

CABINET

17 March 2010

DELIVERING DECENT HOMES – REPAIRS AND RENEWALS PROGRAMME  
2010/11

REPORT OF THE HEAD OF LANDLORD SERVICES

Contact Officer: Richard Botham Tel No: 01962 848421

RECENT REFERENCES:

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

[CAB1820](#) – HRA Business Plan Update 2009/10 – 18 March 2009

[CAB1958](#) – Housing Revenue Account Budget 2010/11 – 3 February 2010

EXECUTIVE SUMMARY:

The Council's Housing Revenue Account (HRA) Business Plan sets out long term financial projections and proposals for the management of housing related assets. It is a 30 year plan that is usually subject to an annual update. However, the Government will be announcing its proposals for the major reform of housing subsidy in the very near future with a potential implementation date of April 2011. With the promise of significant additional resource and major change, a comprehensive update of the 30 year plan has not been completed this year.

However, a key element of the Plan is the Major Repairs, Renewals and Maintenance Programme and this section has been updated to provide detailed proposals for investment in housing stock over the next year.

The proposals result in an overall programme for 2010/11 of £9,285,000, funded from HRA revenue, the major repairs reserve and capital receipts. Provision from the Major Repairs Reserve will be subject to the final outturn of the 2009/10 capital programme.

RECOMMENDATIONS:

- 1 That, subject to the final approval by TACT, the proposed Major Repairs, Renewals and Maintenance Programme, be approved.

CABINET – 17 March 2010

DELIVERING DECENT HOMES – REPAIRS AND RENEWALS PROGRAMME  
2010/11

REPORT OF THE HEAD OF LANDLORD SERVICES

DETAIL:

1 Introduction

- 1.1 Most years, a comprehensive update to the Housing Revenue Account (HRA) Business Plan is approved by Cabinet, looking at long term objectives and financial projections for the service. However, announcements on HRA reform are expected any time and these will no doubt have a very significant impact on Landlord Services, potentially from April 2011. Therefore, a comprehensive mid to long term update to the Business Plan is not being prepared this year.
- 1.2 A “one year service plan” has been developed and, along with all divisional business plans, will be subject to Portfolio Holder approval. However, a key element of the HRA Business Plan is the annual update of the Repairs and Renewals Programme. In the absence of an annual update of the whole plan, an update of the Repairs Programme element (usually section 3 of the HRA Business Plan) has been prepared and is included as an appendix to this report.

2 The Major Repairs, Renewals and Maintenance Programme

- 2.1 In order to ensure that year on year changes are tracked and auditable, the whole of section 3 from the 2009/10 Business Plan has been updated and is attached as an Appendix. The overall programme and its funding sources are summarised in the table on page 6 and 7 of the Appendix (section 2.3.10).
- 2.2 Whilst the suspended programme remains in part, it has been possible to increase provision in a number of areas due to efficiency measures and savings achieved in the current year and as a result of receipts from sales that have now been realised.
- 2.3 As highlighted in report CAB1958 dated 3 February 2010, spend against the 2009/10 programme has been less than budgeted in a number of areas, including:
- a) Decent Homes – Provision for additional works to the remaining properties classed as potentially “non decent” has not been committed as surveys have revealed far less work as being required to those specific properties.
  - b) Voids – Provision was made to replace kitchens and bathrooms within void properties. However, significantly fewer properties have come forward needing replacement and so this resource can now be used for updating facilities for existing tenants.

- c) Gas Servicing – New contracting arrangements this year have resulted in a significant reduction in servicing costs which can also be used to fund additional capital works in 2010.
  - d) Digital Switchover - £100,000 was originally included in the 2009/10 programme to fund some works. However, the revised HRA budget for 2009/10 made a revenue contribution, funded through other savings and increased income to fund all works for this project, effectively releasing the original provision for investment in other capital works.
- 2.4 This will result in investment in the current year being reduced by some £750,000. This amount, which will be subject to the final outturn of the 2009/10 Capital programme, will transfer to the Major Repairs Reserve and can then be used to fund the 2010/11 programme. This, when added to the sales receipts that have been recently completed and the contribution for digital switchover will enable funds in addition of the HRA revenue and major repairs allowance of approximately £1.8m for specific schemes to be earmarked, including kitchen and bathrooms replacements, roof replacements, digital aerial upgrades and lift refurbishments to its medium rise blocks of flats. These are all schemes that whilst included in previous programmes, could not be properly funded or planned until receipts were realised.
- 2.5 These works will contribute to maintaining the stated Winchester Decent Homes Plus Standard, and now that funding is secure, works can be planned and carried out in a strategic manner.
- 2.6 Timing of works will obviously depend on planning, procurement, liaison and management of the works as projects. It is likely that a supplementary programme of approximately £1.8m commencing in April 2010 will take two years to practically complete.

### 3 Major Repairs Reserve

- 3.1 The Major Repairs Reserve allows councils to plan investment of its annual Major Repairs Allowance (MRA) and to meet peaks and troughs in its asset management projections. However, in reality, this has not proved possible for Winchester and the MRA is not sufficient to meet investment requirements, a fact that the Government has now acknowledged.
- 3.2 Whilst the Council has not been able to build up a sufficient reserve to meet future planned works, it is essential that some provision is retained in the reserve to safeguard cash flows against the sensitivity of the programme (identifying unforeseen works, contract costs being higher than budgeted etc).
- 3.3 More importantly, it must be noted that whilst provision for replacement heating systems of £1m is included in the programme, projected need is £1.3 per annum for the five year planning period 2009/2013. The retention of a reserve of £500,000 is therefore included in the programme to mitigate the risk of this underinvestment in such a key area of the programme, as well as to provide for issues referred to in 3.2 above.

#### 4 Asset Sales

- 4.1 Council approved the continuation of the asset sales policy and the supplementary programme set out on page 31 of the Appendix illustrates how additional receipts will be invested if and when they are realised.

#### 5 Kitchens and Bathrooms

- 5.1 Whilst the replacement programme has been significantly reduced over the last year, it has been possible to replace 100 kitchens and 40 bathrooms, the majority completed when properties have been void. The programme for 2010/11 does allow for a significant increase in investment in these facilities. However, there are still 540 properties with kitchens & bathrooms older than 30 and 40 years respectively. A proactive regime of inspection should commence to check compliance with Decent Homes Standard. If all properties required replacements the potential liability would total £3.0m.

#### 6 Disabled Adaptations

- 6.1 Provision for adaptations in the programme is recommended to remain at the current level of £750,000. This reflects the continuing increase in demand for these works. Despite the significant increase in provision in 2009/10, there is still a small backlog of works to be completed.

### OTHER CONSIDERATIONS:

#### 7 SUSTAINABLE COMMUNITY STRATEGY AND CORPORATE BUSINESS PLAN (RELEVANCE TO):

- 7.1 The proposals accord with the principles of making the best use of all available resources by continued clear financial planning.

#### 8 RESOURCE IMPLICATIONS:

- 8.1 The funding sources for the proposed programme are set out in section 3.2.10 of the appendix. The HRA revenue, major repairs allowance and revenue contributions to capital referred to in this section were all approved in CAB1958 and CAB1962 at Council on 18 February 2010. The capital receipts included in this section relate to receipts from house and land sales that have been realised but to date have not been spent. These do not include the receipt for the sale of the Willis Waye garage site at Kings Worthy or receipts for property sales that are not completed (101 Colebrook St, 23 Jesty Road and 112 Alresford Rd) and this will add another £500,000 of receipts to fund the supplementary programme.

#### 9 RISK MANAGEMENT ISSUES

- 9.1 The risk management issues relating to this report have been considered in detail as part of the Council's Asset Management Planning process. The Housing stock has been subject to independent survey to determine

investment requirements and the proposed programme takes full account of the findings of the survey.

- 9.2 Investment in kitchen and bathroom replacement and in boiler replacement continues to be less than recommended by the independent reviews that have been completed and this means the risk of increased boiler failure or of properties becoming non-decent cannot be ignored. However, the provision made to retain a reserve of £500,000 in the Major Repairs Reserve is considered a reasonable measure to mitigate these risks.
- 10 TACT COMMENT:
- 10.1 TACT chairs have been involved in regular meetings with officers and the Portfolio Holder to discuss Business Plan priorities and have also been briefed by Richard Botham, Head of Landlord Services on the HRA budget for 2010/11.
- 10.2 TACT has not had the opportunity to consider the Repairs Programme in detail, but note the recommendation to approve the programme subject to TACT approval. This matter is due to be considered by TACT at its meeting on 17 March 2010.
- 10.3 Like the Council, TACT await the long delayed announcement from the Government regarding the HRA reform, and if in fact enough councils are prepared to except the findings of the government and go along with them. It does not end there of course, we exchange one debt for another, and only over time will we know if it works out for the best.
- 10.4 The Council has done its best and should be congratulated for its efforts, doing what it can with the funding allowed. However as far as the council tenants are concerned it is rather like going into a supermarket, and being told you can have the basic value selection, but forget anything else, and by the way we are flogging some of the family silver to keep this basic selection going for you.
- 10.5 The Government is well aware councils are under funded regarding management, and repairs and maintenance. Despite this it still takes £9 million in negative subsidy, with the looming black hole of £3 million facing the council this year, the future is bleak. Only by selling properties has the council kept going, council tenants do not have that luxury, nevertheless have to pay increasing rents in most cases, with diminishing services.
- 10.6 Elderly Folk can't have their 5 year decoration, of one room, to the house bound in particular, made a refreshing and welcome change (perhaps we should ask the MPs for some of their allowances?)
- 10.7 External Repairs & Repainting Programme - The Government has a vision that you should not easily be able to distinguish one type of housing from another, regarding affordable housing, it should not be hard, council ones will be the scruffy looking ones, with flaking paint.

10.8 The blame we know lies mainly with the Government, council tenants have the general election to look forward to, but somehow we feel whatever happens, will any party accept council homes are affordable, if we our allowed the rent money we pay to be allowed to be spent on our homes.

Appendices:

Appendix HRA Business Plan – 2010/11 – Extract on Delivering Decent Homes

### **3 Delivering Decent Homes**

#### **3.1 Background Information**

3.1.1 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

3.1.2 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.

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

3.1.4 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.

3.1.5 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).

3.1.6 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.

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

£		
(i)	Responsive Repairs	100,000
(ii)	Void Reinstatement Costs at re-letting 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>

3.1.8 As these savings were against base budget they are in effect year on year savings over the period 2005 – 2010.

3.1.9 Having regard to subsequent annual programmes 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

3.1.10 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). \*

3.1.11 As at February 2008, 8 properties were sold since the policy was introduced and £1.094m was generated from sales to underpin the 2007/08 Repairs and Renewals Programme.



However the slower than anticipated income from house sales 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 resulted in a slowing down of procurement throughout 2007/08 as commitment towards projects could only be made when cash from sales had been realised.

- 3.1.12 As at February 2009 5 properties remained committed for sale since April 2008. Of the £1m planned to be generated from sales to underpin the 2008/09 Repairs & Renewals Programme no property sales were completed. In summary therefore house sales have generated £1.094m considerably less and approximately 50% of the £2m anticipated in the period 1/4/07 – 31/3/09, with a further £600,00 probable if all properties referred for sale actually sold in 2009/10.
- 3.1.13 As at February 2010 the balance of the asset sales fund is £763,000 and can now be committed to support the programme under the existing policy. A further 3 properties are currently being marketed that would generate a further £325,000 towards the repairs and renewals programme when sold and in addition the sale of the Willis Waye garage site should generate a further £150,000.
- 3.2 Affordable Major Repairs, Renewals and Maintenance Strategy 2005 – 2010**
- 3.2.1 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.
- 3.2.2 The Council’s approval of the Capital Programme 2006/07 to 2011/12 (CAB 1378 refers) gave 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 Appendix A of this report.
- 3.2.3 With house sales not generating funds to support the programme in any timely or reliable way it was not considered possible or prudent to pre-plan for any planned expenditure from this source in 2009/10. It was proposed instead that any funding raised via sales should be used to underpin elements of the programme as shown in Appendix C as and when any sales occurred. In reality and for planning purposes this has become 2010/11.
- 3.2.4 Further as previously set out in report Housing Revenue Account Budget and Rent Setting 2010/2011 (CAB 1958 refers), additional funding/efficiencies have been generated to support the major repairs renewals and maintenance programme from 2010/11.

The totality of funding included in the Proposed Major Repairs, Renewals and Maintenance Programme 2010/11, shown in section 3.2.10 of this report.

3.2.5 Subject to budget outturn from 1 April 2010, the total sources of funding towards the proposed programme are as follows: -

HRA Revenue	£3.793m (including £300,000 for Disabled Adaptations)
MRA (Government Grant)	£3.679m
WCC (Capital Programme)	£0.200m (for sewage treatment works)
WCC (Rev to Capital)	£0.300m (digital switchover works)
MRA Reserve	£0.550m (excluding £500,000 retained reserve)
Asset Sales	£0.763m (total at Mar 2010)
<u>Total budget for asset planning purposes</u>	<u>£9.285m</u> (including £245,000 towards staff salaries)

**Additional Potential Supplementary Sum available if all properties referred to date sell £ 0.325m**

3.2.6 It should be noted that from 1/4/07 it has been necessary to charge the time of Planned Maintenance Staff spent on major works projects direct to the Capital Programme. This has been necessary to return the HRA into a sustainable position and restore a working balance (CAB 1369 refers).

3.2.7 A summary description of the elemental components of the Major Repairs, Renewals and Maintenance Programme is given in Appendix A of this report. This includes details of the deferment and realigning of certain programmes from within the Major Repairs and Renewals Base Programme from 1 April 2009 to match funding likely to be available from 2009/10.

3.2.8 A similar summary description of the elemental components of the Supplementary Major Repairs and Renewals programme is given in section 3.2.10 of this report.

3.2.9 During the period 2007/08 3 specific strategic reviews were 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 3.9 of this report. Further the findings and impact of such were reported to the Housing Options Steering Group in July 2008, Social Issues Review Panel on 10 November 2008 (SO77 refers) and Cabinet on 10 December 2008 (CAB 1769 refers).

3.2.10 The balance of the existing programme 2009/10 has evolved and reflects the impact of previous investment, the age profile and “technical” requirements of the stock, tenant’s aspirations whilst endeavouring to minimise any risk to the Council in its capacity as Landlord. Further taking into account the savings and efficiencies previously identified in para. 3.2.4, the emerging issues as previously reported and the potential size of the budget overall as set out in para. 3.2.5, the balance of the proposed programme across the principal elements for 2010/11 is as follows:

## Proposed Major Repairs, Renewals and Maintenance Programme 2010/11

The content and balance of the proposed programme for 2010/11 is as follows:

## Major Repairs, Renewals and Maintenance Programme 2010/11

MAJOR REPAIRS, RENEWALS & MAINTENANCE PROGRAMME 2010/11						Programme Commitments from 2009/10* & Retained Reserve		NOTES
Budget Expenditure Type								
Ref	Work Element	REV	MRA	WCC CAP	HRA Rev to Cap	* MRA Reserve	Asset Sales Fund	
	<b>Base &amp; Supplementary Programmes</b>							
	<b>Term Maintenance Programme</b>	<b>£3.793m</b>	<b>£3.679m</b>	<b>£200,000</b>	<b>300,000</b>	<b>1,050,000</b>	<b>763,000</b>	Funding Sources
1	Responsive day to day repairs under £300 in value. Other "catch-up" works over £300 in value.	900,000	100,000					
	<b>Voids Maintenance</b>							
2	Change of tenancy costs	470,000						
3	Term Responsive	300,000						
4	Planned Maintenance		120,000					
5	Decorating Vouchers	40,000						
	<b>Cyclic Maintenance</b>							
6	External Repair & Painting	300,000						
7	OAP Internal Redecorations	0						Programme deferred from April 2009
8	Heating Appliance Service Contract	765,000						
9	E&M Service Contracts	120,000						
10	Electrical Testing & follow up works	150,000						
	<b>Major Repairs &amp; Renewals Programme</b>							
11	Kitchen & Bathroom Renewals Consequent to Voids if necessary		*200,000 400,000			320,000		B/F from 2009/10 identified backlog of refurbishment works. Earmarked fund for replacement works (see note below.)
12	Window & Door Replacement (Prov Sum)		250,000					
13	External Envelope works to maintain DHS	270,000	249,000					
14	Garage Repairs & Misc Estate Works	143,000						
15	Asbestos Removal		150,000					
16	Internal Work to maintain DHS		150,000					
17	Heating Systems Replacement & associated works		1,000,000					Funding from base programme commenced in 2009/10
18	Lift Refurbishment		25,000					
19	Communal TV Aerial Replacement (Digital Switchover)				300,000			Funding for work established in 2009
20	Disabled Adaptations Work	300,000	445,000					Funding from base programme commenced in 2009/10
21	Upgrading of Sewage Treatment Works			200,000				
22	Consultancy Support Costs		75,000					
23	Planned Maintenance Staff Costs (greater part)		245,000					
24	Forder Court Upgrade		100,000					
25	Fire Risk Ass – Emerging Works		125,000					
26	Danemark Ct Heating Modifications	35,000						
27	Woolford CI Structural Repairs (Roofs)		45,000			35,000		Works identified in 2009
	<b>Budget Carried Forward</b>	<b>3,793,000</b>	<b>3,679,000</b>	<b>200,000</b>	<b>300,000</b>	<b>355,000</b>		

MAJOR REPAIRS, RENEWALS & MAINTENANCE PROGRAMME 2010/11						Programme Commitments from 2009/10* & Retained Reserve		NOTES
Budget Expenditure Type								
Ref	Work Element	REV	MRA	WCC CAP	HRA Rev to Cap	MRA Reserve	Asset Sales Fund	
28	Victoria House Replacement Doors/Windows etc						*200,000	Earmarked fund for replacement works
29	Test & Meon Houses Replacement Windows & Doors						113,000	Earmarked fund for replacement works
30	Winnall Flats Replacement Roofs to 3 blocks					125,000	250,000	Earmarked fund for replacement works
31	Winnall Flats & Richard Moss Hse Lift Refurbishment					20,000	200,000	Earmarked fund for major refurbishment (Prov Sum)
32	Project Fees					50,000		Earmarked fund for Project Fees
33	Retained MRA Reserve					500,000		Reserve to cater for and work arising not included in the programme eg heating systems, kitchens, external works etc.
<b>Total Budget/Earmarked Reserves</b>		<b>3,793,000</b>	<b>3,679,000</b>	<b>200,000</b>	<b>300,000</b>	<b>1,050,000</b>	<b>763,000</b>	
								NOTE: Kitchen & Bathroom Renewals
<b>Total budget for Asset Management Planning Purposes = £9.285m</b>								There are 540 properties with kitchens & bathrooms older than 30 and 40 years respectively. A proactive regime of inspection should commence to check compliance with Decent Homes Standard. If all properties required replacements the potential liability would total £3.0m.

**3.3 Decent Homes Compliance (Update 1<sup>st</sup> February 2010)**

**3.3.1 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.

**3.3.2 The pattern of Decent Homes defect classification in property numbers in 2003/04 was as follows:**

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

**3.3.3 Full details of progress towards achieving Decent Homes Standard over the period 2003-2009 has been shown in previous Business Plan updates.**

**3.3.4 Decent Homes Defect Classification 1<sup>st</sup> February 2010 (Current Position)**

<b>Classification</b>	<b>No</b>	<b>Comments</b>
Unfit	0	There are no known properties within this classification
Disrepair	0	Disrepair as identified by Stock Condition Survey was completed by 31/03/08. Any newly arising external repair issues will be dealt with as part of the 5 yearly external repairs and painting programme or on demand.
Amenities	0	All properties have now been surveyed and work ordered for those where work was necessary and practically possible.
Energy	0	It is considered that no homes are deficient in this classification as defined by DHS.

3.4.1 As identified by the Stock Condition Survey, to achieve and maintain decency by 2010, together with other works identified within the programme, has required specific works to be carried out incrementally throughout the stock. The following indicative elemental programme demonstrates how progressively the Decent Homes Standard has been achieved.

Criteria	March 2005	March 2006	March 2007	March 2008	March 2009	March 2010
Unfit	15	7	1	-		-
Disrepair	200	142	100	-		-
Amenities	61	59	54	23	15	-
Energy	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>15</b> <b>(0.3%)</b>	<b>0</b> <b>(0%)</b>

3.4.2 Allowing for the remaining properties achieving decency in 2009/10 a revised estimate of properties owned by the Council on 1<sup>st</sup> February 2010 (5057 excluding leasehold properties) that were by definition non-decent was 0 properties and by implication 5057 properties met Decent Homes Standards.

3.4.3 Therefore it can be seen that Decent Homes Compliance will be achieved by 31<sup>st</sup> March 2010, and within the defined Government target of 31<sup>st</sup> December 2010.

### 3.5 Proposed Repairs Strategy to Maintain Decent Homes Compliance for the Period 2009/2013

3.6.1 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.

3.6.2 The purpose of generating a further receipt of up to £1.0m annually was to meet a number of emerging stock related issues as previously identified (CAB 1231 section 6 refers) that would require additional investment to ensure that the Council's Decent Homes Plus Standard could be maintained beyond anticipated compliance by March 2010.

- 3.6.3 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).
- 3.6.4 The total expenditure generated by sales in 2007/08 allowed for works identified in the year 2007/08 to be carried out as shown in Appendix C of this report. However as money could not be committed towards works until sales were complete works have in effect been completed over the 2 year period 2007/09.
- 3.6.5 With funding in place for 2010/11 (due to some sales having completed, other efficiency gains and prudent use of the MRA Reserve) a supplementary programme is defined and proposed in section 3.2.10 of this report. This will enable funds of approximately £1.8m for specific schemes to be earmarked, including kitchen and bathrooms replacements, roof replacements, digital aerial upgrades and lift refurbishments to its medium rise blocks of flats.
- 3.6.6 These works will contribute to maintaining the stated Winchester Decent Homes Plus Standard, and now that funding is secure, works can be planned and carried out in a strategic manner.
- 3.6.7 Timing of works will obviously depend on planning, procurement, liaison and management of the works as projects. It is likely that a supplementary programme of approximately £1.8m commencing in April 2010 will take two years to practically complete.

### 3.7 **Asset Management – Strategic Reviews (2008)**

- 3.7.1 As previously stated (para. 3.6.2 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.



3.7.2 The results and impact of all 3 reviews are known and have informed the Housing Options Appraisal Process. A brief summary of each review is as follows:

(i) **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.

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 carried out by David Adamson & Partners and Officers concluded: -

- **Decent Homes Compliance**

That property management and investment actions 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). However with investment levels falling below that required this position is not considered sustainable.

- **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 6 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 annually since as opposed to approx 25 during a corresponding period in previous years. Such expenditure is

“on demand” as Council policy is to re-let properties within tightly defined timescales, and in accordance with Government targets. Relative to demand within occupied properties for kitchen and bathroom replacements a backlog of approximately 50 kitchens/bathrooms is anticipated at 31<sup>st</sup> March 2010 at an estimated replacement cost of £275,000. It is proposed that works to the value of £520,000 will be possible to fund the backlog and further refurbishment towards the oldest age profile kitchens and bathrooms. Further kitchens identified for replacement as they occur throughout 2010 will be placed on a waiting list and will rely on income from house sales to be realised or deferred until next years programme 2011/12 before any further work can proceed.

As previously reported, the effect of increasing obsolescence in gas fired central heating systems (as confirmed by the 2008 Strategic Review) will result in greater numbers of heating appliances and systems being required. To meet increasing demand and minimise risk (of breakdown with no spares available) a replacement programme averaging 480 units per year at a cost of approximately £1.3m p.a. over the next 4 years will be required.

The existing base programme was increased to provide £1.0m pa from 2009/10 by deferring other less high priority work. This will result in a shortfall of approximately £300,000 pa against identified need over the next 4 year period, a situation that is not considered sustainable. However an MRA reserve of £500,000 is proposed and acts as a contingency to mitigate risk and provide for ad-hoc boiler replacements as and when they might occur within the next 4 year planning period.

- **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 (2004/09). From April 2009 a base budget of £745,000 was established to meet newly arising need.

(ii) **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 was proposed that the results of this review would 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. These issues are currently being considered as part of a wider review into sheltered housing by the Supported Housing Informal Working Group who will make recommendations in due course. In the meantime no specific funding for any DDA works has been made.

### 3.8 Programme Issues & Shortfalls

- 3.8.1 **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. 3.1.7 refers). Further, in subsequent years construction related inflation has been significantly greater than that applied to the Major Repairs and Renewals budget overall, in order to maintain the HRA and its working balance at sustainable levels.
- 3.8.2 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.
- 3.8.3 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 was 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.

3.8.4 An “interim” budget plan for the period 2008/09 was proposed in section 5.3 of the 2008/09 Business Plan update. However the budget of £9.75m was not fundable in full and none of the £1m from property sales to supplement the 2008/09 programme materialised. The work anticipated can therefore only be deferred to appropriate waiting lists and/or not proactively commenced as no corresponding reliable funding source has been identified at this time.

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

3.9.1 As previously reported within the 2008/09 Business Plan Update, from 2009 – 2013, the second 5 year planning period of the Asset Management Plan 2004 – 2034 a revised Asset Management Plan should reflect the identified programme needs and budget at actual cost, and take account of the full effect of construction related inflation over the initial five year term.

3.9.2 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) was required from 2009/10, and subject to annual inflation for the remainder of the 5 year planning period 2010 – 2013 inclusive. This sum was subsequently adjusted downwards by £380,000 pa for revised heating upgrade costs and upwards by £100,000 pa for Digital upgrade works, £200,000 pa for disabled adaptation works and £120,000 pa for extra/over works to void properties, all of which were included in the base budget for 2009/10. Making allowances for these adjustments a budget of £9.8m (excluding staff costs) is therefore required to ensure that the objectives of the Winchester Decent Homes Plus Standard can continue.

3.9.3 The difference between the works budget available for 2009/10 (£7.099m minimum excluding income from house sales and £8.099m maximum allowing £1m income from house sales) and the actual budget requirement for 2009/10 (9.800m) is £2.701m (28%) at worst and £1.701m (17%) at best p.a. The shortfall in funding “at worst” can be summarised as follows: -

	SHORTFALL ON BASE PROGRAMME	£ 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.	926,000
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.	900,000
3	<u>OAP Internal Redecoration Programme</u> From 1/04/2009 it is proposed to suspend the discretionary OAP Internal Redecoration Programme until further notice.	175,000

4	<u>Kitchen &amp; Bathroom Replacements</u> Extent of shortfall of planned programme works as originally envisaged in Winchester Decent Homes Plus Standard	500,000
5	<u>PVCu Window Replacement Programme</u> The original programme needs to be accelerated to include approx. 300 properties for window replacement over the 5 year planning period (to reflect current repair condition).	100,000
6	<u>Digital Switchover</u> Newly arising need as a result of Government plans announced in 2006.	100,000
	<b>Total</b>	<b><u>£2,701,000</u></b>

3.9.4 Appendix C to this report shows the previously approved Indicative Supplementary Capital Programme and priority towards spending and the effect of funding generated by sales (as at February 2010 approximately £1.3m of £3.0m anticipated in the works planning period, and a further £713,000 raised that can be committed from April 2010).

3.9.5 Further, because of the economic climate that evolved in 2008 it was not considered prudent to rely on house sales to supplement the base Major Repairs & Improvement Programme. Therefore the only alternative was to rebalance the existing programme to enable the highest priority works to be included in the base programme detailed in line with the financial resources definitely available in 2009/10.

3.9.6 A summary of works proposed to be omitted from the existing programme and deferred until further notice in order to rebalance the proposed programme from 2009/10 was as follows: -

- Inflation - No general and/or construction related inflation to be applied across the programme. Rather the increase in budget has been utilised to underpin the higher priority works within the base programme.
- External Repairs & Repainting Programme - As defined in Appendix A – Ref. 6 it is proposed that following the survey of approximately 1100 properties that make up the 2009/10 and subsequent years programme any repairs necessary will be carried out with painting only towards these repairs and other identified defective areas to a total value of £300,000. Therefore if a property that was repainted 5 years ago remains in reasonable condition it is proposed to carry out no further works at this time. By carrying out any essential repairs this will retain properties in a wind and weathertight condition and ensure that properties do not fail the Decent Homes Standard under the

Disrepair Classification. This revised policy will provide up to £270,000 pa that can be utilised for higher priority works.

- OAP Internal Redecoration Programme - As defined in Appendix A – ref. 7, the programme of works to approximately 350 properties annually was suspended from April 2009 until further notice. The revised policy will provide up to £175,000 pa that can be utilised for higher priority works.
- Kitchen & Bathroom Replacement Programme - As defined in Appendix A – ref. 11 and Appendix B – Ref 1, from April 2009 it became necessary to defer approximately 25% (£200,000) of base programme works until further notice pending supplementary funding is achieved through sales. This in reality resulted in only £200,000 of work being planned in 2009/10 and £500,000 pa of planned replacements anticipated being deferred. The remaining £400,000 included in the programme will be utilised to replace kitchens and bathrooms in disrepair when properties become void or on demand. It is anticipated at year end 31/03/10 approximately 50 kitchens and/or bathrooms referred for replacement during 2008/10 will remain on a waiting list for replacement. Under the “spirit” of Decent Homes Standard such works could be interpreted as failures under the Amenity category.
- Gas Fired Heating Replacements Programme - As defined in Appendix A – Ref 18, and Appendix B –Ref 3 refers a new base budget of £1m pa was established. However, as previously reported in the 2008/09 Business Plan Update, and at Social Issues Scrutiny Panel in November 2008 (SO77 refers) an investment need of £1.4m pa (subsequently amended to £1.3m pa) over the 5year period 2009-2013 has been identified. Therefore with £1m being available a shortfall of £300,000 pa will remain.
- Digital Switchover Programme - As defined in Appendix B – Ref 5, it was proposed to provide £100,000 to start work in 2009/10 in order to meet the 2012 Switchover deadline. It is estimated the total cost of work necessary to all properties with communal television aerials will be approximately £300,000. Funding for these works has now been found from efficiencies within the HRA Revenue Account and £300,000 has been included in the 2010/11 budget.
- Disabled Adaptation programme - As defined in Appendix A – Ref 21 and Appendix B – Ref 4 a revised base budget of £745,000 was established from April 2009 and is proposed to continue into 2010/11.

3.9.7 The total deferrals from the existing Major Repairs and Improvements Programme in elements (i) – (iv) inclusive was £645,000. These “savings” re-balanced the programme and provided essential increases to establish a revised base budget for 2009/10.

**3.10 Summary Issues of Concern – Asset Management Plan 2009-2013 (updated February 2010)**

3.10.1 The fundamental problem with maintaining the Winchester Decent Homes Plus Standard as agreed in 2004 over the next (2009/2013) 5 year planning period is a significant lack of funding as defined in section 3.9.2 of this report.

3.10.2 The Council will manage to achieve the Governments Decent Homes Standard by April 2010 as planned. However with funding shortfalls from the outset, together with newly arising and emerging needs to maintain the standard over the next 5-year planning period 2009/13 and towards a 30-year Business basis as originally planned (2004/2034), more funding is required for the following reasons and with the resulting consequences: -

	<b>Reason</b>	<b>Consequence</b>
(i)	Programme underfunded by £400,000 pa from outset in 2004/05	Over the last 6 year period 2004/08, £2.4m of identified investment has not been possible primarily towards responsive maintenance, voids reinstatement and garage repairs.
(ii)	Budget not being updated annually by Construction Related Inflation to cover costs from the outset in 2004/05.	This has resulted in the cost base of the Asset Management Plan not incrementally being increased year on year by inflation and/or unit cost of repairs and replacements. An increase of approximately £1m pa would be required on the 2010/11 base budget to make good the shortfall that has accumulated since 2004/05. Taken over the 6-year planning period and calculated on a cumulative basis this has resulted in a total of approximately £3m of investment being lost across the programme as a whole.

(iii)	<p>Strategic Review of Gas Fired Heating Systems. Increasing obsolescence in gas fired central heating systems will result in greater numbers of gas boilers requiring replacement to minimise the risk of failure.</p>	<p>From 2009/10 for a 5 year period approximately 480 boilers annually will need to be replaced at a cost of £1.3m pa. After omitting and deferring works from the base programme a £300,000 per annum shortfall will remain.</p>
(iv)	<p>Increasing number of kitchens and bathrooms requiring replacement "on demand" as part of void property reinstatement works. Original replacement programme was structured over the full 30 year Business Plan, but proving unsustainable.</p> <p>Owing to funding becoming available via sales in 2009/10 and prudent management of the MRA Reserve it is proposed to commit £520,000 for planned replacements in 2010/11. A further £400,000 is available for kitchen and bathroom works as and when they occur in void properties as part of base budget.</p>	<p>From 2009/10 Replacement Programme was cut to a total of £600,000 pa as opposed to the £1.1m pa as originally planned. This resulted in planned replacement works of approximately £0.5m pa not being assessed and carried out proactively.</p>
(v)	<p>Government announcement in 2006 of the regional timetable to switch from analogue to digital transmission for Meridian in 2012.</p>	<p>That the Council's 61 Communal aerials receiving systems in sheltered accommodation and flats across the district will need to be upgraded over a 2 year period at a total estimated cost of £300,000. Funding for this work has been approved from HRA efficiencies and is included in base budget for 2010/11.</p>
(vi)	<p>Disabled Adaptations. Government Policy to retain OAPs and disabled persons within general needs housing wherever possible without any additional funding.</p>	<p>Demand for adaptations works as assessed by Occupational Therapists continues to grow. It is considered that a budget of approximately £750,000 pa is required to meet demand. The Council has incrementally increased this budget in effect at</p>



		the expense of other works.
(vii)	NOTE – The David Adamson Survey update carried out in 2008 made recommendation that ageing kitchens and bathrooms would be best replaced over a 5 year period 2009/2013 to bring up to a maximum of 20 and 30 year age respective age profiles. This work would be carried out proactively and in a strategic manner.	This proposed major repairs and improvements strategy would cost approximately £13.4m to implement over the 5 year planning period at an annual cost of £2.6m in addition to the £1.1m pa originally planned. This inclusive repairs strategy would require a total budget of approximately £12m per annum over the next 5 year planning period (excluding catch-up repairs of approximately £1m).

## APPENDIX A

**Summary Description of Elemental Components of Major Repairs, Renewals & Maintenance Programmes and their Management/Purpose (See Section 3.2.10)  
(Including Deferred Works from 1 April 2009)**

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.	<b>Void Property Maintenance Works.</b>	<p>Property becoming vacant because previous tenancy has ended. Following inspection of its condition (including video recording) work is defined (some mandatory) to restore properties to a "minimum void standard" within a pre-determined time scale. Where appropriate recharges are raised with previous tenants based on the condition of the property when the tenancy ended. In some cases voids are classified "long term void" owing to the condition of the property (and the time needed to restore) or because they are hard to let.</p> <p>Decorating Vouchers are allocated by the Voids Surveyor to ingoing tenants where deemed necessary to assist with the cost of redecoration. On completion of restoration works to the Council's "minimum voids standard" properties are then available for re-letting.</p> <p>In December 2006, the Council determined Serco's void works contract, because of ongoing performance issues, and awarded 4<sup>1/4</sup> year contracts to other contractors, utilising similar NHF Schedules of Rates.</p>

APPENDIX A

<p>6.</p>	<p><b>Cyclic Maintenance Works Programme:</b> External Repair &amp; Painting Programme.</p> <p>(From 1 April 2009 the painting element of the programme is proposed to be cash limited. Repairs will be undertaken on a needs basis.)</p>	<p>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). From 1 April 08 contracts for repair and painting works are carried out by 2 specialist contractors as part of a 5 year Partnering Framework Agreement.. 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.</p>
<p>7.</p>	<p><b>OAP Internal Redecoration Programme.</b></p> <p>(From 1<sup>st</sup> April 2009 programme is proposed to be suspended)</p>	<p>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 carried out by 2 specialist contractors as part of a 5 year Partnering Framework Agreement. Tenants have the opportunity to comment on performance both during and on completion of works. Works are mostly carried out between October and April.</p>
<p>8.</p>	<p><b>Heating Appliance Service Contract.</b></p>	<p>Cyclic (annual) and Responsive 5 Year Term 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 5 years) by Specialist Contractor based on NHF Schedule of Rates. Term Contract also incorporates framework agreement for upgrading of heating systems as part of planned maintenance programme. For contract administration purposes contractors are linked to the Repair module of the Council's Housing Management System, Orchard. As part of the contract the contractor supplies 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.</p>

APPENDIX A

<p>9.</p>	<p><b>Electrical &amp; Mechanical Service Contracts (various).</b></p>	<p>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. From 1<sup>st</sup> April 08 the majority of works are carried out by specialist contractors As part of 5 year service contracts. All contractors utilised are from the Council's Select List.</p>
<p>10.</p>	<p><b>Electrical Testing</b></p>	<p>Works carried out on a 10-year cycle 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. From 1<sup>st</sup> April 08 works are carried out by specialist contractor as part of a 5 year Service Contract.</p>
<p>11.</p>	<p><b>Kitchen &amp; Bathroom Renewals</b>  (From 1 April 2009 approximately 50% of the planned replacement programme was deferred)</p>	<p>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.</p>
<p>12.</p>	<p><b>Window and External Door Replacement Programme</b></p>	<p>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. 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.</p>

## APPENDIX A

13  16	<p><b>External works to achieve and maintain Decent Homes Standard.</b></p> <p><b>Internal Works as above</b></p>	<p>These are works identified by the Condition Survey that will need to be completed by 2010. The current position (February 2010) regarding properties Not Decent is shown in section 3.3.4 of this report and totals 0 properties. The strategy to complete works incrementally over the five year period 2005-2010 is shown in section 3.3 of this report. In summary: -</p> <ul style="list-style-type: none"> <li>• Unfit Properties –As at 31/03/09 all works were completed.</li> <li>• Amenity Failure – e.g. kitchen layout, these properties have been dealt with incrementally over the 5-year planning period (2005/10). Further proactive planned works will be dependant on adequate funding.</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. This approach will continue as part of the ongoing works programme.</li> <li>• A budget for maintaining Decency has been allowed over the 5-year planning period (2005/10), and this money will be expended on external repairs as identified by the 5-year cyclic repairs and painting programme surveys. This approach will continue as part of the ongoing works programme.</li> <li>• Energy Defects – As at 31/03/08 all Energy Efficiency Works as defined by Decent Homes Standard were completed.</li> </ul> <p>All aforementioned works 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>
Non-Budget Item	<p><b>Disability Discrimination Act (DDA) works.</b></p>	<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 was agreed by 31/12/08.</p>

APPENDIX A

<p>14.</p>	<p><b>Garage Repairs and Miscellaneous Estate Works.</b></p>	<p>Works carried out as necessary on a minimalist basis 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. 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>
<p>15.</p>	<p><b>Asbestos Removal.</b></p>	<p>As part of its planned maintenance programme the Council has a duty to manage the presence of asbestos where it exists within the housing stock. Where planned maintenance works require the testing and/or removal of asbestos products, this budget underpins the costs associated with its removal and disposal.</p>
<p>17.</p>	<p><b>Heating Systems Replacement and associated works.</b></p> <p>(From 1 April 2009 base budget was increased to £1m pa against an identified need of £1.3m pa).</p>	<p>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.</p>
<p>18.</p>	<p><b>Passenger Lift Refurbishment.</b></p>	<p>Refurbishment identified by age of equipment, obsolescence, condition etc. All passenger lifts are upgraded 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 &amp; safety examinations on a 6 monthly basis.</p> <p>Stairlifts (approx. 100) in residential properties are serviced annually by a specialist contractor and are inspected annually by Zurich.</p>

APPENDIX A

<p>19.</p>	<p><b>Communal TV Aerial Replacement</b></p> <p>(From 1 April 2010 it is proposed to provide base budget funding of £300,000 to enable digital upgrade works to be carried out.</p>	<p>61 Systems in sheltered accommodation and flats across the district. Eight 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.</p>
<p>20.</p>	<p><b>Disabled Adaptation Works</b></p> <p>(From 1 April 2009 base budget was increased to £745,000.)</p>	<p>Works carried out to adapt resident's homes to enable elderly and disabled persons to remain in their homes. Two schemes operate in parallel: -</p> <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 2 categories: "Critical" and "Substantial". 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>
<p>21.</p>	<p><b>Upgrading of Sewage Treatment Works.</b></p>	<p>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.</p>
<p>22.</p>	<p><b>Consultancy Support Costs.</b></p>	<p>Specialist surveys, reports, advice etc required to enable programme overall to be delivered. (E.g. structural engineering surveys).</p>

APPENDIX A

23.	<b>Planned Maintenance Staff Costs (part).</b>	Proportion of planned maintenance staff costs charged to MRA to enable the HRA working balance to be restored to acceptable level (CAB 1369 refers).
24	<b>Forder Court , Winchester (Defined refurbishment works)</b>	This former hotel converted into flats requires repairs/ replacements to external windows, doors and masonry, tanking work to basement room and improvement works to communal areas.
25	<b>Fire Risk Assessment (Emerging Issues).</b>	As part of the regulatory Reform (Fire Safety) Order 2005 the Council has undertaken surveys of its common areas of flats and maisonettes. The fire risk assessments where necessary may require follow up works to either design out and/or better manage potential risk. A provisional sum has been included in the 2010/11 base budget to enable appropriate follow up works as necessary to commence.
26	<b>Danemark Court, Winchester</b>	The distribution heating system at this sheltered scheme is proving problematic in its operational efficiency. A fundamental assessment of the existing system design and installation together with remedial and enhancement works is proposed.
27	<b>Woolford Close, Winchester (Structural Roof Repairs)</b>	Structural defects have become apparent to a number of roofs, and following structural assessment, strengthening works will be required.



<b>SUPPLEMENTARY MAJOR REPAIRS &amp; RENEWALS PROGRAMME (Commencing April 2007)</b>		
<b>REF</b>	<b>ELEMENT</b>	<b>SUMMARY DESCRIPTION</b>
	<b><u>Decent Homes Works</u></b>	
1.	<b>Kitchen &amp; Bathroom Renewals</b>	<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 was proposed that the supplementary programme will both underpin and start works to address the backlog of kitchens and bathrooms (Approximately 50 properties) that currently exist (estimated at 31/03/09).</p> <p>This 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 “in spirit” effectively fail the Decent Homes Standard within the Amenity Criteria. Once works are complete then the properties will meet Decent Homes Standards within the respective criteria.</p> <p>Further there are 540 properties with kitchens and bathrooms older than 30 and 40 years respectively. A proactive regime of inspection should commence to check compliance with Decent Homes Standard. If all properties required upgrading/renewal the potential liability could be £3.0m.</p>
2.	<b>Replacement Garages</b>	<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 were identified where re-construction of 22 garages was needed for health and safety reasons, and where the site offered no re-development potential. The rebuilding of these garages was completed in the 2007/08 programme.</p>

Appendix B

<p>3.</p>	<p><b>Heating System Upgrading/Replacement</b></p>	<p>The HRA Business Plan 2006/07 Update (CAB 1231), section 6.7 Emerging Issues refers) identified that the Council would need to review its heating systems replacement programme to identify future serviceability and longevity.</p> <p>A study was 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 study concluded that to meet increasing demand with no spares available, a replacement programme averaging 480 units per year at a cost of £1.4m pa over the next 5 years would be required.</p> <p>From April 2009 base budget was increased to £1m against an identified need of £1.3m pa over the next 4 year period (2010 – 2013). With no appreciable house sales anticipated in 2009/10 and with no other sources of funding available a re-balancing of the base programme was approved.</p>
<p>4.</p>	<p><b>Disabled Adaptation Works</b></p>	<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 were 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. In 2008/09 adaptations were prioritised against a budget of £550,000 (£400,000 from base budget and £150,000 from projected house sales). Approximately 112 changes to bathing arrangements (level access and over-bath showers), installation of 25 stairlifts, and other works concerned with accessibility were carried out. At end March 2009 a backlog of work totalling £200,000 existed.</p> <p>A base budget of £745,000 was established for 2009/10 that was nor reliant on house sales. It is estimated that at year end a backlog of approximately £150,000 will exist. A base budget of £745,000 is proposed for 2010/11.</p>

Appendix B

<p>5.</p>	<p><b>Digital Switchover</b></p>	<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 61 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 12 months to complete. It was proposed to commit £100,000 towards this project in 2009/10, with further funds being committed in 2010/11 and 2011/12, from house sales allowing works to be carried out on site in the period 2009-2011. In the absence of sales to support this strategy, funding from HRA efficiencies has been approved from April 2010.</p>
<p>6.</p>	<p><b>Project Fees</b></p>	<p>To procure and carry out the proposed Supplementary Major Repairs and Renewals Programme, with an estimated value of £1.0m over 5 years will need additional resources to those existing. An indicative sum of £100,000 was included within the programme for project procurement, management and associated purposes. The objective is therefore to supplement the existing Property Services Client Team with sufficient and appropriate support to enable the project works to be efficiently and cost effectively procured and completed on site when finance becomes available..</p> <p>With the funding from house sales unpredictable support needs will be assessed on an "as and when necessary" basis</p> <p>This will be in conjunction with existing Client Side staff to determine the Best Value approach towards whom and how to commission these support services. A sum of £50,000 is proposed within the programme for project procurement, management and associated issues.</p>

	<b><u>Non Decent Homes Works</u></b>	
7.	<b>Loft Conversions</b>	<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 2008/11 would mean that an additional funding resource would need to be identified to fund these works.</p>
8.	<b>Supplementary Energy Efficiency Works</b>	<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 2008/11 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 (FEBRUARY 2010 UPDATE)</b>						
	2007/08	2008/09	2009/2010	2010/11	2011/12	COMMENTS
<b><u>DECENT HOMES WORKS</u></b>						
Disabled Adaptations	300 ✓	150 ✓				From April 2009 funding switched to base budget
Heating Systems Upgrade	419 ✓	400 x				From April 2009 funding switched to base budget.
Digital Switchover	-	100 x	100 x		-	Funding not achieved. Funding from HRA efficiencies approved from April 2010.
Garage Replacement	50 ✓	-	50 x	-	50	Works completed as planned in 2007/08 but no further funding available.
Kitchens & Bathrooms	300 ✓	250 x	350 *	150 *	850	Deferred to 2010/11 as part of larger programme.
Door & Window Replacement				313 *		Funding achieved from sales during 2009/10.
Re-roofing Works				250 *		Funding achieved from sales during 2009/10.
Lift Refurbishment Works				200 *		Funding achieved from sales during 2009/10.
<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 x	100 x		100	Estimated costs of Consultancy and Staff Support costs. (Funding from MRA Reserve proposed from 2010/11.)
<b>TOTAL SUPPLEMENTARY CAPITAL PROGRAMME</b>	1,094 ✓	1,000 x	350	1,000	1,000	

✓ = Funding Achieved and spent

x = Funding not achieved

\* = Funding Achieved