140,000	
9	Electrical Testing	≤		£75,000	
10	PVCu Window Maintenance	≤		£40,000	£1,223,000
	<u>Planned Maintenance & Enhancement Works</u>				
11	Window Upgrades			-	
12	Programmed Mini-Mods (1950-1963)		≤	£650,000	
13	Fencing		≤	£50,000	
14	Ad-Hoc Mini-Mods		≤	£300,000	
15	Miscellaneous "Capital Works"		≤	£350,000	
16	Stock Condition Survey	≤		£22,000	
17	Consultancy (including DDA Survey)		≤	£80,000	
18	Forder Court General Improvements		≤	£50,000	
19	Garage Repairs		≤	£100,000	
20	Disability Discrimination Act Works		≤	£50,000	
21	Decent Homes Works		≤	£51,597	
22	Communal TV Aerial Replacements		≤	£25,000	
23	Boiler and Control Replacements		≤	£300,000	
24	Capital Works (Disabled Adaptations)		≤	£100,000	
25	Major Conversion Works (Bed-sits etc)		≤	£60,000	
26	Replacement Paving (City Centre)		≤	£50,000	
27	Pre-painting Repairs (Capitalised)		≤	£50,000	£2,288,597
	Total Estimated Budget 2004/05 =	£3,940,000	£3,200,597	-	£6,140,597
28	Conversion 80-82 Sussex Street (Funding from WCC Capital Programme)		£450,000		£450,000
29	Disabled Adaptations (Revenue Funding for adaptations is from sources extra over to Repairs)	£300,000			£300,000
	Total Budget for 2004/05				£6,890,597
	Carry Forward from 2003/04				
	Revenue Funded Works	£130,000			
	MRA Funded Works		£513,000		
	Total Carry Forwards				£643,000

PART 5 – THE 2003 HOUSING STOCK CONDITION SURVEY

8. Introduction

8.1.1 Following a stock condition survey in 1988 and well-targeted investment since, the housing stock has been subjected to a second survey by Surveying Consultants David Adamson (DAP) in 2003.

8.1.2 The 2003 survey was carried out using national methodologies recommended by the Office of the Deputy Prime Minister and has involved three distinct yet inter-related stages:-

- A 30% sample house condition survey statistically to represent dwelling types in Winchester.
- A 100% tenant stock condition and housing survey, conducted by Questionnaire.
- An impressionistic and desktop survey programme reviewing non-residential housing assets and historical patterns of recurrent Council expenditure on responsive, cyclical and void property maintenance.

8.1.3 The Consultant Surveyors assess the repair condition of the housing stock as good. Where disrepair is evident this is generally localised or minor in nature.

This tends to be due externally to the need for ongoing routine maintenance and internally to the general ageing of services and fittings and of normal occupancy wear and tear.

8.1.4 Based on the 2479 (47%) of Tenant Questionnaires returned the tenant population is generally satisfied with housing conditions, the residential environment and overall services provided by the Council.

Approximately 90% of tenants are either very or quite satisfied with housing conditions. Criticisms of housing conditions reflect the general ageing of internal finishes and services rather than major physical problems. Approximately 10% of tenant households are less than satisfied with estate conditions, including anti-social behaviour, vandalism, litter and parking.

8.1.5 Further issues that will influence how the stock is managed over the period of the Housing Works Plan (para 8.2.3 refers) will include:-

- The results of the Housing Best Value Reviews, including Property Maintenance, Void management, and Disabled Adaptation works.
- Future availability of revenue and capital resources to support and underpin the Council's Housing Works Investment Plan.

8.2 Decent Homes Standards and Investment Needs

8.2.1 The 2003 stock survey has "benchmarked" the Council's housing stock against the Government's Decent Homes Standard (D.H.S).

8.2.2 The results of this assessment in headline form is as follows:-

- As at 2003, 2646 dwellings (69.7%) of the housing stock comply with all requirements of the DHS and are by definition Decent.
- The remaining 1586 dwellings (30.3%) fail at least one matter of the standard are non-decent. It is estimated that to bring these properties up to standard by 2010 will cost £1.664M. However, it must be realised that to maintain and improve the housing stock to existing Council policies and Decent Homes definition will require estimated expenditure of approximately £7m per annum for the next ten years (2004-2013).
- In energy efficiency terms, the housing stock achieves a SAP rating of 65 significantly above the current national average of 51. The equivalent NHER rating is estimated at an average of 7.9, again significantly above the national average.
- When allowing for future major repairs, repairs to achieve decency, “catch-up” repairs, contingent major repairs and recurrent expenditure (e.g. responsive, voids, cyclic maintenance) and disabled adaptation works the Council will need to invest approximately £219M over the next 30 years.

8.2.3 In tabular form the Housing Works Plan and Investment Profile 2004-2033 is as follows:-

Housing Works Plan and Investment Profile 2004-2033 (£000's)							
Works Element	Planning Period (years)						Total £000's
	2004- 2008	2009- 2013	2014- 2018	2019- 2023	2024- 2028	2029- 2033	
Catch up repairs	3.791	--	--	--	--	--	3.791
Future major repairs	9.716	16.361	21.675	15.629	14.693	18.787	96.861
Action to achieve decency	1,664	--	--	--	--	--	1.664
Non-Residential Hsg Assets	2.247	1.719	1.601	1.601	2.703	2.368	12.239
Contingent Major Repairs	0.552	0.552	0.802	0.552	0.552	0.552	3.562
Recurrent Repairs Expenditure	14.775	14.775	14.775	14.775	14.775	14.775	88.650
Disabled Adaptation Works	2.000	2.000	2.000	2.000	2.000	2.000	12.000
Total	34.745	33.407	40.853	34.557	34.723	38.482	218.767

The above table excludes any elected member or tenant aspirations, general contingencies or inflation. The works investment profile will achieve Decent Housing by 2010, but does not achieve “full compliance” until 2033.

8.2.4 It can be seen that over the next 10 years expenditure to meet identified objectives totals £70.152M, an average spend of approximately £7M per annum.

8.2.5 Currently the available resources to finance identified expenditure taken at 2004/05 budget levels are as follows:-

Major Repairs Allowance	= £3.200
Revenue funded repairs	= £2.910
Revenue funded Disabled Adaptations	= £0.300
Capital funded sewerage works	= <u>£0.200</u>
Total funding available	= <u>£6.600M</u> p.a.

- 8.2.6 A comprehensive Housing Options Appraisal is currently being undertaken to identify elected member and Tenant aspirations that may also need to be factored into the Housing Works Investment Plan. This will then in effect become an agreed "Winchester Standards" plan based on the Government's Decent Homes "plus" standard.
- 8.2.7 The Appraisal will also focus on how this "inclusive" Housing Works Investment Plan can be funded. The 2004/05 budget of £6.6M against identified expenditure of £7.0M shows a shortfall of approximately £400,000 p.a.
- 8.2.8 In the longer term, within the Housing Works Investment Plan in years 2014-2023 and 2024-2033 expenditure is anticipated to rise to £75.57M and £73.21M respectively, averaging approximately £7.5M per annum.

8.3 The 2004/05 Housing Property and Enhancement Programme and Beyond

- 8.3.1 The nature and extent of the programme to achieve D.H.S by 2010 commencing April 2004 has now been determined by the results of the 2003 Stock Condition Survey. As part of the Housing Options Appraisal however, any further works generated by elected member or tenant aspirations will be additional to those determined by the survey.
- 8.3.2 Pending the final outcome of the Housing Options Appraisal later in 2004 and 2005, the 2004/05 works programme is proposed to follow a similar balanced approach to the current and previous year's programmes. However, specific works identified by the stock condition survey relating to achieve Decent Homes Standard by 2010, will also need to be considered, and incorporated into subsequent years programmes. The value of this work is estimated at £1.664M.
- 8.3.3 A headline analysis of the 1586 non-decent homes shows that 1222 properties fail on energy related issues only, and the remaining 364 properties failing on other DHS criteria including disrepair, amenity, fitness etc. Further analysis of the survey data is now required to identify, specify and suitably package these works in readiness for contract procurement. It is therefore proposed that this preparatory work is carried out during 2004, with works commencing from April 2005. This would allow up to 5 years to complete the work by 2010, or sooner depending on the ultimate priority and resources available.

9. PART 6 – Ongoing and Emerging Issues

9.1 Housing Stock Condition Survey 2003

- 9.1.1 Following the completion of survey and report on its findings an Asset Management System is now required to be developed to hold property condition and attribute information. Further the information will need to be held and stored in such a way to enable the property information to be updated as works are completed, and capable of interrogation to enable statistical information reports to be produced.
- 9.1.2 A proposal from consultant surveyors David Adamson is being prepared, that will define the capabilities of their asset management software system. It is envisaged that such a system based on the findings of the 2003 Stock Condition Survey will be developed and installed in accordance with IT Procurement Policy throughout 2004.

Budget provision for the purchase of such software has been allowed for in the 2004/05 Repairs Budget.

9.2 Asbestos Survey

9.2.1 Separately and in addition to the Stock Condition Survey, the Health and Safety Executive (HSE) has been promoting and introduced new Regulations under the Control of Asbestos Regulations 1987, that requires the Council to manage the risk of asbestos within publicly owned buildings.

9.2.3 Under the new Regulations the Landlord is responsible for managing the risk of asbestos within it's property portfolios. To ensure compliance, the Landlord will be required to take the following actions: -

- Determine the location and condition of materials likely to contain asbestos.
- Maintain a register of this information.
- Assess the risk of exposure.
- Prepare a detailed action plan.
- Take necessary remedial actions.
- Document and monitor these actions.
- Provide information to anyone who is likely to be exposed to any risk.

9.2.4 The new Regulations were laid before Parliament in the autumn of 2002, with enactment from May 2004.

9.2.5 An asbestos survey utilising "in-house" staff resources has been on going throughout 2003/04. All communal areas in sheltered and general schemes and approximately 500 selected properties throughout the housing stock being subjected to a visual inspection.

9.2.6 The details about any materials likely to contain asbestos and their condition at the time of survey, are progressively being entered into the property attributes database within Orchard (Integrated Housing Management System). This information will effectively form the nucleus of an Asbestos Register that will need to be "managed" in accordance with Health & Safety Legislation.

9.2.7 Further work is now planned with the Council's Health & Safety Officer throughout 2004 to further develop the Council's Housing Asbestos Management Safety Plan.

9.2.8 Further information will be made available to tenants in due course to supplement the Asbestos awareness information booklet that was distributed to all tenants in March 2003. Such information will be developed jointly between Officers including the Council's Health & Safety Officer and TACT.

10. Part 7 – Summary

- 10.1 It can be seen from the contents of this report the Council continues to make progress in addressing the disrepair of it's housing stock as identified by, and subsequent to, the Housing Stock Condition Survey, carried out in 1988.
- 10.1.2 Further, it should be noted that the sum of £35m identified need of capital investment in the stock predicted in 1988, for a 10-year planning period 1990-2000 (all things considered) has proven realistic.
- 10.1.3 Although the Decent Homes Standard did not exist at that time, the base objectives in 1990 of providing homes that were structurally stable and "wind and weathertight", heating systems providing "affordable warmth", along with reasonable layout and facilities were broadly similar.
- 10.1.4 By carrying out a second stock condition survey in 2003, set against a comprehensive National Standard of Decent Homes the Council's housing stock currently achieves 70% decency. With a balanced programme of investment as identified by the 2003 stock survey, the Council will achieve Decent Homes in 2010 and full compliance by 2033.
- 10.1.5 A comprehensive Housing Options Appraisal has commenced and will be ongoing throughout 2004. This appraisal will need to consider the scope and extent of the defined Housing Works Investment Plan having regard to technical imperatives, tenant and elected member aspirations, and identifiable financial resources. On completion of the Appraisal a sustainable "Winchester Standards Plan" can be defined and agreed, whilst meeting the objectives of the Government's Decent Homes Standard by 2010.

PART 8

OTHER CONSIDERATIONS:

11 CORPORATE STRATEGY (RELEVANCE TO):

- 11.1 Maintenance and enhancement of the Housing stock is a core function of the Council's services.

12. RESOURCE IMPLICATIONS:

- 12.1 As detailed in the body of the report.

13. TACT COMMENT

- 13.1 TACT members wish to thank Clive Broomfield, Head of Contract and Property Services for his consultation at our joint TACT meeting on the 17 March 2004.
- 13.2 As members of TACT we endeavour to understand, indeed master the complications of finance and their relevance. We do however seek from members acceptance that for the average tenant further guidance and simplified consultation is desirable.

- 13.3 TACT notes within this report the influence of achieving Decent Homes Standard 2010, indeed further to this the ongoing Housing Options Appraisal. There is emerging evidence from tenants being prepared to modify their aspirations in particular on environmental issues to achieve their preferred option.
- 13.4 The explanatory notes in paragraph 7 are most helpful and self-explanatory. Please include as future good practice.
- 13.5 Further consultation with TACT, in particular, The Property & Contacts Forum will be required if tenants are to understand the ongoing effect this report will have upon their homes.

BACKGROUND DOCUMENTS:

None

APPENDICES:

None