

CABINET

28 March 2007

DELIVERING DECENT HOMES – THE HOUSING REVENUE ACCOUNT BUSINESS PLAN UPDATE 2007/08

REPORT OF THE DIRECTOR OF COMMUNITIES

Contact Officer: Richard Botham Tel No: 01962 848421

RECENT REFERENCES:

CAB857 - Housing Strategy & HRA Business Plan 2004 (20 April 2004)
HO56 - Delivering Decent Homes (23 March 2005)
HO57 - Housing Revenue Account Business Plan – Annual Update (23 March 2005)
CAB1231 – Housing Revenue Account Business Plan Update 2005/06 (22 March 2006)
CAB1369 – Housing Revenue Account Budget 2007/08 (13 December 2006)

EXECUTIVE SUMMARY:

The Housing Revenue Account (HRA) business Plan 2004-34, was assessed as “Fit for Purpose” by the Government Office for the South East (GOSE). The Council are not required to produce a further plan for assessment for the foreseeable future. However, it is recognised as good practice to update plans annually. Also, the Council is required to update its Housing Options Review in 2008.

A key element of the Plan is the Council’s Repairs and Renewals programme. In 2005, Cabinet approved the Major Repairs, Renewals and Maintenance strategy for the period 2005-2010. The draft Plan appended to this report includes an update of progress with the strategy and sets out an elemental Major Repairs, Renewals and Maintenance plan for 2007/08.

RECOMMENDATIONS:

- 1 That the HRA Business Plan update for 2007/08, including the proposed Major Repairs, Renewals and Maintenance Programme, be approved.
- 2 That the revised HRA Budget for 2007/08 as detailed in appendix 2 be approved.
- 3 That the Head of Housing Landlord Services be given authority to make minor editing amendments in consultation with the Portfolio Holder for Housing and Communities prior to final publication of the Plan.

CABINET – 28 MARCH 2007

DELIVERING DECENT HOMES – THE HOUSING REVENUE ACCOUNT BUSINESS PLAN UPDATE 2007/08

REPORT OF THE HEAD OF LANDLORD SERVICES

DETAIL:

1 Introduction

- 1.1 All councils who retain their stock are required to prepare a long term Business Plan for Housing Revenue Account (HRA) services in accordance with “Fit for Purpose” guidance from the Office of the Deputy Prime Minister (ODPM).
- 1.2 The Government Office for the South East (GOSE) is required to assess these documents against the “Fit for Purpose” criteria. Once they are assessed as meeting all criteria and classified as “Fit for Purpose”, the requirement for annual assessment is relaxed. With the 2004 HRA Business Plan meeting this criteria, no annual assessment is due this year. However, in line with good management practice, the annual update appended to this report has been prepared to support service delivery and monitoring over the next year and in particular includes the annual update of the Major Repairs, Renewals and Maintenance Strategy, which sets out how the Council is planning to achieve the Decent Homes Standard for all its housing stock.

2 Key Achievements in 2006/07

2.1 Key achievements in the last year have included:

- a) Decent Homes progress – In the last year, a further 290 properties have been brought up to the Decent Homes Standard
- b) Performance – Of the 3 main areas of performance for landlords (Rent Collection, Repairs and Voids), the City Council are currently assessed as being in the top 25% of performers nationally for 2 of them. Whilst performance on voids is well outside of the top 25%, this has also been addressed in the last year (see next bullet point).
- c) Re-engineering of the Lettings Process – In recent years, responsibility for void performance has been shared across two housing divisions. In recent months, the whole process has been completely re-engineered with responsibility for the whole process now residing with Landlord Services. Current turnaround time is averaging 100 days due to the recent success in bringing back into use a small number of very long term void sheltered units. However, targets for 2007/08 have been reduced significantly and will be an ambitious 25 days.
- d) Approval of an Asset Sales Programme – The approval of the small scale of asset sales has assisted in developing a supplementary capital programme to meet emerging demands on the repairs programme.
- e) Renegotiation of Supporting People Contracts – Support contracts for all sheltered schemes have been approved by the Hampshire Supporting People team, securing a total of £650,000 of support grant/income. All services provided to tenants were assessed as meeting the required standard of the Supporting People regime and were well within the value for money limits set for grant payments.

3 The HRA Business Plan – 2007/08 Update

- 3.1 The update included as appendix 1 to this report has been prepared based on the requirements of GOSE and also the Audit Commission, who in 2005 recommended that the general business plan and repairs plans been merged to provide a comprehensive approach to asset and business management.
- 3.2 The key priorities for 2007/08 are set out in section 7 of the Plan and include:
- a) Achieving the Decent Homes Standard for all Council homes by 2010
 - b) Delivering a supplementary capital programme funded through asset sales, which includes increasing spend on Disabled Adaptations by 75% in 2007/08.
 - c) A fundamental review of Older Persons Services in light of the Supporting People district wide strategic review to be completed later this year which will no doubt impact on future funding of the service.
 - d) Improving cost effectiveness of Central Control by achieving growth in the private lifeline market and supporting County wide trials of Telecare technology.
 - e) Improving Voids turnaround from current 90 days to 25 days
 - f) Working towards compliance with the Respect Standard for Housing Management (a voluntary code aimed at improving responses to anti social behaviour involving housing tenants).
 - g) Reviewing the potential for Introductory Tenancies.
 - h) Implementation of Document Management system throughout Landlord Services as part of the first phase of the Council wide implementation.

4 The Major Repairs, Renewals and Maintenance Strategy

- 4.1 The nature and extent of the programme to achieve Decent Homes Standard by 2010 was determined by the 2003/04 Stock Condition Survey.
- 4.2 In addition and relative to Decent Homes, information gathered via a tenant survey of their opinions and aspirations about their homes and the environment in which they live was also utilised to inform the balance of the proposed Major Repairs, Renewals and Maintenance Strategy.
- 4.3 Section 5 of the Business plan update sets out in detail how the Council has progressed against this strategy. At the start of 2006, 14.5% of stock was classed as “non decent”. By the end of March 2007, 290 properties will have been improved up to the Decent Homes standard against a target 288.
- 4.4 In relation to energy efficiency works, loft insulation to 90 properties was carried out in 2005 ahead of scheduled programme in 2006/07, as part of a Government sponsored insulation programme, and at no cost to the Council. A further 237 properties had loft insulation upgraded in 2006/07, again substantially at no cost to the Council. These properties are part of the 632 identified with energy defects; and due to have upgrading works incrementally over the 4 year period 2006 – 2010.
- 4.5 Allowing for 290 properties achieving Decent Homes Standard in 2006/07 a revised estimate of properties owned by the Council on 1st February 2007 (5127 excluding leasehold properties) that were by definition non-decent was 460 properties (9%) and by implication 4667 properties (91%) meet Decent Homes Standard.

4.6 Therefore the Council is on track to meet it's strategic objective of meeting Decent Homes throughout it's housing stock by March 2010.

5 The Supplementary Capital Programme

5.1 The 2005/06 Business Plan update highlighted a number of emerging issues that would require significant additional funding if the Repairs Strategy was to keep on track in the medium term. These included increased heating systems obsolescence, a backlog of disabled adaptations work and the need to update communal aerials for digital switchover by 2012.

5.2 The 2006/07 Update now includes provision for these and other emerging items and is included in section 5 of the Plan as a "Supplementary Capital Programme". These works are subject to receipts arising from asset sales as approved by Council on 10 January 2007.

6 Revisions to the HRA 2007/08

6.1 The HRA Budget for 2007/08 was approved by Cabinet on 13 December 2007 (Cab1369 refers). As a result of increased income and efficiencies, the budget was agreed at a surplus for the first time in three years. However, since December, further work on the general fund and charges made to the HRA have resulted in a need to revise the HRA budget. The changes include:

- a) Increased management overheads - £20,000 – Following further government guidance on new accounting rules, recharges have been recalculated with £20,000 additional charge coming back to the HRA (this still reflects a significant decrease on the original 2006/07 budget).
- b) An additional charge of £50,000 is also to be made to the HRA for the increased costs of business management (staff spending proportionately longer on HRA services than budgeted) and in relation to the work of the neighbourhood wardens. Over the next year, the Landlord Service will require the wardens to support specific tenant related work in relation to developing our commitment to the Respect Standard for Housing Management. It is estimated that this will require approximately 10% of the wardens' workload and an HRA charge is therefore appropriate. It is important to note that despite much of their work focussing on traditional Council housing estates, the wardens are a service to the general community and therefore should not generally be charged to the HRA. However, this specific work on the Respect standard is very much a Landlord commitment and is specific to the Council's duties as a social housing landlord.

6.2 There is little scope to fund these additional costs from general service budgets. Also, recent benchmarking work has revealed the low staffing levels in HRA services compared with other landlords. Therefore, additional costs will need to be met from the repairs programme by reducing the amount of capital project fees currently funded by the HRA (in effect a revenue contribution to capital).

6.3 The direct staffing costs of delivering the capital programme total £300,000 (approximately 10% of works costs). This cost is partly met by a direct charge to the Capital programme (£170,000). In order to meet the increased costs highlighted in 5.1 above, this revenue contribution will reduce to £60,000 with the remaining £70,000 needing to be absorbed into the capital programme directly. The programme detailed in section 5 of the HRA Business Plan has been adjusted accordingly.

6.4 The only real alternative to this approach in the short term would have been to consider reducing the programme of Older Persons Internal Redecorations. This remains the only discretionary element of the programme and the Council spend £175,000 annually to provide internal redecoration of one room every five years for tenants over 60. Any reduction in this provision will no doubt be resisted by tenants. However, the sensitivity of the HRA to budgetary pressures may mean that the Council's ability to sustain this investment could well be tested in future years.

7 Relevance to Corporate Strategy

7.1 Business Plans set out the programmes of work that will deliver the Council's corporate priorities and those other strategies and legal requirements that form its agreed policy framework over the coming year.

8 Resource Implications

8.1 Detailed information on the resource implications of proposals set out in this Business Plan update are included in sections 5, 7 and 8. Section 8 sets out the full HRA budget for 2006/07 and outlines key actions required to address the current budget deficit in the coming year.

9 TACT Comment

9.1 TACT are very concerned the need to revise the HRA budget. This will place further burden on the HRA, and concerns the tenants greatly. The Council is going back on its promise regarding neighbourhood wardens, when TACT agreed land at Winnall Industrial Estate, should be transferred to the General Fund. This was on the understanding that the HRA would not have to pay any cost towards neighbourhood wardens. The fact that neighbourhood wardens will spend part of their time researching ways in dealing with ASB is commendable, but not TACT feel justifiable of further charge to the HRA. As pointed out at the meeting other community officers from HCC are now covering estates, and have more powers to control the ASB concerns of tenants. The neighbourhood wardens are doing a very good job involving youngsters in youth projects and we thank them for this. But further consideration should be given before any further funding is taken from the HRA.

9.2 Developing your commitment to the Respect Standard for Housing Management, should not be used as a reason, to take further funding from the HRA. It was noted at the meeting that the Central Government though wanting a Respect Standard for Housing Management is not giving any funding.

9.3 You say the only real alternative to this approach in the short term would be to consider reducing the programme of Older Persons Internal Redecorations. Any reduction in this provision will no doubt be resisted by tenants over 60. TACT do resist this is totally unacceptable. Many of the elderly are house bound, or can only get out with help, so a pleasant living environment is essential to them. One room every five years is not too much to expect. TACT fear the thin edge of the wedge is being put in place. The government is tightening the purse strings, but our rents are going up, and we are not going to get the same level of service. We do realise that the Council is doing its best with what money is available.

9.4 Once again it is the Tenants who bear the brunt. In the war years we had to make do and mend, we have done that, been there, and don't intend to do it again.

9.5 TACT will be making an all out challenge, on some of Central Government Policies over the next few months. With elections due no doubt many promises will be made to us, that will not materialise. We want a fair deal for tenants. We know your hands

are tied. Ours are not and with Housing Options on the horizon we have to act now, and this is our intention.

- 9.6 We as tenants have to suffer the unfair burden of an unjust 40% negative subsidy that we have to pay back to the Government. It is time something was done to put this right.
- 9.7 Cllr Tony Coates, Portfolio Holder for Housing and Communities has made a start in this direction, but has he had a reply? Having to sell properties to make ends meet should not have to be the answer.
- 9.8 TACT, know that the Council will try to do their best, to solve the problems facing them and indeed are never sure when the Government will change the rules or move the goal posts.
- 9.9 Tenants cannot accept that with ever increasing rents, standards will do little more than stay as they are, or even decline despite reassurances to the contrary. An unjust negative subsidy gives little choice of any thing else, and the tenants still have to go on paying rent money to go elsewhere in the country, it amounts to little more than legal daylight robbery.
- 9.10 TACT will be reluctant to support any budget, however well intentioned that will bring about a slow decline in standards, or penny pinching from one department to another.
- 9.11 We must continue to challenge Central Government and do so now it is unfair, and should not be allowed to go on.
- 9.12 TACT would like to thank Richard Botham, Head of Landlord Services along with Clive Broomfield, Head of Contracts and Property Services, for their time and facing up to some robust questioning from TACT. Cllr Tony Coates, Portfolio Holder was able to give advice and opinions, thus adding to the debate our thanks to him also for contributing, giving further information to base our TACT comment on.

Appendices:

- Appendix 1 Housing Revenue Account Business Plan – 2007/08 Update
(*due to its size, the Plan is attached for Cabinet and Social Issues Scrutiny Panel Members, including TACT, in addition to Group Leaders and Chairman and Vice-Chairman of Principal Scrutiny Committee. A copy is available in the Members' Library and on the Council's Website: www.winchester.gov.uk*)
- Appendix 2 Revised Housing Revenue Account Budget 2007/08

HOUSING REVENUE ACCOUNT BUDGET 2007/08

Service summary	2005/06 Actual	2006/07 Revised Budget	2007/08 Original Budget	2007/08 Revised Budget
(1)	(2)	(3)	(4)	(5)
<u>Service</u>	£	£		£
a) Housing management - General	2,321,043	2,311,840	2,450,450	2,473,350
Housing management - Special :				
b) - Sheltered housing	1,180,365	1,119,820	783,630	783,650
c) - Communal services	98,514	86,470	87,470	87,470
d) - Homelessness	29,856	(3,880) -	5,150	(5,150)
e) - Estate maintenance	211,445	174,620	160,860	180,860
f) - Disabled adaptations	323,158	339,030	341,620	341,620
g) - Sewage works	138,962	128,960	70,670	71,140
h) - Central Control			283,240	317,740
i) Total housing management - Special	1,982,301	1,845,020	1,722,340	1,777,330
j) Repairs - administration	777,270	869,810	916,940	842,400
k) Repairs - works	2,929,936	2,890,000	3,040,000	3,040,000
l) HRA housing benefits	81,804	37,770	37,770	37,770
m) Capital Financing	3,899,629	3,921,370	3,994,310	3,994,310
n) Dwelling rents	(16,444,900)	(17,265,000)	(18,020,000)	(18,020,000)
o) Garage rents	(446,900)	(454,000) -	590,000	(590,000)
p) Sheltered charges	(215,973)	(253,000) -	288,330	(288,330)
q) Supporting People	(720,981)	(626,000) -	640,560	(640,560)
r) Other income	(215,786)	(180,240) -	180,760	(180,760)
s) Total rents and other income	(18,044,539)	(18,778,240) -	19,719,650	(19,719,650)
t) HRA subsidy	6,219,432	7,017,860	7,985,630	7,985,630
u) Subsidy-Rental Constraint Allowance		-	480,000	(480,000)
v) Transfer re Pension Reserve	(80,251)			
w) Net HRA -Deficit/(Surplus)	86,625	115,430	(52,210)	(48,860)

HOUSING REVENUE ACCOUNT BUDGET 2007/08

WORKING BALANCE

	£
Opening Balance @ 1/4/06 (Actual)	(831,677)
Add Projected Deficit 2006/07	115,430
Projected Working Balance @ 31/3/2007	(716,247)
Add Projected Deficit 2007/08	(48,860)
Projected Working Balance @ 31/3/2008	(765,107)

INSURANCE RESERVE

Opening Balance 1/4/06	(331,174)
Revenue Contribution 2006/07	(53,570)
Contribution to HRA	40,000
Balance 31/3/07	(344,744)
Revenue Contribution 2007/08	(53,570)
Contribution to HRA	53,570
Balance 31/3/08	(344,744)

Housing Revenue Account Business Plan 2004-34

2007/08 Update

**WINCHESTER CITY COUNCIL
HOUSING REVENUE ACCOUNT BUSINESS PLAN – 2004 -2034
2007/08 Update**

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Appendices:

- A Summary Description of Elemental Components of Major Repairs, Renewals & Maintenance Programmes and Their Management/Purpose
- B Supplementary Major Repairs & Renewals Programme (Commencing April 2007)
- C Indicative Supplementary Capital Major Repairs & Renewals Programme & Investment Profile
- D Operational Objectives and Service Summaries (to be completed, approved by Portfolio holder for Housing and added to final version)

Accessibility

This document can be viewed on www.winchester.gov.uk
The Plan can also be made available to you in a variety of formats including - Braille, large print or tape or audio compact disk and in languages other than English.
For further information please contact – Denise Sturgess on 01962 848165
or email housing@winchester.gov.uk

1. Background to the Service

1.1 Background

The Landlord Services division is responsible for providing a management and maintenance service to over 5000 council properties throughout the Winchester district. The housing stock is mainly traditional built low-rise houses. The Council has always sought to deliver a high quality housing service and over the years has continued to achieve the investment needs of its housing stock. In addition to general needs housing tenancies, the City Council also provide in excess of 900 supported tenancies for older persons, over 40 "extra care" tenancies and over 50 units of accommodation for homeless households.

1.2 The Housing Revenue Account (HRA)

The HRA is a ring fenced operating account that funds all services provided directly to City Council tenants. The Council recovers in excess of £19.7 million per annum through housing rents and other charges. However, £8 million of this income is immediately recovered by Government through the Housing Subsidy system. The remainder of the income supports the provision of general management services, a range of special services to specific tenants (for which direct service charges are raised) and a comprehensive maintenance programme aimed at achieving and maintaining the Decent Homes Standard for all Council dwellings.

1.3 The Housing Revenue Account (HRA) Business Plan 2004-34

The HRA Business Plan 2004-34 was "signed off" by the Government Office for the South East (GOSE) as fit for purpose in July 2004. Whilst this resulted in GOSE determining that our plan did not require further assessment for a three year period, the Council has continued to update the Plan on an annual basis and this document is the second update. The Business Plan will be subject to a full revision in 2008/09 following the completion of the Housing Options review in 2008.

1.4 Housing Stock

The area of Winchester City Council extends over 250 square miles and now has a population approaching 112,500. At the end of March 2006, there were nearly 45,000 dwellings in the district, of which 5,122 were owned by the Council. There are also 309 "Right to Buy" leasehold flats which we continue to manage.

Bedsits	98
1 Bed properties	1608
2 Bed properties	1698
3 Bed Properties	1662
4 Bed Properties	56
Right to Buy Leaseholds	315

These figures include 1,002 units of accommodation in sheltered housing schemes for elderly persons.

1.5 Background Statistics

During the year, 15 houses and flats were sold by the Council under Right to Buy.

Other social housing providers in the district, such as housing associations, have a further 2000 dwellings of varying types and sizes.

Housing Allocations – During 2005/06, there were 192 new secure tenancies including households coming from the Joint Housing Register. 246 tenants benefited from transfers or exchanges within the Council's own housing stock.

Empty Properties – At 31 March 2006, there were 113 empty properties – this represents approximately 2.51% of the Council's total housing. Of these 98 were available for letting to new tenants or awaiting minor repairs before re-letting (these include a number of hard to let sheltered units). The lettings policy for flats in sheltered schemes has been revised to allow 1st floor flats to be let to general needs tenants resulting in 7 dwellings that had been void for over two years being relet.

Housing Rents – The average housing rent for all properties at the end of March 2007 was £66.18 per week. The Council have approved an average rent increase of 5.00% for April 2007, increasing the average rent to £69.48. During 2005/06, the Council collected 99.69% of the rent due for the year, a performance which continues to be in the top 25% of Council Landlords.

Repairs – During 2005/06, 19,999 repair orders were raised. 95% of these were completed within target.

Decent Homes – At April 2006, 85.5% of properties complied with the Decent Homes Standard. It is projected that this will increase to 91% by the end of March 2007. Over £3.5 million was invested in major works in 2004/05 and the overall repairs programme totals £6.6 million.

1.6 Supported Housing

Over 25% of tenancies currently live in "supported" housing such as sheltered schemes, extra care schemes and homeless hostels. A very significant proportion of the costs of running such schemes relate to "Support" provided to the tenants rather than the general management of the schemes and tenancies. This support is funded through a mix of Supporting People grant or direct charges to tenants.

In recent years, demand for traditional sheltered housing has reduced significantly and the Council has amended lettings policies to ensure that such schemes remain viable. This has included declassifying one scheme totally from sheltered to general needs and letting units in other schemes to residents aged over 40.

The Supporting People regime is seeking to ensure all providers achieve value for money in support provision and have set limits to funding for support. City Council hourly rates currently fall within those limits although further work is required to ensure the service remains competitive and sustainable.

2. Links between Council strategic priorities and services

Strategic priority	Divisional responsibility
<p>High Quality Environment (Natural)</p> <p>What would this look like? <i>We are proud of our natural environment:</i></p> <ul style="list-style-type: none"> • <i>resources are used efficiently, pollution levels are low and we are responding to the challenges of climate change</i> • <i>wildlife species are thriving</i> 	<p>Significant energy efficiency improvements have been made to the Housing stock in the last twenty years. Most properties are double glazed and the Council is in the top quartile for energy efficiency of the stock compared to other authorities.</p> <p>However, current budget pressures mean that further investment in energy efficiency and carbon management has to be limited to achieving the Decent Homes standard.</p>
<p>High Quality Environment (Built)</p> <p>What would this look like? <i>We are proud of our natural environment:</i></p> <ul style="list-style-type: none"> • <i>neighbourhoods are clean and green</i> • <i>the historic environment is preserved and enhanced</i> • <i>local distinctiveness is protected and the public realm is well designed, built and maintained.</i> 	<p>Landlord Services have direct responsibilities for the management and maintenance of housing land, estates and communal areas. This includes grounds maintenance, maintaining access to communal areas, general maintenance and aesthetic improvements to estates and working with other divisions to ensure the effective provision of environmental services to tenants</p>
<p>Safe and Strong Communities (Freedom from Fear)</p> <p>What would this look like? <i>Citizens are happy in their day-to-day lives because they:</i></p> <ul style="list-style-type: none"> • <i>feel safe wherever they live, work or spend their leisure time</i> 	<p>The Landlord Services division plays an integral role in the Community Safety Partnership through its Community Relations Officer, participating in inter-departmental and inter-agency planning meetings on anti-social behaviour and community safety. An information guide and a leaflet on anti social behaviour have also been produced and distributed to all tenants.</p> <p>The Landlord Services division have facilitated the “Jigsaw” focus group to assist minority groups to improve access to housing services</p> <p>The Supported Housing service works with a number of tenants to ensure they receive the support they need to remain in their home</p>
<p>Safe and Strong Communities (Health and Wellbeing)</p> <p>What would this look like? <i>Citizens are happy in their day-to-day lives because they:</i></p> <p><i>can enjoy a healthy, active life, and receive the care they need when they need it</i></p>	<p>Achieving the Decent Homes Standard is a key contributor to this corporate strategy commitment. The City Council will commence the 2007/08 financial year with 9% of its housing stock not meeting the standard. This will be reduced to 4% by March 2008.</p>

<p>Safe and Strong Communities (Inclusive Society)</p> <p>What would this look like? <i>Citizens are happy in their day-to-day lives because they:</i></p> <ul style="list-style-type: none"> • <i>are not disadvantaged by where they live or the community they come from</i> • <i>are able to influence the future of their community</i> 	<p>The Council is the largest single provider of “affordable housing” in the district, with over 5,000 units of social housing.</p> <p>As at April 2005, 82.5% of the Council’s homes met the Decent Homes Standard. Clear plans are in place to address all those identified as non-decent in the Stock Condition Survey completed in 2004.</p>
<p>An Effective and Efficient Council</p> <p>What would this look like? <i>We will be recognised as a Council which provides community leadership</i></p> <ul style="list-style-type: none"> • <i>offers excellent customer service in our local communities</i> • <i>is efficient</i> • <i>adopts sustainable working practices</i> • <i>works well with others</i> 	<p>Landlord Services have published clear service standards to all customers and report annually on performance against these standards.</p> <p>The cost of housing management is at the median for councils nationally and is the second lowest for Hampshire authorities. More detailed benchmarking and value for money assessments will be completed in the next year. Plans are also in place to introduce electronic document management in the coming months.</p> <p>Landlord Services relies on partnerships with other housing providers, the voluntary sector and the Police and other Council divisions to support the effective delivery of services to tenants.</p>

3 Housing Options Appraisal

In July 2005, the City Council completed a comprehensive options appraisal of the future management of Council housing. It concluded that the best option in the short term was to retain the stock under Council management. However, as financial projections were sensitive to future changes and with no solution to the projected long term funding difficulties, it has committed to updating all information and projections and repeating the Options Appraisal in 2008.

3.1 Stock Condition

The Stock Condition Survey completed in 2004 concluded that the Council's housing stock is generally in good condition. It recommended an investment programme amounting to £7 million per annum to achieve the Decent Homes Standard and also to maintain that standard.

3.2 Financial Projections

Independent analysis of the financial health of the Council's HRA concluded that it is possible for the HRA to remain in balance beyond 2010. It did identify that the projections were finely balanced through a range of sensitivity analysis and changes to external funding streams such as HRA subsidy could impact significantly on these projections. The projections could not identify a solution to the additional £1 million per annum identified as potentially required after 2014 by the Stock Condition Survey to meet increasing demands through ageing properties and this remains the main challenge for the Council to address in the coming years.

3.3 Tenant Aspirations

Over 67% of tenants responded to the Council's final survey on Housing Options and throughout the project, nearly all tenants participated in one way or another through a range of aspiration surveys, road show events, coffee mornings or home visits. Tenants gave a very clear message that they wished to remain with the Council and that there were no consistent demands for any additions to existing services.

3.4 A Decent Homes Plus Standard

In light of the aspirations of tenants being broadly limited to meeting the decent homes standard and protecting existing service levels, a Decent Homes Plus standard was agreed as detailed below.

Decent Homes Plus Standard - In light of all the information we now have, future plans will aim to:

- a) Meet the basic Decent Homes standard by 2010
- b) Maintain current levels of service
- c) Continue to give priority to providing showers and other aids and adaptations (subject to assessment)
- d) Work with other organisations to improve safety and parking on estates (this should not be solely funded through rents)

3.5 Immediate Council Priorities

With no clear aspiration for changes to services, the priorities identified in the 2004 plan remain valid and this business plan has been based on ensuring service targets take full account of the service priorities and the revised corporate strategy.

4 Summary of Progress in 2006/07

4.1 In the last year, there has been significant progress against the targets set out in the 2006/07 Business Plan update. Key achievements have included:

4.2 Key achievements in the last year have included:

- a) Decent Homes progress – In the last year, a further 290 properties have been brought up to the Decent Homes Standard
- b) Performance – Of the 3 main areas of performance for landlords (Rent Collection, Repairs and Voids), the City Council are currently assessed as being in the top 25% of performers nationally for 2 of them. Whilst performance on voids is well outside of the top 25%, this has also been addressed in the last year (see next bullet point).
- c) Re-engineering of the Lettings Process – In recent years, responsibility for void performance has been shared across two housing divisions. In recent months, the whole process has been completely re-engineered with responsibility for the whole process now residing with Landlord Services. Current turnaround time is averaging 100 days due to the recent success in bringing back into use a small number of very long term void sheltered units. However, targets for 2007/08 have been reduced significantly and will be an ambitious 25 days.
- d) Approval of an Asset Sales Programme – The approval of the small scale of asset sales has assisted in developing a supplementary capital programme to meet emerging demands on the repairs programme.
- e) Renegotiation of Supporting People Contracts – Support contracts for all sheltered schemes have been approved by the Hampshire Supporting People team, securing a total of £650,000 of support grant/income. All services provided to tenants were assessed as meeting the required standard of the Supporting People regime and were well within the value for money limits set for grant payments. A number of changes were made to the sheltered service to ensure consistency of service to all supported tenants following review work by the Sheltered Housing Informal Member/Officer Group.
- f) District Surgeries – The monthly surgeries operated by Housing and Benefits staff in Denmead and Wickham have now been extended to also include Alresford and Bishops Waltham. Wireless technology has been installed at each site to allow direct access back into Council networks to help in providing accurate and timely information to customers.

4.3 Some areas were not progressed as quickly as originally planned. These included:

- a) Void Turnaround Time – Whilst the process has been completely re-engineered as set out above and targets are now significantly tougher, actual performance in the year remained poor, with average turnaround times in excess of 90 days, not helped by the re-letting of some sheltered units that had been vacant for many months.
- b) Void Contractor Performance – Following ongoing problems with the Council's key voids contractor, the decision was taken to remove this work and place it with back up contractors from January 2007. Whilst all lost rent was recharged to the original contractor, the problems did result in a number of tenants being inconvenienced by delays to start dates for their tenancies.

5 Delivering Decent Homes

5.1 Background Information

5.1.1 The nature and extent of the programme to achieve Decent Homes Standard by 2010 and over a 30-year planning period, 2004 – 2034, was determined by the 2003/04 Stock Condition Survey. The Survey was carried out by consultant surveyors David Adamson and Partners. As part of the Housing Options Appraisal, the Options Appraisal Panel, comprising Elected Members and tenants (with the advice of TPAS and Officers), determined the drivers for the definition of the “Winchester Decent Homes Plus Standard” was:

- Meet the basic Decent Homes Standard by 2010
- Maintain current levels of service
- Continue to give priority to providing showers and other aids and adaptations (subject to assessment)
- Work with other organisations to improve safety and parking on estates

5.1.2 In addition and relative to Decent Homes, information gathered via a tenant survey of their opinions and aspirations about their homes and the environment in which they live was also utilised to inform the balance of the proposed Major Repairs, Renewals and Maintenance Strategy.

5.1.3 The Definition and Guidance for implementing Decent Homes from the ODPM was published in 2004 and included updates following the PSA Plus Review.

5.1.4 The Stock Condition Survey as previously reported (HO 28 and HO 56 refers) determined that the inclusive Housing Works Investment Plan for the investment planning period 2004-2013 would require annual investment totalling £7.0m pa. This level of investment was deemed necessary to meet the Decent Homes Standard by 2010, and reflected previous maintenance management policies and levels of investment since the Council’s initial Stock Condition Survey in 1988.

5.1.5 The Housing Works Investment profile to achieve Decent Homes by 2010 and for a 30-year planning period was shown in the Executive Summary Survey Report (HO 56, Appendix A refers).

5.1.6 In considering the period 2005 to 2010, by which time the Government requires Decent Homes Compliance, the Council was advised of the need to carry out specific works as part of a £7.0m pa programme. To achieve and maintain “decency” per se by 2010 was estimated to cost £1.7m. The Council had total funding of £6.6m pa available in 2005/06 and 2006/07 and needed to find savings of £400,000 pa to balance the budget and programme overall.

5.1.7 Savings were identified, considered and approved in four elemental parts of the programme:

£

(i)	Responsive Repairs	100,000
(ii)	Void Reinstatement Costs at reletting stage	145,000
(iii)	Garages and Open Spaces Contingency	110,000
(iv)	Contingent Major Repairs (transferred to HRA balances)	50,000
		<u>£405,000</u>

- 5.1.8 As these savings were against base budget they are in effect year on year savings over the period 2005 – 2010.
- 5.1.9 Having regard to the current and future 2007/08 programme defined in para. 5.2.2 and the investment requirements defined by the Stock Condition Survey approved identified savings were based on the following criteria: -
- (i) Minimises the detrimental effect to property condition
 - (ii) Maximises tenants' aspirations
 - (iii) Offsets any contingent risks where appropriate
 - (iv) Ensure decent homes compliance by 2010
 - (v) Balance the programme to maximise impact of investment
 - (vi) Has regard to relevant published guidance from ODPM
 - (vii) The stated objectives of the Housing Best Value Review 2003
 - (viii) Does not compromise Health & Safety Standards
 - (ix) Does not compromise Security
- 5.1.10 A similar base budget funded from the HRA, MRA and Council's Capital Programme totalling £6.766m is planned for 2007/08. Additional funding by means of limited house sales is planned from April 2007, and this could raise up to approximately £1.0m p.a. to supplement the Major Repairs Renewals and Maintenance Programme (CAB 1378 refers).

5.2 Affordable Major Repairs, Renewals and Maintenance Strategy 2005 – 2010

- 5.2.1 It has previously been reported (CAB 1231 Delivering Decent Homes – The HRA Business Plan 2006-2007, Cabinet 22nd March 2006), section 6, "Emerging Issues" that a number of property related matters would require additional funding over future years.
- 5.2.2 The Council's approval of the Capital Programme 2006/07 to 2011/12 (CAB 1378 refers) gives an opportunity to begin to address these emerging issues, in a strategic manner, by means of a Supplementary Repairs and Renewals Programme. The proposed elements of the original and supplementary programmes are shown in section 5.3 of this report.
- 5.2.3 From 1st April 2007 the balance of programme funding is as follows: -

HRA Revenue	£3.24m (including £300,000 for disabled adaptations)
WCC (Capital Programme)	£0.20m
WCC (Supplementary Capital Programme)	£1.00m (Provisional Sum)
MRA (Government Grant)	<u>£3.33m</u>
	<u>£7.77m</u>

- 5.2.4 Further, although the MRA has been increased by inflation (RPI), and the revenue budget increased by 3% (since in effect being frozen for the last two financial years) the total budget increase of £167,000 has now been more than offset by needing to charge £240,000 of Planned Maintenance Staff Salaries against Capital Programme expenditure. This has in effect been necessary to return the HRA into a sustainable position and restore a working balance (CAB 1369 refers).
- 5.2.5 A further revision to the HRA 2007/08 budget has recently been identified (para.5.1 of covering report refers) and this sum has been covered by recharging the greater proportion of Planned Maintenance staff salaries against Capital Programme Expenditure.
- 5.2.6 A summary description of the elemental components of the Major Repairs, Renewals and Maintenance Programme is given in Appendix A of this report.
- 5.2.7 A similar summary description of the elemental components of the Supplementary Major Repairs and Renewals programme due to commence after April 2007 is given in Appendix B of this report.
- 5.2.8 The balance of the existing programme 2006/07 has evolved and reflects the impact of previous investment, the age profile and “technical” requirements of the stock, tenant’s aspirations whilst minimising any risk to the Council in its capacity as Landlord. Further taking into account the savings previously identified in para. 5.1.7, the emerging issues as previously reported and the potential size of the budget overall as set out in para. 5.2.3, the balance of the proposed programme across the principal elements for 2007/08 is as follows:

BALANCE OF PROGRAMME 2006/07			PROPOSED BALANCE OF PROGRAMME 2007/08		
	£m	% of programme	£m	% of programme	Comments
1. Term Response Works Programme Responsive Day to Day Repairs (Building Maintenance Works under £300)	0.950	15%	0.950	12%	Budget retained at 2006/07 levels.
2. Voids Maintenance & Improvement Works Programme	0.615	9%	0.600	8%	Budget reduced by £40,000 including inflation in line with new voids policy.
3. Cyclic Works Maintenance Programme	1.540	23%	1.580	20%	Budget increased to allow for cost base price increase in cyclic maintenance heating programme.
4. Planned Maintenance Programme	2.894	44%	3.036	39%	Budget now inclusive of greater part planned maintenance salaries in programme.
5. Disabled Adaptations Works	0.400	6%	0.400	5%	Items 5 and 6. Budget retained at 2006/07 levels.
6. Sewage Treatment Works (Improvement Programme)	0.200	3%	0.200	3%	
7. Supplementary Planned Maintenance Programme	0	0	1.000 (Provisional sum)	13%	Budget increase to meet growth in programme.
	<u>£6.599m</u>	<u>100%</u>	<u>£7.766m</u>	<u>100%</u>	Total budget rebalanced to reflect programme requirements for 2007/08.

5.3 Proposed Major Repairs, Renewals and Maintenance Programme 2007/08 and Supplementary Repairs and Renewals Programme 2007/08

5.3.1 The content and balance of the proposed programme for 2007/08 is as follows:

MAJOR REPAIRS, RENEWALS & MAINTENANCE PROGRAMME 2007/08						
Ref	Work Element	Budget Expenditure Type			Total Budget	
		REV	MRA	WCC CAP		
	Term Maintenance Programme	£3.240m	£3.326m	£0.2m	£6,766,000	
1	Responsive day to day repairs under £300 in value. Other "catch-up" works over £300 in value.	950,000	400,000		950,000 400,000	
	Voids Maintenance					
2	Change of tenancy costs	320,000				
3	Term Responsive	180,000				
4	Planned Maintenance		60,000			
5	Decorating Vouchers	40,000			600,000	
	Cyclic Maintenance					
6	External Repair & Painting	350,000				
7	OAP Internal Redecorations	175,000				
8	Heating Appliance Service Contract	835,000				
9	E&M Service Contracts	120,000				
10	Electrical Testing & follow up works	80,000	20,000		1,580,000	
	Major Repairs & Renewals Programme					
11	Kitchen & Bathroom Renewals		930,000			
12	Window Replacement (Prov Sum)		100,000			
13	Specific works to achieve DHS (average)	65,000	200,000			
14	DDA Works to Sheltered Schemes (Prov Sum)		-			
15	Garage Repairs & Misc Estate Works		90,000			
16	Asbestos Removal		50,000			
17	Misc Capital Works		286,000			
18	Heating Systems Replacement & associated works		575,000			
19	Lift Refurbishment		25,000			
20	Communal TV Aerial Replacement		25,000			
21	Disabled Adaptations Work	125,000	275,000			
22	Upgrading of Sewage Treatment Works			200,000		
23	Consultancy Support Costs		50,000			
24	Planned Maintenance Staff Costs (greater part)		240,000		3,236,000	
	Budget Carried Forward	3,240,000	3,326,000	200,000	6,766,000	

SUPPLEMENTARY MAJOR REPAIRS AND RENEWALS PROGRAMME 2007/08

Ref	Work Element	Budget Expenditure Type				
		REV	MRA	WCC CAP	Supplementary Capital	Total Budget
	Budget brought forward	3,240,000	3,326,000	200,000		6,766,000
	Major Repairs & Renewals Programme (Supplementary Programme)				(Provisional budget) 1,000,000	
11a	Kitchen & Bathroom Renewals				300,000	
15a	Garage Replacements				50,000	
18a	Heating Systems Upgrade				250,000	
21a	Disabled Adaptation Works				300,000	
23a	Project Management Fees				100,000	
25	Digital Switchover				-	
	Total Indicative Budget	£3,240,000	£3,326,000	£200,000	£1,000,000	£7,766,000

5.4 Decent Homes Compliance (Update 1st February 2007)

5.4.1 Background Information

The stock condition survey carried out in 2003 estimated that of the 5,232 properties owned by the Council at that time, 3646 dwellings (70%) were compliant and 1586 dwellings (30%) failed by at least one matter of the standard and were by definition Non-Decent. Combined element failure within the Standard was uncommon with the majority of non-decent dwellings failing on only one element.

5.4.2 The pattern of Decent Homes defect classification in property numbers in 2003 was as follows:

Unfit	26
Disrepair	274
Amenities	65
Energy Only	1221
No Defects	<u>3646</u>
	<u>5232</u>

5.5 February 2005 Update

5.5.1 An analysis of the criteria applied towards decent homes classification, and the effect of works carried out since the survey in 2003, resulted in the updated decent homes compliance:

Decent Homes Defect Classification 1 February 2005

Unfit	15
Disrepair	201
Amenities	61
Energy Only	632
Adjustment for Sold properties since survey	<u>-1</u>
Total Non-Decent Properties	<u>908</u>

5.5.2 Therefore a revised estimate of properties owned by the Council on 1st February 2005, (5182) that were by definition non-decent was 908 properties (17.5%) and by implication 4274 properties (82.5%) met Decent Homes Standard.

5.5.3 The biggest change in property numbers was within the Energy category, and detailed explanation was given in HO56 (para 5.4.1 – 5.8 refers).

5.5.4 In conclusion, of the 926 properties that formed the basis for energy failure, an analysis of these properties showed that approximately 294 are ground or mid floor flats where loft insulation was in-appropriate, leaving a total of approximately 632 properties in which to insulate lofts.

5.5.5 Therefore it was deemed necessary to top up the levels of loft insulation to these properties heated by Electricity and Solid Fuel, (where they have lofts), properties where heating has been refused (30) and any other property where for whatever reason loft insulation does not exist.

5.6 February 2006 Update

5.6.1 An analysis of the criteria applied towards decent homes classification, and the effect of works carried out since the survey, resulted in the updated decent homes compliance:

Decent Homes Defect Classification 1st February 2006

Classification	No	Comments
Unfit	7	3 remaining properties were subject to ongoing structural appraisal that also involves attached private owners. 4 properties were referred to Housing Management for Action as they involved lifestyle issues as opposed to building defects per se
Disrepair	142	
Amenities	59	
Energy only	542	90 properties insulated in 2005 ahead of programme
Adjustment for sold Properties	0	
Total Non-Decent Properties	<u>750</u>	

5.6.2 Therefore a revised estimate of properties owned by the Council on 1st February 2006 (5158) that were by definition non-decent was 750 properties (14.5%) and by implication 4,408 properties (85.5%) met Decent Homes Standard.

5.6.3 Loft insulation to 90 properties was carried out in 2005 ahead of scheduled programme in 2006/07, as part of a Government sponsored insulation programme, and at no cost to the Council.

5.7 Current position towards Decent Homes Compliance

5.7.1 Decent Homes Defect Classification 1st February 2007

Current Position

Classification	No	Comments
Unfit	1	1 Property has structural works to be carried out.
Disrepair	100	Properties progressively being brought up to Decent Homes Standard by internal works programmes.
Amenities	54	
Energy Only	305	237 properties insulated in 2006
Adjustment for Sold Properties	0	
<u>Total Non-Decent Properties</u>	<u>460</u>	

5.7.2 Therefore allowing for 290 properties achieving decency in 2006/07 a revised estimate of properties owned by the Council on 1st February 2007 (5127 Excluding leasehold properties) that were by definition non-decent was 460 properties (9%) and by implication 4,667 properties (91%) met Decent Homes Standards.

5.7.3 Loft insulation to 237 Properties was carried out in 2006, substantially funded by a Government sponsored insulation programme.

5.8 Proposed Repairs Strategy to Complete Decent Homes works specific 2005-2010

5.8.1 As identified by the Stock Condition Survey, to achieve and maintain decency by 2010 will, together with other works identified within the programme, require specific works to be carried out. These, with estimated values were:

		Element	£ (total)	£ per annum over 5 years
Defined works to meet defined standards	(i)	Fitness	52,000	
	(ii)	Disrepair	250,000	50,000pa
	(iii)	Amenity	301,000	60,000pa
	(iv)	Energy	291,000	58,000pa
	(v)	Emerging Deficiencies comprising: - Wall Structure – 272,000 Roof Structure – 112,000 *Windows & Doors – 386,000	770,000	77,000pa
		Total works to achieve and maintain decency	1,664,000 - 386,000 1,278,000	at £256,000pa average

* As windows and external doors are included elsewhere in the programme, works to be programmed over the 5 year period totalled £1,278,000 at an annual value of £256,000.

5.8.2 It was proposed that specific works to achieve decency will be carried out incrementally throughout the stock. The following indicative elemental programme demonstrates how progressively the Decent Homes Standard will be achieved:

Year	% Of Stock	Work Element	£
1. 2005/06 (67 properties)	1.5%	Unfit Property	52,000
		Amenities	60,000
		Disrepair	50,000
		Maintain Decency	77,000
			<u>239,000</u>
2. 2006/07 (210 properties)	4%	Amenities	60,000
		Disrepair	50,000
		Maintain Decency	77,000
		Energy (Insulation)	73,000
			<u>260,000</u>
3. 2007/2010 (630 properties)	12%	As year 2 above	260,000
Total of 907 Properties	Representing 17.5% of stock	= Decent Homes Target Achieved by 31/03/2010	

5.8.3 Therefore it can be seen that subject to programme, and other emerging issues, Decent Homes Compliance will be achieved by 31 March 2010, and within the defined Government target of 31 December 2010.

5.8.4 Whilst it is essential to retain some flexibility within the investment programme, the table below gives an indication of the rate at which previous, current and planned investment will bring non decent properties up to the Decent Homes Standard:

Criteria	March 2005	March 2006	March 2007	March 2008	March 2009	March 2010
Unfit	15	7	1	-		-
Disrepair	200	142	100	23		-
Amenities	61	59	54	39	19	-
Energy	632	542	305	145	-	-
Total Non Decent	908 (17.5%)	750 (14.5%)	460 (9%)	207 (4%)	19 (0.5%)	0 (0%)

5.9 Strategy towards delivery of the Supplementary Capital Major Repairs & Renewals Programme commencing 2007.

5.9.1 Report CAB 1378, Capital Programme 2006/07 – 2011/12 approved the Housing Revenue Account Capital Growth Bid of £1.0m per annum in principle for the next five years, on the basis and funded by limited house sales (up to 10 houses) per year over a corresponding 5 year period.

5.9.2 The purpose of generating a further receipt of up to £1.0m annually is to meet a number of emerging stock related issues as previously identified (CAB 1231 section 6 refers) that will require additional investment to both achieve and maintain the Council's Decent Homes Plus Standard by 2010 and beyond.

5.9.3 The key areas in which investment is required to form a Supplementary Capital Major Repairs and Renewals Programme, distinct and separate from the base Major Repairs, Renewals and Maintenance Programme are set out in Appendix B of this report, and contain both a summary description of the reason and purpose of each works element proposed (including project fees).

5.9.4 The total expenditure envisaged to be generated by sales allowing the supplementary programme to commence in 2007/08 is shown in section 5.3 of this report.

5.9.5 An indicative programme and investment profile is shown in Appendix C of this report, and demonstrates how the newly emerging works elements could be funded over the next 5 years.

5.9.6 The balance of funding towards the elements shown in year 1 (2007/08) of the supplementary programme will in each area contribute towards both achieving and maintaining Decent Homes, and the stated Winchester Decent Homes Plus Standard by: -

- Meeting increasing numbers of Amenity Failure in kitchens and bathrooms.
- Start to rebuild garages where beyond economic repair.
- Starting to address increasing obsolescence in gas fired heating systems.
- Substantially reducing the backlog in Aids and Adaptation works.

5.9.7 Timing of works will obviously depend on the number and how sales practically materialise and when monies are actually available to meet project costs and works expenditure. Consideration also needs to be given as to what additional staff and/or

consultancy resources will be required to ascertain, procure and enable the works to be carried out (from inception to final account).

- 5.9.8 An indicative profile of how income from projected house sales is proposed to be incrementally committed towards works elements proposed in the 2007/08 Supplementary Major Repairs and Renewals Programme, is shown in Appendix D of this report. This approach would allow for works to be procured in a strategic manner, and for high priority and/or backlogs of work to be dealt with earlier in the programme. It will further allow for the best use of existing staff resources to plan, consult and procure works and enable any necessary support to be commissioned on the most appropriate terms e.g. consultancy and/or fixed term appointment etc.

6.0 Emerging Issues

6.1 Since the publication of the 2004 Business Plan, there are a number of issues which have emerged or are emerging, both within the repairs and renewals programme and with the wider agenda for social housing that may impact on the Councils ability to achieve and maintain its “Decent Homes Plus Standard” by 2010.

6.2 Emerging issues highlighted in the 2006/07 update included:

- Reducing demand for sheltered housing
- Increasing management costs
- Homebuy
- Demand for Disabled Adaptations
- Increasing obsolescence of heating systems
- Digital Switchover
- The new Housing Health and Safety Rating System

6.3 Each of these issues have been addressed or are included for action in the key priorities for the coming year (section 7). Further emerging issues that will require work in the coming year(s) include:

a) **Hills Review of Social Housing** – This major national study into the future of social housing covers an extremely wide spectrum of issues including:

- What can social housing do in helping create genuinely mixed communities?
- Can the way we run it encourage social mobility and opportunities, including in the labour market, for people to get on in their lives?
- Can social housing and other support be more responsive to changing needs and enable greater geographical mobility?

Conclusions include the need for landlords to focus more on preventing “worklessness” and promoting employment opportunities, taking further steps to encourage “mixed” communities (including property sales), significantly increasing tenant choice and involvement and considering an end to secure tenancies. The report was published in February 2007 and a copy can be accessed through the following website - <http://sticerd.lse.ac.uk/case/news.asp>

b) **Cave Review of Social Housing Regulation** – Whilst this review is still ongoing, early indications emerging from recent consultations suggest that it will recommend a move towards “domain” regulation rather than “sector” regulation. This could result in local authority landlords being subject to the same regulatory process as housing associations and other social housing providers.

c) **CIPFA Review of Potential Financial Freedoms** – This review is currently investigating the potential for local authority landlords to operate outside of the HRA subsidy system. Whilst still in the early stages, the conclusions of the review will be of particular interest to both Council members and tenants, who have both recently made representations to Government concerning the limitations of the current financial system on local authority landlords.

7 Key Housing Revenue Account Priorities

A) Key Service Priorities 2007/08 to 2009/10

Corporate Priority	What will we do?	When will we do it?	How will we measure our success?	How much time / money will it take?	Who's Accountable ?
Safe and Strong Communities (Health and Well Being)	Decent Homes - To bring all Council properties up to the Decent Homes standard by 2010 (253 properties in 2007/08)	Mar 2008	Improvement in % of decent stock from 91% to 96%	<ul style="list-style-type: none"> • Work included in Repairs Strategy for 2007/08. Will be spread over year • £7.7m repairs programme 	Head of Contracts & Property Services
		Mar 2009	99.5% decent		
		Mar 2010	100% decent		
Safe and Strong Communities (Health and Well Being)	Asset Management – To deliver targets and priorities as set out in the Major Repairs and Renewals Strategy, aimed at maintaining the good standard of council homes	Apr 2007 to Mar 2010	Targets met. All elements of programme on track	<ul style="list-style-type: none"> • £6.7 m repairs programme • £1m additional programme agreed 	Head of Contracts & Property Services
Safe and Strong Communities (Health and Well Being)	Asset Management – To manage, monitor and report as appropriate the small scale programme of asset disposals, ensuring that 50% of all receipts are re-invested in the Major Repairs programme for Council homes	Apr 2007 to Mar 2010	Less than 10 houses sold. Supplementary capital programme on track	Up to 10 homes sold in the year generating £1m receipt for HRA works	Head of Landlord Services
High Quality Environment (Natural and Built)	Sustainability – To investigate options for improving sustainability in the improvement and maintenance of Council homes to comply wherever possible with “Sustainable Homes” standards as determined by Councils Climate Change Plan and Building Regulations.	By Jun 2007	Sustainability issues built into Repairs Strategy for 2008	Time included in Building Control service plan	Head of Building Control

Corporate Priority	What will we do?	When will we do it?	How will we measure our success?	How much time / money will it take?	Who's Accountable ?
Safe and Strong Communities (Health and Well Being and Inclusive Society)	Strategic Review of Older Persons Service - To prepare the Older Persons services to meet the requirements of the Supporting People Strategic review to be completed in 2008	Apr 07 – Dec 07	Fair assessment from review.	Major impact on Hsg Mgt team	Hsg Services Manager
	Sheltered/Supported Housing - To develop the existing service to provide extended community services (i.e. to older tenants in general needs accommodation)	By Mar 08	Medium term funding secured from SP pot.	Will dominate year for staff involved in delivering older persons services.	
	Extra Care - To review the potential for further development of Extra Care services in conjunction with Hampshire Adult Services	By Mar 08	Clear action plan in place	Key task for Hsg Services Mgr	
	Central Control - To improve value for money achieved by Central Control Service through growth of private lifelines, Telecare support and other income generating opportunities	By Mar 08	Income up by 30%	Achieved by utilising spare capacity	
		Ongoing	Reduced unit costs	As above	
Safe and Strong Communities (Freedom from Fear)	Respect - To develop housing management services in accordance with the Respect Standard for Social Landlords	Apr 07- Dec07	Service sufficient to meet requirements of Respect Code	Community Relations Officer – 20% of total time Neighbourhood Wardens – 10% of total resource	Hsg Services Manager
	Introductory tenancies – To review the potential advantages/impact of introductory tenancies	Apr 07-Oct 08	Cabinet report recommending way forward	Issue to be picked up by Tenancy Conditions Working Group	

Corporate Priority	What will we do?	When will we do it?	How will we measure our success?	How much time / money will it take?	Who's Accountable ?
Safe and Strong Communities (Health and Well Being)	<p>Housing Options – To update stock condition and financial projection data to inform the completion of Housing Options review in 2008</p> <p>To complete formal review of Housing Options and recommend future management arrangements to Council (including necessary tenant consultation)</p>	<p>Apr 07 – Dec 07</p> <p>Dec 08</p>	<p>Updated stock condition and financial projections available by year end</p> <p>Future management arrangements approved</p>	<p>Key task for Head of Service, Head of Contract & Property Services, Housing Finance Mgr and Project Coordinator</p> <p>£50k per annum included in HRA budget for 07/08 and 08/09</p>	Head of Landlord Services
Safe and Strong Communities (Inclusive Society)	<p>Equalities – To deliver the key actions for 2007/08 included in the Housing BME Strategy</p> <p>To further develop a comprehensive programme of Impact Assessments for Housing Services</p> <p>Vulnerable Persons Protocol - Development of Vulnerable Persons' Protocol to ensure that WCC and all housing partners are fully committed to protecting interests of vulnerable people in development and service changes</p>	<p>Apr-Oct 07</p> <p>By Mar 08</p>	<p>Actions implemented</p> <p>Impact assessments completed.</p> <p>VPP signed by all partners</p>	<p>15% of project officer. Key operational task for all team leaders</p> <p>Included in above</p> <p>Project to be led by Hsg Services Mgr with support from Project Coordinator/Homelessness Team Mgr</p>	<p>Head of Landlord Services</p> <p>Housing Services Manager</p>
An Efficient and Effective Council.	<p>Procurement – To adopt the national Constructionline service to replace the existing local select list for maintenance contractors.</p> <p>To develop framework agreements for the procurement of Planned Maintenance Contracts (initially repairs & painting contracts)</p>	From April 2007	All small to medium scale contracts let to tenderers signed through Constructionline	Officer time for works procurement estimated at 10% of contract value	Head of Contracts & Property Services

B) Other Service we aim to deliver 2007/08

Corporate Priority	What will we do?		How will we measure our success?	How much time / money will it take?	Who's Accountable?
An Efficient and Effective Council	Arrears performance – To maintain current tenant arrears at or below 1% of the total rent roll	Apr 07- Mar 08	Year end performance achieved	Existing establishment set to achieve this	Housing Services Manager
	Voids Performance – To meet the significantly reduced target for void turnaround time (now 25 days)	Apr 07 – Oct 07 (and beyond)	Average turnaround time down to 25 days	Direct increase in resource requirement on Landlord service offset by reduced impact on Strategic Hsg teams	Heads of Landlord Services
	Repairs Performance – To achieve all Repairs targets and keep repairs service in top 25% of performers nationally	Apr 07- Mar 08	Year end targets achieved	Existing establishment set to achieve this	Head of Property and Contracts
	Achieve income targets – To closely monitor income to ensure that higher targets set for 2007/08 are achieved for each area of activity	Apr 07- Mar 08	Income budget targets achieved	Existing establishment set to achieve this	Heads of Landlord Services
	Benchmarking – To produce “benchmarking” data for all services and capital works using existing data sources (Audit Commission, Housemark, CIPFA etc) and “partner” housing associations where possible	April 07 – Dec 07	Benchmark reports available for scrutiny process	Existing establishment set to achieve this (some support required from Procurement Officer)	All service heads
	To identify gaps in sources of information and prepare an action plan to address these	Jan 08 – Mar 08	Actions included in 08/09 Business Plan	To be determined	Head of Landlord Services

<p>An Efficient and Effective Council</p>	<p>ICT Improvements</p> <p>Document Management – Subject to a satisfactory “proof of concept” (to confirm effective links with the Orchard database), to implement a comprehensive document management system across all City Office based Landlord Services</p> <p>Performance Management – To develop effective reporting for members and officers on the Covalent software system</p>	<p>System prep/Roll out – Apr–Aug 07</p> <p>April 07</p>	<p>All teams making full use of system by Aug 07</p> <p>All performance updated monthly</p>	<p>2 fte support from ICT team for period + 1 fte from Landlord team</p> <p>Ad-hoc support from all Landlord teams</p> <p>5 staff each spending total of 15 days per annum (existing resource)</p>	<p>Head of Landlord Services</p> <p>Head of Landlord Services</p>
<p>Health and Well Being (Inclusive Society)</p>	<p>Tenant Inspection Groups – In association with South Coast Training Group, to establish programme of “cross landlord” tenant inspections</p> <p>Resident Involvement – To extend resident involvement through developing a mix of involvement activities for tenants expressing interest in getting involved (175 through Tenant Talk questionnaire)</p> <p>Tenancy Conditions – Tenancy conditions and Tenants Handbook Review involving tenants in modernising the service</p>	<p>April 07 – Mar 08</p> <p>April 07 – Mar 08</p> <p>Apr 07- Oct 07</p>	<p>2 tenant inspections completed</p> <p>>100 additional tenants involved by year end</p> <p>Revised Handbook and Conditions published</p>	<p>TP staff – 12 days Tenant reps – 3 x 12 days each</p> <p>TP staff - > 25 days in total on this project</p> <p>Major project - Tenancy Conditions Working Group already established</p>	<p>Tenant Involvement Mgr</p> <p>Tenant Involvement Mgr</p> <p>Housing Services Manager</p>

8 The HRA Budget 2007/08

8.1 Long Term Projections

The HRA Business Plan 2004-34 provided detailed long term financial projections and sensitivity analysis and all of this remains valid for the current budget. The projections concluded that there were sufficient resources to fund the Council's Decent Homes Programme and that the HRA was sustainable to well beyond 2010. It did however identify potential longer term funding issues as maintenance costs are projected to increase further in the next 10 years due to ageing facilities. It also concluded that the projections are sensitive to external changes such as changes to the subsidy system.

The projections have been reviewed and accepted as reasonable by GOSE as part of the Options Appraisal process. Further work on updating the projections will be completed as part of the full review of this Plan next year.

8.2 The HRA Budget 2007/08

The City Council approved an average rent increase of 5% for 2007/08. Key features of the budget include:

- A projected year end surplus of £48,860. This has been achieved by significant efficiency measures such as reducing transfer percentages, improving voids performance, and reducing overhead costs as well as measures to maximise income such as the review of garage rents.
- Central Control has reverted from a general fund service to the HRA to reflect the key focus of the business, to provide services and support to older tenants in supported housing. Overall costs of the service have been reduced significantly by increasing income targets and introducing charges for services provided to the Council out of hours.
- The cost of planned maintenance, traditionally funded from the HRA is more correctly charged to the Capital programme to reflect the direct support they make to specific capital projects. This charge was introduced in 2005/06, although a significant revenue contribution was also made to these costs. For 2007/08, Planned maintenance project fees are projected at £300,000 plus a further £100,000 to support the supplementary programme detailed in section 5. Of this, the revenue contribution from the HRA has reduced to £50,000.

8.3 Key Actions for the Year

In addition to ongoing work to ensure the effective management of the HRA, a number of actions are planned for the coming year to contribute to the long term viability of the HRA. These include:

- Updating long term projections and sensitivity analysis for the HRA as part of the Housing Options update.
- A complete review of all service charges to assess ongoing levels of general subsidy for services only received by certain tenants (sheltered, extra care, communal housing, supported housing, private connections to sewage works, leaseholders etc)
- An increased focus on value for money through completion of benchmarking reviews, identifying further efficiency measures and reviewing options for additional income generation.

8.4 Achieving Efficiencies

In 2006/07, significant "non cashable" efficiencies were achieved through administrative changes to procuring voids works. New systems effectively achieved a saving of half of one post which has now been redirected to direct customer liaison

and service improvement. In addition, 10 posts in total have been retained as vacant pending service reviews

For 2007/08, further efficiencies will be achieved by:

- (i) Reducing Transfers – By reducing the balance of housing transfers to waiting list allocations to be more in line with provision by other landlords, (30/70 rather than 50/50), the number of vacant properties requiring attention will be reduced significantly, achieving a direct saving on the void budget projected at £70,000 per annum.
- (ii) Changes to the Re-letting targets – Improvements in void turnaround time have been made that will save at least one week for each property with a corresponding increase in rent income. This should increase rent income by over £30,000 per annum.

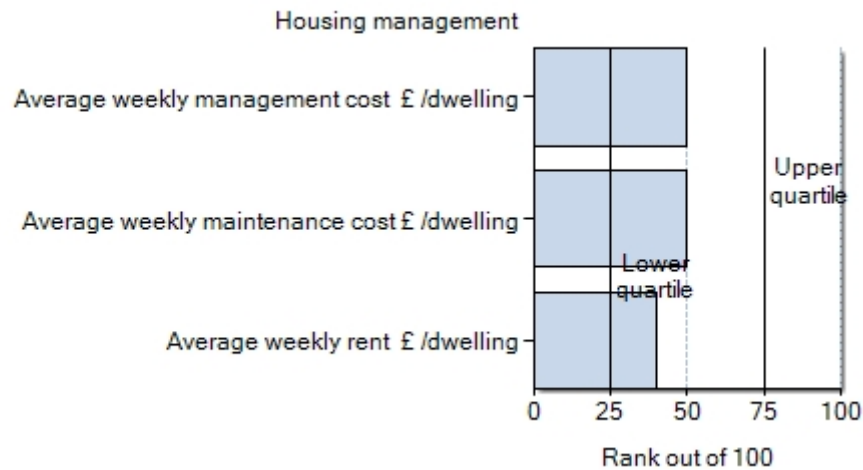
8.5 Ensuring Value for Money

- a) Whilst the continued focus on efficiencies is important, it is arguably more important to ensure that services actually deliver Value for Money to tenants. Over the next year, the Council will need to develop its information to demonstrate the value for money it achieves through efficient and effective service provision.
- b) Most existing information available suggests that the City Council provides good value for money through its Landlord Service. However, most of the information currently available would struggle to stand up to external scrutiny and so the Council will be using the Chartered Institute of Housing's Housemark system over the next year to assist with the validation of value for money information.
- c) Examples of current comparative information includes:
 - (i) CIPFA HRA 2005/06 Comparisons – General cost per property for housing management for all Hampshire authorities:

Authority	Cost of Hsg Management per property – 2005/06 (£)
Fareham BC	461
Winchester CC	470
Southampton CC	530
New Forest DC	560
Portsmouth CC	680
Gosport BC	710

- (ii) Audit Commission Value for Money Tool – This tool allows for a wide range of analysis against all authorities, near neighbours, family groups etc. The chart below indicates average housing management costs per property for the City Council compared with those authorities identified as being part of the CIPFA “nearest neighbour” group. Comparisons for other groups provide similar results.

**Housing Management
Spend per Dwelling (Audit Commission 2006)**



- (iii) Housing Quality Network Performance Analysis - Housing Quality Network have recently published a report reviewing performance of all local authority landlords. It provides analysis of national performance in the key areas of rent collection, void management and repairs. The City Council achieved top quartile performance for both rents and repairs. New targets for Voids for 2007/08 would achieve top quartile based on 2005/06 figures.
- (iv) Housing Quality Network Benchmark Review 2003 – As part of the Best Value review in 2003, the Housing Quality Network completed a benchmark survey of 15 landlords in the South of England. This survey identified that at that time the City Council provided general landlord services with fewer staff per 1000 properties than the average of the group. A summary is given in the table below:

Service	FTEs per 1000 dwellings WCC	Average FTEs per 1000 dwellings (all landlords)
General Mgt	2.06	3.46
Housing Management	9.04	10.02
Repairs (client)	3.28	4.07

- (v) Whilst none of the above data provides conclusive evidence, it all contributes towards an overall positive picture on value for money. More systematic and independently validated information will be produced this year to further test the accuracy of the above information.

8.6 The HRA Budget 2007/08

The budget for next year is detailed in the table on the following page:

HOUSING REVENUE ACCOUNT BUDGET 2007/08

Service Summary	2005/06 Actual	2006/07 Original Budget	2006/07 Revised Budget	2007/08 Original Budget
(1)	(2)	(3)	(4)	(5)
Net Cost of Service				
Expenditure	£	£	£	£
Housing management - General	2,309,572	2,309,450	2,298,270	2,473,350
Housing management - Special :				
- Sheltered housing	1,180,365	1,217,650	1,119,820	783,650
- Communal services	98,514	93,100	86,470	87,470
- Homelessness	29,856	(38,510)	(3,880)	(5,150)
- Estate maintenance	211,445	174,920	174,620	180,860
- Miscellaneous works	462,121	418,780	467,990	730,500
Total housing management - Special	1,982,301	1,865,940	1,845,020	1,777,330
Repairs - administration	777,270	890,620	869,810	842,400
Repairs Works (revenue)	2,929,936	2,890,000	2,890,000	3,040,000
Debt Management Expenses	38,860	39,770	39,770	39,850
Cost of Capital Charge	13,268,730	17,911,110	0	0
Depreciation and impairments of fixed assets	3,507,528	3,535,950	3,570,330	3,665,660
Total Expenditure	24,814,197	29,442,840	11,513,200	11,838,590
Income				
Dwelling rents	(16,399,935)	(17,265,000)	(17,265,000)	(18,020,000)
Garage rents	(446,900)	(507,000)	(454,000)	(590,000)
Sheltered charges	(215,973)	(222,000)	(253,000)	(288,330)
Supporting people	(720,981)	(686,000)	(626,000)	(640,560)
Other income	(215,786)	(184,800)	(180,240)	(180,760)
Contribution from Bad Debt Provision	(44,965)	0	0	0
Total rents and other income	(18,044,539)	(18,864,800)	(18,778,240)	(19,719,650)
HRA subsidy (incl MRA)	6,219,432	7,040,320	7,017,860	7,985,630
Rental Constraint Allowance	0	0	0	(480,000)
Total Subsidy	6,219,432	7,040,320	7,017,860	7,505,630
Total Income	(11,825,107)	(11,824,480)	(11,760,380)	(12,214,020)
NET COST OF SERVICES	12,989,090	17,618,360	(247,180)	(375,430)
Capital Charges				
Adjusting transfer from AMRA	(12,809,727)	(17,435,170)	481,200	508,550
Amortised premiums and discounts	236,426	225,830	225,830	225,830
Investment income/mortgage interest	(80,732)	(61,690)	(84,810)	(104,430)
Total Capital Charges	(12,654,032)	(17,271,030)	622,220	629,950
Transfer to GF for Rebates	81,804	37,770	37,770	37,770
NET OPERATING EXPENDITURE	416,861	385,100	412,810	292,290
Appropriations				
Transfer to/from Major Repairs Reserve (re depreciation)	(261,457)	(276,570)	(310,950)	(341,150)
Transfer re Pension Reserve re FRS17	(80,251)	0	0	0
Transfer to/(from) Insurance Reserve	11,472	44,860	13,570	0
	(330,236)	(231,710)	(297,380)	(341,150)
HRA Working Balance				
Net HRA -Deficit/(Surplus)	86,625	153,390	115,430	(48,860)
Balance Brought Forward HRA Working Balance	(918,302)	(704,832)	(831,677)	(716,247)
Balance Carried Forward HRA Working Balance	(831,677)	(551,442)	(716,247)	(765,107)
HRA Insurance Reserve-Balance Brought Forward	(319,702)	(404,562)	(331,174)	(344,744)
Revenue Contribution	(11,472)	(84,860)	(53,570)	(53,570)
Contribution to HRA		40,000	40,000	53,570
Balance Carried Forward Insurance Reserve	(331,174)	(449,422)	(344,744)	(344,744)
Balance Carried Forward Total HRA Reserves	(1,162,850)	(1,000,864)	(1,060,990)	(1,109,850)

B) Key Performance Indicators

Ref. No.	What does this show?	Who reports this ?	Achieved 2004/05	Achieved 2005/06	Estimate 2006/07	Target 2007/08	Target 2008/09	Target 2009/10
BV63	Average SAP rating of Council owned dwellings	C Broomfield	57	65	65	67	67	70%
BV66a	Proportion of rent collected	R Boardman	99.55%	99.69%	99.6%	99.6%	99.6%	99.6%
BV66b	Number of Tenants owing > 7 weeks rent as percentage of all tenants	S Tong	Not reported	1.61%	1.5%	1.5%	1.5%	1.5%
BV66c	% of tenants in arrears who have been served NSPs	S Tong	Not reported	61.24%	55%	50%	40%	40%
BV74	Tenant satisfaction (%)	R Botham	86.01%	86.01%	90%	90%	90%	92%
BV74 BME	Tenant satisfaction – Black & Minority Ethnic (%)	R Botham	79.31%	79.31%	90%	90%	90%	92%
BV75	Tenant satisfaction (%) - Opportunities for participation	R Botham	57.02%	57.02%	70%	70%	70%	75%
BV75 BME	Opportunities for participation – Black & Minority Ethnic (%)	R Botham	65.38%	65.38%	70%	70%	70%	75%
BV75ii Non BME	Opportunities for participation - Non BME (%)	R Botham	56.69%	56.69%	70%	70%	70%	75%
BV164	CRE code of practice in rented housing	R Botham	Yes	Yes	Yes	Yes	Yes	Yes
BV184 a	LA homes which were non-decent at 1 April 2004	C Broomfield	17.5%	14.5%	9%	4%	0.5%	0%
BV 184 b	% Change in Decent Homes standard	C Broomfield	42.18%	17.14%	38%	44%	80%	100%

Ref. No.	What does this show?	Who reports this ?	Achieved 2004/05	Achieved 2005/06	Estimate 2006/07	Target 2007/08	Target 2008/09	Target 2009/10
BV 212	Average time taken to Re-let dwellings	R Botham	Not reported	96.63 days	90 days	25 days	23 days	20 days
LPI HM 01	% of Repair jobs subject to Complaints	C Broomfield	2.92%	1.04%	1%	1%	1%	1%
LPI HM 03	% of urgent repairs completed within government time limits	C Broomfield	97.53%	98.76%	98%	98%	98%	98%
LPI HM 04	Average time taken to complete non-urgent responsive repairs	C Broomfield	14.6 days	12.17 days	12 days	12 days	12 days	12 days
LPI RA 01	To maintain former tenant arrears at below £100,000	S Tong	£168k	£103,840	£100k	£100k	£100k	£100k
LPI RA 03	Current tenants owing over 13 weeks rent	S Tong	1.64%	1.55%	1.35%	1.35%	1.2%	1%
LPI RA 05	Current arrears as % of rent toll	R Boardman	1%	0.91%	1%	1%	1%	1%
LPI RA 06	Rent written off as % of rent roll (previously BVPI 66c)	R Boardman	0.30%	0.53%	0.43%	0.4%	0.4%	0.4%
LPI RA 07	% Rent lost through dwellings becoming vacant	R Boardman	2.41%	2.51%	1.46%	1.2%	1.2%	1%
LPI HN 02	The stock empty at the end of the period	R Boardman	2.03%	2.32%	<2%	<2%	<2%	<2%

10. Proposals for Consultation

What Research or consultation do we intend to carry out	How will we be doing it?	When will we be doing it ?	How will we use the results?
Harassment – Research into current experience, key issues for customers etc	Harassment drop in day coordinated by Jigsaw Group	April 08	Feedback from drop in day to be reviewed and Harassment policies amended in light of information provided
Involving “Hard to Reach” Tenant groups	Seminar for tenants who have already expressed interest through Tenant Talk survey completed in 2006	May 08	Seminar to identify how tenants are prepared to get involved. A mix of involvement methods to then be developed to take account of tenant needs
Garage Surveys – Site specific to determine usage levels and compliance with tenancy conditions	Mix of postal surveys, site visits and public meetings	Apr – Oct 08	To inform decisions on both specific garage sites and also rent levels, potential for differential charging between tenants and non tenants etc

10. Workforce Planning

KEY EXTERNAL DRIVERS	KEY INTERNAL DRIVERS
<ul style="list-style-type: none"> • Subsidy changes linked to Right to Buy • Anti Social Behaviour Act and Respect Agenda • Decent Homes standard • Availability of capital funding • Decreasing demand for sheltered housing • Supporting People regime and Strategic Review of Older Persons services 	<ul style="list-style-type: none"> • Availability of capital resources • Housing Options Review • Appropriate levels of trained staff/back up to key roles • Increasing corporate role on estates • Internal process reviews • Revenue resources/staffing levels • Developing Corporate Strategies including e-enabled systems
WORKFORCE IMPLICATIONS	
<ul style="list-style-type: none"> • Need to review service management and staffing levels, as well as the balance between housing management, repairs and other housing staff, in light of the Housing Options Review and the Strategic review of Older Persons services • Requirement for clear procedures and well trained staff back up to key roles where teams are small (ICT, Allocations, Rent Accounting etc) • Revised operational practices and procedures to take account of increasing general fund input on estates • Training to concentrate on legislative/professional update issues to keep pace with external pressures on the service 	

12. **Key Elements of Risk Management**

Risk number	Rating	Cluster and MAP link	Short name	Risk ownership	Cause	Consequence	Action required
2001	B1	Legislation	Sensitivity of HRA Funding	Richard Botham	Rent re-structuring, Subsidy Rule Changes, Right to Buys, increasing corporate costs etc	(1) Insufficient funds to meet service needs and Decent Homes Plus Standard, (2) Tenant dissatisfaction, (3) Members challenge, (4) Challenge to delivery of service (5) transfer of service (6) huge impact on other council services	<i>Maintain reasonable reserves Maximise income Scrutinise recharge costs</i>
2002	B2	Legal	Not Meeting the Decent Homes Standard	Clive Broomfield	Lack of Funding, Tenant Priorities, Lack of Clear Plans	(1) Government Intervention, (2) Forced Solution, (3) Bad publicity	<i>Clear strategy agreed and monitored</i>
2003	B2	Physical	Faulty gas appliances	Clive Broomfield	Servicing gas fired appliances in council homes is conducted by an outside contractor, Unable to gain access to homes, Failure to comply with regulations / negligent	(1)Tenants at risk (2)Fatality (3)Council sued (4)Officers libel (5)HSE involved (6)Massive fine (7)Lack of confidence for other tenants (8) Negative publicity	<i>Comprehensive service contract Robust injunction process to ensure access gained to all properties</i>
2004	C2	Physical	Communal housing	Richard Botham	Loss of utilities, storm/flood, building failure	Urgent evacuation/rehoming of residents. Urgent requirement for maintenance/repairs. Major unplanned impact on resources	<i>Clear Business Continuity Plan in place and kept up to date Test exercise to be completed</i>

2005	C2	Contractual	Loss of a major contractor (Serco or Nationwide)	Clive Broomfield	Receivership/business failure. Very poor performance	No response to urgent responsive repairs or gas servicing. Failure to meet statutory targets	<i>Clear procurement processes Constructionline in place</i>
2006	C2	Management	Failure of Central Control Staff	Linda Curtis	Ill Health of late night operator	(1) 2000 Vulnerable people, (2) Death of person, (3) Political implications, (4) Adverse publicity, (5) Legal Liability, (6) Business Loss, (7) Loss of Trust/Reputation	<i>Back up services agreed with other provider. Business Continuity Plan in place and tested regularly</i>
2006	C2	Technological	Failure of Central Control Technology	Linda Curtis	Technological breakdown (Computer, telephone lines, lifeline system)	(1) 2000 Vulnerable people, (2) Death of person, (3) Political implications, (4) Adverse publicity, (5) Legal Liability, (6) Business Loss, (7) Loss of Trust/Reputation	<i>Comprehensive servicing and maintenance arrangements SLA agreed and tested with Tunstall</i>

Summary Description of Elemental Components of Major Repairs, Renewals & Maintenance Programmes and their Management/Purpose

REF	ELEMENT	SUMMARY DESCRIPTION
1	Term Maintenance Works Programme	Generally day to day repair works carried out on demand by tenant request and/or property inspection. Works included are to all HRA property related assets. Majority of works carried out by Principal Term Contractor, Serco under 10-year Term Maintenance Contract based on National Housing Federation Schedule of Rates (NHF SOR) by appointment and utilising customer care return cards to assess tenant feedback on performance. For contract administration purposes, Serco are linked to the Repair Module of the Council's Housing Management System, Orchard.
2-5.	Void Property Maintenance Works.	<p>Property becoming vacant because previous tenancy has ended. Following inspection of its condition (including video recording) work is defined (some mandatory) to restore properties to a "minimum void standard" within a pre-determined time scale. Where appropriate recharges are raised with previous tenants based on the condition of the property when the tenancy ended. In some cases voids are classified "long term void" owing to the condition of the property (and the time needed to restore) or because they are hard to let.</p> <p>Decorating Vouchers are allocated by the Voids Surveyor to ingoing tenants where deemed necessary to assist with the cost of redecoration. On completion of restoration works to the Council's "minimum voids standard" properties are then available for re-letting.</p> <p>In December 2006, the Council determined Serco's void works contract, because of ongoing performance issues, and awarded 4^{1/4} year contracts to other contractors, utilising similar NHF Schedules of Rates.</p>
6.	Cyclic Maintenance Works Programme: External Repair & Painting Programme.	Works carried out on a 5-year cycle to repair and paint external parts of building fabric (approx. 1100 properties annually). Each property is inspected by WCC Surveyor to define repairs required. Surveys also define other planned works programmes such as window and door replacement, and other structural repairs carried out as part of the major repairs and renewals programmes and to enable Decent Homes Compliance (Disrepair Category). Contracts for repair and painting works are procured via appropriate contracts and to Council Standing Orders. Contractors from Select List are utilised to carry out works. All tenants are

		consulted both pre and post works, and are given the opportunity to comment on performance. Works are wherever possible carried out between April and October.
7.	OAP Internal Redecoration Programme.	Discretionary programme. Work carried out on a 5-year cycle (approx. 350 properties annually) to enable persons of pensionable age to have 1 room of their choice redecorated. Tenants are consulted on choices involving finishes and colour schemes. Contracts for redecoration works are procured via appropriate contracts and to Council Standing Orders. Contractors from Select List are utilised to carry out work. Tenants have the opportunity to comment on performance both during and on completion of works. Works are mostly carried out between October and April.
8.	Heating Appliance Service Contract.	Cyclic (annual) and Responsive Maintenance Contract to service and repair annually all heating appliances fired by gas and solid fuel (totals approx. 4,300 homes), including smoke and carbon monoxide detectors. Further to attend on demand to system malfunction or failure. Works carried out by Term Contract (up to 7 years) by Nationwide based on NHF Schedule of Rates. Term Contract also incorporates framework agreement for upgrading of heating systems as part of planned maintenance programme contract. For contract administration purposes Nationwide are linked to the Repair module of the Council's Housing Management System, Orchard. As part of the contract Nationwide supply facility management (unique to heating appliances) to the Council for sustainability and programming purposes. Tenants have the opportunity to comment on all works during and on completion.
9.0	Electrical & Mechanical Service Contracts (various).	Service contracts at appropriate intervals carried out to lifts, emergency lighting, fire alarms, water treatment, telecommunications etc. as normally required by Regulation and/or to manufacturer's instructions. Works carried out by specialist contractors on an appropriate contract basis. All contractors utilised are from the Council's Select List.
10.	Electrical Testing	Works carried out on a 7-year cycle (approx. 750 properties) to test the integrity of electrical installations in properties. Following testing, remedial works are carried out as necessary or as part of future planned maintenance programmes. Works carried out by specialist contractors on an appropriate contract basis, and from the Council's Select List.

11.	Kitchen & Bathroom Renewals	On-going rolling programme to replace ageing kitchens and bathrooms. Renewal programmes structured so that Decent Homes will be achieved in full across the 20 and 30 year planning period respectively. Each property is inspected by a Customer Liaison Officer and Surveyor to agree extent of works and new design layout with tenant. Tenant exercises choice of finishes to worktops. Flooring etc. Modernisation where appropriate will include upgrade works to electrics and heating systems. Contracts for modernisation works are procured via appropriate contracts and to Standing Orders, utilising Contractors from the Select List. Tenants have the opportunity to comment on contractor's performance both during and after completion of works.
12.	Window and External Door Replacement Programme	The Council embarked on a PVCu window replacement programme in the mid 1980's. Approx 94% of stock has doubled glazed PVCu or timber double glazed windows. The remaining windows will be assessed for replacement as part of the 5-year cyclic repairs and painting programme on a repairing needs basis. From April 2005 external doors have also been assessed for replacement on a repairing needs basis utilising UPVc where appropriate, as part of the same 5 year cycle. Contracts for the supply and fitting of approved type of windows and doors will be via appropriate contractors from the Council's Select List. Tenants are consulted pre and post installation works and given the opportunity to comment on contractors performance.
13.	Specific works to achieve Decent Homes Standard.	<p>These are works identified by the Condition Survey that will need to be completed by 2010. The current position (February 2007) regarding properties Not Decent is shown in section 5.7 of this report and totals 460 properties. The proposed strategy to complete works over the five year period 2005-2010 is shown in section 5.8 of this report.</p> <p>In summary: -</p> <ul style="list-style-type: none"> • Unfit Properties – There is 1 property that will be completed in 2007 due to ongoing structural appraisal and programming of works issues. • Amenity Failure – e.g. kitchen layout, these properties will be dealt with incrementally over the 5-year planning period. • Disrepair Failure – These properties are being externally repaired as part of the repair and painting programme, incrementally over the 5-

		<p>year planning period.</p> <ul style="list-style-type: none"> • A budget for maintaining Decency has been allowed over the 5-year planning period, and this money will be expended on external structural repairs as identified by the 5-year cyclic repairs and painting programme surveys. • Energy Defects – (insufficient roof insulation), these properties will be brought up to standard incrementally in years 2 - 5 inclusive of the planning period. In 2005 and 2006, 239 properties have had roof insulation upgraded substantially as part of a Government sponsored insulation programme, at no cost to the Council. <p>All aforementioned works will form part of planned maintenance programmes under appropriate contracts and carried out by contractors from the Council's Select List. Tenants will be consulted pre and post works and given the opportunity to comment on contractors performance.</p>
14.	Disability Discrimination Act (DDA) works.	<p>A survey has been carried out to assess the implications of DDA to the communal parts e.g. common rooms of sheltered accommodation and general accessibility. Following the strategic assessment of the future use of sheltered accommodation work to assess the need for DDA works will be carried out in 2007, together and in conjunction with ongoing assessment and works carried out associated with disabled adaptations. Any proposed works would be carried out as part of a planned programme of works.</p>
15.	Garage Repairs and Miscellaneous Estate Works.	<p>Works carried out as necessary to the structure of garages to maintain to a basic state of repair, and to miscellaneous areas of estates where a maintenance liability exists, e.g. fencing, walls etc. The more substantial repairs and redecorations to garages are usually carried out as part of the 5-year cycle of external repairs and painting on a block by block basis.</p>
16.	Asbestos Removal.	<p>As part of its planned maintenance programme the Council has a duty to manage the presence of asbestos where it exists within the housing stock. Where planned maintenance works require the testing and/or removal of asbestos products, this budget underpins the costs associated with its removal and disposal.</p>
17.	Miscellaneous Capital Works.	<p>This budget is for carrying out works including damp proofing, repointing, structural repairs, relaying paved areas etc. Such works occur owing to health & safety considerations, constructional</p>

		failures and wear and tear.
18.	Heating Systems Replacement and associated works. (See CAB 1231 Emerging Issues; Section 7 refers)	Rolling programme to upgrade obsolete and/or defective heating appliances within the housing stock. The replacement and upgrade programme is the product of correlation between the heating appliance service contract and information from industry relating to system and parts obsolescence. Systems replacement or upgrading are carried out either as part of the heating appliance service contract (framework agreement) or as a separate planned maintenance contract by contractors from the Council's Select List. Where heating systems are upgraded the criteria is to current Building Regulation Standards (insulation, controls, etc.) and condensing or high efficiency boilers where appropriate. Tenants are consulted pre and post installation works and given the opportunity to comment on contractor performance.
19.	Passenger Lift Refurbishment.	Refurbishment identified by age of equipment, obsolescence, condition etc. All passenger lifts are graded depending on usage and a minimum service of bi-monthly/operational hours by specialist contractors. Refurbishment is therefore dependant on lift engineer reports and Zurich, the Council's Insurers who carry out further health & safety examinations on a 6 monthly basis. Stairlifts (approx. 100) in residential properties are serviced annually by a specialist contractor and are inspected annually by Zurich.
20.	Communal TV Aerial Replacement (See CAB 1231 Emerging Issues; Section 7 refers)	61 Systems in sheltered accommodation and flats across the district. Six sheltered schemes have been upgraded and renewed to an Interactive Receiver System (IRS). The remainder will need to be renewed to digital standard (e.g. analogue, digital and sky channels), prior to digital only reception service being available.
21.	Disabled Adaptation Works (See CAB 1231 Emerging Issues; Section 7 refers)	Works carried out to adapt resident's homes to enable elderly and disabled persons to remain in their homes. Two schemes operate in parallel: - <ul style="list-style-type: none"> • Fast Track Service – works of simple nature e.g. grab rails, ramps, lowering thresholds etc. carried out on request. • Major Adaptations – works in excess of £500 carried out following a request and medical assessment of needs by an Occupational Therapist (OT). Works range from level access showers, stairlifts, to extensions, and are carried out by schedule of rates or detailed design based specifications. Tenant's needs are assessed in accordance with the priority system

		relating to "Fair Access to Care". These needs are identified into 3 categories: "Critical", "Substantial" and "Moderate". Tenants are then placed on a prioritised waiting list in accordance to these categories and in date order. Range of works from specialist contractors on the Council's Select List. Tenants and referring OT are consulted on an individual basis pre and post works and are given the opportunity to comment on contractor performance.
22.	Upgrading of Sewage Treatment Works.	The Council owns 53 sewage treatment works largely in rural, isolated locations across the District. These works are maintained and upgraded by the Engineers Department in Development Services acting in a management agent's capacity. A rolling programme of works is carried out to enable the plant and equipment to perform to statutory standards. Long-term Council policy is towards the adoption of these works (where possible) by Southern Water Services.
23.	Consultancy Support Costs.	Specialist surveys, reports, advice etc required to enable programme overall to be delivered. (E.g. structural engineering surveys).
24.	Planned Maintenance Staff Costs (part).	Proportion of planned maintenance staff costs charged to MRA to enable the HRA working balance to be restored to acceptable level (CAB 1369 refers).

SUPPLEMENTARY MAJOR REPAIRS & RENEWALS PROGRAMME (Commencing April 2007)		
REF	ELEMENT	SUMMARY DESCRIPTION
Decent Homes Works		
1.	Kitchen & Bathroom Renewals	<p>Ongoing programme to replace kitchens and bathrooms over a 20 and 30 year planning period respectively. (See Appendix A item 11 for background details).</p> <p>It is proposed that the supplementary programme will both underpin and start works to address the backlog of kitchens and bathrooms (Approximately 40 properties) that currently exist.</p> <p>The backlog represents properties where kitchens and/or bathrooms are beyond economic repair and those catered for in the current programme. In their condition they would fail the Decent Homes Standard on the Amenity Criteria. Once works are complete then the properties will meet Decent Homes Standards.</p>
2.	Replacement Garages	<p>The Council currently owns 1867 garages throughout the district of which approximately 600 are constructed of pre-cast concrete. Although garages are maintained to a basic minimum standard, there is no provision in the existing programme for replacement.</p> <p>Two sites have been identified where re-construction of 22 garages is needed for health and safety reasons, and where the site offers no re-development potential. The rebuilding of these garages is included in the 2007/08 programme.</p>
3.	Heating System Upgrading/Replacement	<p>The HRA Business Plan 2006/07 Update (CAB 1231), section 6.7 Emerging Issues refers) identified that the Council would need to review its heating systems replacement programme to identify future serviceability and longevity.</p> <p>A study is currently being undertaken by Mechanical & Electrical Consultants to assess the most risk adverse replacement programme and ultimately determine the sustainability of the existing upgrade programme. This information is likely to be available in June 2007 and will inform the future scope and extent of the ongoing rolling replacement programme. It is considered likely that additional funding will be required to underpin the existing programme and therefore allowance</p>

		has been made within the Supplementary Programme to generate funding for this purpose towards the latter part of 2007/08.
4.	Disabled Adaptation Works	<p>The HRA Business Plan 2006/07 Update (CAB 1231 section 6.6 Emerging Issues refers) identified that a backlog of disabled adaptations works had been accumulating since 2005.</p> <p>It is estimated that a backlog of work totalling £300,000 will exist at year end 31st March 2007. The work required comprises over 70 jobs to different properties including the installation of 50 level access showers, 7 stairlifts and other works concerned with accessibility against a demand driven budget of £400,000 p.a.</p> <p>It is therefore proposed that by committing funds incrementally over the first six months of 2007/08 towards the caseload backlog, works can commence as soon as practically possible, and will take in the region of 9 months to complete.</p>
5.	Digital Switchover	<p>The HRA Business Plan 2006/07 Update (CAB 1231 section 6.8 Emerging Issues refers) stated that in February 2006 the Government announced the regional timetable for the switch from analogue to digital transmission. The implication of the switchover is that the Council's 55 Communal aerial receiving systems in sheltered accommodation and flats across the district will need to be upgraded. The timetable for switchover to Meridian is 2012 and plans will need to be implemented to achieve this. The estimated cost of upgrading is approximately £450,000 and will probably take 18 months to complete. It is therefore proposed to commit £125,000 towards this project in the early part of 2008/09, with further funds being committed in 2009-2011. This will allow works to be carried out on site in the period 2009-2011.</p>
6.	Project Fees	<p>To procure and carry out the proposed Supplementary Major Repairs and Renewals Programme, with an estimated value of £1.0m over the next 5 years will need additional resources to those existing. An indicative sum of £100,000 is included within the programme for project procurement, management and associated purposes. The objective is therefore to supplement the existing Property Services Client Team with sufficient and appropriate support to enable the project works to be efficiently and cost effectively procured and completed on site.</p>

		<p>With the volume and type of work anticipated it is likely that support will be required for pre-contract planning and consultation, works procurement and management and site works administration.</p> <p>A review is currently under way with existing Client Side staff to determine the Best Value approach towards whom and how to commission these support services.</p> <p>Initial indications are that some procurement practices will need re-engineering and support drawn from a mix of fixed term appointments and consultancy commissions.</p>
Non Decent Homes Works		
7.	Loft Conversions	Provisional allowance made within the programme (commencing 2008/09) to develop a small programme of loft conversions where appropriate that would allow growing families to remain in their existing homes.
8.	Supplementary Energy Efficiency Works	Provisional allowance made within the programme (commencing 2008/09) to replace solid fuel heating systems/appliances with more energy efficient types where possible and subject to tenant demand.

INDICATIVE SUPPLEMENTARY CAPITAL MAJOR REPAIRS & RENEWALS PROGRAMME & INVESTMENT PROFILE						
HOUSING REVENUE ACCOUNT	2007/08	2008/09	2009/2010	2010/11	2011/12	COMMENTS
<u>DECENT HOMES WORKS</u>						
Disabled Adaptations	300	200	200	200	200	
Heating Systems Upgrade	250	250	250	250	250	
Digital Switchover	-	125	125	125	75	
Garage Replacement	50	-	50	-	50	
Kitchens & Bathrooms	300	200	200	200	200	
<u>NON DECENT HOMES WORKS</u>						
Loft Conversions	-	50	25	50	50	
Supplementary Energy Efficiency Works	-	75	50	75	75	
Project Fees & Associated Costs	100	100	100	100	100	
TOTAL SUPPLEMENTARY CAPITAL PROGRAMME	1,000	1,000	1,000	1,000	1,000	

INDICATIVE PROFILE OF COMMITMENT EXPENDITURE TOWARDS SUPPLEMENTARY MAJOR REPAIRS & RENEWALS PROGRAMME 2007/08 (BASED ON PROJECTED INCOME OF £1.0M)														
	MONTHS												BUDGET	COMMENTS
	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MCH		
Indicative sales income (£000)		100	100	100	100	100	100	100	100	100	100		£1.0m	Based on 10 property sales & 50% of receipt
DECENT HOMES WORKS														
Disabled Adaptations			100		100		100						300,000	
Heating Systems Upgrades									50	100	100		250,000	
Digital Switchover													-	Funding commences in 2008/09
Garage Replacement		50											50,000	
Kitchens & Bathrooms				100		100		50	50				300,000	
Fees & Associated Costs		50						50					100,000	