

CABINET - 22 MARCH 2006

DELIVERING DECENT HOMES – THE HOUSING REVENUE ACCOUNT BUSINESS PLAN
UPDATE 2006/07

REPORT OF DIRECTOR OF COMMUNITIES

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RECENT REFERENCES:

CAB 593 - Proposed House Condition Survey (5th March 2003)

HO20 - Delivering Decent Homes (10th December 2003)

HO28 - Delivering Decent Homes – Summary of Investment Needs (26th January
2004)

CAB 853 - Annual Report on Property Maintenance & Enhancement Programme (20th
April 2004)

CAB857 - Housing Strategy & HRA Business Plan 2004 (20 April 2004)

HO56 - Delivering Decent Homes (23 March 2005)

HO57 - Housing Revenue Account Business Plan 2004-34 – Annual Update (23 March
2005)

EXECUTIVE SUMMARY:

The Housing Revenue Account 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 until 2007/08 although in line with good practice, update the plan each year.

A key element of the Plan is the Council’s Repairs and Renewals programme. Last year, Cabinet approved the Major Repairs, Renewals and Maintenance strategy for the period 2005-2010. The Plan includes an update of progress with the strategy and sets out an elemental Major Repairs, Renewals and Maintenance plan for 2006 – 07.

RECOMMENDATIONS:

- 1 That the HRA Business Plan update for 2006/07, including the proposed Major Repairs, Renewals and Maintenance Programme, be approved.
- 2 That the Director of Communities be given authority to make minor editing amendments in consultation with the Portfolio Holder for Housing prior to final publication of the Plan.

CABINET – 22 MARCH 2006DELIVERING DECENT HOMES – THE HOUSING REVENUE ACCOUNT BUSINESS PLAN UPDATE 2006/07REPORT OF THE DIRECTOR OF COMMUNITIESDETAIL: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 The Major Repairs, Renewals and Maintenance Strategy

- 2.1 The nature and extent of the programme to achieve Decent Homes Standard by 2010 was determined by the 2003/04 Stock Condition Survey.
- 2.2 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.
- 2.3 Section 5 of the Business plan update sets out in detail how the Council has progressed against this strategy. At the start of 2005, 17.5% of stock was classed as “non decent”. By the end of March 2006, 158 properties will have been improved up to the Decent Homes standard against a target of 67.
- 2.4 This acceleration to the programme has been achieved by additional energy efficiency works. Loft insulation to 90 properties was carried out in 2005 ahead of scheduled programme in 2006/07, as part of a Government sponsored insulation programme, and at no cost to the Council. A further 239 properties have been identified to have loft insulation upgraded in 2006/07. These properties are part of the 632 identified with energy defects; and due to have upgrading works incrementally over the 4 year period 2006 – 2010.
- 2.5 On completion of this and other work anticipated in 2006/07, this will result in the Council having completed approximately half of its insulation upgrade programme a year earlier than programmed (2007/08), and will accelerate the fitness of it’s stock to 91% (4,693 dwellings), 3% faster (approximately 170 properties) than planned in the original strategy.

3 Emerging Issues

- 3.1 Since the publication of the 2004 Business Plan, there are a number of issues which have emerged or are emerging, both within the repairs and renewals programme and with the wider agenda for social housing that may impact on the Councils ability to achieve and maintain its "Decent Homes Plus Standard" by 2010.
- 3.2 These emerging issues include:
- a) Reducing demand for sheltered housing
 - b) Increasing management costs
 - c) Homebuy
 - d) Demand for Disabled Adaptations
 - e) Increasing obsolescence of heating systems
 - f) Digital Switchover
 - g) The new Housing Health and Safety Rating System
- 3.3 More information on each of these issues is set out in section 6 of the Business Plan update. Detailed funding implications are yet to be determined. Key objectives are included within section 7 of the Plan for items a) and b) above and more information on the remaining items will be reported as soon as it is available.

4 Relevance to Corporate Strategy

- 4.1 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.

5 Resource Implications

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

6 TACT Comment

- 6.1 TACT has yet to produce a final comment on the HRA Business Plan update.
- 6.2 TACT has been involved in the development of the HRA Business Plan update through the Property and Contracts and Rents and Business Planning Forums. The final draft appended to this report will be considered by TACT at its meeting on 15 March 2006 and comments will be submitted as a supplementary report immediately after the meeting.

Appendices:

Appendix 1 Housing Revenue Account Business Plan – 2006/07 Update (*circulated with papers for Social Issues Scrutiny Panel, 16 March 2006, Report Number SO22, Appendix 4*)