

CABINET (HOUSING) COMMITTEE - 4 FEBRUARY 2015

CABINET – 11 FEBRUARY 2015

THE OVERVIEW AND SCRUTINY COMMITTEE – 16 FEBRUARY 2015

HOUSING REVENUE ACCOUNT 2015/16 BUDGET AND BUSINESS PLAN
2015/16 TO 2044/45

REPORT OF ASSISTANT DIRECTOR (CHIEF HOUSING OFFICER)

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RECENT REFERENCES:

CAB2548(HSG) – Housing Revenue Account Budget 2014/15 and Business Plan 2014/15 to 2043/44 dated 4 February 2014

CAB2631(HSG) – Housing Revenue Account Rent Setting 2015/16 and Budget / Business Plan Options dated 26 November 2014.

EXECUTIVE SUMMARY:

The Business Plan summarised in this report provides an update to the Plan approved by Council in February 2014. It builds on the updated plan that was presented to this Committee on 26 November 2014. The Plan has been amended to take account of current spending plans and changes approved over the last year, and in particular the rent increase and service changes approved by Council at its meeting on 7 January 2015. The continued enhanced investment in maintenance and improvement of existing dwellings and the establishment of a programme of building new Council homes remain the key priorities for the service.

The report also proposes the HRA budget for 2015/16, which has taken full account of the proposals in the Business Plan and their funding requirements. Approval is sought under Financial Procedure Rule 6.4 for a number of schemes in 2015/16.

RECOMMENDATIONS:

That, subject to consideration of comments from TACT, the Committee recommend **to Cabinet and to Council:**

- 1 That the HRA Revised budget for 2014/15 and the Budget for 2015/16 as set out in the Appendices 1 and 2 to the report be approved.
- 2 That the HRA business plan as set out in Appendices 3 and 4 to the report be approved.
- 3 That the Housing Capital programme as set out in Appendix 5 to the report be approved.
- 4 That the 2015/16 Maintenance Programme as set out in Appendices 5 and 8 to the report be approved.
- 5 That authority be given to incur capital expenditure of £7.930m for the Maintenance, Improvement and Renewal Programme as outlined in this report and in Appendix 8 to the report, in accordance with Financial Procedure Rule 6.4. (noting that within this, for any schemes in excess of £100,000 a financial appraisal will be approved in accordance with the scheme of delegations).
- 6 That the Assistant Director (Chief Housing Officer), following consultation with the Chief Finance officer, be given delegated authority to make adjustments within the overall Maintenance, Improvement and Renewal programme as set out in Appendices 5 and 8 to the report, including the flexibility to substitute projects and re-balance expenditure within and between the different elements/schemes in order to meet operational needs, changing priorities and commitment targets, with any changes being reported to Committee at the earliest opportunity.
- 7 That the Business Plan priorities as set out in paragraph 4 be noted and the key service priorities as detailed in Appendix 6 of this report be approved.

That the Overview and Scrutiny Committee:

- 8 Considers any recommendations it wishes to make to the Council for its consideration of the proposed HRA Business Plan or budget for 2015/16.

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REPORT OF ASSISTANT DIRECTOR (CHIEF HOUSING OFFICER)

DETAIL:

1 Introduction

- 1.1 All Councils that still hold housing stock have a requirement to produce a 30 year business plan demonstrating how they intend to manage their HRA to support the long term management of housing. This requirement has been more essential since April 2012 with the introduction of self-financing. This effectively saw the transfer of all financial risk in relation to the HRA to the Council.
- 1.2 This report builds on previous years' plans with particular reference to the business plan presented to this Committee on 26 November 2014, taking account of the proposals for rent increases and service changes approved by Council on 7 January 2015.
- 1.3 This report includes extracts from the proposed update to the Business Plan in the appendices highlighting short term maintenance programmes, longer term investment needs, key service priorities, performance indicators and key elements of risk management.
- 1.4 This report also considers the proposals for the HRA Budget for 2015/16 which underpins all the proposals and priorities set out in the Business Plan.

2 The HRA Business Plan - 2015 Update

- 2.1 The report CAB2631(HSG) presented to Committee in November 2014 included the key assumptions held in the Business Plan regarding minimum balances, proposals for the 2015/16 rent increase and growth items, and these have been maintained in the latest version of the plan. A summary is shown in Appendices 3 and 4.
- 2.2 Projected closing balances for 2014/15 and the latest estimates for 2015/16 now form the basis for the new Business Plan. The proposed budget for 2015/16 is included as Appendices 1 and 2 to this report. Recent changes to the 2014/15 budget are explained in paragraph 8 and proposals for the 2015/16 year are detailed in paragraph 9 below.

- 2.3 The Business Plan Revenue Account detailed in Appendix 3 to this report shows the impact of current and proposed service levels and investment plans over the next 30 years. As before, surpluses only start to rise significantly in later years with funding remaining tight for the first 15 years. Members may wish to note that the forecast HRA working balance at the end of the 30 year Business Plan period is now £88,123,000 following the changes applied during the budget preparation cycle. Whilst this is a reduction of £2.4m on the previous Business Plan from November, this is still adequate to cover the full repayment of loans outstanding at 31 March 2045 which remains at £67m.
- 2.4 The capital Maintenance, Improvements and Renewals programme set out in paragraph 6 below for the period 2015/16 to 2019/20 is shown in detail in Appendix 5. This now takes full account of the requirements identified from the Stock Condition Survey that was completed during 2014 and previously reported to this Committee.

3 Borrowing Costs and Assumptions

- 3.1 The report to this Committee on 26 November 2014 indicated that the HRA would return to its debt cap in 2017/18 providing spending plans were maintained at their forecast levels. The latest updates to the Budget and Business Plan now confirm this situation. There is still a forecast need to refinance some of the borrowings in the period 2022/23 to 2034/35 in order to maintain both the requirements from the Stock Condition Survey and the new build programme.
- 3.2 Since the November meeting, it has been confirmed that the bid for Local Growth Fund monies (in effect, an allowance to borrow to fund a new build scheme) for Hillier Way, Abbotts Barton, has been successful. This allows an increase in the HRA debt cap of a further £1.14m in 2016/17 to aid this development. The Business Plan assumes that borrowing is undertaken in line with the increase in the debt cap.
- 3.3 The changes to the borrowing profile since the November report have increased the capital charges to the HRA by £1.3m over the 30 year life of the plan. However, it should be noted that actual future borrowing will be determined by the Council's Treasury Management function.

4 Key Business Plan Priorities

- 4.1 The Business Plan has been developed with close regard to the Council's Community Strategy and Portfolio Plans and the results from tenant satisfaction surveys and focus groups. Investing in repairs and the quality of tenant's homes is consistently rated as tenants' highest priority, with the quality of neighbourhoods and estates also being seen as important. Tenant focus groups have also identified a clear aspiration for some investment in discretionary areas such as internal decoration and other small home improvement schemes.

- 4.2 With demand for affordable housing and the numbers of the Council's waiting list being so high, it is essential that the Plan seeks to make best use of stock, assets and land to address this issue. The new build programme, along with other proposals for adapting stock and incentivising downsizing will all contribute to this.
- 4.3 In addition to the traditional landlord responsibilities, such as tenancy management and repairs, the role that social landlords can play to address health and wellbeing of tenants is becoming an increasing focus for the Government and the Homes and Communities Agency, who regulate and set standards for all registered providers. National standards for social housing now promote measures to tackle deprivation and worklessness and to promote healthy lifestyles, all of which can impact on tenants' ability to sustain their tenancies. The Business Plan includes provision to support programmes aimed at improving opportunities for tenants and promote improved community cohesion. For 2015/16, this will include measures to ensure tenant involvement is extended and becomes more representative across the District.
- 4.4 Progress against the 2014/15 priorities was set out in report CAB2637(HSG) dated 24 November 2014. Service objectives and proposed actions for 2015/16 are detailed in Appendix 6 and take full account of the following priorities:
- a) Investing in existing homes and ensuring all key elements (kitchens, bathrooms, roofs, doors, windows etc. are brought up to date.
 - b) Delivering the New Homes programme in accordance with the approved programme and investigating opportunities to increase investment and accelerate the programme where ever possible.
 - c) Adapting existing stock to assist in meeting housing need (disabled adaptations, loft conversions to address overcrowding, converting unused communal areas into homes, etc.)
 - d) Preparing a detailed asset management and energy efficiency strategy that proposes policies and long term investment plans that improve the overall energy efficiency of the Housing stock including consideration of solar PV and other renewable technology that supports the Council's carbon reduction plans (a member briefing on this subject is planned for June 2015).
 - e) Improving estates and neighbourhoods, with an emphasis on ensuring investment directly benefits Council tenants.
 - f) Measures to mitigate the impact of welfare reform, providing support to tenants and ensuring potential arrears of rent are minimised (including measures to encourage employment and skills development).

- g) Tenant Involvement – There will be an increased emphasis on promoting direct involvement and ensuring tenants remain at the heart of all housing services. Additional steps will be taken to ensure that tenant bodies are more representative and that Performance Review and Scrutiny Panels have a more direct link with the Cabinet (Housing) Committee and the Overview and Scrutiny Committee.
- h) Sheltered Housing/Older People – Whilst the planned reduction in the overall number of sheltered units will continue, it is proposed that the Council seeks to invest in remaining schemes to make sure they are an attractive housing option. Officers are also working on increasing provision of Extra Care
- i) Addressing Under Occupation – A range of initiatives will be explored to address under occupation and to free up family homes, including both “carrots” and “sticks”. This could involve financial incentives, a more intensive support service and additional benefits.
- j) Delivering Value for Money – Operating costs are below average for the Council’s Landlord Services and performance overall compares well to other landlords. The Council will continue to set targets to achieve efficiencies and maintain revenue costs below the average for the sector, despite ambitious capital investment programmes.

5 The New Build Programme

5.1 Since the report to this Committee in November 2014, costs and tenders for existing schemes have continued to be received and analysed. Key changes have been made to the following projects:

- a) Victoria House – where the demolition and build contracts have been split following the high tender value previously received with only one contractor tendering.
- b) Extra Care – where revised costs from the employer’s agent have shown an increase. These revised costs are under further scrutiny and full details will be given to the Committee at the March 2015 meeting. The later start date for the scheme has also resulted in the planned appropriation of land from the General Fund to the HRA being postponed from March 2015 to a point during the 2015/16 financial year.
- c) Westman Road – where the successful tender referred to in report CAB2653(HSG) elsewhere on the agenda was substantially lower than the original cost estimates.

5.2 Right to Buy Pooling

Right to Buy pooling is the mechanism whereby the Government determines the split between the receipts from Right to Buy sales and how much can be

retained by the Council to use for the provision of affordable and social housing. In late November 2014 DCLG issued a consultation paper on revised figures for Right to Buy Pooling calculations for the years 2015/16 and 2016/17, the existing Pooling arrangements only covering the period to 31 March 2015. On closer inspection of the figures quoted by DCLG, Winchester discovered an error in the Right to Buy receipts value for 2010/11 used by DCLG to calculate the Local Authority and Treasury Share Caps that affected the years 2012/13, 2013/14 and 2014/15. In turn, this directly affected the amounts held by the Council or repaid to the Treasury from Right to Buy sales.

- 5.3 DCLG was approached with regard to this matter and officers are pleased to report that DCLG is urgently working to correct the error over the course of the next two years. However, until the revised Regulations are approved by Parliament, it is not possible to publish any amended figures. Officers are hopeful that Winchester will retain a larger amount of capital receipts within the HRA in 2015/16 and 2016/17 to be used towards the new build programme but, until the position has been ratified, no adjustment in our Business Plan or Budget will be made. There would also be an impact on the General Fund receipts, which is an expected reduction in the forecast levels (although this reduction would be lower than the increase in the HRA). A prudent approach has been taken and the forecast for the GF reflects this lower amount.

6 Repairs and Renewals

- 6.1 The results from the Stock Condition Survey were reported to this Committee in October 2014 (report CAB2619 (HSG) refers) and updated costs for the short and long term maintenance strategy were built in to the Business Plan reported in November 2014. Full details of the maintenance programme for 2015/16 are included at Appendix 8.
- 6.2 These costs have been maintained in the 2015/16 Budget and the re-worked Business Plan with the following adjustments for developments since that time:
- a) Responsive, Void and Cyclic maintenance – these costs have been re-profiled for 2015/16 to reflect changes in service provision. The cyclic budget for 2014/15 has been reduced by £200,000 due to a combination of lower tenders for painting and decoration contracts (£75,000) and less work being done on electrical testing programmes (£125,000). The latter is being addressed in 2015/16 following the increased staffing resources available to Property Services as previously approved by this Committee.
 - b) External Envelope Works – this cost includes the EWI scheme for Winnall flats. However, the grant of £392,000 previously allowed towards the costs has been removed as there is no guarantee this is

still available. If any external funding is received, this will help support the project and reduce the need for borrowing in the future.

- c) External Window/Door/Screen replacements – due to an issue with a planning application (over an internal fee payment) for a window replacement project at Albert Court, these works have been delayed until 2015/16. The estimated cost of £100,000 has accordingly been moved into next year.
- d) Mechanical & Electrical Services – An allowance of £300,000 has been made in the budget for 2015/16 for assisted gas connections in rural areas. The additional monies will enable up to 100 properties obtain a gas connection with external funding support from Southern Gas Networks. This will provide extra choice to tenants for energy supplies with a view to helping them reduce future energy costs.
- e) Loft Conversions and Extensions – The projects approved by this Committee in October 2014 (report CAB2617(HSG) refers) are mostly under way and should be completed by 31 March. The programme for 2015/16 was agreed at the same time and the budgets for 2014/15 and next year have been revised to reflect the approved programme.
- f) Sewage Treatment Works – The budget for 2014/15 is expected to be under spent by approximately £30,000. The projects for 2015/16 are currently being worked through and it is proposed to move the £30,000 forward to assist the budget in 2015/16.

7 Adequacy of Reserves and Robustness of Estimates

- 7.1 There are specific requirements under Section 25 of the Local Government Act 2003 for the Chief Finance Officer to provide a positive assurance statement about the adequacy of proposed financial reserves and the robustness of estimates made for the purposes of the budget calculation.
- 7.2 The HRA working balance was reviewed in detail in CAB2423(HSG) in December 2012 and minimum balances of £1,000,000 were assessed as reasonable in light of the key assumptions included in the Business Plan. This is reviewed each year by the Assistant Director (Chief Housing Officer) and has been increased to allow for inflation. The minimum balance for 2015/16 is therefore recommended at £1,056,000.
- 7.3 It is important that budget estimates included within the report are reasonable and robust. The majority of budgets are based on existing service levels and recent outturn data adjusted for known and/or anticipated changes, for example, the removal of Supporting People grant from 2015/16. Work has continued during 2014/15 on developing the new build investment plan and the spending plans for the immediate future with costs based on identified schemes.

7.4 Within the context of the overall budget and reserve levels, the Chief Finance Officer is able to provide positive assurance on the robustness of the estimates made for the purposes of the HRA budget calculation for next year. Clearly, less assurance can be provided on longer term spending plans given the assumptions that have to be made over inflation, etc., but the forecasts demonstrate that minimum balances can be maintained and resources set aside to repay all HRA debt over the period of the plan.

8 Revisions to the HRA Budget 2014/15

8.1 It is proposed that the net expenditure for 2014/15 be reduced by £2,330,200. The reductions are in relation to:

- a) HRA General – Additional budget allowance of £20,000 created by the transfer in to the HRA General cost centre of vacancy management savings. These savings are reflected in the adjustments to the costs for Communal Services, Homelessness and Repairs Administration.
- b) Central Control – A revised projection of the income expected for the year indicates an increase of £6,200.
- c) Cyclic Maintenance – A reduction in the budget of £200,000 as explained in paragraph 6.2.a.
- d) Capital Expenditure funded by HRA – This is primarily due to the delay in the appropriation to the General Fund for the extra care scheme as referred to in paragraph 5.1.b.

9 HRA Budget 2015/16

9.1 The budget detailed in Appendix 1 takes full account of the rent increase and additional investment approved by Council on 7 January 2015.

9.2 The budget has a net deficit of £4,057,000. This is due to a significant increase in the capital expenditure that is funded directly from the HRA in the forthcoming year.

9.3 The key changes to the budget set out in Appendix 1 include:

- a) Estate Management – The change in this budget of (£14,000) is closely linked to changes in the Tenants Information and Communal Services budgets following the restructure of the Estate Management Service that commences in April 2015. Previously, the staff cost for one of the Tenant Information Officers was charged to Estate Management and this has now been corrected. The new Estates Service which was previously charged to Communal Services has now been moved under Estate Management, together with the income to be generated from the new service.

- b) HRA General – The reduction in this budget of £90,000 is due to the removal of the vacancy management “cost” referred to in 8.1.a) for the full year, offset by inflationary increases in staffing costs and internal recharges. It does include provision for management changes following the decision to end Older Persons Support Services and the loss of the Housing Options and Support Manager as part of those changes.
- c) Removal Incentive Scheme – This budget was reduced in 2014/15 to reflect lower demand but with the continuation of the “bedroom tax” affecting tenants, it is reasonable to assume demand will increase. An extra £10,000 has been put in this budget to cater for this demand.
- d) Central Control – With the demise of Supporting People funding from next year and the restructuring of the Older Persons Team, it has been decided to move all remaining costs into the Sheltered Housing budget heading. However, part of the reduction to £0 is caused by the removal of severance costs for staff leaving the service.
- e) Communal Services – With the movement of staffing costs into Estate Management, the reduction in this budget of £133,000 more accurately reflects the recovery of service charges to cover the costs of providing these additional services.
- f) Homelessness – The adjustment to this budget of £21,000 credit reflects increased income from rents and service charges for the newly acquired or dedicated properties used as temporary accommodation.
- g) Sheltered Housing – The reduction of £565,000 in this budget is due to the removal of severance costs (£348,000) and the new staffing requirements for the revamped service provision (£214,000). The transfer of costs in from Central Control is offset by their recovery through income charges.
- h) Repairs – The overall change to these costs after allowing for the £200,000 reduction in cyclic costs in 2014/15 is £96,000, an increase of 2.5% on the 2014/15 original budget.
- i) Dwelling Rents – The increased income of £556,000 reflects the rent increase approved by Council on 7 January 2015.
- j) Garage Rents – The increase of £30,000 income is in respect of the inflation increase and improved voids performance.
- k) Sheltered Charges – The reduction of £66,000 in income reflects the reduced cost of providing the service as explained in g) above.
- l) Capital Expenditure funded by HRA – The increase of £7,326,000 is the result of the increased capital programme referenced in paragraphs 5 and 6 above and shown in detail in Appendix 5.

- 9.4 These changes result in a forecast year end working balance at March 2016 of £2,422,000.

OTHER CONSIDERATIONS:

10 COMMUNITY STRATEGY AND PORTFOLIO PLANS (RELEVANCE TO):

- 10.1 The proposals accord with the principles of making the best use of all available resources by continued clear financial planning. The additional resources that could be available will also make a significant contribution to meeting the targets and priorities identified in the Council's Active Communities Change Plan.

11 RESOURCE IMPLICATIONS:

- 11.1 As discussed in the main body of the report.

12 RISK MANAGEMENT ISSUES

- 12.1 The potential risks associated with the Business Plan and the Self Financing regime cannot be underestimated. The HRA will be exposed to normal economic and business risk as well as risks arising from changes in national housing policy.

- 12.2 The report to this Committee on 26 November 2014 (CAB2631(HSG) refers) identified the key financial risks. These included opting to set rents below a level assumed by national rent policies (not adopted), welfare reform and inflation on expenditure being higher than forecast. It is considered that the quantification of the risks set out in that report are still appropriate. There is therefore no need at this time to conduct any further sensitivity analysis.

13 TACT COMMENT

- 13.1 TACT was fully consulted on the Business Plan priorities and the rent and early budget proposals at its meeting in November 2014. This consultation has been followed up by a further report discussed at the TACT meeting on 21 January 2015.
- 13.2 TACT fully supports the additional spending on maintenance and on building new homes. TACT also appreciates the work that Housing Officers have been doing during 2014 in reviewing older person's services in light of the withdrawal of Supporting People funding. The introduction of the new district wide Estate Service is also being watched with interest and it is hoped that it will bring further improvements to the communal services provided to our schemes and blocks of flats.
- 13.3 TACT will continue to scrutinise Housing Services to ensure tenants get value for money and retain the right to hold the Council to account if services deteriorate or if costs increase to unacceptable levels.

APPENDICES:

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HRA Service Summary 2015/16 Budget

	2014/15 Original Budget	2014/15 Revised Budget CAB2631(HSG)	2014/15 Further Adjustment s	2014/15 Working Budget	2015/16 Adjustment s	2015/16 Original Budget
	£	£	£	£	£	£
Housing Management General						
Estate Management	884,735	893,369	0	893,369	(14,295)	879,074
HRA General	1,606,244	1,760,506	20,166	1,780,672	(8,970,506)	1,690,966
Joint Housing Register	125,640	125,640	0	125,640	1,256	126,896
Removal Incentive Scheme	100,000	70,000	0	70,000	10,000	80,000
Rent Accounting	275,063	257,735	3,316	261,051	7,607	268,658
Tenants Information	105,589	89,778	0	89,778	33,351	123,129
Vacant Dwellings	34,031	22,031	0	22,031	2,013	24,044
New Build Programme Support	464,005	464,005	0	464,005	3,640	467,645
	3,595,308	3,683,064	23,482	3,706,546	(46,133)	3,660,413
Housing Management Special						
Central Control	107,877	174,800	(6,200)	168,600	(168,600)	0
Communal Services	113,470	151,756	(6,192)	145,564	(133,353)	12,211
Disabled Adaptations	132,181	132,180	0	132,180	362	132,542
Estate Maintenance	478,307	478,307	0	478,307	1,345	479,652
Homelessness	(12,272)	(21,151)	(8,298)	(29,449)	(20,638)	(50,087)
Sewage Works	227,354	215,355	0	215,355	(1,745)	213,610
Sheltered Housing	994,732	1,202,720	0	1,202,720	(565,490)	637,230
	2,041,649	2,333,967	(20,690)	2,313,277	(888,119)	1,425,158
Repairs						
Responsive Maintenance	2,220,000	2,220,000	0	2,220,000	80,000	2,300,000
Voids	450,000	450,000	0	450,000	20,000	470,000
Cyclic	1,180,000	1,180,000	(200,000)	980,000	196,000	1,176,000
Sub-total Repairs Works	3,850,000	3,850,000	(200,000)	3,650,000	296,000	3,946,000
Repairs Administration	1,296,296	1,333,120	(8,992)	1,324,128	115,594	1,439,722
	5,146,296	5,183,120	(208,992)	4,974,128	411,594	5,385,722
Interest Payable	5,222,400	5,240,929	0	5,240,929	(15,479)	5,225,450
Depreciation of Fixed Assets	5,917,800	5,915,804	0	5,915,804	13,196	5,929,000
	11,140,200	11,156,733	0	11,156,733	(2,283)	11,154,450
Rents and Other Income						
Dwelling Rents	(25,810,400)	(25,858,900)	0	(25,858,900)	(555,708)	(26,414,608)
Garage Rents	(819,016)	(833,016)	0	(833,016)	(29,734)	(862,750)
Other Income	(269,000)	(269,000)	0	(269,000)	(6,187)	(275,187)
Sheltered Charges	(450,000)	(465,734)	0	(465,734)	65,834	(399,900)
Supporting People	(608,620)	(608,620)	0	(608,620)	608,620	0
Interest Receivable	(25,800)	(25,800)	0	(25,800)	1,800	(24,000)
	(27,982,836)	(28,061,070)	0	(28,061,070)	84,625	(27,976,445)
Surplus for year on HRA Services	(6,059,383)	(5,704,186)	(206,200)	(5,910,386)	(440,316)	(6,350,702)
HRA funded Capital Expenditure	6,617,000	5,160,000	(2,124,000)	3,036,000	7,326,000	10,362,000
Right to Buy Admin Fees	(15,600)	(28,600)	0	(28,600)	7,800	(20,800)
Net (increase)/decrease in HRA Balance before transfers to or from reserves	542,017	(572,786)	(2,330,200)	(2,902,986)	6,893,484	3,990,498
Transfer re Insurance Reserve	66,300	66,300	0	66,300	0	66,300
(Increase)/ decrease in HRA Balance	608,317	(506,486)	(2,330,200)	(2,836,686)	6,893,484	4,056,798
HRA Working Balance						
Opening Balance	(2,015,874)	(3,642,332)		(3,642,332)		(6,479,018)
Add Projected Deficit/(Surplus)	608,317	(506,486)		(2,836,686)		4,056,798
Projected Balance at Year End	(1,407,557)	(4,148,818)		(6,479,018)		(2,422,220)

HRA Subjective Summary 2015/16 Budget

	2014/15 Original Budget	2014/15 Revised Budget CAB2631(HSG)	2014/15 Further Adjustments	2014/15 Working Budget	2015/16 Adjustments	2015/16 Original Budget
	£	£	£	£	£	£
Employees	3,344,254	3,726,987	0	3,726,987	-652,534	3,074,453
Premises	5,159,637	5,186,612	(200,000)	4,986,612	239,021	5,225,633
Transport	290,931	275,931	0	275,931	-9,866	266,065
Supplies & services	736,650	809,650	0	809,650	34,342	843,992
Third party payments	155,000	125,000	0	125,000	0	125,000
Support Services	2,150,321	2,109,461	0	2,109,461	63,775	2,173,236
Net Interest	5,220,690	5,239,219	0	5,239,219	(13,679)	5,225,540
Depreciation on Fixed Assets	5,917,800	5,915,804	0	5,915,804	13,196	5,929,000
External income	(29,034,666)	(29,092,850)	(6,200)	(29,099,050)	(114,571)	(29,213,621)
Surplus for year on HRA Services	(6,059,383)	(5,704,186)	(206,200)	(5,910,386)	(440,316)	(6,350,702)
Capital Expenditure funded by HRA	6,617,000	5,160,000	(2,124,000)	3,036,000	7,326,000	10,362,000
Right to Buy Admin Fees	(15,600)	(28,600)	0	(28,600)	7,800	(20,800)
Net (increase)/decrease in HRA Balance before transfers to or from reserves	542,017	(572,786)	(2,330,200)	(2,902,986)	6,893,484	3,990,498
Transfer re Insurance Reserve	66,300	66,300	0	66,300	0	66,300
Transfer to Capital Adjustment A/C to reflect Debt Repayment	0	0				
(Increase)/ decrease in HRA Balance	608,317	(506,486)	(2,330,200)	(2,836,686)	6,893,484	4,056,798
HRA Working Balance						
Opening Balance	(2,015,874)	(3,642,332)		(3,642,332)		(6,479,018)
Add Projected Deficit/(Surplus)	608,317	(506,486)		(2,836,686)		4,056,798
Projected Balance at Year End	(1,407,557)	(4,148,818)		(6,479,018)		(2,422,220)

Winchester City Council - HRA Business Plan Revenue Account												
		Income			Expenditure					Balances		
Year	Year	Net rent Income	Other income	Total income	Management	Repairs and Mtncce	Capital Financing	Funding of capital exp	Total Exp	Annual surplus / (deficit)	Working Balance	
		£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	
1	2015.16	26,547	2,669	29,216	-7,813	-3,946	-5,225	-16,514	-33,273	-4,057	2,422	
2	2016.17	27,522	2,722	30,244	-8,081	-4,443	-5,387	-13,672	-31,502	-1,258	1,164	
3	2017.18	28,859	2,785	31,644	-8,315	-4,612	-5,514	-13,441	-31,299	345	1,509	
4	2018.19	30,319	2,856	33,175	-8,558	-4,763	-5,514	-13,797	-33,069	106	1,615	
5	2019.20	32,113	2,927	35,040	-8,795	-4,909	-5,554	-14,379	-35,001	39	1,654	
6	2020.21	32,635	3,005	35,640	-9,021	-5,058	-5,595	-14,285	-33,959	1,681	3,335	
7	2021.22	33,799	3,091	36,890	-9,252	-5,212	-5,626	-13,948	-34,038	2,852	6,187	
8	2022.23	35,001	3,173	38,174	-9,490	-5,371	-9,654	-14,165	-38,680	-506	5,681	
9	2023.24	36,239	3,257	39,496	-9,734	-5,534	-7,258	-14,603	-37,129	2,367	8,048	
10	2024.25	38,231	3,332	41,563	-9,984	-5,701	-6,260	-24,161	-46,106	-4,543	3,505	
11	2025.26	38,817	3,405	42,222	-10,240	-5,873	-7,747	-17,403	-41,263	959	4,464	
12	2026.27	40,166	3,495	43,661	-10,504	-6,050	-8,324	-17,921	-42,799	862	5,326	
13	2027.28	41,559	3,586	45,145	-10,774	-6,232	-8,775	-18,455	-44,236	909	6,235	
14	2028.29	42,995	3,676	46,671	-11,051	-6,419	-10,458	-19,005	-46,933	-262	5,973	
15	2029.30	44,477	3,779	48,256	-11,335	-6,612	-5,823	-19,572	-43,342	4,914	10,887	
16	2030.31	46,891	3,887	50,778	-11,627	-6,811	-9,223	-22,307	-49,968	810	11,697	
17	2031.32	47,583	3,987	51,570	-11,926	-7,016	-8,484	-23,001	-50,427	1,143	12,840	
18	2032.33	49,210	4,088	53,298	-12,233	-7,228	-10,157	-23,994	-53,612	-314	12,526	
19	2033.34	50,888	4,199	55,087	-12,549	-7,445	-5,932	-24,461	-50,387	4,700	17,226	
20	2034.35	52,618	4,295	56,913	-12,872	-7,669	-18,720	-25,078	-64,339	-7,426	9,800	
21	2035.36	55,450	4,389	59,839	-13,204	-7,900	-9,980	-26,178	-57,262	2,577	12,377	
22	2036.37	56,244	4,501	60,745	-13,544	-8,138	-13,367	-26,951	-62,000	-1,255	11,122	
23	2037.38	58,143	4,628	62,771	-13,894	-8,383	-5,087	-27,746	-55,110	7,661	18,783	
24	2038.39	60,101	4,763	64,864	-14,252	-8,635	-12,556	-28,566	-64,009	855	19,638	
25	2039.40	62,120	4,867	66,987	-14,620	-8,895	-19,757	-29,409	-72,681	-5,694	13,944	
26	2040.41	64,202	4,981	69,183	-14,998	-9,162	-17,467	-24,442	-66,069	3,114	17,058	
27	2041.42	67,625	5,131	72,756	-15,385	-9,438	-14,773	-25,207	-64,803	7,953	25,011	
28	2042.43	68,562	5,326	73,888	-15,782	-9,722	-2,367	-26,154	-54,025	19,863	44,874	
29	2043.44	70,844	5,557	76,401	-16,190	-10,015	-2,367	-26,777	-55,349	21,052	65,926	
30	2044.45	73,196	5,796	78,992	-16,609	-10,316	-2,367	-27,503	-56,795	22,197	88,123	

Winchester City Council - HRA Business Plan capital account												
		Expenditure						Funding				
Year	Year	Future Major Repairs	Improvements and conversions	Disabled Adaptations	New Build Development Costs	Other	Total Expenditure	Borrowing	RTB receipts	Capital grants and contributions	From Revenue	Total Funding
		£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
1	2015.16	7,979	1,193	731	13,037	136	23,076	520	1,153	4,889	16,514	23,076
2	2016.17	6,552	906	749	14,266	108	22,581	4,740	823	3,346	13,672	22,581
3	2017.18	6,730	934	772	9,679	111	18,226	2,900	1,885	0	13,441	18,226
4	2018.19	6,913	962	795	5,810	114	14,594	0	797	0	13,797	14,594
5	2019.20	7,111	990	819	5,970	117	15,007	0	628	0	14,379	15,007
6	2020.21	5,971	1,020	843	6,899	119	14,852	0	568	0	14,285	14,853
7	2021.22	6,145	1,051	869	6,334	122	14,521	0	572	0	13,948	14,520
8	2022.23	6,349	848	895	6,524	125	14,741	0	576	0	14,165	14,741
9	2023.24	6,540	873	922	6,719	129	15,183	0	579	0	14,603	15,182
10	2024.25	16,174	568	949	6,921	132	24,744	0	582	0	24,161	24,743
11	2025.26	9,161	585	978	7,128	135	17,987	0	584	0	17,403	17,987
12	2026.27	9,417	602	1,007	7,342	139	18,507	0	586	0	17,921	18,507
13	2027.28	9,681	620	1,037	7,563	142	19,043	0	588	0	18,455	19,043
14	2028.29	9,951	639	1,068	7,789	146	19,593	0	588	0	19,005	19,593
15	2029.30	10,230	658	1,100	8,023	149	20,160	0	588	0	19,572	20,160
16	2030.31	12,667	678	1,133	8,264	153	22,895	0	588	0	22,307	22,895
17	2031.32	13,054	698	1,167	8,512	157	23,588	0	587	0	23,001	23,588
18	2032.33	13,730	719	1,202	8,767	161	24,579	0	585	0	23,994	24,579
19	2033.34	13,869	741	1,238	9,030	165	25,043	0	582	0	24,461	25,043
20	2034.35	14,148	763	1,276	9,301	169	25,657	0	578	0	25,078	25,656
21	2035.36	14,900	786	1,314	9,580	173	26,753	0	574	0	26,178	26,752
22	2036.37	15,312	809	1,353	9,868	177	27,519	0	569	0	26,951	27,520
23	2037.38	15,736	834	1,394	10,164	182	28,310	0	562	0	27,746	28,308
24	2038.39	16,171	859	1,436	10,468	186	29,120	0	555	0	28,566	29,121
25	2039.40	16,619	884	1,479	10,782	191	29,955	0	546	0	29,409	29,955
26	2040.41	11,243	911	1,523	11,106	196	24,979	0	537	0	24,442	24,979
27	2041.42	11,586	938	1,569	11,439	201	25,733	0	526	0	25,207	25,733
28	2042.43	12,133	966	1,616	11,782	206	26,703	0	550	0	26,154	26,704
29	2043.44	12,308	995	1,664	12,136	211	27,314	0	537	0	26,777	27,314
30	2044.45	12,610	1,025	1,714	12,500	216	28,065	0	562	0	27,503	28,065

HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME								
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Total
Scheme description	Previous years actuals	Budget.	Budget.	Budget.	Budget.	Budget.	Budget.	Budget.
	£000	£000	£000	£000	£000	£000	£000	£000
New Build Programme								
Bourne Close	255	209						464
Pumping Station, Itchen Abbas	362	309						671
NQH development - Stanmore	30	743	1,945					2,718
Swanmore / Springvale		22	359					381
Westman Rd	50	16	1,888	8				1,962
Victoria House	68	161	2,128	2,498				4,855
Hillier Way	0	10	490	1,821				2,321
Extra Care	63	195	5,156	6,880	572			12,866
Mitford road	0		25	700	715			1,440
Wilberforce Close - Stanmore	0			1,240	2,360			3,600
Property Acquisition	197	288	1,015					1,500
Small sites / unallocated programme	0		31	1,119	6,032	5,810	5,970	18,962
Total New Build Programme	1,025	1,953	13,037	14,266	9,679	5,810	5,970	51,740
Housing Services Programme								
Future Major Repairs								
External Envelope works		842	2,117	2,149	2,206	2,266	2,328	11,908
External window/door/screen replacements		450	774	687	706	724	751	3,044
Kitchen/Bathroom renewals		1,900	1,881	1,922	1,974	2,027	2,082	11,786
Mechanical & Electrical Services		1,932	1,211	930	955	982	1,012	7,022
Internal structure & finishes		350	220	225	231	237	243	1,506
External Ground Works & Service Mains		750	776	639	657	675	693	4,190
		6,224	6,979	6,552	6,729	6,911	7,109	39,456
Improvements and conversions								
Estate Improvements		336	619	268	276	284	293	2,076
Sheltered Housing Upgrades		371	209	214	220	227	233	1,474
Sheltered Housing Conversions		0	205	210	217	224	230	1,086
Loft conversions/Extensions		184	160	214	220	227	233	1,238
EWI Winnall Flats		0	1,000	0	0	0	0	1,000
		891	2,193	906	933	962	990	6,874
Disabled Adaptation works		715	731	750	772	794	820	4,582
Other capital spending								
River Itchen Maintenance		36	0	0	0	0	0	36
Sewage Treatment Works		117	136	108	111	114	117	703
Asset Management Solution		0	0	0	0	0	0	0
Orchard enhancements		10	0	0	0	0	0	10
		163	136	108	111	114	117	749
Total Housing Services Programme		7,993	10,039	8,316	8,545	8,782	9,036	52,709
TOTAL HRA CAPITAL PROGRAMME	1,025	9,946	23,076	22,582	18,224	14,592	15,006	104,449

Key Housing Revenue Account Priorities

CAB2652(HSG)
Appendix 6

Significant Areas of Work and Projects for 2015/16 – Efficient and Effective Council

Which projects will contribute towards the outcomes?	Milestones	Milestone Due Date	Responsible Officer	What will success look like?	Budget/ Resources
Ensuring Value for Money and below average unit costs for the sector	Submit all relevant financial and performance returns to Housemark as part of their annual benchmarking analysis	Jul 15	Assistant Director (Chief Housing Officer)	Tenants informed of key performance and have opportunity to challenge/scrutinise services	Housing Business Services team resourced to undertake this work
	Prepare and distribute Annual Report to all tenants	Oct 15		Operating costs compare well with other providers (aim to be below average)	
Review of Housing Procurement Arrangements	Arrangements confirmed for procurement route for all planned contracts, cyclical works and future term maintenance arrangements	Jul 15	Head of Property Services	Clear procurement route approved for all work packages	4 full time equivalent staff added to establishment from April 2015
To complete Service Reviews of all Housing Services in line with the Council's Transformation agenda	Report outcome of 2015 Tenant Satisfaction survey and agree action plan to address key findings	Jul 15	Assistant Director (Chief Housing Officer)	Services meeting tenant expectations	Housing Project Coordinator and Asst. Director allocated to this work.
	Post Implementation reviews of organisational changes to Tenancy Services (including Older Persons team) and Property Services teams	Mar 16		>85% tenant satisfaction Performance targets met	

Key Housing Revenue Account Priorities

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Appendix 6

Which projects will contribute towards the outcomes?	Milestones	Milestone Due Date	Responsible Officer	What will success look like?	Budget/ Resources
Updating the Long term Housing Revenue Account Business Plan modelling	30 year projections revised to update investment plans and address current projections for increasing long term surpluses	Dec 15	Assistant Director (Chief Housing Officer)	Sustainable long term plan approved. Long term plans take full account of available resources Borrowing strategy amended to reflect approved programmes	Head of Housing Finance and Asst. Director allocated to this work.

Key Housing Revenue Account Priorities

CAB2652(HSG)
Appendix 6

Significant Areas of Work and Projects for 2015/16 – General Tenancy/Estate Issues

Priority Outcome: Active Communities					
Objective: Provision of housing to meet community needs					
Which projects will contribute towards the outcomes?	Milestones	Milestone Due Date	Responsible Officer	What will success look like?	Budget/ Resources
Mitigate impact of welfare reform/Universal Credits on Council tenants and local residents.	Implement changes in increased rent payment options for Council tenants Further tranche of Discretionary Housing Payments funding awarded by Govt.	Mar 16 Jan 16	Head of Housing Management	Rent arrears < 2% Access to welfare services including Local Welfare Assistance; SCRATCH; Basics Bank to sustain individuals and families in their homes	Est. £100k of Discretionary payments fund
Review approach to under occupation of existing stock.	Delivery of Wise Move Incentive Scheme, in particular targeting older people.	Mar 16	Head of Housing Management	70 assisted downsizing moves supported by March 2016	Review approach to under occupation of existing stock.
Promoting wider and representative resident involvement	Update TACT constitution Establish series of local events Formalising link between tenant scrutiny and Council scrutiny	May 2015 Sept 2015 Dec 2015	Head of Housing Management	More representative involvement structures More involvement in Council decision making across the district Effective tenant scrutiny	Within existing HRA budgets for Tenant Involvement + £10k additional funds to support events programme

Key Housing Revenue Account Priorities

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Appendix 6

Which projects will contribute towards the outcomes?	Milestones	Milestone Due Date	Responsible Officer	What will success look like?	Budget/ Resources
Promoting Digital Inclusion and Encouraging “Channel Shift” towards “Digital by Default”	<p>Launch/promote initiatives to encourage wider tenant use of digital technology</p> <p>Install effective Wi-Fi access to communal areas within sheltered housing</p> <p>Roll out access to the Orchard Self Service Portal to all tenants</p>	<p>Sept 15</p> <p>Dec 15</p> <p>Mar 16</p>	Assistant Director (Chief Housing Officer)	<p>At least 60% of tenants with access to IT connections</p> <p>Effective systems in sheltered schemes</p> <p>500 tenant users</p>	Task and Finish Group from a number of Housing teams (lead by Asst. Director)
Promoting Multi Agency Information sharing	<p>To Agree Information Sharing Protocols with Community Mental Health Team</p> <p>Contribute towards the phase 2 programme of the Supporting Families Programme</p>	<p>Oct 15</p> <p>Mar 16</p>	<p>Assistant Director (Chief Housing Officer)</p> <p>Head of Housing Management</p>	<p>Effective protocol agreement signed</p> <p>50 City Council tenant families supported</p>	Housing Project Coordinator allocated to this work
To improve the existing housing for older people.	Refurbishment / Improvement programme	On going	Head of Housing Management	Housing schemes which offer a high quality, safe and accessible environment	£200K included in Housing Capital Programme

Key Housing Revenue Account Priorities

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Appendix 6

Priority Outcome: High Quality Environment

Objective: Ensuring that the quality of the place that we enjoy is maintained and enhanced

Which projects will contribute towards the outcomes?	Milestones	Milestone Due Date	Responsible Officer	What will success look like?	Budget/ Resources
Deliver a WCC estates improvement programme	Delivery of approved schemes	Mar 16	Head of Housing Management	Improved customer satisfaction with housing estates	£619k included in HRA for 2015/16
Implement programme of inspections of estates and communal areas	Tenants all aware of programme fro Communal Housing visits	Jun 15	Head of Housing Management		New Estate Services team established from April 2015
	Detailed inspection records of all estate areas maintained	Mar 16			
Review of Grounds Maintenance schedules and works	Consistent standards across each housing type	Sept 15	Head of Housing Management	Tenants satisfied with standards of maintenance	New Estate Services team established from April 2015
	Effective monitoring arrangements in place, supported by residents	Sept 15			

Key Housing Revenue Account Priorities

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Appendix 6

Significant Areas of Work and Projects for 2015/16 – Repairs and Renewals

Priority Outcome: Active Communities
Objective: Provision of housing to meet community needs

Which projects will contribute towards the outcomes?	Milestones	Milestone Due Date	Responsible Officer	What will success look like?	Budget/ Resources
Monitor delivery of enhanced maintenance programme for Council housing stock.	Programme approved Half year monitoring report	April 15 Dec 15	Head of Property services	All Council homes comply with Decent Homes standard Reduce tenant overcrowding by adapting properties/convertng loft spaces	£7.5m pa in HRA Capital programme £200k pa to support lofts/extensions
Preparing a Long Term Asset Management and Energy Strategy for Council Housing Stock	Member Briefing on draft Strategy Strategy Approved Maintenance Programme/Investment Plans amended to reflect new Strategy	Jun 15 Jul 15 Nov 15	Head of Property services	Long term priorities and balance between maintenance, improvement, renewable energy etc determined	4 full time equivalent staff added to establishment from April 2015

Key Housing Revenue Account Priorities

CAB2652(HSG)
Appendix 6

Priority Outcome: High Quality Environment

Objective: Ensuring that the quality of the place that we enjoy is maintained and enhanced

Which projects will contribute towards the outcomes?	Milestones	Milestone Due Date	Responsible Officer	What will success look like?	Budget/ Resources
To deliver actions set out in the Low Carbon Route Map aimed at improving the energy efficiency of Council housing	Programme delivered	Mar 16	Assistant Director (Chief Housing Officer)	Improved resident awareness of energy efficiency Completion of Ten year programme to upgrade all heating systems and exploit benefits of renewable technology	£778k pa included in annual repairs programme

Key Housing Revenue Account Priorities

CAB2652(HSG)
Appendix 6

Significant Areas of Work and Projects for 2014/15 – New Build Programme

Priority Outcome: Active Communities

Objective: Provision of housing to meet community needs














Which projects will contribute towards the outcomes?	Milestones	Milestone Due Date	Responsible Officer	What will success look like?	Budget/ Resources
Increase the supply of affordable housing across the District.	Work with partners to increase supply of affordable housing.	Mar 20	Head of New Homes Delivery	Maximising the supply of affordable housing for rent on S106 sites – Barton Farm / North of Whiteley / Silver hill	£50m included in Housing capital programme over next 5 years
	Exploit opportunities to build on Council land.	Mar 20		Over 200 new Council homes by 2020	£200k per annum in HRA Programme to support conversions
	Increase supply of specialist housing.	Mar 17		An effective mix of supported housing	
	Deliver new units of housing where possible through conversion of former sheltered scheme communal spaces	Mar 16		At least two new units annually from converted communal areas	
Achieve the agreed Council House New Build Programme.	Start on site - Extra Care Westman Rd, Victoria House and Springvale		Head of New Homes Delivery	Increase in supply of affordable housing across the District, with the aim to deliver an average over	£11.4m included in the 2015/16 HRA capital programme

Key Housing Revenue Account Priorities

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Appendix 6

Which projects will contribute towards the outcomes?	Milestones	Milestone Due Date	Responsible Officer	What will success look like?	Budget/ Resources
	<p>New Queens Head – Completion of building work.</p> <p>Apply for planning consent for Mitford Rd and Hillier Way schemes</p>			<p>30 new homes per year over the next ten years.</p> <p>Attractive and high quality developments allowing existing tenants to move or downsize to release family dwellings</p>	<p>(£50m over next five years)</p>

Key HRA Business Plan Performance Indicators

Ref	What does this show?	2012/13	2013/14	2014/15			2015/16	2016/17	2017/18
		Value	Value	Estimate	Target	Status	Target	Target	Target
1#	% non-decent council homes	0%	0%	15.5%	16%		0%	0%	0%
2	SAP rating	N/A	66.72	67	70		70	70	70
3	Local authority tenants' satisfaction with landlord services	88%	88%	88%	85%		85%	85%	85%
4*	Current tenant rent arrears as a % of rent due	1.2%	0.88%	1.2%	1.5%		2%	2%	2%
5	% of responsive repairs jobs completed within target	90.6%	86%	90%	95%		95%	95%	95%
6	Average number of days to complete responsive repairs	10	8.48	8	8		8	8	8
7	Gas servicing - The % of homes with current gas servicing certificate	99.99%	99.99%	100%	100%		100%	100%	100%
8	% Stock empty at the end of the year	1.01%	0.93%	0.95%	1%		1%	1%	1%
9	Rent & charges lost through vacant dwellings (%)	0.62%	0.5%	0.6%	2%		1%	1%	1%
10	Value of former tenant arrears	£198k	£202k	£215k	£150k		£150k	£150k	£150k
11	Average re-let time for General Needs and Older Persons properties (in days)	20	20.2	14	19		19	19	19
12	Average re-let time for General Needs properties (in days)	18.45	19.06	14	18.5		18.5	18.5	18.5
13	Average re-let time for Older Persons properties (in days)	21.08	21.57	15	20		20	20	20

Notes

Non decent homes

* Rent Arrears

- Refer to CAB2619 (HSG) for results and programme following Stock Condition Survey

- Future targets for rent arrears take account of potential impact of Welfare Reform

Repairs & Maintenance Budget 2015/16

	Revenue	Capital	Total	Capital Expenditure Requiring Approval Under FPR 6.4.
Responsive				
1 Voids (Osborne)	310,000	-	310,000	
2 Gas attend tos (Liberty)	280,000	-	280,000	
3 Main Term Contract (Osborne)	1,460,000	-	1,460,000	
4 Other Non-Term works (other contractors)	250,000	-	250,000	
Responsive	2,300,000	-	2,300,000	0
Voids				
5 Change of Tenancy Costs	440,000	-	440,000	
6 Decorating Vouchers	30,000	-	30,000	
Voids	470,000	-	470,000	0
Cyclic				
7 External Repairs & Painting	276,000	-	276,000	
8 Heating Appliance Service Contract	370,000	-	370,000	
9 E. & M. Service Contracts	100,000	-	100,000	
10 Electrical Testing & follow-up works	280,000	-	280,000	
11 Discretionary Works Scheme	150,000	200000*	150,000	200,000
Cyclic	1,176,000	-	1,176,000	200,000
Major Repairs				
12 External Envelope works	-	2,117,000	2,117,000	2,117,000
13 External window/door/screen replacement	-	574,000	574,000	474,000
14 Kitchen/Bathroom renewals	-	1,881,000	1,881,000	1,881,000
15 Mechanical & Electrical Services	-	1,211,000	1,211,000	1,211,000
16 Internal structure & finishes	-	220,000	220,000	220,000
17 External Ground Works & Service Mains	-	776,000	776,000	576,000
Planned	-	6,779,000	6,779,000	6,479,000
Other Improvements				
18 Sheltered Housing Upgrades	-	209,000	209,000	209,000
19 Sheltered Housing Conversions	-	205,000	205,000	205,000
20 Extensions/loft conversions	-	160,000	160,000	0
21 Disabled Adaptation works	100,000	731,000	831,000	731,000
22 EWI Winnall Flats	-	1,000,000	1,000,000	0
23 Sewage Treatment Works	-	136,000	136,000	106,000
24 Estate Improvements	100,000	619,000	719,000	269,000
Other	200,000	3,060,000	3,260,000	1,251,000
Total Maintenance & Improvements Budget	4,146,000	10,039,000	13,985,000	7,930,000
* This is included in "Windows/Doors" line of the main capital programme detailed in App 5.				

Descriptions of work under each element above are provided in Appendix 9

Key Elements of the Repairs and Maintenance Budget 2015/16

The paragraphs below provide additional background to each line of the Repairs and Renewals Programme set out in Appendix 9 (the programme includes all repairs works, both revenue and capital).

Lines 1 to 4: Responsive Repairs (Revenue - £2.300m) The vast majority of these repairs will be reported on an ad-hoc/reactive basis directly by the tenants to the Council's customer service centre. This very important front line element of the service is generally epitomised by high volume, low value jobs. The majority of these jobs (85%+) will be carried out by Osborne and Liberty, and the remainder by another 40/50 other contractors. Typically, there are likely to be approximately up to 22,000 jobs of this nature reported every year with an average value of approximately £110/ea. 95% of these jobs will typically have a value of less than £500.

Line 5 and 6: Voids (empty properties) (Revenue - £0.470m) This element of the service deals specifically with the "change of tenancy costs" associated with re-letting empty properties. These are works which the Council would not normally do for tenants during their tenancy (e.g. decorations; lock changes; cleaning; rubbish clearance; etc.) This element of the budget tries to identify and separate those costs associated solely and specifically with the property becoming empty.

Decoration packs (which recently replaced the decoration vouchers) are also issued to new tenants under this element, but should not be confused with those on offer under the Discretionary Works Scheme (Line 11). These void decoration packs are a tried and tested means by which both parties benefit - the new tenant is provided with effectively a starter pack of decorating materials (delivered to their door), and the Council saves money by not having to carry out expensive decorating with contract labour.

This element of the service is demand-led and therefore, to some extent, will always be inherently unpredictable. The number of properties becoming empty each year (typically between 300- 400), and the state in which they are handed back to the Council, can vary enormously.

Lines 7 to 11: Cyclic Repairs (Revenue - £1.176m, Capital £0.200m) This element of the budget covers those remedial works that are normally carried out on repetitive cycles. The length of the cycle varies with the type of work and may be driven by either legislative/national or local determinants. For example, some works are carried out once a year, every year (e.g. gas servicing), while others are on 5-yearly cycles (e.g. external repairs & painting).

Cyclic maintenance encompasses five main areas - external repairs and painting, heating appliance servicing, electrical and mechanical servicing, electrical testing and follow-up works , and the Discretionary Works Scheme.

Line 12 : External Envelope Works (Capital - £2.117m) This element of the budget covers remedial works to the key building components of the dwelling that keep tenants wind and weather-tight (e.g. walls; roofs; chimneys; fascia/soffits; etc).

The majority of the spend on these key components will now be driven and prioritised in accordance with the findings of the Stock Condition Survey (SCS) and , most importantly, in accordance with the approved recommendation that the Council's primary objective should be to achieve and maintain Decent Homes (CAB2619(HSG) refers). The balance will remain ad-hoc and demand led and, more often than not, will have been reported or instigated by the tenant in the first instance.

Line 13: Window /door/screen replacements (Capital - £0.574m) This element of the budget sets aside money for window replacement schemes, and individual dwelling or communal front/rear entrance door replacements. The majority of these replacements will have been identified from either the SCS, cyclic repair and painting programmes or reported directly on an ad-hoc basis by the tenant. It is estimated that this budget will see approximately 800 external dwelling/communal doors replaced and, subject to planning approval, new windows to approximately 30/40 dwellings during 2015/16.

(NB the cost of windows and doors to non-dwelling assets (garages, sheds etc.) is budgeted for under Line 17 below)

Line 14: Kitchen/bathroom replacements (Capital - £1.881m) This element of the budget is perhaps the most prominent in terms of Member and tenant expectations. This budget has almost quadrupled since 2011/12, and now includes £200/300k towards mechanical extract ventilation to either or both rooms to help reduce the incidence of condensation (CAB 2388(HSG) refers). It is estimated that this budget will still see approximately 400 kitchens and 160 bathrooms being refurbished during 2015/16.

Line 15: Mechanical & Electrical Services (Capital - £1.211m) This element of the budget continues a long standing and on-going commitment to provide tenants with reliable, energy efficient and controllable heating systems.

Up to £0.200m will be channelled towards energy saving/renewable technologies. In addition to this, efforts will be made to optimise the benefits offered by the Southern Gas Network's assisted connection scheme by moving more properties with electrical heating over to gas.

The remainder will ensure that the long-standing commitment to replace old/obsolete heating systems, on both a planned and emergency basis, can be maintained. This element of the budget will also be used to fund, as and when necessary, any major repairs/renewals to any other mechanical and electrical plant (e.g. lifts).

Line 16: Internal Structure & Finishes (Capital - £0.220m) This element of the budget covers repairs to wall, floor and ceiling finishes and other internal building elements (e.g. internal doors and frames; staircases; fireplaces etc.).

Line 17: External Ground Works, Service Mains and non-dwelling assets

(Capital - £0.776m) Much of these works will remain demand-led and, more often than not, will have been reported or instigated by the tenant in the first instance. This element of the budget covers the larger repairs to external ground works (e.g. drainage; fencing & boundary walls; paths, paving & steps; un-adopted access roads; drying areas etc.), service mains (e.g. gas; electric; water) and repairs to other non-dwelling assets (garages; sheds).

Line 18: Sheltered Housing Upgrades (Capital - £0.209m) This money is set aside to improve and enhance facilities in existing sheltered schemes, and also to convert/adapt unused, or under-used, existing accommodation (e.g. redundant common rooms) into lettable units.

Line 19: Sheltered Housing Conversions (Capital £0.205m) This money has been ear-marked for conversions to sheltered schemes to provide an extra 16 flats over an 8-year programme.

Line 20: Extensions/loft conversions (Capital - £0.16m) This is an ongoing initiative specifically introduced to reduce over-crowding, and forms one of a number of measures to enable tenants to stay in their current homes longer and to maximise the use of existing stock. This budget covers the programme agreed by Cabinet (Housing) Committee in October 2014.

Line 21: Disabled Adaptation Works (Revenue - £0.100m, Capital - £0.731m)

Disabled adaptation works continue to demand a significant proportion of the overall budget for works to council housing. Officers anticipate that the vast majority (85%, approx. £0.600m) of the capital budget will again be spent on walk-in showers, and/or improved bathing arrangements.

The revenue budget covers the smaller aids and adaptations for tenants. The vast majority of these works are covered by the "fast-track" procedure which tries to ensure the smaller jobs (i.e. those not needing the intervention by an occupational therapist), are issued without undue delay (e.g. grab rails; lever taps; key safes; etc.).

Line 22: External Wall Insulation (EWI) to Winnall Flats (capital £1.000m)

This is a provisional estimate to allow for the external wall insulation project to the Winnall medium rise flats (CAB2513(HSG) refers). Unfortunately, this project has been unavoidably delayed - primarily due to British Gas and, more recently, by internal staff shortages. Just after the scheme had been approved by Cabinet, British Gas withdrew their offer to undertake a fully managed (part-ECO-funded) scheme to insulate the external walls of these flats. The capital income budget has not assumed that external funding is still available to help fund these works.

Officers are currently re-appraising the costs and benefits associated with this scheme and plan to bring a report back to the March 2015 meeting of this committee with recommendations on the way forward.

Line 23: Sewage Treatment Works (capital £0.136m) This money is set aside to improve and upgrade council owned sewage treatment systems across the district. The figure shown includes £0.030m carry forward from 2014/15.

Line 24: Estate Improvements (capital £0.619m) A programme of estate improvements aimed at improving the overall quality of estates is funded by £0.259m capital and £0.100m revenue provision. In addition, £0.350m has been carried forward from 2014/15 for works at Woolford Close, Stanmore. All other 2015/16 projects will be reported to the Cabinet (Housing) Committee in July 2015.