

CABINET

26 March 2008

THE HOUSING REVENUE ACCOUNT BUSINESS PLAN UPDATE 2008/09

REPORT OF HEAD OF LANDLORD SERVICES

Contact Officer: Richard Botham Tel No: 01962 848421

RECENT REFERENCES:

CAB857 - Housing Strategy & HRA Business Plan 2004, 20 April 2004  
CAB1439 – Delivering Decent Homes – Housing Revenue Account Business Plan 2007/08,  
28 March 2007  
CAB1610 – Housing Revenue Account Budget 2008/09, 13 February 2008

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 2008/09.

The most significant challenge facing the service is detailed in paragraph 7 of the report. Information emerging from the Stock Condition Survey update and also a strategic review of heating systems concludes that to maintain the Decent Homes standard for future years will require investment of over £9.7m per annum compared to the current available resources of £7.7m. Options for addressing this shortfall are suggested in paragraph 8 and will need to be considered in detail by the Housing Options project throughout 2008.

RECOMMENDATIONS:

- 1 That the HRA Business Plan update for 2008/09, including the proposed Major Repairs, Renewals and Maintenance Programme, be approved.
- 2 That the Head of 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.

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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 Progress on HRA Business Plan Targets for 2007/08

2.1 Key achievements in the last year have included:

- a) Decent Homes progress – In the last year, works on addressing decency have progressed very well. At the end of March, only 23 properties remain that require attention to achieve the Decent Homes standard and this will result in the Council meeting this national priority a year ahead of schedule. It has recently been reported that over 60 councils will fail to meet the target by 2010 and many will take a further 5 years to achieve it.
- b) Sheltered Housing/Extra Care – The future of sheltered housing provision throughout the district is currently under review by the County Council's Supporting People team. Their review report is expected shortly and no significant changes to funding are anticipated. The Council's Extra Care service has been assessed as “good” by the Commission for Social Care Inspectorate and plans for further Extra Care provision in the southern parishes will be considered by Cabinet elsewhere on this agenda Report CAB1650 refers.
- c) Tenancy Conditions – Conditions have been completely reviewed and a major re-write is currently out to consultation. Report CAB1648 elsewhere on this agenda refers. A new Tenants Handbook will be produced once the conditions are finalised. The new conditions take full account of the new Introductory Tenancies scheme, which starts in April 2008.
- d) Performance – Of the 3 main areas of performance for landlords (Rent Collection, Repairs and Voids), the City Council was assessed as being in the top 25% of performers nationally for 2 of them in 2005/06. However, for 2006/07, whilst performance for Rents and Repairs maintained the Council's

very high standards, it fell just short of the top quartile when compared with other district council landlords nationally. Performance on voids was well outside of the top 25%, and this resulted in a major review of procedures.

- e) Re-engineering of the Lettings Process – As previously reported, performance in relation to letting of empty properties has significantly improved this year, addressing a key weakness in Council performance. Average turnaround time for empty properties in 2006/07 was 81 days. This has been reduced to below 50 days for all properties (30 days for general needs). In the final quarter of 2008, this has been reduced still further to below 40 days, although performance in the first three quarters will obviously skew the annual performance figure to be reported in April. Probably the most significant achievement has been that all long term void properties have been relet.
- f) Approval of an Asset Sales Programme – The programme to sell up to 10 vacant properties in order to generate £2m for reinvestment in affordable housing has been successfully completed. The £2m required has been generated by selling only 7 properties. A number of void properties did cost in excess of £8,000 to bring back into use. However, as sufficient receipts were generated by selling high value properties, these were not brought forward.
- g) Asset Management – Over the last 12 months strategic reviews have been ongoing to inform the sustainability of the Council's Asset Management Plan for Housing and the HRA Business Plan. Details of interim findings are included within this report and will develop throughout 2008 as part of the Housing Options process.

### 3 The HRA Business Plan – 2008/09 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 be merged to provide a comprehensive approach to asset and business management.
- 3.2 The key priorities for 2008/09 are set out in section 7 of the Plan and include:
  - a) Completing the Decent Homes programme one year ahead of the original schedule.
  - b) Delivering a supplementary capital programme funded through asset sales, which addresses the increasing demands in areas such as disabled adaptations, boiler replacement, upgrades to kitchens to bathrooms and works to address the digital switchover deadline.
  - 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 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) Implementing and monitoring the effectiveness of Introductory Tenancies.

#### 4 Tenant Involvement in Identifying Priorities

- 4.1 Seeking customer views and involving them in identifying service priorities is a critical element of any service planning process. TACT work very closely with Landlord Services staff and have played a major role in shaping current services, both through effective scrutiny and challenge and through regular consultation and involvement, both through monthly meetings and the specialist service forums they have established (Property and Contracts, Voids, Rents/Business Planning and Leaseholder forums).
- 4.2 Tenants generally have also contributed towards the planning process through the tenant wide aspiration survey completed in 2004 and the more recent status survey completed in 2007. This survey highlighted that the majority who responded felt that little or no improvement was needed to service delivery. The key areas identified as most important to tenants were Repairs and Maintenance, the overall quality of homes and providing good Value for Money. The priorities identified in Appendix 2 of this report take these views into account.

#### 5 The Major Repairs, Renewals and Maintenance Strategy

- 5.1 The nature and extent of the programme to achieve Decent Homes Standard by 2010 was determined by the 2003/04 Stock Condition Survey.
- 5.2 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.
- 5.3 The full detailed HRA Business plan will set out in detail how the Council has progressed against this strategy. At the start of 2007, 14.5% of stock was classed as "non decent". By the end of March 2008, 272 properties will have been improved up to the Decent Homes standard against a target of 437. A further 142 properties that having been subject to survey do not require previously envisaged work to be carried out.
- 5.4 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. 237 properties had loft insulation upgraded in 2006/07, again substantially at no cost to the Council. 185 properties had loft insulation carried out in 2007/08, that in effect completed the Council's insulation programme to Decent Homes Standard.
- 5.5 Allowing for 272 properties achieving Decent Homes Standard in 2007/08 a revised estimate of properties owned by the Council on 1 February 2007 (5122, excluding leasehold properties) that were by definition non-decent was 23 properties (0.5%) and by implication 5099 properties (99.5%) meet Decent Homes Standard.
- 5.6 Therefore the Council is on track to meet its strategic objective of meeting Decent Homes throughout its housing stock by March 2010.

## 6 The Supplementary Capital Programme

- 6.1 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.
- 6.2 The 2006/07 Update included provision for £1.0m for these and other emerging items and was included in section 5 of the Plan as a “Supplementary Capital Programme”. These works were subject to receipts arising from asset sales as approved by Council on 10 January 2007. Throughout 2007/08 7 properties have been committed to sale that are estimated to generate a receipt estimated at £1.084m in line with that anticipated to underpin the 2007/08 Repairs and Renewals Programme, albeit later than anticipated.

## 7 Asset Management – Strategic Reviews

- 7.1 During the last 12 months 3 specific strategic reviews have been undertaken to inform the sustainability of the Council’s Asset Management Plan for Housing and ultimately the HRA Business Plan.
- 7.2 These were:
- a) Update of the Council Home Condition Survey carried out in 2003 – primarily to update the Investment Forecast 2008/09 – 2037/38, and particularly 2009-2013, the next 5 year planning period.
  - b) Gas fired Heating Systems in the Council’s Housing Stock.
  - c) The effect of the Disability Discrimination Act 1995 (DDA) towards publicly accessible areas of HRA property.
- 7.3 The 3 review findings are in draft form at present, but as their results and impact have started to emerge and coincide with the timing of the 2008/09 update of the HRA Business Plan, it is considered prudent to produce a brief summary and likely financial implications. More details will emerge to coincide with the Housing Options Review planned throughout 2008. The financial implications however indicate that from 2009/10 a revised Asset Management Plan will need to reflect the identified programme requirements and budget at actual cost and the full effect of construction related inflation. The difference between the budget available for 2008/09 (£7.716m) and the budget requirement for 2009/10 (£9.763m) is £2.047m pa and is currently unfunded (eg. no current funding source has presently been identified and/or approved to meet this additional expenditure). Further information on the breakdown of this unfunded sum is given in section 5 of the Business Plan on page 21.
- 7.4 Whilst the Asset Management programme included in the 2008/09 Business Plan is based on the revenue and capital programmes approved by Cabinet and Council in February, it can only be considered as an “interim” programme. A base budget of £9.763m is required ensure that the objectives of the Winchester Decent Homes Plus Standard can be met and continue over the next 5 year planning period 2009/13 and the Housing Options project team will need to consider how such a programme can be funded from 2009/10.

## 8 Future Housing Options

8.1 The Housing Options project to be completed in 2008 will need to consider how the Council can address the significant shortfall highlighted in 7.4 above in future years. Whilst not wishing to pre-judge the conclusions of the project, it is difficult to see how the straight retention option could be supported without a major shift in Government policy or an urgent overhaul of the housing subsidy system. Whilst a review is underway, there is currently no evidence to suggest that any change will address the problems faced by the Council. Options that the project team will no doubt have to consider include:

- a) Disposal of a greater number of vacant dwellings each year (20 to 30 annually) to fund an enhanced capital programme
- b) Potential for borrowing to fund an enhanced capital programme (although revenue would need to be found to fund any borrowing)
- c) Potential for HRA efficiencies – There may be scope for further efficiencies, particularly in areas such as procurement, although the Value for Money analysis included below and in the Business Plan would suggest any such scope is very limited
- d) Scope to reduce services – Again this would be limited due to the regulatory demands on Housing unless both the Council and tenants could accept a zero star service that would run the risk of being very heavily criticised by regulators or even taken into some form of external administration.
- e) Potential to externalise the management of the service, either through transfer, moving towards a “Tenant Management” approach or attracting Private Finance.
- f) Lobbying Government on the need for change or for clarity regarding the future of the Arms Length Management approach to assist with maintaining decency rather than just limiting it to meeting the standard.

## 9 Achieving Value for Money

9.1 With the increasing financial pressures highlighted above, ensuring that Council services provide value for money is essential. The tables shown in Appendix 5 give an overview of cost and performance compared with other local authority landlords for 2006/07.

9.2 Whilst certain key performance indicators have dropped out of the top quartile nationally, overall performance compares well with other local authority landlords. At the same time, the unit cost of Housing Management (everything other than repairs works) is well below the average nationally. The City Council’s unit cost of £13.25 per property per week for 2006/07 compares to the national average of £14.71 and £14.90 for district councils in the south of England. In fact, it is worth noting that the projected unit costs for 2008/09 remain below £14.00.

9.3 Overall this cost compared to outputs demonstrates value for money. In areas where performance has not been as strong, such as void management, significant attention has been given to improve performance, without any increase in management costs.

10 Relevance to Corporate Strategy

10.1 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.

11 Resource Implications

11.1 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 2008/09 and outlines key actions required to address the current budget deficit in the coming year.

12 TACT Comment

12.1 TACT would like to thank Richard Botham, Head of Landlord Services for presenting a summary of the Business Plan to the TACT meeting on 20 February 2008 at the Guildhall meeting.

12.2 TACT have worked very closely with Council officers over the last year, through its monthly meetings, ad-hoc discussions and through the various forums to determine what are the key priorities for the Landlord Service.

12.3 The TACT comments included in the HRA Budget and Rent Setting Cabinet paper CAB1610 and presented to Cabinet on the 13<sup>th</sup> of February 2008 apply very much to this Business Plan also.

- a) TACT has not changed their views since then.
- b) TACT considers the impact of Rent Restructuring, along with Negative Subsidy the main causes of the Councils problems. How can the Council maintain council properties, when the Government has two sets of rules?
- c) One for local councils and one for housing associations?
- d) TACT are doing all they can to support the Council.
- e) TACT is making every one aware of the £30 per week per property paid back to the government or £8 million a year.
- f) TACT is active with the press in it keeping in the news.
- g) TACT is in contact with the Government and given evidence to the House of Commons Council Housing Group regarding their concerns.
- h) TACT is pursuing the European Court of Human Rights regarding negative subsidy.

12.4 TACT is very much in the same position as the Council, we are being forced into cost cutting measures by the Government, whilst TACT accept money can often be saved by efficiency measures, their comes a point when you are scraping the bone, and enough is enough.

12.5 However the bitter pill for tenants to swallow is every increasing rents, this does not mean improved services, only increased negative subsidy, going back to the Government.

- 12.6 This is so unjust the money is there, and could do so much more to improve services. Tenants pay it every week in their rent money. Why can it not be spent by Winchester City Council for its own council housing?
- 12.7 It is so wrong the Government is said to be going into a £194 million surplus through negative subsidy by 2009, it is obviously over charging tenants around the country.
- 12.8 At the same time building up a pot of money with no guarantee how that will be spent.
- 12.9 TACT, know all the work and effort that has gone into trying to balance the books regarding this budget and the Council is to be congratulated on its efforts. Properties have been sold in an attempt to keep up with Decent Homes Standards. There should be no need to sell the properties if the Government gave us a fair deal.
- 12.10 Ask us if we are happy with the budget and the answer has to be a Loud and clear NO!
- 12.11 Reluctantly we have to accept it.
- 12.12 Winchester City Council is doing its utmost for the Tenants of Winchester.
- 12.13 But it could be doing so much more, we all know were the fault lies, and it is not with our Council.

Appendices:

Appendix 1 Housing Revenue Account Business Plan – 2008/09 Update

Due to its size, the Plan is appended for Cabinet Members only, in addition to the Chairman of Principal Scrutiny Committee, Group Leaders and Chairman of Social Issues Scrutiny Panel. A copy will be available in the Members' Library and on the Council's Website: [www.winchester.gov.uk](http://www.winchester.gov.uk).



# **Housing Revenue Account Business Plan 2004-34**

## **2008/09 Update**

**WINCHESTER CITY COUNCIL  
HOUSING REVENUE ACCOUNT BUSINESS PLAN – 2004 -2034  
2008/09 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](http://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 848523  
or email [housing@winchester.gov.uk](mailto: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 2007, there were nearly 45,000 dwellings in the district, of which 5,102 were owned by the Council. There are also 318 "Right to Buy" leasehold flats which we continue to manage.

Bedsits	98
1 Bed properties	1605
2 Bed properties	1689
3 Bed Properties	1653
4 Bed Properties	57
Right to Buy Leaseholds	318

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 2006/07, there were 276 new secure tenancies including households coming from the Joint Housing Register. 182 tenants benefited from transfers or exchanges within the Council's own housing stock.

**Empty Properties** – At 31 March 2007, there were 101 empty properties – this represents approximately 1.98% of the Council's total housing. Of these 83 were available for letting to new tenants or awaiting minor repairs before re-letting (these include a number of hard to let sheltered units).

**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 2006/07, 19,921 repair orders were raised. 93.3% of these were completed within target.

**Decent Homes** – At April 2007, 91% of properties complied with the Decent Homes Standard. It is projected that this will increase to 99.5% by the end of March 2008. Over £3.5 million was invested in major works in 2006/07 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

<b>Strategic priority</b>	<b>Divisional responsibility</b>
<p><b>High Quality Environment (Natural)</b></p> <p><b>What would this look like?</b>  <i>We are proud of our natural environment:</i></p> <ul style="list-style-type: none"> <li>• <i>resources are used efficiently, pollution levels are low and we are responding to the challenges of climate change</i></li> <li>• <i>wildlife species are thriving</i></li> </ul>	<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><b>High Quality Environment (Built)</b></p> <p><b>What would this look like?</b>  <i>We are proud of our natural environment:</i></p> <ul style="list-style-type: none"> <li>• <i>neighbourhoods are clean and green</i></li> <li>• <i>the historic environment is preserved and enhanced</i></li> <li>• <i>local distinctiveness is protected and the public realm is well designed, built and maintained.</i></li> </ul>	<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><b>Safe and Strong Communities (Freedom from Fear)</b></p> <p><b>What would this look like?</b>  <i>Citizens are happy in their day-to-day lives because they:</i></p> <ul style="list-style-type: none"> <li>• <i>feel safe wherever they live, work or spend their leisure time</i></li> </ul>	<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><b>Safe and Strong Communities (Health and Wellbeing)</b></p> <p><b>What would this look like?</b>  <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 2008/09 financial year with 0.5% of its housing stock not meeting the standard. All housing will meet the standard by March 2009.</p>

<p><b>Safe and Strong Communities (Inclusive Society)</b></p> <p><b>What would this look like?</b>  <i>Citizens are happy in their day-to-day lives because they:</i></p> <ul style="list-style-type: none"> <li>• <i>are not disadvantaged by where they live or the community they come from</i></li> <li>• <i>are able to influence the future of their community</i></li> </ul>	<p>The Council is the largest single provider of “affordable housing” in the district, with over 5,000 units of social housing.</p> <p>Currently, 99.5% of the Council’s homes met the Decent Homes Standard.</p>
<p><b>An Effective and Efficient Council</b></p> <p><b>What would this look like?</b>  <i>We will be recognised as a Council which provides community leadership</i></p> <ul style="list-style-type: none"> <li>• <i>offers excellent customer service in our local communities</i></li> <li>• <i>is efficient</i></li> <li>• <i>adopts sustainable working practices</i></li> <li>• <i>works well with others</i></li> </ul>	<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 below average 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 by Butlers 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 £1million 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 2007/08

4.1 In the last year, there has been significant progress against the targets set out in the 2007/09 Business Plan update. Key achievements have included:

4.2 Key achievements in the last year have included:

- Decent Homes progress – In the last year, works on addressing decency have progressed very well. At the end of March, only 23 properties remain that require attention to achieve the Decent Homes standard and this will result in the Council meeting this national priority a year ahead of schedule. It has recently been reported that over 60 councils will fail to meet the target by 2010 and many will take a further 5 years to achieve it.
- Sheltered Housing/Extra Care – The future of sheltered housing provision throughout the district is currently under review by the County Council's Supporting People team. Their review report is expected shortly and no significant changes to funding are anticipated. The Council's Extra Care service has been assessed as "good" by the Commission for Social Care Inspectorate and plans for further Extra Care provision in the southern parishes will be considered by Cabinet later this month.
- Tenancy Conditions – Conditions have been completely reviewed and a major re-write is currently out to consultation. A new Tenants Handbook will be produced once the conditions are finalised. The new conditions take full account of the new Introductory Tenancies scheme, which starts in April 2008.
- Performance – Of the 3 main areas of performance for landlords (Rent Collection, Repairs and Voids), the City Council was assessed as being in the top 25% of performers nationally for 2 of them in 2005/06. However, for 2006/07, whilst performance for Rents and Repairs maintained the Council's very high standards, it fell just short of the top quartile when compared with other district council landlords nationally. Performance on voids was well outside of the top 25%, and this resulted in a major review of procedures.
- Re-engineering of the Lettings Process – As previously reported, performance in relation to letting of empty properties has significantly improved this year, addressing a key weakness in Council performance. Average turnaround time for empty properties in 2006/07 was 81 days. This has been reduced to below 50 days for all properties (30 days for general needs). In the final quarter of 2008, this has been reduced still further to below 40 days, although performance in the first three quarters will obviously skew the annual performance figure to be reported in April. Probably the most significant achievement has been that all long term void properties have been relet.
- Approval of an Asset Sales Programme – The programme to sell up to 10 vacant properties in order to generate £2m for reinvestment in affordable housing has been successfully completed. The £2m required has been generated by selling only 7 properties. A number of void properties did cost in excess of £8,000 to bring back into use. However, as sufficient receipts were generated by selling high value properties, these were not brought forward.
- Asset Management – Over the last 12 months strategic reviews have been ongoing to inform the sustainability of the Council's Asset Management Plan for Housing and the HRA Business Plan. Details of interim findings are included within this report and will develop throughout 2008 as part of the Housing Options process.



## 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 (at 2004 base prices). 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 2008/09 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 DCLG.
- (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 was planned for 2007/08. Additional funding by means of limited house sales was planned from April 2007, with the intention of raising up to approximately £1.0m p.a. to supplement the Major Repairs Renewals and Maintenance Programme (CAB 1378 refers). \*

5.1.11 As at February 2008, 8 properties have been committed to sale since the policy was introduced. Of the £1.0m anticipated to be generated from sales to underpin the 2007/08 Repairs and Renewals Programme, approximately £650,000 has been generated to date.

When all sales are completed, a total sum of £1,084,000 is anticipated and in line with that necessary to support the 2007/08 Repairs and Renewals Programme, Supplementary Programme, albeit later than anticipated.

However the slower than anticipated income from house sales has meant that a revised profile of commitment expenditure was necessary from November 2007, as at that time approximately £350,000 had been generated through sales.

In effect this has resulted in a slowing down of procurement of works throughout 2007/08 as commitment towards projects can only be made when cash from sales has been realised.

## **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 22<sup>nd</sup> 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 1<sup>st</sup> April 2008 the balance of the proposed programme funding is as follows: -

HRA Revenue	£3.487m	(including £300,000 for disabled adaptations)
WCC (Capital Programme)	£0.200m	(for sewage treatment works)
WCC (Supplementary Capital Programme)	£1.000m	(Provisional Sum)
MRA (Government Grant)	£3.325 m	
Rev. Contribution from MRA Reserve	<u>£0.100m</u>	
	<b><u>£8.012m</u></b>	

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 the time of Planned Maintenance Staff spent on major works projects direct to the Capital Programme from 1/04/2007. 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 summary description of the elemental components of the Major Repairs, Renewals and Maintenance Programme is given in Appendix A of this report.

5.2.6 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.

5.2.7 During the last 12 months 3 specific strategic reviews have been undertaken to inform the sustainability of the Council's Asset Management Plan for Housing and ultimately the HRA Business Plan.

These were: -

- (i) Update of the Council Home Condition Survey carried out in 2003 – primarily to update the Investment Forecast 2008/09 – 2037/38, and particularly 2009-13, the next 5 year planning period.
- (ii) Gas Fired Heating Systems in the Council's Housing Stock.
- (iii) The effect of the Disability Discrimination Act 1995 (DDA) towards publicly accessible areas of HRA property.

The findings and financial implications of these 3 reviews is summarised in 5.11

5.2.8 The balance of the existing programme 2007/08 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 2008/09 is as follows:

BALANCE OF PROGRAMME 2007/2008			PROPOSED BALANCE OF PROGRAMME 2008/2009		
	£m	% of programme	£m	% of programme	Comments
1. Term Response Works Programme Responsive Day to Day Repairs	0.950	12%	0.850	11%	Budget reduced to allow for essential growth in other parts of programme.
1A Term Responsive Works Programme (works over £300 in value)	0.400	5%	0.350	4%	Budget reduced to allow for essential growth in other parts of programme.
2. Void Property Maintenance & Improvement Works Programme	0.600	8%	0.720	9%	Budget increased to fund revised void property re-letting policy.
3. Cyclic Works Maintenance Programmes (various).	1.580	20%	1.885	23%	Budget increased to allow for cost base price increase in Heating Appliance service and maintenance contract and external repairs and redecoration programme.
4. Planned Maintenance Programme (various).	2.636	34%	2.706	33%	Budget now inclusive of greater part planned maintenance salaries in programme.
5. Disabled Adaptations Works	0.400	5%	0.400	5%	Items 5 and 6. Budget retained at 2007/08 levels.
6. Sewage Treatment Works (Improvement Programme)	0.200	3%	0.200	2%	
7. Supplementary Planned Maintenance Programme	1.000 (Provisional Sum)	13%	1.000 (Provisional sum)	13%	Budget retained at 2007/08 levels.
	<u>£7.766m</u>	<u>100%</u>	<u>£8.111m</u>	<u>100%</u>	Total budget rebalanced to reflect expenditure requirements for 2008/09.

### 5.3 Proposed Major Repairs, Renewals and Maintenance Programme 2008/09 and Supplementary Repairs and Renewals Programme 2008/09

5.3.1 The content and balance of the proposed programme for 2008/09 is as follows:

<b>MAJOR REPAIRS, RENEWALS &amp; MAINTENANCE PROGRAMME 2008/09</b>						
Ref	Work Element	Budget Expenditure Type			HRA Rev. Cont to CAP	Total Budget
		REV	MRA	WCC CAP		
	<b>Term Maintenance Programme</b>	<b>£3.487m</b>	<b>£3.324m</b>	<b>£0.2m</b>	<b>£0.100m*</b>	<b>£7,111 ,000</b>
1	Responsive day to day repairs under £300 in value. Other "catch-up" works over £300 in value.	850,000	350,000			850,000 350,000
	<b>Voids Maintenance</b>					
2	Change of tenancy costs	370,000				
3	Term Responsive	190,000				
4	Planned Maintenance		120,000			
5	Decorating Vouchers	40,000				720,000
	<b>Cyclic Maintenance</b>					
6	External Repair & Painting	370,000				
7	OAP Internal Redecorations	175,000				
8	Heating Appliance Service Contract	1,120,000				
9	E&M Service Contracts	120,000				
10	Electrical Testing & follow up works	100,000				1,885,000
	<b>Major Repairs &amp; Renewals Programme</b>					
11	Kitchen & Bathroom Renewals Consequent to Voids		400,000 400,000			
12	Window & Door Replacement (Prov Sum)		250,000			
13	Specific Works to maintain/achieve DHS Re Roofing Works	27,000	200,000 29,000		100,000	
14	DDA Works		0			
15	Garage Repairs & Misc Estate Works		90,000			
16	Asbestos Removal		50,000			
17	Misc Capital Works		240,000			
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)		245,000			3,306 ,000
	<b>Budget Carried Forward</b>	<b>3,487,000</b>	<b>3,324,000</b>	<b>200,000</b>	<b>*100,000</b>	<b>7,111,000</b>

NOTE: \* Revenue Contribution of £100,000 from MRA Reserve

SUPPLEMENTARY MAJOR REPAIRS AND RENEWALS PROGRAMME 2008/09							
Ref	Work Element	Budget Expenditure Type					
		REV	MRA	WCC CAP	HRA Revenue Contribution to Capital	Supplementary Capital	Total Budget
	Budget brought forward	3,487,000	3,324,000	200,000	100,000		7,111,000
	Major Repairs & Renewals Programme (Supplementary Programme)					(Provisional budget) 1,000,000	
11 a	Kitchen & Bathroom Renewals					250,000	
18 a	Heating Systems Upgrade					400,000	
21 a	Disabled Adaptation Works					150,000	
23 a	Project Management Fees					100,000	
	Digital Switchover					100,000	
	Total Indicative Budget	£3,487,000	£3,324,000	£200,000	£100,000	£1,000,000	£8,111,000

#### 5.4 Decent Homes Compliance (Update 1<sup>st</sup> February 2008)

##### 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>
	<b><u>5232</u></b>

## 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	<b><u>908</u></b>

- 5.5.2 Therefore a revised estimate of properties owned by the Council on 1<sup>st</sup> 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 1<sup>st</sup> 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	
<b>Total Non-Decent Properties</b>	<b>750</b>	

- 5.6.2 Therefore a revised estimate of properties owned by the Council on 1<sup>st</sup> 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 Decent Homes Defect Classification 1<sup>st</sup> 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	
<b>Total Non-Decent Properties</b>	<b>460</b>	



- 5.7.2 Therefore allowing for 290 properties achieving decency in 2006/07 a revised estimate of properties owned by the Council on 1<sup>st</sup> 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 Current Position towards Decent Homes Compliance

### 5.8.1 Decent Homes Defect Classification 1<sup>st</sup> February 2008 Current Position

Classification	No	Comments
Unfit	0	1 property had structural works completed
Disrepair	0	77 properties have been completed as programmed this year, and completes the number identified by the Condition Survey in 2003. Any newly arising external repair issues will be dealt with as part of the 5 yearly external repairs and painting programme.
Amenities	23	9 properties have been completed as programmed. A further 22 properties have subsequent to survey been determined as requiring no further works at this time. 23 properties still remain to be considered as part of the 2008/09 programme.
Energy	0	By 31 <sup>st</sup> March a further 185 of electrically heated homes will have had insulation carried out. Together with practical restrictions on site and computer data base revisions this in effect completes the current insulation programme as defined by Decent Homes Standard
Adjustment for Sold Properties	0	

### 5.9 Proposed Repairs Strategy to Complete Decent Homes works specific 2005-2010 (2008 update)

5.9.1 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 and maintain standards	(i)	Fitness	0	
	(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
		<b>Total works to achieve and maintain decency</b>	1,321,000- 386,000 <b>935,000</b>	<b>at £187,000pa average</b>

\* As windows and external doors are included elsewhere in the programme, works to be programmed over the remaining 3 year planning period at an annual value of £187,000.

5.9.2 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
<b>Total of 907 Properties</b>	<b>Representing 17.5% of stock</b>	<b>= Decent Homes Target Achieved by 31/03/2010</b>	

- 5.9.3 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.
- 5.9.4 Therefore, allowing for 272 properties achieving decency in 2007/08 a revised estimate of properties owned by the Council on 1<sup>st</sup> February 2008 (5122 excluding leasehold properties) that were by definition non-decent was 23 properties (0.5%) and by implication 5099 properties (99.5%) met Decent Homes Standards.
- 5.9.5 Loft insulation to 185 properties was carried out in 2007/08 towards which a Government Grant of approximately £9,000 was received. This is lower than the 305 properties estimated to be remaining for upgrading. However subsequent to site survey this figure was proved to be overstated.
- 5.9.6 Therefore it can be seen that subject to programme, and other emerging issues, Decent Homes Compliance will be achieved by 31<sup>st</sup> March 2009, and within the defined Government target of 31<sup>st</sup> December 2010.
- 5.9.7 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
<b>Unfit</b>	15	7	1	-		-
<b>Disrepair</b>	200	142	100	-		-
<b>Amenities</b>	61	59	54	23	-	-
<b>Energy</b>	632	542	305	-	-	-
<b>Total Non Decent</b>	<b>908</b> <b>(17.5%)</b>	<b>750</b> <b>(14.5%)</b>	<b>460</b> <b>(9%)</b>	<b>23</b> <b>(0.5%)</b>	<b>0</b> <b>(0%)</b>	<b>0</b> <b>(0%)</b>

- 5.10 **Strategy towards delivery of the Supplementary Capital Major Repairs & Renewals Programme commencing April 2007.**
- 5.10.1 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.
- 5.10.2 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.
- 5.10.3 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).
- 5.10.4 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.
- 5.10.5 An indicative programme and investment profile is shown in Appendix C of this report, and demonstrates how the newly emerging works elements could be spent over the next 5 years.

5.10.6 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: -

- Starting to meet 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.

5.10.7 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 is also given as to what additional staff and/or consultancy resources are required to ascertain, procure and enable the works to be carried out (from inception to final account).

5.10.8 When income from projected house sales is realised it has/can be incrementally committed towards works elements proposed in the 2007/08 and 2008/09 Supplementary Major Repairs and Renewals Programme. This approach has allowed 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 has/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.

#### 5.11 **Asset Management – Strategic Reviews**

5.11.1 As previously mentioned (para. 5.2.7 refers), 3 specific strategic reviews have been undertaken to inform the ongoing sustainability of the Council's Asset Management Plan for Housing and the HRA Business Plan. These were: -

- Update of the Council House Condition Survey carried out in 2003 – primarily to update the investment forecast 2008/09 – 2037/38, and particularly the next 5 year planning period 2009-13.
- Review of the replacement needs of Gas Fired Heating Appliances and associated heating systems upgrading throughout the Council's Housing Stock.
- The effect of the Disability Discrimination Act 1995 (DDA) towards publicly accessible areas of HRA property.

5.11.2 The results of all 3 reviews are all in draft form and should be regarded at this stage as "interim findings". However as the results and impact of these reviews have started to emerge and coincidental with the timing of the 2008/09 update of the HRA Business Plan, it is considered prudent to produce a brief summary of issues and likely financial implications. More details will emerge to coincide with the Housing Options Review planned throughout 2008. A brief summary of each review is as follows: -

#### 5.11.3 **Stock Condition Survey Update 2008 and Heating Systems Review – Interim Findings**

The stock survey was carried out in 2003 by consultant surveyors David Adamson & Partners to determine the nature and extent of the Council's Housing Asset

Management Plan to achieve Decent Homes Standard by 2010 and over a 30-year planning period 2004 – 2034. Following a Housing Options Appraisal carried out by the Council in 2004 a “Winchester Decent Homes Plus Standard” was determined (para. 5.1.1 refers).

A desk-top review of progress 2004 – 2008 and investment needs for the period 2009 – 2038, and in particular the next 5 year planning period 2009 – 2013 recently carried out by David Adamson & Partners and Officers has concluded: -

- **Decent Homes Compliance**

That property management and investment action have been successful, and that Decent Homes Standard will be met as planned within the Government target time of 2010.

- **Catch –Up Repairs**

That property management and investment actions have been successful in maintaining “Catch-Up” type repairs at similar levels to that identified by the Survey in 2003 (estimated at 4.87m at current costs).

- **Future Major Repairs**

The property management and investment actions have been successful in addressing the majority of the originally programmed works identified throughout the housing stock. However kitchen and bathroom replacement profiles were dependant on an extended life cycle reflecting their condition when assessed as good in 2003. It is now becoming apparent some 5 years since the survey, that as kitchen and bathroom facilities become older the potential for greater numbers of replacement on demand will occur. This has been particularly noticeable in properties becoming vacant (voids) since April 2007, and has resulted in approximately 80 kitchens requiring replacement since, as opposed to approx 25 during a corresponding period in previous years. Such extra over expenditure equates to approximately £275,000 “on demand” as Council policy is to re-let properties within tightly defined timescales, and in accordance with Government targets. A backlog of approximately 75 kitchens/bathrooms is anticipated at 31<sup>st</sup> March 2008 at an estimated replacement value of £500,000. These and further kitchens as they occur throughout 2008 will be placed on a waiting list and will rely on income from house sales to be realised before work can proceed.

Further as previously reported, the effect of increasing obsolescence in gas fired central heating systems (as confirmed by the recent Strategic Review) will result in greater numbers of heating appliances and systems being required, preferably commencing from April 2008. To meet increasing demand and minimise risk (of breakdown with no spares available) a replacement programme averaging 494 units per year at a cost of approximately £1.78m p.a. over the next 5 years will be required. This is approximately double the existing programme and will require expenditure of approximately £800,000 p.a. greater than budgeted for within the existing programme (2007/08).

- **Recurrent Works**

The property management and investment actions have been successful in addressing the majority of ongoing (cyclical) works necessary over the 5 year planning period. Works have included external repair and re-decoration contracts, gas appliance service contract, OAP Internal re-decorations and various other electrical and mechanical service contracts. Further disabled adaptation works and associated funding have increased to meet ever increasing demand over the planning period (2004/08).

#### 5.11.4 Review of the effect of Disability Discrimination Act 1995 (DDA) on Publicly Accessible Areas of HRA Property.

The extent towards which the implications of DDA apply to Housing Property is where members of the public are invited to attend specific events within Sheltered Housing Schemes. An Officer review has concluded that only communal lounges would require works to ensure DDA compliance. However the usage of such areas for publicly attended events is minimal and there is little justification for major investment (estimated at £300k).

It is therefore proposed that the results of this review will be consulted upon with both Tenants and Elected Members later in 2008 with an agreed proposed policy being published by 31<sup>st</sup> December 2008. In the meantime no specific funding for any DDA works has therefore been made.

#### 5.11.5 Programme Issues

##### **Base Budget & Inflation**

Because the budget available in 2004 at the start of the 2004 – 34 Asset Management Plan was insufficient to meet the identified overall programme needs, compromises were required from the outset (para. 5.1.7 refers). Further in subsequent years construction related inflation has been approximately double that possible and applied to the Major Repairs and Renewals budget overall, in order to maintain the HRA and its working balance at sustainable levels.

This has resulted in programme budgets being “managed” or suppressed over time to balance as far as possible year on year demands whilst also working towards longer-term strategic objectives and in particular meeting Decent Homes Standard by 2010. At a practical level a kitchen or external door being repaired as opposed to being replaced and/or a minimalist repairs policy being applied in general, may suffice to “get by” in the short term, will inevitably re-occur on demand, unplanned and potentially un-budgeted for at a future unknown time.

Whilst it is accepted that some management or suppression of demand is inevitable to balance budgets in the short-term it cannot continue over a prolonged period if the Council is to have a proper and sustainable medium to long term asset management plan. Therefore it is considered prudent to make appropriate strategic adjustments/corrections prior to the next 5 year planning period 2009/13, and include for an appropriate base budget based on asset needs, and the full predicted effect of construction related inflation.

An “interim” budget plan for the period 2008/09 is proposed in section 5.3 of this report.

#### 5.11.6 Indicative Budget Proposals 2009 - 2013 inclusive.

From 2009 – 2013, the second 5 year planning period of the Asset Management Plan 2004 – 2034 a revised Asset Management Plan will need to reflect the identified programme needs and budget at actual cost, and the full effect of construction related inflation

Based on strategic information from the 2008 Stock Condition Survey update by David Adamson & Partners, and the Heating Systems Review by White Young Green together with adjustment for construction related inflation, an indicative main base budget of £9.76m (excluding staff costs) will be required from 2009/10, and subject to annual inflation for the remainder of the 5 year planning period 2010 –

2013 inclusive. This would ensure that the objectives of the Winchester Decent Homes Plus Standard can continue.

The difference between the budget available for 2008/09 (£7.716m) and the budget requirement for 2009/10 (9.763m) is £2.047m p.a.

This sum of £2.047m is extra to the existing programme and budget requirements and can be summarised as follows: -

		£ p.a.
1	<u>Stock Condition Survey 2008 Update</u> Works identified within original survey updated to reflect current unit cost of works and/or construction related inflation.	870,000
2	<u>Gas Fired Central Heating Systems Review</u> Newly arising need as a result of the recent strategic review based on gas boiler obsolescence.	950,000
3	<u>Reinstatement of Void Properties</u> Extra works necessary to re-let properties in addition to the Council's Minimum Voids Standard.  Note: The kitchen replacement programme will need to include for the emerging issues requiring more ageing kitchens needing replacement prior to properties being re-let.	120,000
4	<u>PVCu Window Replacement Programme</u> The original programme to be accelerated to include approx. 300 properties for window replacement over the 5 year planning period (to reflect current repair condition).	100,000
	<b>Total</b>	<b><u>£2,040,000</u></b>

## 7 Key Housing Revenue Account Priorities

## Key Service Priorities 2008 - 2010

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)	<b>Housing Options</b> – To update financial projections for the future management of Landlord Services to inform the completion of Housing Options review in 2008  To complete formal review of Housing Options and recommend future management arrangements to Council (including necessary tenant consultation)	Apr 08 – Dec 08  Dec 08	Updated financial projections  Future management arrangements approved	Key task for Head of Service, Head of Contract & Property Services, Housing Finance Mgr and Project Coordinator  £25k included in HRA budget for 08/09	Head of Landlord Services
Safe and Strong Communities (Health and Well Being)	<b>Decent Homes</b> - To maintain all Council properties at the Decent Homes standard	Mar 2009	100% stock decent	<ul style="list-style-type: none"> <li>Work included in 2008/09 £7.7m repairs programme</li> </ul>	Head of Contracts & Property Services
Safe and Strong Communities (Health and Well Being)	<b>Asset Management</b> – 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 2008 to Mar 2010	Targets met. All elements of programme on track	<ul style="list-style-type: none"> <li>£6.7 m repairs programme</li> <li>£1m additional programme agreed</li> </ul>	Head of Contracts & Property Services
Safe and Strong Communities (Health and Well Being)	<b>Asset Management</b> – To manage, monitor and report as appropriate the small scale programme of asset disposals,	Apr 2008 to Mar 2010	10 houses sold. Supplementary capital prog. on track	10 homes sold in the year generating > £1m receipt for HRA works	Head of Landlord Services
High Quality Environment (Natural and Built)	<b>Sustainability</b> – To ensure the energy efficiency of the housing stock remains within the top 25% of all local authority landlords	Mar 09	SAP rating comparisons	Measures included in maintenance programme such as insulation works and boiler replacements	Head of Contracts & Property Services



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?
<p>Safe and Strong Communities (Health and Well Being and Inclusive Society)</p>	<p><b>Sheltered/Supported Housing</b> - To continue to modernize the provision of Older Persons housing by:</p> <p>Developing a clear local strategy for the future management of each individual sheltered scheme, providing specialist and dedicated supported housing at a smaller number of schemes and more mixed communities at others.</p> <p>Extending provision of community support provided by scheme managers</p> <p>Ensuring adequate disabled public access to all schemes that offer community facilities</p> <p>Extending and improving provision of community facilities (internet access, guest rooms, shops and other services to dedicated supported housing schemes</p> <p>Implementing an Incentives programme aimed at encouraging those under-occupying family homes and in need of support to relocate to more appropriate accommodation</p>	<p>Oct 08</p> <p>Mar 09</p> <p>Apr 08 – Mar 09</p> <p>Apr 08 – Mar 09</p> <p>Dec 08</p>	<p>Clear action plan in place</p> <p>Two further posts adopting this approach</p> <p>All schemes comply with regs</p> <p>Range of facilities at each scheme</p> <p>10 tenants move as a result of incentives</p>	<p>Resources will vary from scheme to scheme. 20% of Project Officer</p> <p>Included in salary ceilings</p> <p>£100-£200k included in Repairs Programme</p> <p>Part of project officer role. Resources to be determined</p> <p>As above</p>	<p>Hsg Services Manager</p>

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?
	<p><b>Extra Care</b> – To work with Hampshire Adult Services and other partners to:</p> <p>Provide a specialist Extra Care wing at Whitewings House, Denmead, subject to detailed feasibility.</p> <p>Review the potential for further development of Extra Care services in conjunction with Hampshire Adult Services</p> <p><b>Central Control</b> - To improve value for money achieved by Central Control Service by:</p> <p>Extending the provision of Telecare services throughout the district</p> <p>Gaining accreditation for the Control Centre in accordance with the national call centre accreditation scheme</p> <p>Growth of private lifelines business to use spare capacity</p> <p>Upgrade Tunstall operating system to PNC5 (minimum for ongoing support from Tunstall).</p>	<p>Jun 08</p> <p>Feb 09</p> <p>Apr 08 – Mar 09</p> <p>Apr 08 – Mar 09</p> <p>July 08</p> <p>Apr 08 – Mar 09</p> <p>July 08</p>	<p>Cabinet approval of project plan</p> <p>Start on site</p> <p>Plans agreed for increased numbers</p> <p>HCC grant secured and committed</p> <p>Accreditation approved</p> <p>Income up by 20%</p> <p>Upgrade installed</p>	<p>To be determined. Up to £300k capital required (external funding to be sought)</p> <p>Officer input to consultation. External project mgt</p> <p>Key ask for Hsg Services Mgr and Project officer</p> <p>2 fte to be committed to this service. Funded by HCC grant</p> <p>£30k conversion cost included in Repairs Programme</p> <p>Spare capacity</p> <p>Funded by existing 10 year agreement.</p>	<p>Housing Services Manager</p>

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 (Freedom from Fear)	<b>Respect</b> - To develop housing management services in accordance with the Respect Standard for Social Landlords	Apr 08-Oct 08	Signed up to Standard	Community Relations Officer – 20% of total time	Tenancy Services Manager
	To develop a Communication Strategy for rolling out awareness of the Respect standard across the district	May 08	Plan approved	Neighbourhood Wardens – 10% of total resource	
	To procure specialist Mediation services funded on a “case by case” basis	Jun 08	Revised service operational		
	To review and revise where appropriate all Housing Management policies and procedures in light of the standard	Apr 08-Oct 08	Procedures updated & approved by TACT		
	<b>Introductory tenancies</b> – To implement the Introductory Tenancies scheme	Apr 08-Oct 08	New tenancy type in place	All area housing managers – 10% of total time	
	To implement a programme of tenancy support and training as required by the scheme	Apr 08 – Oct 08	Post implementation review – Oct 08	Included in above	
	To extend the existing CAB Money Advice Service to provide additional support for tenants in their probationary period.	May 08	Extended service in place	To be negotiated. Additional £5k included in budget	
	<b>Choice Based Lettings</b> – To support the implementation of CBL	Apr 08 – Nov 08	CBL implemented with no adverse impact on letting targets	Tenancy Services Manager, Voids officer, + Business Services support as required	

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 (Inclusive Society)	<b>Equalities</b> – To comply with the requirements of Level 3 Equalities standard, including:  To complete a comprehensive programme of Impact Assessments for Property Services and Tenancy Services	Jan 09- Mar 09	Impact assessments completed.	15% of project officer. Key operational task for all team leaders	Head of Landlord Services
	To deliver of programme of staff awareness training as determined by the Council's Equalities Strategy and Disabilities, Gender and Race Equalities schemes.	Mar 09	All managers and front line staff attended sessions	Included in above	
	To improve equalities data/preferred contact methods for all tenants	Mar 09	Data held on 50% of tenants	Included in above	
	<b>Vulnerable Persons Protocol</b> - 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	Mar 09	VPP signed by all partners	Project to be led by Hsg Services Mgr with support from Project Coordinator/Homelessness Team Mgr	
An Efficient and Effective Council.	<b>Procurement</b> - To procure Maintenance Contracts (initially repairs & painting contracts) via new framework agreements	Jun 2008	Works for 2008 let through the agreements	Officer time for works procurement estimated at 10% of contract value	Head of Contracts & Property Services
	To develop and procure new partnership contract agreements for Gas Servicing and Communal Cleaning work for Council dwelling stock	Mar 2009	Contracts in place for Apr 09 start	As above + direct tenant involvement	
	To review options for the long term procurement of all responsive and planned maintenance contracts beyond 2011.	Mar 2009	Clear way forward determined		

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?
An Efficient and Effective Council	<b>Arrears performance</b> – To maintain current tenant arrears at or below 1% of the total rent roll	Apr 08 - Mar 09	Year end performance achieved	Existing establishment set to achieve this	Tenancy Services Manager
	<b>Void Performance</b> – To meet the significantly reduced target for void turnaround time (now 25 days for general needs, 40 days for sheltered)	Apr 08 – Mar 09 (and beyond)	Average turnaround time down to 25 days	Existing establishment set to achieve this	Tenancy Services Manager
	<b>Repairs Performance</b> – To achieve all Repairs targets and keep repairs service in top 25% of performers nationally	Apr 08 - Mar 09	Year end targets achieved	Existing establishment set to achieve this	Head of Property and Contracts
	<b>Achieve income targets</b> – To closely monitor income to ensure that higher targets set for 2008/09 are achieved for each area of activity	Apr 08- Mar 09	Income budget targets achieved	Existing establishment set to achieve this	Heads of Landlord Services
	<b>Benchmarking</b> – To report “benchmarking” data for all services and capital works to Social Issues Scrutiny Panel using existing data sources (Audit Commission, Housemark, CIPFA etc) and “partner” housing associations where possible	Dec 08	Benchmark reports available for scrutiny process	To be determined	All service heads
Corporate Priority	What will we do?	When	How will we	How much time /	Who's

		will we do it?	measure our success?	money will it take?	Accountable?
Health and Well Being (Inclusive Society)	<b>Tenant Inspection Groups</b> – In association with South Coast Training Group, to undertake two “cross landlord” tenant inspections of key landlord services	April 08 – Mar 09	2 tenant inspections completed	TP staff – 12 days Tenant reps – 3 x 12 days each	Tenant Involvement Mgr
	<b>Resident Involvement</b> – To extend resident involvement through developing a mix of involvement activities for tenants expressing interest in getting involved (175 through Tenant Talk questionnaire)	April 08 – Mar 09	>100 additional tenants involved by year end	TP staff - > 25 days in total on this project	Tenant Involvement Mgr
	<b>Tenants Compact</b> – To redraft the Tenant Involvement Agreement between tenants and the Council, detailing actions and commitments aimed at ensuring a wide range of involvement opportunities providing tenants a voice in shaping landlord services	Apr 08 – Oct 08	New Compact launched	TP staff - 15 days in total on this project	Head of Landlord Services
	<b>Tenants Handbook</b> – to update and publish the Tenants Handbook in light of amended tenancy conditions	Apr 08- July 08	Revised Handbook Published	Provision included in 08/09 HRA budget for printing new handbook	Tenancy Services Manager
	<b>Customer Service</b> – To work with TACT to agree a “Customer Charter” for inclusion in the new Handbook, taking account of the Council’s customer service standards	July 08	New Charter agreed	Included in above	Tenancy Services Manager

## **8 The HRA Budget 2008/09**

### **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 2008/09**

The City Council approved an average rent increase of 6.5% for 2008/09. The HRA budget for the year is projected to achieve year end surplus of £15,600. Working balances at March 2009 are projected at £1,542,071 (this includes £416,873 included within the Council's Self Insurance Fund).

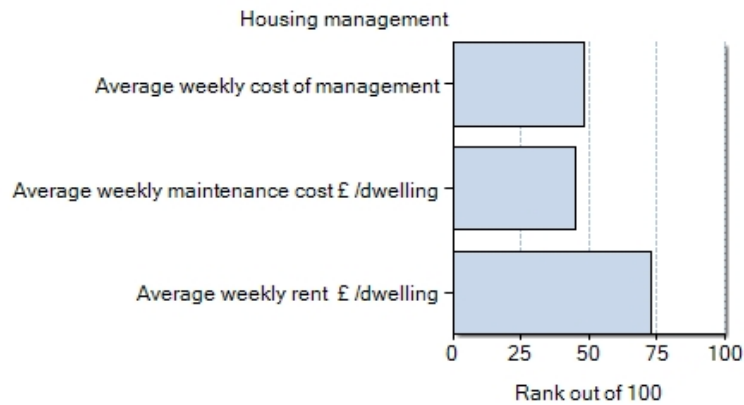
### **8.3 Achieving Efficiencies**

In 2007/08, significant efficiencies have been achieved through reducing the time taken to relet properties, reducing the number of properties relet through changes to the allocations system in relation to internal transfers and through increasing the number of private residents connected to the Council's Lifeline service. In total, these efficiencies will result in additional income in excess of £120,000 per annum.

### **8.4 Ensuring Value for Money**

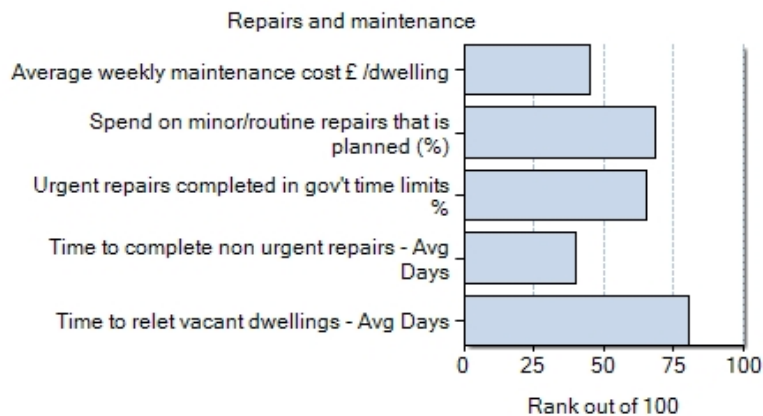
- a) With the increasing financial pressures highlighted above, ensuring that Council services provide value for money is essential. The tables shown below give an overview of cost and performance compared with other local authority landlords for 2006/07.
- b) Whilst certain key performance indicators have dropped out of the top quartile nationally, overall performance compares well with other local authority landlords. At the same time, the unit cost of Housing Management (everything other than repairs works) is well below the average nationally. The City Council's unit cost of £13.25 per property per week for 2006/07 compares to the national average of £14.71 and £14.90 for district councils in the south of England. In fact, it is worth noting that the projected unit costs for 2008/09 remain below £14.00.
- c) Overall this cost compared to outputs demonstrates value for money. In areas where performance has not been as strong, such as void management, significant attention has been given to improve performance, without any increase in management costs.
- d) The tables below have been produced by the Audit Commission and give comparison of Winchesters costs and performance compared to other district council landlords for 2006/07.

**Table 1 – Housing Management – Spend per Dwelling**



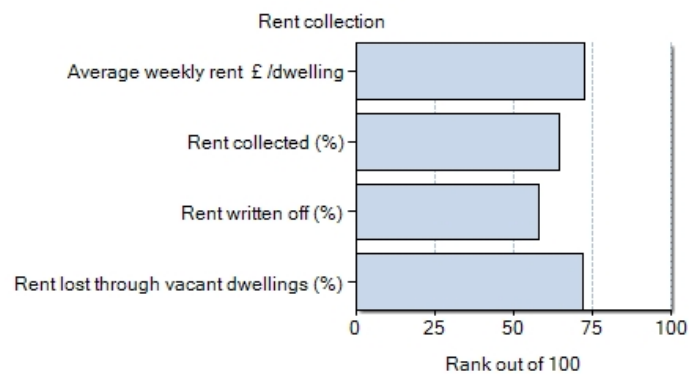
The above table indicates that weekly unit costs for housing management and maintenance are below the national average. They are significantly lower than the average for southern district councils as detailed in paragraph 5.2 above.

**Table 2 – Repairs and Maintenance**



This table indicates that key performance on repairs indicators is above the national average (planned versus responsive repairs and urgent repairs completed on time). Time taken to complete non urgent repairs was longer than average in 2006/07, although this has improved in the current year with a year end projected at 10.5 days compared to over 13 days in 2006/07. As discussed in the report, void management has been improved significantly since the period shown in the above tables. The final figure for 2007/08 will remain below average, but improvements made this year will result in much better year end performance in 2008/09.



**Table 3 – Rent Collection**

This table shows that whilst collection rates are above average, rent lost through vacant dwellings is high. This will improve as a result of the void improvements described above.

**Table 4 - National Performance Indicators**

Indicator	Winchester Performance 2006/07	Top Quartile	National Average for District LAs
Percentage of Rent Collected	98.6	98.8	97.8
Energy Efficiency – SAP Rating	72.15	72	68
Urgent Repairs completed on time	97.8	98.4	96
Days taken to relet Voids	81.7	25	35
Tenant Satisfaction	84	N/A	78
Satisfaction with involvement opportunities	69	N/A	64
% of Non Decent Homes	9	10	24
Cost of Housing Management	£13.25	N/A	£14.71

8.6 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 produced this year to further test the accuracy of the above information.

**8.7 The HRA Budget 2008/09**

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

## HOUSING REVENUE ACCOUNT BUDGET 2008/09

Service Summary	2006/07 Actual	2007/08 Original Budget	2007/08 Revised Budget	2008/09 Original Budget
(1)	(2)	(3)	(4)	(5)
<u>Net Cost of Service</u>	£	£	£	£
<b>Expenditure</b>				
Housing management - General	2,425,259	2,473,350	2,572,280	2,716,800
Housing management - Special :				
- Sheltered housing	1,121,186	783,650	760,170	881,100
- Communal services	76,742	87,470	79,180	73,980
- Homelessness	4,097	(5,150)	15,980	16,830
- Estate maintenance	167,418	180,860	179,960	186,900
- Miscellaneous works	512,152	730,500	811,510	769,450
Total housing management - Special	1,881,595	1,777,330	1,846,800	1,928,260
Repairs - administration	681,310	842,400	903,290	849,940
Repairs Works (revenue)	2,881,237	3,040,000	3,040,000	3,187,000
Contribution to Bad Debt Provision	16,923	0	0	0
Debt Management Expenses	39,765	39,850	39,850	40,960
Cost of Capital Charge	0	0	0	0
Depreciation and impairments of fixed assets	3,570,325	3,665,660	3,704,370	3,713,870
<b>Total Expenditure</b>	<b>11,496,415</b>	<b>11,838,590</b>	<b>12,106,590</b>	<b>12,436,830</b>
<b>Income</b>				
Dwelling rents	(17,268,740)	(18,020,000)	(18,220,000)	(19,230,000)
Garage rents	(456,654)	(590,000)	(690,000)	(750,000)
Sheltered charges	(253,762)	(288,330)	(317,000)	(325,000)
Supporting people	(677,422)	(640,560)	(665,000)	(640,560)
Other income	(247,439)	(180,760)	(216,460)	(216,460)
Contribution from Bad Debt Provision	0	0	0	0
Total rents and other income	(18,904,018)	(19,719,650)	(20,108,460)	(21,162,020)
HRA subsidy (incl MRA)	7,003,470	7,985,630	7,627,020	8,259,590
Rental Constraint Allowance	0	(480,000)	(686,940)	0
Total Subsidy	7,003,470	7,505,630	6,940,080	8,259,590
<b>Total Income</b>	<b>(11,900,548)</b>	<b>(12,214,020)</b>	<b>(13,168,380)</b>	<b>(12,902,430)</b>
<b>NET COST OF SERVICES</b>	<b>(404,132)</b>	<b>(375,430)</b>	<b>(1,061,790)</b>	<b>(465,600)</b>
<b>Capital Charges</b>				
Adjusting transfer from AMRA	499,434	508,550	582,500	631,130
Amortised premiums and discounts	225,833	225,830	225,830	225,830
Investment income/mortgage interest	(66,644)	(104,430)	(64,600)	(69,250)
<b>Total Capital Charges</b>	<b>658,623</b>	<b>629,950</b>	<b>743,730</b>	<b>787,710</b>
Transfer to GF for Rebates	0	37,770	0	0
<b>NET OPERATING EXPENDITURE</b>	<b>254,491</b>	<b>292,290</b>	<b>(318,060)</b>	<b>322,110</b>
<b>Appropriations</b>				
Transfer to/from Major Repairs Reserve (re depreciation)	(310,949)	(341,150)	(379,860)	(389,830)
Transfer re Pension Reserve re FRS17	(96,663)	0	0	0
Transfer to/(from) Insurance Reserve	33,230	0	0	52,470
Revenue Contribution to Capital	289,540	0	250,000	0
	(84,842)	(341,150)	(129,860)	(337,360)
<b>HRA Working Balance</b>				
<b>Net HRA -Deficit/(Surplus)</b>	<b>169,648</b>	<b>(48,860)</b>	<b>(447,920)</b>	<b>(15,250)</b>
<b>Balance Brought Forward HRA Working Balance</b>	<b>(831,677)</b>	<b>(716,247)</b>	<b>(662,028)</b>	<b>(1,109,948)</b>
<b>Balance Carried Forward HRA Working Balance</b>	<b>(662,028)</b>	<b>(765,107)</b>	<b>(1,109,948)</b>	<b>(1,125,198)</b>
<b>HRA Insurance Reserve-Balance Brought Forward</b>	<b>(331,174)</b>	<b>(344,744)</b>	<b>(364,403)</b>	<b>(364,403)</b>
Revenue Contribution	(53,570)	(53,570)	(53,570)	(52,470)
Contribution to HRA	20,341	53,570	53,570	0
<b>Balance Carried Forward Insurance Reserve</b>	<b>(364,403)</b>	<b>(344,744)</b>	<b>(364,403)</b>	<b>(416,873)</b>
<b>Balance Carried Forward Total HRA Reserves</b>	<b>(1,026,431)</b>	<b>(1,109,850)</b>	<b>(1,474,351)</b>	<b>(1,542,071)</b>

**B) Key Performance Indicators**

Ref. No.	What does this show?	Who reports this?	Achieved 2006/07	Estimate 2007/08	Target 2008/09	Target 2009/10	Target 2010/11
BV63	Average SAP rating of Council owned dwellings	C Broomfield	72.15	73	75	75	75
BV66a	Proportion of rent collected	R Boardman	98.6%	99.6%	99.6%	99.6%	99.6%
BV66b	Number of Tenants owing > 7 weeks rent as percentage of all tenants	A Crosskey	1.79%	1.5%	1.5%	1.5%	1.5%
BV66c	% of tenants in arrears who have been served NSPs	A Crosskey	43.4%	50%	50%	40%	40%
BV74	Tenant satisfaction (%)	R Botham	84%	84%	84%	86%	86%
BV75	Tenant satisfaction (%) - Opportunities for participation	R Botham	69%	69%	69%	75%	75%
BV184 a	LA homes which were non-decent at 1 April 2004	C Broomfield	9%	0.5%	0%	0%	0%
BV 184 b	% Change in Decent Homes standard	C Broomfield	37.9%	38%	0%	0%	0%
BV 212	Average time taken to Re-let dwellings	A Crosskey	81.7 days	50 days	35 days	30 days	25 days
LPI HM 01	% of Repair jobs subject to Complaints	C Broomfield	1.26%	1%	1%	1%	1%
LPI HM 03	% of urgent repairs completed within government time limits	C Broomfield	97.86%	98%	98%	98%	98%
LPI HM 04	Average time taken to complete non-urgent responsive repairs	C Broomfield	13.24 days	12 days	12 days	12 days	12 days

Ref. No.	What does this show?	Who reports this?	Achieved 2006/07	Estimate 2007/08	Target 2008/09	Target 2009/10	Target 2010/11
LPI RA 01	To maintain former tenant arrears at below £100,000	A Crosskey	£170,963	£200k	£150k	£150k	£150k
LPI RA 03	Current tenants owing over 13 weeks rent	A Crosskey	1.99%	1.35%	1.35%	1.2%	1%
LPI RA 05	Current arrears as % of rent toll	R Boardman	1.55%	1%	1%	1%	1%
LPI RA 06	Rent written off as % of rent roll (previously BVPI 66c)	R Boardman	0.09%	0.43%	0.4%	0.4%	0.4%
LPI RA 07	% Rent lost through dwellings becoming vacant	R Boardman	2.06%	1.46%	1.2%	1.2%	1%
LPI HN 02	The stock empty at the end of the period	R Boardman	2.15%	<2%	<2%	<2%	<2%

**10. Workforce Planning**

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

12. Key Elements of Risk Management

Risk number	Rating	Short name	Risk ownership	Cause	Consequence	Action required
SR0002	12	Resilience to predictable and unforeseen events	Steve Tilbury	<p>1. Maintaining an effective corporate wide Business Continuity Plan.</p> <p>2. Regular testing of plan and follow up.</p> <p>3. Community involvement and awareness.</p>	<p>1. Unacceptable delay in returning to normal working after a fortuitous event or emergency (business interruption)</p> <p>2. Unable to meet legal requirements</p> <p>3. Adverse publicity</p> <p>4. Uncertainty</p> <p>5. Possible member criticism</p> <p>6. Social impact - benefits, refuse collection etc.</p> <p>7. Loss of documentation</p>	<p><i>Housing Business continuity plans tested in 2007 and lessons learnt now incorporated into current plans.</i></p> <p><i>Further testing planned for early 2009.</i></p>
SR0003	9	Effective management of Council capacity	Simon Eden	<p>Not implementing '2010' changes required to</p> <p>1. improve efficiency</p> <p>2. change working practices</p> <p>3. improve customer service</p> <p>4. create a modern working environment</p> <p>5. develop management structures and roles</p> <p>6. develop corporate planning</p>	<p>Council will not meet modernisation and improvement challenges it has set itself and not be seen as an organisation which is 'fit for purpose'. Negative effect on reputation and assessment scores</p>	<p><i>Supported Housing and Tenancy Services teams restructured in 2007/08 to address this.</i></p> <p><i>Flexible working plan to be rolled out across Landlord Services in third and fourth quarter of 2008/09.</i></p> <p><i>Development of Equalities commitments and updating of the Customer Services commitments to tenants included in this Plan</i></p>
SR0012	6	Improving performance within CAA and Use of Resources Assessment	Simon Eden	<p>Poor achievement or demonstration of community leadership, service delivery, meeting objectives, value for money, efficiencies and risk management.</p> <p>Adapting to CAA monitoring arrangements.</p> <p>Working effectively within LAA</p>	<p>1. Negative effect on reputation</p> <p>2. Failure to achieve freedoms and flexibilities.</p> <p>3. Increased costs</p>	<p><i>Resources aligned to all objectives in Plan.</i></p> <p><i>Value for Money analysis included in Plan and will be further developed in 2008/09. Landlord Risk database under constant review</i></p>

Risk number	Rating	Short name	Risk ownership	Cause	Consequence	Action required
OP0008	12	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>
OP0009	9	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>
OP0010	9	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>
OP0011	6	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 completed in 2007. Further test planned for early 2009.</i>
OP0012	6	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>



Risk number	Rating	Short name	Risk ownership	Cause	Consequence	Action required
OP0013	6	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>
OP0014	6	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  Comprehensive Disaster Recovery system in place (Greens Close, Bishops Waltham) and tested weekly.</i>

**Summary Description of Elemental Components of Major Repairs, Renewals & Maintenance Programmes and their Management/Purpose (See Section 5.3)**

REF	ELEMENT	SUMMARY DESCRIPTION
1	<b>Term Maintenance Works Programme</b>	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 it's 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<sup>1/4</sup> year contracts to other contractors, utilising similar NHF Schedules of Rates.</p>
6.	<b>Cyclic Maintenance Works Programme:</b> 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.	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 95% 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. For the period 2009 – 13 it will be necessary to replace windows to approx. 300 properties with PVCu windows towards which extra over funding of £100,000 p.a. will be required. 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 2008) regarding properties Not Decent is shown in section 5.8 of this report and totals 23 properties. The proposed strategy to complete works over the five year period 2005-2010 is shown in section 5.9 of this report. In summary: -</p> <ul style="list-style-type: none"> <li>• Unfit Properties –As at 31/03/08 all works will be</li> </ul>

		<p>complete.</p> <ul style="list-style-type: none"> <li>• Amenity Failure – e.g. kitchen layout, these properties will be dealt with incrementally over the 5-year planning period.</li> <li>• Disrepair Failure – These properties are being externally repaired as part of the repair and painting programme, incrementally over the 5-year planning period.</li> <li>• 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.</li> <li>• Energy Defects – As at 31/03/08 all Energy Efficiency Works as defined by Decent Homes Standard will be completed.</li> </ul> <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 was carried out in 2007, together and in conjunction with ongoing assessment and works carried out associated with disabled adaptations. A policy for the most efficient use of communal areas will be agreed by 31/12/08.</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</p>

		removal and disposal.
17.	Miscellaneous Capital Works.	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 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. Seven 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	Works carried out to adapt resident's homes to enable elderly and disabled persons to remain in their homes. Two schemes operate in parallel: -

	Issues; Section 7 refers)	<ul style="list-style-type: none"> <li>• Fast Track Service – works of simple nature e.g. grab rails, ramps, lowering thresholds etc. carried out on request.</li> <li>• 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.</li> </ul>
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 Access and Infrastructure Division 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).

<b>SUPPLEMENTARY MAJOR REPAIRS &amp; RENEWALS PROGRAMME (Commencing April 2007)</b>		
<b>REF</b>	<b>ELEMENT</b>	<b>SUMMARY DESCRIPTION</b>
	<b>Decent Homes Works</b>	
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 70 properties) that currently exist (estimated at 31/03/08).</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 was included in the 2007/08 programme and works have been completed.</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 it's heating systems replacement programme to identify future serviceability and longevity.</p> <p>A study is currently being undertaken by Mechanical &amp; 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 by 31/03/08 and will inform the future scope and extent of the ongoing rolling replacement programme. Additional funding will be</p>



		required to underpin the existing programme and therefore allowance has been made within the Supplementary Programme to generate funding towards this purpose towards the latter part of 2007/08 and 2008/09.
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>A backlog of work totalling approx. £300,000 existed at year end 31<sup>st</sup> March 2007. The work required comprised 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>Funds have been incrementally committed throughout 2007/08 towards the caseload backlog as they have become available through house sales, resulting in the backlog being completed by December 2007.</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 £300,000 and will probably take 18 months to complete. It is therefore proposed to commit £100,000 towards this project in 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</p>

		<p>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 ongoing with existing Client Side staff to determine the Best Value approach towards whom and how to commission these support services.</p> <p>Indications are that some procurement practices will need re-engineering and support drawn from a mix of fixed term appointments and consultancy commissions.</p>
	<b>Non Decent Homes Works</b>	
7.	Loft Conversions	<p>Provisional allowance was originally made within the indicative 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.</p> <p>However higher priority works to enable Decent Homes Standard to be maintained over the period 2008/10 would mean that an additional funding resource would need to be identified to fund these works.</p>
8.	Supplementary Energy Efficiency Works	<p>Provisional allowance was originally made within the indicative programme (commencing 2008/09) to replace solid fuel heating systems/appliances with more energy efficient types where possible and subject to tenant demand.</p> <p>However higher priority works to enable Decent Homes Standard to be maintained over the period 2008/10 would mean that an additional funding resource would need to be identified to fund these works.</p>

<b>INDICATIVE SUPPLEMENTARY CAPITAL MAJOR REPAIRS &amp; RENEWALS PROGRAMME &amp; INVESTMENT PROFILE</b>						
HOUSING REVENUE ACCOUNT	2007/08	2008/09	2009/2010	2010/11	2011/12	COMMENTS
<b><u>DECENT HOMES WORKS</u></b>						
Disabled Adaptations	300	150	150	150	150	Approx. 50% of additional funding in 2007/08 has been committed.
Heating Systems Upgrade	409	400	400	400	400	Strategic review of Heating Systems Replacement in progress.
Digital Switchover	-	100	100	100	-	Feasibility to be carried out in 2008 (Capital Purchase v Leasing Option).
Garage Replacement	50	-	50	-	50	Works completed as planned in 2007/08.
Kitchens & Bathrooms	300	250	200	250	200	Works fully committed to install kitchens in Voids.
<b><u>NON DECENT HOMES WORKS</u></b>						
Loft Conversions	-	-	-	-	-	See comment in Appendix B ref. No 7.
Supplementary Energy Efficiency Works	-	-	-	-	-	See comment in Appendix B ref. No 8.
Project Fees & Associated Costs	25	100	100	100	100	Estimated costs of Consultancy and Staff Support costs.
<b>TOTAL SUPPLEMENTARY CAPITAL PROGRAMME</b>	1.084*	1,000	1,000	1,000	1,000	*Projected income from properties committed for sale in 2007/08.