



Meeting	Cabinet (Housing) Committee
Date and Time	Wednesday, 4th July, 2018 at 4.30 pm.
Venue	Walton Suite, Guildhall, Winchester

AGENDA

PROCEDURAL ITEMS

- 1. Apologies**
To record the names of apologies given.
- 2. Disclosure of Interests**
To receive any disclosure of interests from Members and Officers in matters to be discussed.
Note: Councillors are reminded of their obligations to declare disclosable pecuniary interests, personal and/or prejudicial interests in accordance with legislation and the Council's Code of Conduct.
- 3. To note any request from Councillors to make representations on an agenda item under Council Procedure Rule 35.**
Note: Councillors wishing to speak about a particular agenda item are requested to advise the Democratic Services Officer before the meeting. Councillors will normally be invited by the Chairman to speak immediately prior to the appropriate item.
- 4. Minutes of the previous meeting held on 26 March 2018 (less exempt minute) (Pages 5 - 8)**
- 5. Public Participation**
– to receive and note questions asked and statements made from members of the public on issues relating to the responsibility of this Committee (see note overleaf).



BUSINESS ITEMS

6. The Future of Homelessness Services and Support in Winchester (Pages 9 - 18)
Key Decision (CAB3054(HSG))
7. Proposed Disabled Facility Grant Policy Update (Pages 19 - 72)
Key Decision (CAB3051(HSG))
8. Expansion of HMO Mandatory Licensing (Pages 73 - 84)
Key Decision (CAB3052(HSG))
9. Asset Management Strategy (Pages 85 - 104)
Key Decision (CAB3053(HSG))
10. Housing Revenue Account and Housing Capital Programme Outturn 2017/18 (Pages 105 - 126)
Key Decision (CAB3036(HSG))
11. **EXEMPT BUSINESS: To consider whether in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information.**
(i) To pass a resolution that the public be excluded from the meeting during the consideration of the following items of business because it is likely that, if members of the public were present, there would be disclosure to them of 'exempt information' as defined by Section 100 (I) and Schedule 12A to the Local Government Act 1972.
12. **Exempt minute of the previous meeting held 26 March 2018** (Pages 127 - 128)

L Hall
Legal Services Manager

26 June 2018

Agenda Contact: Nancy Graham, Senior Democratic Services Officer
Tel: 01962 848235 Email: ngraham@winchester.gov.uk

Membership 2018/19

Chairman: Horrill (The Leader with Portfolio for Housing)

Brook
Miller

Deputy: Ashton

Non-Voting Invited representatives

Councillors Berry, McLean, Power and Scott, Burns (Non-voting Deputy)

TACT representatives

Mr M Fawcitt and Mrs M Gill, Mrs S Downs (Non-elected, Non- voting Deputy)

In the event of any of the standing or deputy or deputy member not being available for a particular meeting, another member of Cabinet will be selected in alphabetical rotation by the Legal Services Manager to substitute for the standing member.

Quorum = 3 members

PUBLIC PARTICIPATION

Public Participation is at the Chairman's discretion. If your question relates to an item on the agenda, you will normally be asked to speak at the time of the relevant item. Representations will be limited to a maximum of 3 minutes, subject to a maximum 15 minutes set aside for all questions and answers. If several people wish to speak on the same subject, the Chairman may ask for one person to speak on everyone's behalf. As time is limited, a "first come first served" basis will be operated.

To reserve your place to speak, you are asked to arrive no later than 10 minutes before the start of the meeting to register your intention to speak. Please contact the Democratic Services Officer in advance for further details.

The names of members of the public etc who have registered to address committee meetings will appear in the minutes as part of the public record, which will include on the Council's website. Those wishing to address a committee meeting who object to their names being made available in this way must notify the Democratic Services Officer either when registering to speak, or within 10 days of this meeting.

DISABLED ACCESS:

Disabled access is normally available, but please phone Democratic Services on 01962 848 264 or email democracy@winchester.gov.uk to ensure that the necessary arrangements are in place.

TERMS OF REFERENCE

Included within the Council's Constitution (Part 3, Section 2) which is available [here](#)

CABINET (HOUSING) COMMITTEE

26 March 2018

Attendance:

Councillors:

Horrill (Chairman)

Brook (in the Chair) (P)

Miller (P)

Standing Deputies:

Councillor Godfrey (deputy for Councillor Horrill)

Other invited Councillors:

Berry
Elks (P)

Scott
Tait (P)

TACT representatives:

Mrs M Gill (P)
Mr M Fawcitt (P)

1. **ELECTION OF CHAIRMAN FOR THE MEETING**

RESOLVED:

That in the absence of Councillor Horrill, Councillor Brook be elected as Chairman for the meeting.

2. **CHAIRMAN'S ANNOUNCEMENT**

Councillor Brook announced that the Council had received formal notice from Galliford Try for the sectional completion of Chesil Lodge over a two week period from mid to end May, with occupation by residents from early June 2018.

3. **MINUTES**

RESOLVED:

That the minutes of the previous meeting of the Committee held on 31 January 2018, be approved and adopted.

4. **PUBLIC PARTICIPATION**

There were no questions asked or statements made.

5. **EMPTY HOMES STRATEGY UPDATE AND REVIEW**

(Report CAB3025(HSG) refers)

The Head of Housing Options and Allocations introduced the report, highlighting a number of key matters and responded to Members' questions as summarised below:

- The Case Studies outlined in the report emphasised the difficulties facing the Council in taking enforcement options to address empty homes;
- If the Council was successful in obtaining an Empty Dwelling Management Order (EDMO) this authorised seven years management of a property and some costs could be recovered from rental of a property. A Compulsory Purchase Order (CPO) would enable the property to be sold and costs recovered from the proceeds of the sale. However, there was no provision for recovery of costs from owners if the application for either Order was not successful.
- The potential impact of a house in bad repair and/or derelict on the neighbouring properties was also recognised. There were powers available to the Council under the Building Act if a building became a danger to the public generally. There were also various provisions under Environmental Health powers which might be used.
- The Strategy was not designed to address matters where properties were unoccupied for large periods of a year, for example because the owners had another property elsewhere.
- Investigations had indicated that there were a relatively low number of empty homes in the Winchester district; however there were 40 properties that had been vacant for more than 5 years. A small number of these belonged to other authorities and/or were no longer used for residential purposes and clarification of the exact status of these was being sought.

During debate, some Members expressed concern about the recommendation in the report to endorse the principle of applying an additional Council Tax: Empty Homes Premium on homes that had been empty for two or more years. They believed that various other options suggested in the report should be considered further in order to offer support and encouragement to owners. The Head of Housing Options and Allocations emphasised that such options could have resource implications for the Private Sector Housing Team. The Committee agreed that this could be considered as part of a future report.

On behalf of TACT, Mrs Gill confirmed that the report had been considered at a recent TACT meeting and its recommendations supported.

The Committee agreed to the following for the reasons outlined above and set out in the report.

RESOLVED:

1. That the progress made within the Empty Homes Strategy be noted.
2. That a report be submitted to a future meeting investigating further other possible options for bringing empty homes back into use.
3. That the limitation of the current enhanced options be noted and the continuation of the current 'case to case' approach to bringing empty homes back into use be supported.

6. **CONTRACT AWARD FOR NEW HOMES MAYLES LANE, KNOWLE (LESS EXEMPT APPENDICES)**

(Report CAB3024(HSG) refers)

The Head of New Homes Delivery introduced the report and advised that FE Chase (the lowest tenderer) had previously completed four schemes for the Council to a good quality. Since the initial proposals for the scheme had been approved in 2016, some delays had occurred due to various ecological issues which required various actions to be taken. If the report was approved, it was anticipated that work could commence on site May 2018 with completion due in approximately March 2019.

The Committee moved in exempt session to consider the information contained in the two exempt appendices to the report, before returning to open session to consider the report recommendations.

The Committee agreed to the following for the reasons outlined above and set out in the report.

RESOLVED:

1. That the Corporate Head of Housing be authorised to enter into a design and build contract to construct 13 properties at Mayles Lane, Knowle, Wickham with FE Chase & Son Ltd for the sum of £1,858,275.36.
2. That in accordance with Financial Procedure Rule 6.4, capital expenditure of up to £2,075,775.36 including the contingency referred to in Exempt Appendix 1, paragraph 2.2 and estimated fees be approved.
3. That the tenure mix of, 11 flats and houses for affordable rent and 2 shared ownership houses is approved.

7. **EXEMPT BUSINESS**

RESOLVED:

1. That in all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

2. That the public be excluded from the meeting during the consideration of the following items of business because it is likely that, if members of the public were present, there would be disclosure to them of 'exempt information' as defined by Section 100I and Schedule 12A to the Local Government Act 1972.

<u>Minute Number</u>	<u>Item</u>	<u>Description of Exempt Information</u>
##	Contract award for new homes, Mayles Lane, Knowle (exempt appendices)) Information relating to the) financial or business affairs of) any particular person (including) the authority holding that) information). (Para 3 Schedule) 12A refers)

8. **CONTRACT AWARD FOR NEW HOMES MAYLES LANE, KNOWLE (EXEMPT APPENDICES)**

(Report CAB3024(HSG) refers)

The Committee considered the content of the two exempt appendices which contained the tender report and viability summary (detail in exempt minute).

Following general discussion about the different procurement options available to the Council for Housing related matters, it was agreed that a Member Briefing be arranged on this subject.

The meeting commenced at 4.30pm and concluded at 5.40pm.

REPORT TITLE: THE FUTURE OF HOMELESSNESS SERVICES AND SUPPORT
IN WINCHESTER

4 JULY 2018

REPORT OF PORTFOLIO HOLDER: LEADER WITH PORTFOLIO FOR HOUSING
SERVICES

Contact Officer: Gillian Knight Tel No: 01962 848 577 Email
gknight@winchester.gov.uk

WARD(S): ALL

PURPOSE

This report sets out Hampshire County Council's Transformation to 2019 (T19) review of local Social Inclusion Services and the potential impact on Homelessness services in the district of the anticipated reduction in resources as a result of the County review. The report considers options for additional investment making use of the Flexible Homelessness Grant the Council receives annually, either to co-commission services with the County Council or to commission them directly through the Council's own grant process to future proof the City Council's homelessness services.

RECOMMENDATIONS:

1. That the Committee support the principle of "co-commissioning" of support services in partnership with Hampshire County Council.
2. That the Homelessness Prevention Fund Reserve and Flexible Homelessness Grant be used to fund the commissioning of community and floating support services and that a detailed spending plan be brought back to this Committee to approve proposals for 2019 and beyond.
3. That the Corporate Head of Housing be authorised to respond to the Hampshire County Council consultation on proposed changes to Homelessness Support Services (Social Inclusion Services) on the basis of the above recommendations.

IMPLICATIONS:1 COUNCIL STRATEGY OUTCOME

- 1.1 Delivering quality housing options is the one of the five strategic outcomes of the Council's strategy.

2 FINANCIAL IMPLICATIONS

- 2.1 The housing options service in 2017/18 received a ring fenced Ministry for Housing, Communities and Local Government (MHCLG) Flexible Homelessness Support Grant (FHSG) of £104,246 to support the new Homelessness Reduction Act and subsequent statutory duties.
- 2.2 The Council has for a number of years received Homelessness Prevention Fund grant each year and currently has over £400,000 held in reserve. In addition, it now also receives "Flexible Homelessness Grant" each year (£119,945 for 18/19 and £154,479 for 19/20). It also received a one-off grant to assist with the implementation of the Homelessness Reduction Act (£9,202 for data work and £27,430 to assist with the new burdens on the Council).
- 2.3 This report recommends that this grant be utilised to help commission additional community support services to assist with preventing homelessness.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 Whilst there are no direct legal and procurement implications as part of this report, any future commissioning will be completed in accordance with the usual contract procedure rules. The County Council's Adult Services teams have significant procurement resource and expertise and by co-commissioning services, the City Council will be able to reduce the administrative burden of the commissioning process.
- 3.2 At this stage, the County Council is seeking an indication as to whether the City Council is willing to work jointly to co-commission services or whether it would prefer to commission its own support services.

4 WORKFORCE IMPLICATIONS

- 4.1 The City Council is currently establishing a stronger focus on the management and delivery of support services and is establishing a team (within Housing Services) to lead on this. These proposals can be funded within existing resources.
- 4.2 New legislative duties through the Homelessness Reduction Act will impact on current staff capacity with increased case loads and challenges associated with new additional opportunities to relieve and prevent homelessness and review decisions.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 Whilst the recommendations in the report have no immediate impact on Council assets, it is proposed to review the potential for utilising existing temporary accommodation to support the development of a new “Housing First” approach as set out in paragraph 14 below.

6 CONSULTATION AND COMMUNICATION

- 6.1 Hampshire County Council (HCC) is currently undertaking a detailed consultation with interested stakeholders and service users regarding future funding of support services. This has included Hampshire wide meetings with Housing Options staff from all Hampshire councils. We have also commissioned a housing consultant who is undertaking a local housing options consultation process with partner organisations.

- 6.2 The consultation can be viewed at:

<https://www.hants.gov.uk/aboutthecouncil/haveyoursay/consultations>

- 6.3 This report considers the key issues covered in the consultation and proposes specific responses aimed at achieving best value from both HCC and City Council investment in supported housing services.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 Improved environment to reduce street homelessness through sustainable housing provision, quality housing options, outreach and community support.

7.2 EQUALITY IMPACT ASSESSEMENT

- 7.3 Hampshire County Council has undertaken an Equality Impact Assessment in respect of the Social Inclusion Services review. Any subsequent change to Council service delivery and policy will undergo an Equality Impact Assessment.

8 DATA PROTECTION IMPACT ASSESSMENT

- 8.1 Any subsequent change to Council service delivery and policy will undergo a Data Protection Impact Assessment with service privacy statements reviewed.

9 RISK MANAGEMENT

Risk	Mitigation	Opportunities
Community Support – risk of not preventing homelessness and	Joint commissioning of specialist social inclusion service with HCC. New	Opportunity to positively enhance the Council’s reputation by reducing or

reducing street homelessness.	'Housing First' provision. Upskilling staff.	ending visible street homelessness.
Timescales - current uncertainty due to early stage of HCC Social Inclusion Service review and consultation outcome.	Close working with HCC. WCC won't hold all the risks. Scoping of alternative independent in-house solutions.	Opportunity to test for future WCC led commissioning roles and strengthen relationships with HCC.
Project capacity – impact of final HCC review and change in national homelessness initiatives.	Joint project management and monitoring with HCC.	Opportunity to positively enhance the council's reputation by reducing homelessness.
Financial / VfM - A failure to directly invest in services would risk a considerably reduced local service offer for people who are homelessness or at risk of homelessness, and at a time of significantly increased statutory obligations to prevent and relieve homelessness.	Joint commissioning of specialist social inclusion service with HCC. New 'Housing First' provision.	Opportunity to positively enhance the council's reputation by reducing homelessness and increasing alternative housing options and community support.
<i>Legal – Failure to comply with procurement rules and risk of challenge</i>	Joint project management and monitoring with HCC	Opportunity to positively enhance the Council's reputation by reducing homelessness and create a closer working relationship with HCC.
<i>Innovation</i> Opportunity to test for future WCC led commissioning roles and strengthens relationships with partner organisations.		Opportunity to positively enhance the Council's reputation by reducing homelessness and increasing alternative housing options and community support
Reputation – minimal risk of failing to deliver commissioned services and to prevent homelessness. Reduced public confidence in the Council as a local housing provider	'Good news' Publicly opportunities. Robust performance monitoring with HCC Shared risk with HCC	Opportunity to positively enhance the Council's reputation by reducing homelessness and increasing alternative housing options and community support
<i>Other</i>		

10 SUPPORTING INFORMATION:

10.1 Background

10.2 The Hampshire Supporting People programme was introduced in 2003. The programme commissioned housing and community support (floating support) services from district councils and third-party providers for people whose needs did not make them eligible for Adult social Care.

10.3 The Supporting People programme was subject to regular reviews until it was ultimately subsumed, in 2015, into the overall Adult Service commissioning programme when investment in Social Inclusion Services was reduced by £2.7m.

10.4 As part of HCCs Transformation to 2019 (T19) agenda, the County is currently required to make further savings of £2m against a £4.2 residual budget remaining after the 2015 changes implemented from April 2016.

10.5 Whilst Social Inclusion Services are a key aspect of our local strategic homelessness response it is important to note that it is the Council rather than HCC who hold the statutory homelessness duty. HCC are responsible for meeting eligible social care needs of vulnerable people but they have no legal responsibilities to provided specialist homelessness services. However, HCC recognise the value of investing £2.2m in Social inclusion Services working in partnership with districts to agree a 'local core service' offer.

10.6 In recent months, the City Council has led on the establishment of a local Social Inclusion Group with representatives from all agencies involved in supported housing in Winchester. Winchester is fortunate to have a wealth of local services and there is potential capacity to improve coordination of those services.

11 Social Inclusion Services

11.1 Existing Social Inclusion Services funded by Hampshire County Council in the Winchester district include:

- a) "Stage 1" (direct access, complex needs supported accommodation) Nightshelter provision with 18 beds
- b) "Stage 1" supported accommodation project with associated outreach support for single homeless people.
- c) "Floating and Community support" including tenancy support which supported 23 council tenants (snapshot) in March 2018.

11.2 The HCC core service offer for Winchester from August 2019 will focus on services included in a) and b) above with little funding available for floating and community support. "Stage 1" services are critically important to the prevention of homelessness and the commitment from Hampshire to continue

to fund these services is positive. Floating and community support is important to the Council in its “landlord” role as a positive means of helping tenants sustain their tenancies and the City Council would want to improve services particularly to reflect increasing demands in relation to mental health services. By working with Hampshire and utilising flexible homelessness grant, it should be possible to enhance the existing offer.

12 Emerging Pressures on Homelessness and Supported Housing

12.1 Central Government is reforming the funding of housing costs for short term supported housing currently due to be implemented in April 2020. The reform is likely to mean that the housing costs will be allocated to HCC as the upper tier authority through a grant which will then be redistributed to districts to cover housing costs. Local Housing Benefit teams will define short term supported accommodation including Council temporary accommodation. Many Registered Providers due to current uncertainties are nervous to invest in supported housing going forward.

12.2 Universal credit is due to be rolled in through out Winchester for new claimants in July 2018. The Council has already undertaken a lot of work with the DWP to mitigate against increasing homelessness levels. But there is a risk that there will be an increase in homelessness amongst hard to reach groups such as those who are rough sleeping and who are already not claiming DWP benefits due to the digital method of applying and the complexity of system processes.

12.3 The Council’s statutory homelessness duties have significantly increased through the new Homelessness Reduction Act 2017(the “HRA”). The HRA came in to effect on 3rd April 2018 and considerably extends the Council’s duties to prevent homelessness. It means housing authorities must have a sharper focus on preventing homelessness as early as possible and for all households not just those in priority need and owed a statutory housing duty. Bespoke Personal Housing Plans must be in place for all applicants and must consider the holistic needs of all household members with at least one face to face interview undertaken. This places extra resource implications and pressures on an already overstretched preventing homelessness team.

12.4 The HRA is the biggest change in homelessness legislation in 20 years and a really positive change for homeless people. But it comes at a time when services supporting homeless and vulnerable households are being reduced and with other local contributing factors being introduced.

13 “Housing First”

13.1 Introduce a ‘Housing First’ model of direct access provision for street homeless people in partnership with an established supported housing provider. Leasing an empty council property (Sussex street hostel), co-

locating outreach services and with the potential of a secondment of a temporary accommodation support worker.

- 13.2 'Housing First' supports people with high needs and histories of entrenched or repeat homelessness to live in their own home. It has been widely adopted in the USA and many European countries with successful pilots in the UK and is considered as a viable option to reduce or even end rough sleeping.
- 13.3 Mainstream services are often not equipped to support homeless people with multiple and complex needs. Whereas 'Housing First' models have been shown to be effective in supporting people with histories of street homelessness as there are no conditions around 'housing readiness' before being provided a home. Instead it is viewed as a stable platform from which multiple and complex needs and other key issues can be addressed through wrap around and personalised support. It is reasonable to suggest due to the low numbers of street homeless people in Winchester compared to national statistics that this form of housing provision if adopted could end rough sleeping in the City by 2023.
- 13.4 Whilst it is proposed that HCC will continue to fund stage 1 accommodation, a move towards funding services that reflect the Housing First model set out above could make a significant contribution towards addressing housing need in Winchester.
- 13.5 The City Council is currently discussing options with a number of housing and support providers regarding how a "Housing First" model could be established in Winchester, potentially utilising existing Council owned temporary accommodation, such as Sussex St.
- 13.6 If proposals for co-commissioning services as set out in this report do proceed, opportunities for future funding of such services would need to be considered as part of the final agreement.

14 Proposed Way Forward

- 14.1 Senior officers have been working closely and in partnership with HCC to establish a mutually acceptable local 'core service offer' as part of the Social Inclusion Service review.
- 14.2 At the beginning of the review it was clear that HCC's commissioning of community support was unlikely to be a strategic priority within the Adults Health and Care budget. Current commissioned provider data outcomes also demonstrated that most accessing community support were social housing tenants and as such could be supported by their landlord. There is no statutory requirement for HCC to support tenants to sustain tenancies although there is a clear collective saving to the public purse if homelessness is prevented.
- 14.3 Therefore it is proposed that:

- a) The proposal for HCC to continue to commission stage 1 services be supported.
- b) That the Council makes use of the ring fenced Flexible Homelessness Support Grant (FHSG) to co-commission street outreach and community/floating support services (ensuring specifications for future Social Inclusion Services meet the Council's homelessness strategic aims and local need. With all contract monitoring, managing and inspections carried out jointly with HCC)
- c) To introduce an in house tenure blind community support service through an element of existing housing support services and staff resources across the Tenancy (HRA) and Housing Options(General fund) teams. The team will aim to reduce duplication across council teams and to help sustain tenancies and prevent homelessness (this new team is in the process of being established now).
- d) To further develop the senior level strategic partnership Social Inclusion Group (SIG) with a group pledge to 'end street homelessness by 2023' in line with government policy.
- e) To review the Preventing Homelessness Strategy to align objectives with the new Homelessness Reduction Act, Social Inclusion Services review outcomes and mitigating proposals as outlined in this report.

15 Conclusion

- 15.1 The outcome of the T19 review of Social Inclusion Services will determine what a future model of service provision may look like in Winchester. HCC is seeking to reduce their investment in this area, which is directly relevant to the Council's strategic approach to preventing and tackling homelessness.
- 15.2 HCC's preferred option as supported by officers is, from August 2019, to continue to fund Stage 1 direct access provision (Winchester Nightshelter and 9 stage 1 supported housing units) but to de-invest in local "Community Support" provision. The use of the City Council's own flexible homelessness grant to fund a jointly commissioned service model could mitigate for the negative impacts of a reduction of HCC funding.
- 15.3 The Council is the local housing authority that is subject to statutory homelessness duties. Co-commissioning with HCC and new Council led services provide opportunities to develop a new and innovative local Social Inclusion Service model, aligned to the Council's future role in preventing and relieving homelessness.

16 OTHER OPTIONS CONSIDERED AND REJECTED

- 16.1 The City Council has the option of directly commissioning all Social Inclusion services itself and HCC has indicated that it would be prepared to consider passing its remaining funding to the district councils to support such an

approach. This has the potential of limiting opportunities for larger “cross-border” commissions and may achieve less value for money overall. It would also increase the “procurement/administrative burden on district councils and at this stage, a “co-commissioning” approach is recommended, subject to ongoing review of potential outcomes and shared objectives.

- 16.2 There are also real strengths for the Council to lead on commissioning local homelessness services. Currently we are reliant on HCC’s model of provision and support and as such our local services are available and accessed Hampshire wide. Commissioning ourselves would allow us to strengthen our position as the statutory authority for homelessness and have a greater influence on local services and providers to ensure in the first instance that we prioritise help for local homeless clients. However, whilst this remains an option if shared objectives cannot be agreed, it is not recommended at this stage as set out above.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:

None

Other Background Documents:

None

APPENDICES:

None

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REPORT TITLE: PROPOSED DISABLED FACILITY GRANT POLICY UPDATE

4 JULY 2018

REPORT OF PORTFOLIO HOLDER: LEADER WITH PORTOLIO FOR HOUSING SERVICES – CLLR CAROLINE HERRILL

Contact Officer: Gillian Knight Tel No: 01962 848577 Email gknight@winchester.gov.uk

WARD(S): ALL

PURPOSE

The Disabled Facilities Grant Policy was approved by Cabinet (Housing) Committee in July 2017. The policy included the award of discretionary grants based on need and did not propose a maximum award; all funding through the Better Care Fund grant received annually to support this work.

The July 2017 report and the Policy it approved did not clarify delegations and approval processes for grants in excess of £30,000. Whilst grants above this amount are limited and exceptional, there are some circumstances where a housing adaptation can achieve significant savings to the overall public purse (through early discharge from hospital for example). This report makes minor amendments to the Policy and recommends appropriate delegations to officers to review grant applications.

RECOMMENDATIONS:

1. That the policy not to cap discretionary grants be approved.
2. That for grants larger than £30k, full specifications and drawings are required for approval by a pre-appointed officer panel (which should include a Council appointed Quantity Surveyor).
3. That the Corporate Head of Housing be given delegated authority to approve grants up to £100,000, subject to consultation with Portfolio Holder and appropriate panel approval.
4. That in event of a larger than £100k grant, the Portfolio Holder for Housing be given authority to approve via a Portfolio Holder Decision Notice.

IMPLICATIONS:1 COUNCIL STRATEGY OUTCOME

- 1.1 The Council's Housing Strategy 2017/18 – 2022/23 has stated priorities to:

Improve the housing circumstances of vulnerable and excluded households.

Support local people accessing high quality and affordable housing which meet their needs.

Promote independence and support the creation of accessible homes and accessible environments, in particular helping people with disabilities and those with support needs get the accommodation and support they need.

This report identifies how the Disabled Facilities Grant (DFG) Policy supports these priorities.

2 FINANCIAL IMPLICATIONS

- 2.1 The City Council receive a "Better Care Fund" (BCF) grant annually of over £1m, (£1,005,453 for 2018/19) for the purpose of funding disabled facilities works in accordance with the local Better Care Fund spending plan. This aims to fund mandatory grants and also additional discretionary assistance that enables residents to remain in their homes and sustain independence and also to facilitate early discharge from hospital.

- 2.2 The budget for 2017-18 was not fully spent with approximately £784k of expenditure. The budget for 2018-19 is proposed at £1.422m including carry over from 2017-18.

- 2.3 The existing Policy approved in 2017 places no upper limit for discretionary assistance. The revised Policy continues with that approach but clarifies the necessary agreement, procurement and authorisations for the approval of larger awards (beyond the current approved limits of officers).

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 The Council has a duty to provide mandatory DFGs in line with the Housing Grants, Construction & Regeneration Act 1996 and has administered an annual programme of approximately £500,000 for many years. This increased to over £1m per annum from 2016..

- 3.2 The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 gave powers to issue additional discretionary grants. However, until 2017, any funding over the mandatory limit of £30,000 was deferred to other agencies, such as Health or Adult Social care.

- 3.3 The implementation of the BCF approach in 2016 effectively doubled the funding available to support this work with a view to the City Council being

able to directly administer larger works and discretionary grants previously funded by others.

- 3.4 In accordance with the 1996 Act, grant applicants can procure and administer their own building works (subject to appropriate checks and approvals) with the Council's responsibility limited to assessing need, ensuring proposals are valid and paying the grant to the applicant. However, as many applicants are not in a position to administer works, the Council does offer a full procurement and administration service and charges a set percentage (currently 12.5%) against the costs of DFGs for costs of administration. Whenever the Council takes on this service, all procurement is conducted in accordance with the Council's Contracts Procedure Rules.
- 3.5 The policy for discretionary grants approved by Cabinet (Housing) Committee in July 2017 (CAB2937 ref) did not propose a cap on discretionary grants but determined they should be assessed based on need. The report and the policy did not determine any specific delegations to officers regarding approval of grants. However, it is not considered appropriate for each grant to be subject to individual committee decisions and delegated authority is therefore sought as follows:
- a) For mandatory and discretionary grants up to £30,000 to be determined by the Head of Housing Options
 - b) Discretionary grants up to £100,000 to be determined by the Corporate Head of Housing, subject to consultation with Portfolio Holder and appropriate panel approval.
 - c) That in event of a larger than £100k grant, the Portfolio Holder for Housing be given authority to approve via a Portfolio Holder Decision Notice.
- 3.6 For each of the above, all grant proposals should be subject to review and initial approval by an officer panel including the Corporate Head of Housing, Head of Housing Options, and Council's Occupational Therapist and Surveyor.
- 3.7 It is proposed that for any grant in excess of £50,000, the grant only be awarded subject to a charge being placed on the property for the grant to be repaid if the occupant disposes of the property within 5 years of the grant award. This would need to be agreed by the occupant prior to any grant being awarded.

4 WORKFORCE IMPLICATIONS

- 4.1 The Council directly employ an Occupational Therapist and a Programme Support Officer to administer the BCF grant programme. Both posts are directly funded from the annual BCF grant the Council receives.

5 PROPERTY AND ASSET IMPLICATIONS

5.1 None

6 CONSULTATION AND COMMUNICATION

6.1 Council officers have consulted with Hampshire County Council Adult Health and Care commissioners (both in individual meetings and during regular quarterly Countywide meetings) and with Foundations, the organisation appointed by central Government to advise local authorities on the legal framework under which DFGs and the BCF are delivered to review the appropriateness of assessing discretionary grants on needs and not limiting grants to a maximum or capped award.

7 ENVIRONMENTAL CONSIDERATIONS

7.1 None

8 EQUALITY IMPACT ASSESSEMENT

8.1 The policy was impact assessed in June 2017 and takes full account of the assessment.

9 DATA PROTECTION IMPACT ASSESSMENT

9.1 None

10 RISK MANAGEMENT

10.1 The changes to the Policy and Procedure present no additional risk, and indeed help mitigate the risk of challenge by clarifying the procedures regarding procurement and financial approval limits.

10.2 There are certain reputational risks and rewards associated with the provision of large discretionary awards as highlighted below

Risk	Mitigation	Opportunities
<i>Property</i> N/A		
<i>Community Support</i> Low	Policy meets the stated strategic priority for community support	
<i>Timescales</i> N/A		
<i>Project capacity</i>		

N/A		
<i>Financial / VfM Occasional large scale discretionary assistance (in one specific case approximately £250k) for exceptional cases. Council risk appetite suggests willingness to risk £500k-£2m for potential return)</i>	Policy requires all such assistance to be secured against property, and several safeguards in place before award agreed or paid.	To set a trailblazing approach to using BCF imaginatively in supporting disabled residents and make significant savings to the overall public purse
<i>Legal The Policy is open to challenge from either direction – ie for failure to provide the necessary assistance for an assessed need or for fettering our discretion in not considering an application that does not “fit” within the policy, or challenge as to why the Council is willing to make such large discretionary awards.</i>	Advice sought from HCC and Foundations clearly indicates that there is no legal limit to what the Council CAN offer by way of discretionary award. Policy is cautiously worded to ensure such cases are considered as “exceptional” and are considered on merit, in consultation with the appropriate welfare authority (HCC or NHS) to ensure best value for money for the public purse.	
<i>Innovation The Council is open to innovation. The Policy of having open ended discretion with regards to DFG is unusual and largely untested within a local authority DFG policy.</i>	The Policy approach has positive support from HCC and Foundations as it meets the purpose of the BCF.	The support from both HCC and Foundations for our policy and approach has been very positive and they are encouraging us to lead in such an innovative approach in the use of BCF funding.
<i>Reputation Decisions to make large discretionary awards may be subject to public and press scrutiny</i>	The support detailed above indicates that such scrutiny can be defended	An opportunity to lead in delivery of DFGs using the wider scope provided by the Better Care Fund. Foundations have shown an interest in completing and publishing a case study on the largest of the cases for which a case study is enclosed.
<i>Other</i>		

11 SUPPORTING INFORMATION:

11.1 Background

Within the existing policy there was no cap specified for discretionary assistance. This was in recognition of the new framework under which DFG monies were provided to the Council through the Better Care Fund.

The overarching purpose of the BCF policy framework is to make better use of public money in meeting the needs of individuals who need state support for a variety of health and welfare needs and demands co-operation between NHS, Social Services and Housing Authorities in achieving this.

The funding is distributed down to the City Council to enable it to provide suitable assistance to individuals where a housing solution is the most appropriate to the individual's needs and provides the best value for money to the public purse.

The overwhelming majority of such cases will be simple measures to reduce the risk of individuals needing hospital admission or to facilitate prompt discharge from hospital.

However, there will be a few cases each year which require more substantial provision to reduce admissions to residential care homes by enabling severely disabled individuals to remain at home.

In such cases the Council must consult carefully with the appropriate welfare authority to both determine the most appropriate solution and to consider the best value to the public purse. Where this is shown to be a housing solution, the Council should use the BCF funding provided for this purpose.

11.2 Policy and Procedure changes.

The changes to Policy are within Sections 1.4 to 1.15 and to Procedure in Sections 2.6 to 2.7. There are other minor changes to wording which have no impact on the Policy but aid clarity. The updated Policy and Procedure is included in the Appendices.

11.3 The Legislative framework

The legislation that governs DFGs is detailed in the Policy at 1.2 but for ease of information the legislation that allows discretionary awards to be made is The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 (RRO) This gives councils powers to provide discretionary assistance. This may take the form of low cost loans and equity release as well as grants to private homeowners and others to help them to renovate, repair or adapt their home.

The Order also enables councils to provide other sorts of assistance, for example, helping someone move to more suitable living accommodation if it is

satisfied that this would provide a similar benefit to improving or adapting the existing accommodation. Councils may give discretionary assistance in addition to mandatory disabled facilities grants. The RRO puts no upper limit on the amount of assistance a local authority can approve.

Better Care Funding is allocated to Winchester City Council through Hampshire County Council under a formula determined by NHS England. The Council agrees to terms and conditions for the provision of the funding. These conditions are attached in the Appendices.

The framework under which BCF funding is provided is detailed in the Integration and Better Care Fund Policy Framework 2017-19 and again this is provided in the Appendices. The key objectives are:

- a) Facilitating timely hospital discharge
- b) Reducing admissions to residential care homes
- c) Reducing the cost of providing domiciliary care
- d) Contributing to the wider prevention agenda of housing, social care, and health authorities by facilitating improvements in individuals wellbeing, and reducing hospital admissions.

Councils have considerable freedom in how they choose to frame their Policy with regards to Disabled Facilities Grants using the powers of the Regulatory Reform Order and the funds provided by the Better Care Fund. However, that Policy should seek to meet the purpose of the BCF Policy Framework and the Purpose of Grant stated in the agreement with, in the Council's case, Hampshire County Council.

11.4 Approval Process for Larger Grants:

In practice, applying this policy has highlighted the need to review the Council's Scheme of Delegation, something that was not fully appreciated at the time the policy was written, where the cost of a scheme is substantial and above the mandatory grant limit of £30,000 (this limit has not changed since 2008).

This report therefore recommends that review and approval of all grants below a value of £250,000 be delegated to officers and assessed on need in accordance with the DGF Policy.

Whilst grants in excess of £30,000 are rare and exceptional, two particular cases have highlighted the need to clarify the officer scheme of delegation.

One involves a young man with significant spinal injuries whose needs are best met by him remaining with his family. However, he needs 24 hour care and the family's current property requires major adaptation to provide for the disabled man, his carers and to provide space to mitigate the impact of him

remaining at home on the rest of the family. The costs have been assessed at over £200,000. Estimated costs for institutional care are in the region of £500 per day.

The other is of a single man also with high level spinal injury who needs adaptations to his own house in order to facilitate discharge from hospital. The cost of these works is of the order of £75,000. He is currently living in a care home at a cost in excess of £80,000 per annum.

For both cases, whilst costs are significantly higher than average grant awards, the cost to the public purse is considerably less through a housing solution than by an institutional solution from Health or Social Care Services. Neither individual has any wish to live anywhere but in their own, or their family home.

Both cases wholly comply with the aims and principles of the BCF and are supported by the Hampshire County Council Adult Services Team responsible for overall monitoring of BCF spend.

It should be noted that in all cases the Policy and Procedure imposes restrictive safeguards to ensure that funding is only provided where need is identified and for adaptations that are deemed “necessary and appropriate” and “reasonable and practicable”. The Policy allows for discretionary assistance to be provided as a grant or as a loan, depending on the applicant’s circumstances, and for a charge to be taken against the property for which the assistance is provided.

The Housing Grants Construction and Regeneration Act 1996 places a duty on the local authority to assess an application for a DFG “as soon as reasonably practicable and in any event not later than 6 months from the application”.

The proposed financial approval limits will allow officers to manage the application process and agree awards promptly and, except in exceptional circumstances, without recourse to a Portfolio Holder decision or to Cabinet.

12 OTHER OPTIONS CONSIDERED AND REJECTED

- 12.1 Many councils have capped discretionary grants at a relatively low level (some as low as an additional £10,000 maximum over and above mandatory grants of £30,000).
- 12.2 Consideration has been given as to whether a cap is appropriate. However, any cap would potentially frustrate the aims of the BCF Policy Framework and Local Grant Conditions and would effectively limit the Council’s ability to meet the “needs” criteria set out in 11.3 above. A cap is therefore not recommended.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

CAB2937(HSG) – Disabled Facilities Grants dated 6 July 2017

Other Background Documents:-

Integration and BCF Policy Framework 2017-19

APPENDICES:

- 1) DFG Policy and Procedure V8 May 2018
- 2) HCC DFG Local Grant Conditions 2018-19

**Winchester City Council – Housing Services
Policy and Procedure**

Title	Disabled Facility Grants
Housing Team	Private Sector Housing
Author Name & title	Mary Richards – originator John Easey – 2017 Revision John Easey – 2018 Revision
Version Number & Date Finalised	7a, 05 June 2017 8, 14 May 2018

Review Date	May 2020
Title of officer with responsibility for maintaining and updating	Kevin Reed Private Sector Housing Team Leader

<p>Ratification Details - i.e. where policy decision was finalised and by whom</p> <p>e.g. Committee paper references, Portfolio Holder Decision Ref, policy determined under scheme of delegation, DMT or other relevant meeting details & dates where policy determined. Include details in order that context of policy can be checked if necessary</p>	Date
Other Related Policy and Procedures	Private Sector Housing Renewal Strategy 2016-21
<p>Details of Performance Indicators</p> <ul style="list-style-type: none"> • Relevance to statutory returns (e.g. CORE, P1Es, LASH) • Relevance to non statutory returns (locally agreed indicators and HouseMark Benchmarking club) 	<p>Response to HCC requests for monitoring returns</p> <p>Statutory time limits provide that a written decision on an application must be provided within 6 months of receipt of the application and grant monies must be paid within 12 months of the approval of the application</p> <p>2017/18. Service Delivery Plan requirements for 40 cases to be</p>

	delivered in the period and for the full Better Care Fund allocation to be spent.
Quality Checks Details of how performance is monitored e.g. random checks of 10% of cases.	Customer service questionnaire to service users in all cases.

Headline Summary of Disabled Facilities Grant Policy and Procedure May 2017

Introduction

This procedure note describes the policy, objectives, and actions to be taken during the various stages of the Disabled Facilities Grants (DFG) process.

The service is provided by the Private Sector Housing team with a lead officer responsible for service delivery and expenditure targets.

The DFG is a mandatory grant, as provided by The Housing Grants, Construction and Regeneration Act 1996, available to all applicants, towards the cost of the eligible works necessary to address their identified needs. The amount of financial contribution that an applicant must make is determined by a prescribed means tested assessment.

Purpose/aim

To encourage the adaptation of dwellings to meet the needs of disabled occupants. The 1996 Act details the following as purposes for which a DFG may be given:

- 1) Facilitating Access – grant may be given for works to remove or overcome any obstacles which prevent the disabled person from moving freely into and around the dwelling, access to the garden and enjoying use of the dwelling and facilities or amenities within it.
- 2) Making a Dwelling or Building Safe – grant may be given for certain adaptations to the dwelling or building to make it safe for the disabled person and other persons residing with them. This may include the provision of lighting where safety is an issue or for adaptations designed to minimise the risk of danger where a disabled person has behavioural problems.
- 3) Access to a room usable for sleeping – grant may be given for the provision of a room usable for sleeping where adaptation of an existing room in a dwelling (upstairs or downstairs) or the access to that room is unsuitable. Where the disabled person shares a bedroom with a spouse or partner a grant may be given to provide a room of sufficient size so that normal sleeping arrangements can be maintained.
- 4) Access to a bathroom – grant may be given for the provision of, or access to, a WC, washing, bathing and/or showering facilities.
- 5) Facilitating preparation and cooking of food – grant may be given to re-arrange or enlarge a kitchen to improve the manoeuvrability for a wheelchair and to provide specially modified or designed storage units, work top area etc. Where most of

the cooking and preparation of meals is done by another household member, it would not normally be appropriate to carry out full adaptations to the kitchen. However, it might be appropriate to carry out certain adaptations that enable the disabled person to perform minor functions in the kitchen, such as preparing light meals or hot drinks.

- 6) Heating, lighting and power – a grant may be given to provide or improve the existing heating system in the dwelling to meet the disabled person’s needs. A grant will not be given to adapt or install heating in rooms which are not normally used by the disabled person. The installation of central heating will only be considered where the well-being and mobility of the disabled person would otherwise be adversely affected. Provision is also made under this section for the adaptation of heating, lighting and power to make them suitable for use by the disabled person.
- 7) Dependant Residents – grant may be given for works to enable a disabled occupant better access around the dwelling in order to care for another disabled person who normally resides there whether or not they are related to the disabled person. Such works could include adaptations to a part of the dwelling to which the disabled person would not normally need access but which is used by the person to whom they are providing care and therefore it is reasonable for such works to be carried out.
- 8) Common parts- grant may be given for works to facilitate access to a dwelling through common parts of a building.

The utilising powers of the NHS Act 2006 as amended by The Care Act 2014 provide that Disabled Facility Grants using the Better Care Fund can also be provided for:

- 1) Enabling vulnerable individuals to stay living independently within their own home, preventing them from becoming homeless or having to move unnecessarily into a less independent institutional setting, and with the objective of:
 - a) Facilitating timely hospital discharge
 - b) Reducing admissions to residential care homes
 - c) Reducing the cost of providing domiciliary care
 - d) Contributing to the wider prevention agenda of housing, social care, and health authorities by facilitating improvements in individuals wellbeing and reducing hospital admissions.

To ensure that every enquirer for a disabled facilities grant is provided with suitable and sufficient guidance and support in the application process and that that guidance and support is transparent, easily understood and appropriately communicated.

To ensure that all applicants are treated fairly and equitably through the application process.

To ensure that eligible works are carried out having regard to the individual need, the financial resources available, and the City Council's statutory duty under Regulations, and intent under this policy.

To ensure that value for money is achieved in the process of commissioning and completing all eligible works, and that works are completed to such standards and statutory certification as are applicable to the works.

Scope

The client group are disabled occupants in the private housing sector in the district in need of home adaptations and/or improvements in order to remain living at home with a sustainable quality of life. In the context of this policy private sector housing includes all tenures that are not Winchester City Council tenants. The provision of adaptations within Winchester City Council housing stock is managed and funded by the Property Services team.

The Disabled Facilities Grants (Maximum Amounts and Additional Purposes) (England) Order 2008 prescribes the maximum amount of mandatory grant which a local authority can give (currently £30,000). Local authorities may award discretionary grant awards or provide loan finance in excess of this limit in appropriate circumstances as allowed by The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 and in accordance with the authority's published private sector renewal policy.

The Better Care Fund allocation from Hampshire County Council is provided to support both mandatory grants and discretionary support. Winchester City Council is required to use this funding for the express purpose of contributing to the wider prevention agenda of housing, social care and health authorities and will work in partnership with these agencies to further this purpose.

The Better Care Fund

The Better Care Fund is contributing to the additional allocation for DFGs provided to Hampshire County Council and distributed to Winchester City Council under a determination from Central Government.

It is encouraging new initiatives to avoid admission to hospital, reduce falls, and prevent delayed discharge from hospital.

Key Priorities:

To raise the importance of safe/accessible Housing/community as significant factors in health and wellbeing

To improve Health and Wellbeing by encouraging more flexible and instant availability of DFG monies.

To enable the development of a more pro active approach to publicising the Service to the mainstream public arena

To promote independent/supported living at home by more responsive access to minor

and urgent adaptations, (without the need for full financial assessment).

Discretionary grants:

Discretionary grants have a key role to play, particularly in avoiding delayed discharge from hospital, prevention of admission and in delaying the risk of falls/reduced independence in the home.

Priorities for Discretionary Grants

Consideration will be given to Discretionary Grants in the following circumstances:

Where delayed transfer of care from hospital could be avoided by the provision of essential adaptations, and, if not provided, this would result in a deterioration of the client's medical condition/ independence, or their ability to resume life at home.

Where the client is at high risk of falls, or the care situation is at imminent risk of breakdown if essential adaptations are not provided quickly, discretionary grant can be provided to delay or avert admission to hospital or to residential care.

To provide "Top ups" for Statutory DFGs" where clients can demonstrate they have no option to take additional loans or funding themselves, and the adaptations are key to maintaining supported living at home.

To provide essential and urgent adaptations when clients have palliative care needs, and the provision of adaptations to provide access to essential amenities within the home will facilitate the option to return home safely and to avoid unnecessary nursing or residential care.

To develop a programme of "Healthy Home Checks" as part of a key Health and Wellbeing initiative. These checks aim to educate and inform clients of how to maintain safe mobility and independence within the home. This may include minor adaptations to prevent slips, trips and falls, and as part of the prevention of falls programme in the locality.

What is the policy

To provide **mandatory** grant funded assistance to qualifying applicants to meet their identified needs subject to the prescribed means test and statutory limits.

To provide **discretionary** additional grant award or loan funding, where appropriate, where the cost of the eligible works exceeds the statutory limit for Disabled Facility Grants or where affordability is a demonstrable concern to applicants..

To provide **discretionary grants to** meet the objectives of the Better Care Fund as it relates to Disabled Facilities Grants

To offer a **fee generating support service** to applicants who do not qualify for grant award as a result of means testing, in particular to those who may need further adaptations in the future.

How will the Policy be promoted and publicised

The Council recognises that the provision of Disabled Facilities Grants is a front line statutory service and as such should be actively and prominently promoted and publicised to the community to facilitate the most efficient and effective use of the budget available.

This will include prominent positioning on the Council's website and the use of suitable printed information available at all Council offices and distributed to appropriate partner organisations and stakeholders.

1. Main Text - POLICY

1.1 Background Information

The Housing Grants, Construction and Regeneration Act 1996 provides mandatory means tested disabled facilities grants and places a statutory duty on the Council to provide such grants where the appropriate legislative conditions are met. The objective is to assist applicants with the cost of providing facilities and to carry out works of access or adaptations to dwellings or common parts of buildings containing flats, for the benefit of the disabled occupant/s. There is no prior residency requirement and grants are available to owner occupiers, tenants (or to their landlord).

An assessment of needs must be undertaken before grant can be awarded. The statutory responsibility for making such an assessment rests with the Welfare authority (Social Services Department) by virtue of section 2 of the Chronically Sick and Disabled persons Act 1970.

Section 24 of the 1996 Act places a duty on the Council:

- i. to consult the appropriate Welfare authority on whether the relevant works are "**necessary and appropriate**" to meet the needs of the disabled person,
- ii. to satisfy themselves that it is "**reasonable and practicable**" to carry out the works, having regard to the age and condition of the dwelling.

The Council have discretion to approve grant whether or not the property will be fit or unfit following completion of the eligible works.

1.2 Legislation/Guidance

Housing Grants, Construction and Regeneration Act 1996. Part 1. The parts relating to mandatory and discretionary Disabled Facilities Grants remains in force. Reference should be made to the relevant sections as it affects and regulates the various stages of the grants process.

ODPM Circular 05/2003: Housing Renewal: A Strategic Approach.

Provides comprehensive guidance on processing grants, legal requirements for applications and approvals, grant conditions and financial/exchequer subsidy matters; guidance on the fitness standard, service of Repair notices, Demolition and Closing Orders.

The Housing Renewal Grants Regulations 1996 (as amended).

Implements the test of resources (means test) for all grant applicants and thereby reduces the grant awarded by the amount of the means tested contribution to the eligible adaptation/improvement costs.

The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002

gives councils greater powers to provide discretionary assistance. This may take the form of low cost loans and equity release as well as grants to private homeowners and others to help them to renovate, repair or adapt their home. The Order also enables

councils to provide other sorts of assistance, for example, helping someone move to more suitable living accommodation if it is satisfied that this would provide a similar benefit to improving or adapting the existing accommodation. Councils may give discretionary assistance in addition to mandatory disabled facilities grants.

The Disabled Facilities Grants (Maximum Amounts and Additional Purposes) (England) Order 2008

This prescribes the maximum amount of mandatory grant which a local can give (currently £30,000). NB. local authorities may award discretionary grant awards in excess of this limit in appropriate circumstances.

Housing Grants Construction and Regeneration Act: Disabled Facilities Grant (Conditions relating to approval or payment of Grant) General Consent 2008.

This defines the powers of a Local Authority to impose repayment conditions on a grant recipient subject to specified criteria and circumstances.

2017-19 Integration and Better Care Fund Policy Framework.

This outlines the policy framework under which Better Care Fund monies are allocated and their intended purpose and details the agreed National Conditions for its use.

NHS & Community Care Act 1990

The NHS and Community Care Act 1990 provides the context for the assessment of and response to potential needs including the adaptation of properties. The Act establishes a requirement that a needs assessment must be carried out where it appears to the social services authority that any person for whom they may provide or arrange community care services, may be in need of such services.

Equality Act 2010

The Equality Act 2010 abolished the earlier Disability Discrimination Act 1995 and hence the current definition of disability is provided in the most recent legislation. A person has a disability for the purposes of this Act if s/he has a physical or mental impairment which has a substantial and long-term adverse effect on their ability to carry out normal day to day activities. Schedule 1 to the Act expands on this definition including further definition of “long term effects”, “normal day to day activities” and “substantial adverse effects”.

However, there may be people who, whilst not meeting the substantial and long-term test, will have had needs identified and assessed under the NHS & Community Care Act 1990, The Carers (Recognition and Services) Act 1995, or The Carers and Disabled Children Act 2000, for whom an adaptation will form part of an appropriate service response by the welfare authority.

1.3 Mandatory Grants

The provision of mandatory grants is covered by the Act and the authority must comply with this legislation. All applications will be assessed for their eligibility for mandatory grant as defined by the range of needs and tests detailed above, and funded up to the £30,000 limit available subject to any contribution payable as a result of the means test carried out.

The Council offers all qualifying applicants an end-to-end service and support for the completion of application forms, drawing up of specifications of work, sourcing and appointing contractors, consultation with other agencies, site visits and works oversight, and payment of contractors invoices and any other support necessary for the timely completion of the application and works. The Council charges a fee of 12% of the approved cost of the works and this fee is itself eligible for grant payment and will be included within the total amount of grant formally approved. **As the cost of works under mandatory grants approaches this figure the Council's fee will reduce to a minimum of £409.80 plus VAT so as not to exceed the mandatory grant limit.** **Where the cost of eligible works and the Council's minimum fee combined exceed £30,000 the Council will limit its fee to £409.80 plus VAT regardless of any additional assistance offered through discretionary funding.** If an application is not approved then no fee will be payable for the service to that point.

The applicant may chose not to agree to this fee but this will limit the service provided by the Council to the statutory requirement to assess the application, carry out the financial means test, approve quotes provided by the applicants chosen contractors against the recommendations of the OT, and complete the necessary inspections of the works to approve payment of the grant.

1.4 Discretionary Assistance

In addition to providing mandatory DFGs the authority may offer other discretionary assistance by virtue of Article 3 of the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002. This may typically be considered in the following circumstances:

- a) To fund larger schemes where costs are in excess of the £30,000 limit for mandatory grant
- b) To assist individuals who may find it hard to fund their assessed contribution

Such assistance will only be considered for schemes that have already met the criteria for mandatory grant but where the applicant would suffer financial hardship in going ahead with the works required to meet their needs.

In addition, where a scheme is likely to cost more than £30,000 it must be demonstrated that due consideration has been given to the practicality of the applicant and/or their family moving to a property more suitable for their needs or for adaptation, for which a Relocation Grant of £3000 from the DFG fund can be provided (see below), as part of a maximum £30000 grant, to assist with moving costs.

- c) The authority may also provide discretionary assistance to applicants where providing grant will promote the stated purposes of the Better Care Fund in facilitating timely hospital discharge or in preventing or reducing the likelihood of hospital admission.

Schemes costing over the £30,000 limit

In the case of applications for children's grants, such assistance may be provided as a grant where at least one parent is in receipt of a means tested benefit.

Assistance will be provided as a grant and/or low interest loan secured by a legal charge on the property and repayable on the eventual sale or transfer of the property in other cases. Where the applicant is in rented accommodation their contribution will be assessed in accordance with the following paragraph and the balance of the assistance will be by grant.

A low interest loan may be provided for sums equivalent to that for which the monthly repayment of a commercial loan over 5 years would not exceed 5% of the household net income at the time of application, provided that the applicant can demonstrate that they are unable to access such finance as a personal loan from their own bank or another mainstream high street lender. If the applicant is able to access such finance they will be required to make a contribution up to this amount.

Sums above this loan limit will be funded by discretionary grant, and may be in addition to a loan.

In the case of applications for adults in receipt of passport benefits such assistance may be provided as a grant and/or low interest loan secured by a legal charge on the property and repayable on the eventual sale or transfer of the property.

Where the applicant is in rented accommodation their contribution will be assessed in accordance with the following paragraph and the balance of the assistance will be by grant.

A low interest loan may be provided for sums equivalent to that for which the monthly repayment of a commercial loan over 5 years would not exceed 5% of the household net income at the time of application, provided that the applicant can demonstrate that they are unable to access such finance as a personal loan from their own bank or another mainstream high street lender. If the applicant is able to access such finance they will be required to make a contribution up to this amount.

Sums above this loan limit will be funded by discretionary grant, and may be in addition to a loan.

Individuals who may find it hard to fund their assessed contribution

Where the applicant is assessed as needing to make a contribution – applicants may apply for financial support to effectively defer their contribution where they can demonstrate that meeting their assessed contribution would cause hardship or where they are unable to access such commercial lending as would be necessary for them to meet their assessed contribution.

In such cases the applicant will still be expected to make a contribution of up to 20% of their readily available capital and savings (monies not tied up in property) or to the amount of a commercially available personal loan from their bank (or similar mainstream high street lender) equivalent to a monthly repayment of 5% of their monthly income at the time of application over a 5 year repayment period. Where the applicants is able to demonstrate that they cannot access a personal loan of this amount, their contribution will be the 20% of their readily available capital and savings.

Applicants may apply for a low interest loan secured by a legal charge on the property repayable on the eventual sale or transfer of the property for any amounts above these thresholds.

NB loan applications under this heading may be for the entire cost of the recommended adaptations and may include for fees for support services as detailed below

Such loan assistance is only available to applicants who hold an owners interest. This means either a freehold or an unexpired leasehold term of at least 5 years, or an unexpired right of occupation for a mobile home or permanent mooring agreement for a houseboat.

Better Care Fund Discretionary Grants

Applications for assistance will primarily be assessed using the provisions of the Housing Grants, Construction and Regeneration Act 1996 and the associated means test for mandatory grants and the options for discretionary assistance detailed above. However, in certain circumstances, and in consideration of the following criteria, discretionary grant will be provided as the identified need of an individual meets the specific purposes of the Better Care Fund as it applies to Disabled Facilities Grants.

The Key criteria are:

- 1) When essential adaptations (to enable access to the home and access to key facilities to ensure that living at home is possible), need to be provided “urgently” to facilitate timely discharge from hospital/nursing or residential care, (avoiding delayed transfer of care and maximising opportunity for re-ablement at home).
- 2) Where clients in the community, have high and complex level of disability and/or life changing diagnosis, and the risk of sudden deterioration in their condition/ reduced independence or increased risk of falls could be minimised by urgent provision of essential adaptations to the home,(to reduce risk of premature admission to hospital/ residential care, or increase in care package).
- 3) When the care situation in the home is at imminent risk of breakdown if essential adaptations are not provided quickly,(to support the carer and maximise client independence, health and wellbeing).
- 4) Where clients have catastrophic and life changing/limiting diagnosis, where urgent essential adaptations could minimise the risk of breakdown of family life and care, and enable supported living at home, delaying the time scale for the start, or increase in external health or social intervention.
- 5) When the timely provision of minor adaptations (in line with Health and wellbeing targets and better care priorities), would reduce the risk of falls and promote a safer home environment when clients have no immediate and safe access to alternative service options.

Discretionary grant of up to £5000 may be available to provide suitable adaptations to facilitate timely hospital discharge or to carry out minor preventative works aimed at reducing hospital or residential care home admissions, following an assessment by the in-house Occupational Therapist in discussion with such other agencies as may be involved in an individual's care.

In exceptional circumstances this grant limit may be extended in consultation with the appropriate welfare authority and with the agreement of a panel consisting of the Head of Housing Options and Allocations, the in-house Occupational Therapist, and a senior officer from another department in the Council, and will normally only be considered when to not provide additional funding would result in catastrophic loss of independence/breakdown in care and admission to residential or nursing care. The panel will consider whether the application of discretionary funding is both essential and unavoidable via any other funding pathway.

Applications will be assessed on a case by case basis following a referral from an appropriate Health Authority or healthcare provider, or as identified by officers of the Council as additional non-mandatory works during the application process for a mandatory grant.

For grant to be approved it must be demonstrated that the provision of grant supports one of the key priorities as detailed in the Scope of this policy (see above), and meets the above criteria.

Discretionary grant provided under this heading will not preclude the recipient from applying for additional assistance under a mandatory grant or other discretionary grant or loan.

Additional scope for the Better Care Fund

The Better Care Fund includes a stated aim of contributing to the wider prevention agenda of housing, social care, and health authorities by facilitating improvements in individuals wellbeing and reducing hospital admissions.

The Council will encourage and consider any bid for funding from the Better Care Fund for schemes which will demonstrably support this aim, whether from individuals or from organisations, and whether to support individual disabled people or to provide provision for disabled people generally within a housing adaptation setting.

Dual residency of a disabled child

In cases where families separate and a court order provides that residency of the subject disabled child is split between the mother and father (or other designated guardian) the Authority may consider the award of discretionary DFG to one property. The proposed adaptations will only be considered for discretionary assistance if they fall within those headings normally applied to mandatory schemes.

Mandatory DFG can only be provided to the 'sole or main residence' of the disabled applicant and in circumstances covered by this section it would be assumed that one party would apply for mandatory grant on the basis that the child occupies the subject property as their sole or main residence. The main residence will be determined by which party receives child benefit. This property may or may not be within the Winchester City Council area.

The Authority will consider the details of any court order and specifically the allocation of time spent with each parent in determining eligibility for assistance. No specific percentage split is proposed by this policy as each case will be reviewed on its own merits. Factors to be considered include the specific details of any order, likely time to be spent at each property, whether the child will stay overnight at the subject property and for what period etc.

In determining the works that might be considered as eligible for assistance the Authority will consider the suitability of the subject property for adaptation, the complexity and scope of the adaptations required and any observations or referral

made by the Occupational Therapy service. The scope of any works will not necessarily mirror that to be undertaken at the sole or main residence.

Any assistance provided under this heading will be up to a maximum award of £10000, but will not be subject to any form of means testing. Any award will be repayable to the Authority if and when the subject property is sold. The award amount will be recorded as a Land Registry charge.

Any discretionary award will only be considered having regard to the amount of resources the Authority has at the time. If the Authority does not have sufficient resources left to deal with other mandatory referrals that have been passed to them by the Occupational Therapy Service at the time, the Council reserves the right not to approve any discretionary assistance.

Relocation Grant

A discretionary relocation grant may be available to an applicant who owns or privately rents their property if adaptations to their current home through DFG are determined not to be feasible or reasonable and they are considering relocation to a property they intend to purchase.

Applicants must be 18 or over on the date of application is made and, in the case of a disabled child, the parent(s) would make the application. Any application must be supported by a recommendation from the Hampshire County Council OT service.

The Authority and the OT must be satisfied that the proposed property already meets the needs of the disabled person without further adaptation or are satisfied that it can be adapted at a reasonable cost.

Applicants must be relocating within the Winchester City Council area. Consideration may be given to a move within Hampshire but this would require the approval of the relevant district/borough council, whether or not adaptations are required and the scale of any adaptations before a relocation grant can be considered.

A grant of up to £3000 may be made available towards specific relocation expenses, which includes estate agent fees, legal costs, removal costs.

The cost of the relocation grant together with the cost of any adaptations required to the new property must demonstrate value for money, whether the move is within Winchester or to another district/borough council in Hampshire.

Applications must be submitted prior to the relocation, grants cannot be paid retrospectively. Assistance will not be given toward the purchase price of the new property.

If on sale of the applicant's existing property, a net equity is released, the amount of net equity will be included in a revised means test for assessment of any grant for adaptations. (Net equity refers to any equity released when the purchase price of the new property is less than the existing property's selling price).

If the move is aborted through the fault of the applicant then costs will not be paid and any costs already paid will be reclaimed from the applicant. If the reason for the move failing is through no fault of the applicant then the Authority will cover the costs.

The new property must be the disabled person's main residence and no applicant will be awarded a Relocation Grant on more than one occasion.

If the disabled occupant moves from the new property within 5 years then the grant must be paid back in full except in exceptional circumstances.

The Relocation Grant scheme will be subject to the same means test as the mandatory Disabled Facilities Grant scheme unless the relocation is for a disabled child in which case no test will be applied.

Repayment of Mandatory and Discretionary Grant in event of disposal of the property

The Housing Grants, Construction and Regeneration Act 1996 and the 2008 General Consent allow the authority to impose repayment conditions on Mandatory Disabled Facility Grants subject to the following prescribed criteria. To be repayable, the grant must be awarded subject to a local land charge being registered on the premises.

- 1) The authority may demand repayment of any grant which exceeds £5000 up to a maximum repayment of £10000
- 2) The applicant must have a qualifying owners interest in the premises where the relevant works are to be carried out
- 3) The recipient of grant disposes of the premises within 10 years of the certified completion of the works, whether by sale, assignment, transfer or otherwise.
- 4) The authority is satisfied that it is reasonable to require repayment taking into account a) whether repayment would impose significant hardship, b) whether disposal of the premises is to enable the recipient to take up employment or change employment, c) whether the disposal is connected with the recipients health and d) whether the disposal is to enable the recipient to receive or provide care
- 5) Whether the grant was registered as a local land charge

Repayment of discretionary grants or loans is determined by The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 provisions regarding repayment which allow for full recovery of the assistance provided by any suitable means.

Discretionary Grants Budget

Grants provided specifically for the express purposes of enabling timely discharge from hospital or for preventing or reducing the likelihood of hospital admissions will be provided from the general DFG budget allocated via Hampshire County Council.

The budget for all discretionary grants and loans not made under the purposes described above will be set annually by the Chief Housing Officer.

1.5 Fee Generating Support Services

The Council recognises that applicants who do not qualify for mandatory grant assistance or discretionary grant or loan assistance nonetheless still have an identifiable need for adaptations. In some cases, applicants may decide not to proceed with necessary adaptations for lack of confidence or desire to deal with the process of completing specifications, seeking and appointing suitable contractors and managing the installation, and dealing with contractors and payment demands.

The Council wishes to encourage individuals to adapt their homes where necessary and appropriate to enable them to stay in their home in accordance with the wider prevention agenda of housing, social care and health authorities.

For mandatory grant works the Council provides an end-to-end service, acting as agent for the applicant, and charges a fee, of 12% of the grant provided towards the cost of works. This fee forms part of the grant funding allocated. The Council will offer the same service at the same fee rate to all applicants.

The provision of loans and fee paying support services would be advantageous to certain applicants who may need further works carried out in future years, as the legislation allows for the contribution made towards one scheme of works to be counted towards the applicant's contribution to a further scheme of works if this is carried out within 5 years in the case of rented property or 10 years in the case of owner occupied property, provided that the earlier scheme has been managed through the DFG process.

1.6 Contractual relationships and responsibilities:

In all circumstances, the contract for the completion of works will be between the applicant and the contractor appointed to complete the work.

Full details of the contractual relationships and responsibilities will be provided to all contractors invited to bid either by the Council or by the applicant in the document **Preliminary Information to Contractors** which may vary from time to time to reflect changes in legislation and industry standards. This information will also be provided to applicants.

If there is a dispute between the applicant and the contractor, the Council will not be able to get involved unless by some act or default the Council has caused the issue which has led to the dispute. The Council will generally pay contractors on behalf of the applicant, but in the case of an unresolvable dispute the Council will pay the grant direct to the applicant. It is then for the two contracted parties, the applicant and their contractor, to take such action as they deem necessary to resolve their dispute.

1.7 The procurement framework:

The process of sourcing and appointing contractors to complete the works will depend on the likely nature and value of the works to be carried out, and the applicants preferred method of engagement.

The Council offers an end to end service (see 1.3) for the majority of straightforward grants and where the value of the works is likely not to exceed £10,000. For this approach, the Council maintains a list of approved contractors whose service will be offered to the applicant if they wish to make use of the service offering.

Furthermore the Council offers a choice of approved agents for higher value schemes that will typically involve Planning application and Building Control application for extensions or other substantial building works.

Where either of the above options is adopted, the procurement of contractors will be carried out according to the Council's procurement rules, details of which are summarised below at 1.10.

The applicant is under no obligation to use either approved list and is entitled to invite and submit quotes from their own choice of agents and contractors. In these circumstances the submitted quotes will be assessed only to confirm that the quotations are for works reasonably required to meet the identified needs of the applicant and for which the grant is being provided. The Council may, however, wish to investigate the contractors proposed by the applicant to ensure that they are of sufficient competence and reliability to safeguard that the public purse is not put at unnecessary risk, and may seek assurance as to insurances and references before approving an award.

The Council will base the award on the lowest quote that meets the needs, however the applicant may still use a higher priced contractor provided they pay for the difference in price. The applicant may also chose to carry out additional works to those that meet the needs for which assistance is being provided, but the award will not contribute to such additional works. In exceptional cases the Council may agree to base the award on a quote higher than the lowest where circumstances, such as time for completion or known specific expertise, would indicate a better value outcome.

1.8 List of approved contractors

The Council will maintain a list of approved contractors capable of completing the works typically associated with Disabled Facility Grants, including specialists in the installation of wet-rooms and stair-lifts as well as general building contractors.

This list will be informed by a 2 yearly invitation to contractors to tender against a given schedule of works, and confirmation of suitable insurances and professional accreditation.

The Council's Contract Procedure Rules accept membership of "Constructionline" as meeting the requirements for being accepted on the Council's list of approved contractors. It is expected that the list will include no more than 12 contractors including a minimum of 3 in any specialism.

This list will be used for any project with a likely value of up to £25,000 in line with the summary above.

1.9 List of approved agents

The Council will maintain a list of approved agents (architectural practices and project management organisations) capable of managing the process of design, statutory applications, sourcing and assessment of quotations from contractors, and project supervision to completion.

Agents will source and assess contractors' quotations in accordance with Council Procurement Rules.

This list will typically be used for projects over £25,000 and where extensions to or substantial internal conversion of a property are required.

1.10 Contract Procurement Rules summary

The Council Contract Procurement Rules identify 5 value of contract ranges for which the method of procurement varies as follows:

Under £10,000 – any contractor considered competent. The list of approved Contractors identified in 1.8 would all meet this competency condition.

£10,000 – £25,000 – any contractor on the approved list may be used. If not using the approved list, three quotations must be sought and an evaluation model based on price or most economically advantageous criteria used.

£25,000 – £100,000 – An evaluation model based on price or most economically advantageous must be agreed prior to inviting three written quotations.

Over £100,000 but outside of Public Contract Regulations – a formal competitive tender process by Public Invitation, Restricted Invitation or by invitation to contractors on the select list.

Over £100,000 and subject to the Public Contract Regulations – this is not considered applicable to grant funded works.

NB: the contract procurement rules do not apply where the applicant is not using the Council's management service or approved lists of contractors or agents. In these circumstances the quotes will be assessed only to confirm that they are for works reasonably required to meet the identified needs of the applicant and for which the grant is being provided, and to determine the grant award, generally based on the lowest quote that meets the needs.

1.11 Assessment of bids

Where competitive bids are received for higher value works they will be assessed according to any evaluation criteria applicable to the particular procurement.

For lower value projects where more than one quote is sought, the cheapest bid will determine the primary choice of contractor, provided that, in the view of officers, the bid is reflective of the works specified.

The Council is under no obligation to accept either or any bid submitted and further invitations may be sent out.

In view of the contractual relationship, the Council will recommend the primary choice of contractor to the applicant and the applicant may accept or decline this recommendation. In the circumstance that they decline the primary choice, the Council may require that the applicant makes a contribution equivalent to the difference in price between the primary choice and their choice of contractor.

1.12 Contract Variations

Grant approvals are made by assessing submitted tenders for the specification provided. It is the nature of any building work that variations may be required once work commences, either to the specification to provide a more practicable solution, or for additional works due to unforeseeable circumstances.

Applicants who chose to complete their own design must ensure that it satisfies the needs identified by their Occupational Therapist.

If any applicants' design includes for other works not provided for by the grant, the grant will be strictly limited to that part of the cost of works needed to satisfy the minimum necessary and appropriate requirements as identified by the Occupational Therapist and approved by the Council.

Where variations will materially affect the design or function of the adaptation, agreement must be sought from the originating Occupational Therapist before the variation is approved.

All requests for variations from contractors that will involve additional costs must be agreed in writing before works proceed.

Where variations are reasonably expected to reduce costs, the contractor must be required to identify this reduction before works proceed.

In both circumstances the grant approval documentation must be suitably amended.

No additional cost will be agreed for works that an experienced contractor should have reasonably foreseen as necessary for the completion of the specified works.

1.14 Supervision of works and payment of award:

In all circumstances the Council has a duty to inspect the works as they progress and on completion to ensure that monies from the public purse are being spent in accordance with the purpose for which the award was made.

The Council may pay:

- 1) The contractor directly (the Council's preferred method)
- 2) The applicant directly
- 3) The contractor by providing the applicant with a suitable instrument of payment

1.15 Complaints procedure

Where applicants are dissatisfied with the service they have received, including where a grant has been refused, they can make a complaint through the Council's published complaints procedure which can be found at www.winchester.gov.uk/about/complaints

1.16 Other Circumstances

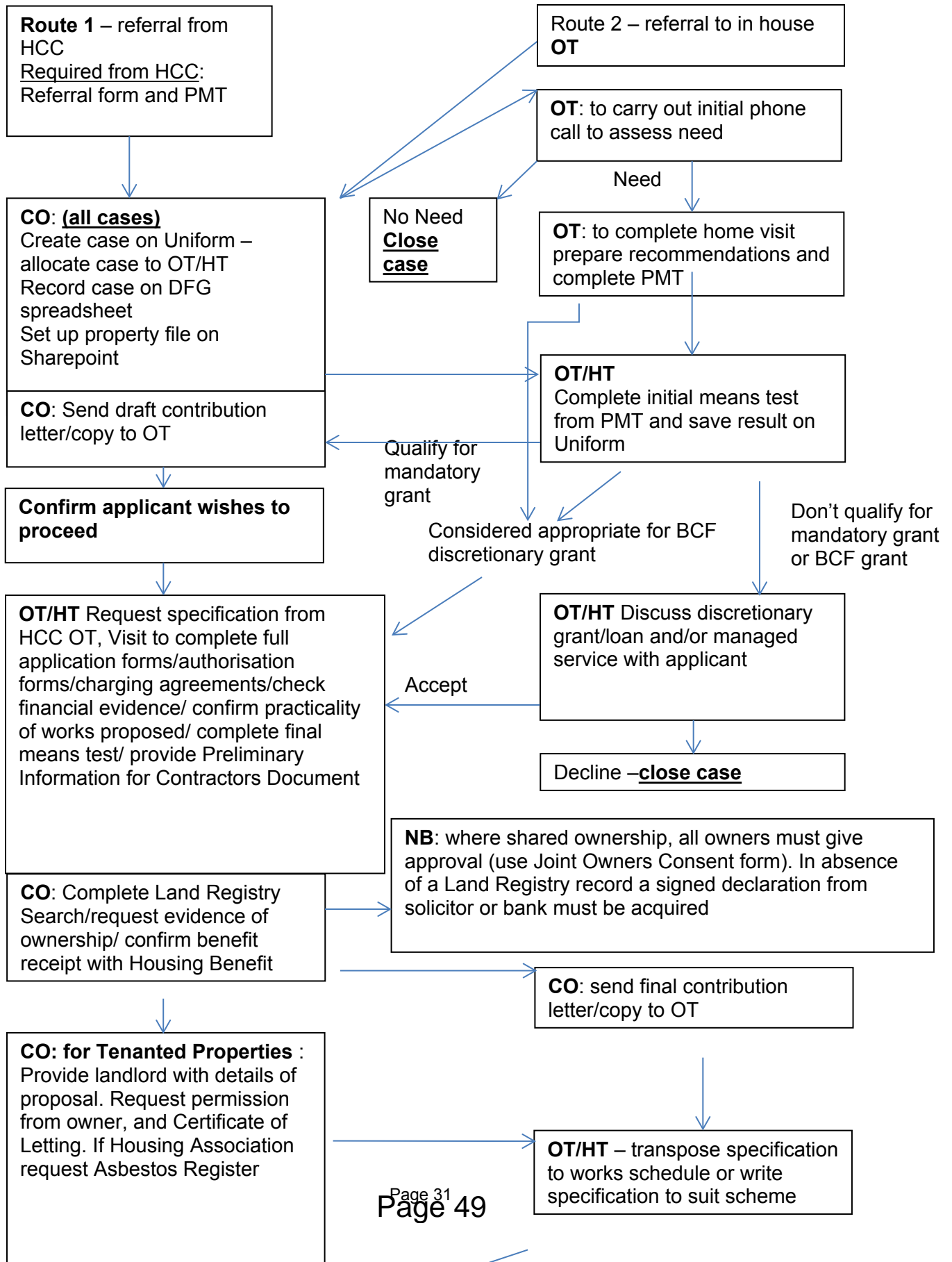
In all other circumstances not detailed in this policy document reference should be made to the provisions of The Housing Grants, Construction and Regeneration Act 1996

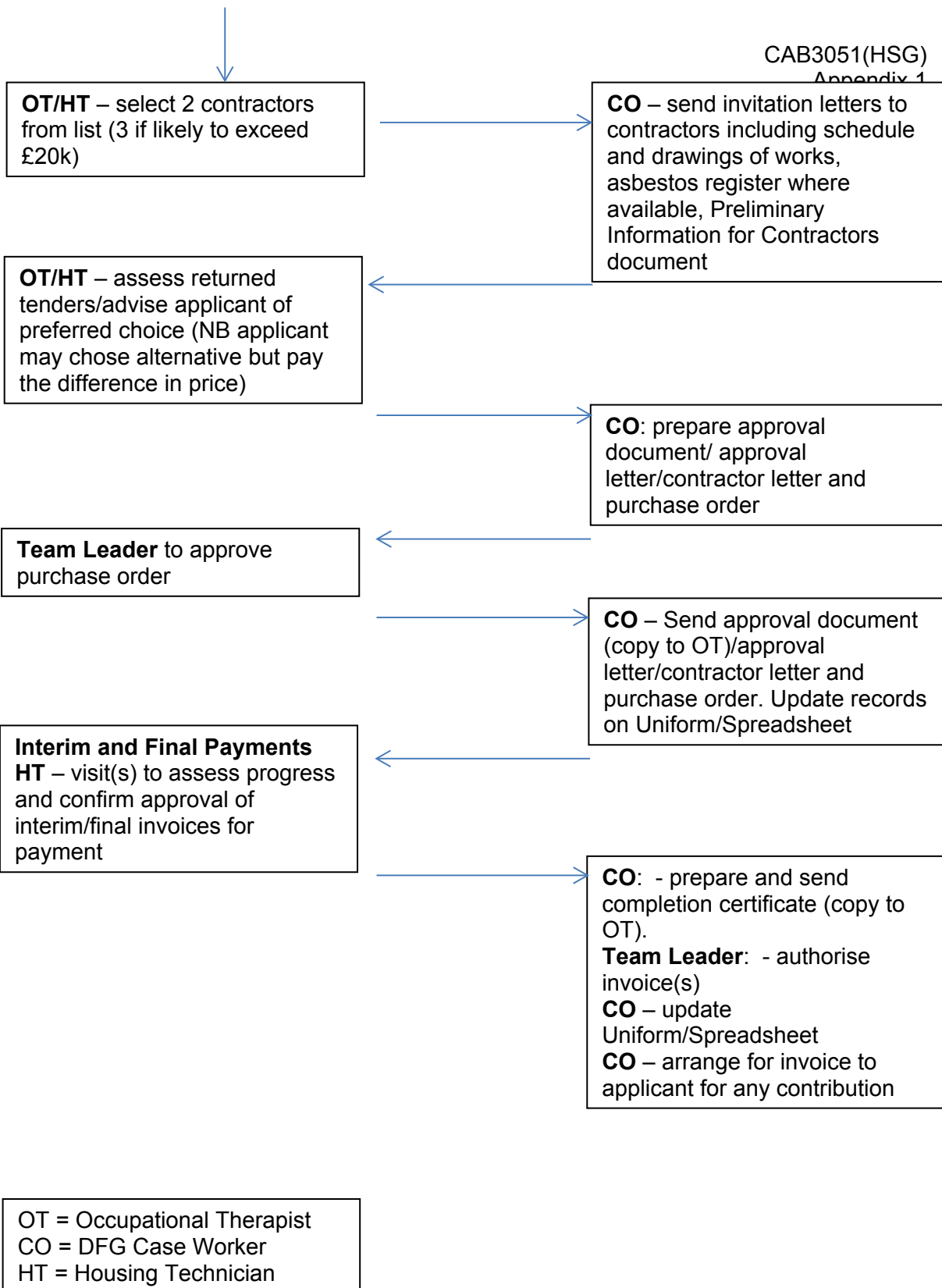
Associated Documents.

Preliminary Information to Contractors for Disabled Facility Grant works.

Eligible Works Policy.

2 Grant Processing PROCEDURE flow chart.





General notes:

Documents – all preliminary means test, application, authorisation and consent forms are to be scanned and saved in Sharepoint at the earliest opportunity.

Letters – all letters issued to the applicant, landlord, Occupational Therapist, contractors are to be saved in Sharepoint at the earliest opportunity.

Evidence – all Land Registry records, Asbestos Registers from Housing Associations, proof of income and savings, confirmation of benefit receipt evidence to be saved in Sharepoint at the earliest opportunity.

Specifications and tenders: - all specification documents, tender invitations and returns to be saved in Sharepoint at the earliest opportunity

2.1 General

Section 1 of Part 1 of the Housing Grants, Construction and Regeneration Act 1996 provides for a Disabled Facilities Grant specifically for works to provide facilities and to carry out adaptations to dwellings whether Owner Occupier or Tenanted, or common parts of buildings containing flats (with landlord permission), for the benefit of disabled people.

For the purpose of grant, a person is disabled if:-

- his/her sight, hearing or speech is substantially impaired,
- he/she has a mental disorder or impairment of any kind, or
- he/she is physically disabled by illness, injury, impairment present since birth or otherwise.

A person aged over eighteen shall be taken to be disabled if:-

- he/she is registered disabled in pursuance of arrangements made under Section 29(1) of the Chronically Sick and Disabled Persons Act 1970 (handicapped person's welfare), or
- he/she is a person for whose welfare arrangements have been made under that provision, or in the opinion of the welfare authority, might be made under it.

A person below the age of nineteen shall be taken to be disabled if:-

- he/she is registered in a register of disabled children maintained under paragraph 2 of Schedule 2 to the Children Act 1989, or
- he/she is in the opinion of the Social Services Authority a disabled child as defined for the purposes of Part III of the Children Act 1989 (local authority support for children and their families).

In addition to owner occupiers and landlords, a wide range of tenants are able to apply for Disabled Facilities Grants, these include Housing Association Tenants and Private Sector Tenants irrespective of repairing obligations. Licensees are also eligible.

2.2 Initial applications and referrals

Applications will be received by two principal routes – direct to the Council and assessed by the in-house Occupation Therapist, or via Hampshire County Council Adult and Children’s Services.

Direct applicants to Winchester City Council will be contacted by the in-house Occupation Therapist, who will conduct an initial telephone assessment and a provisional test of resources. This will assess if an adaptation is considered necessary and whether the applicant is likely to qualify for a mandatory grant, either fully funded or with an assessed contribution, or can be offered discretionary assistance or the paid support service.

Referrals from Hampshire County Council Adult/Children Services Department will be subjected to a provisional test of resources to determine whether the applicant is likely to qualify for a mandatory grant, either fully funded or with an assessed contribution, or can be offered discretionary assistance or the paid support service.

An assessment and referral from an OT, in-house or at the Adult or Children Services Department, must contain the applicant’s details and identify the works/adaptations or improvements required.

On receipt of an application the following initial actions must be completed by the DFG Administrator

- record the application/OT referral on DFG Pipeline held on Sharepoint
- record client details on Uniform system
- make up an address file on Sharepoint
- undertake a Land Registry search to confirm ownership. If no Land Registry record exists the applicant must be requested to provide suitable proof of ownership (copy of Deeds)

The OT will need to provide a detailed recommendation of works that are required to meet the needs of the client, but this may be provided once the Provisional Means Test (PMT) has been undertaken and the client wishes to proceed with the grant or paid support service.

Hampshire OTs should complete, or leave, a Provisional Means Test Form (PMT) with the client. The form contains questions about “passport” benefit receipt as well as income and savings information.

2.3 Provisional Means Test (PMT)

An essential step in the process is to advise the applicant as early as possible as to their (provisional) level of financial contribution to the eligible works. The test is only applicable when the recommended adaptations qualify for grant aid and the person is **not** in receipt of one of the following “passport” benefits:-

- Universal Credit

- Income Support
- Income-based Employment and Support Allowance
(not contribution-based ESA)
- Income-based Jobseeker's Allowance
(not contribution-based JSA)
- Guarantee Pension Credit
(not Savings Pension Credit alone)
- Working Tax Credit and/or Child Tax Credit
(where your annual income for the purposes of the tax credits
assessment was below £15,460)
- Housing Benefit

Grant applications for the benefit of children are automatically awarded a full grant up to the mandatory limit and no means test is required.

Where applicants are in receipt of Passporting benefits evidence must be acquired to confirm this information.

The PMT form should be dealt with as soon as possible as the result will dictate further progression of the enquiry. The result of the test should be notified to the applicant and a decision can be agreed whether or not a grant application is to be made or whether a paid service can be offered. An email of the PMT result should be sent to the originating OT advising of the outcome and advising if the client wishes to proceed.

The PMT result is recorded in Uniform. If the application is to be withdrawn because of the PMT result, the Officer should update the grant record screen by entering a "Closed" date and a "Reason": not eligible - means test.

Applicants should be made aware that there may be some benefit in proceeding with an application even if this would lead to a "Nil" grant approval. This will be important if further works become necessary within a 10 year period, such as a stair lift followed by a through floor lift, or an over bath shower followed by a ground floor water closet. In such cases applicants should be advised that if they proceed with a "Nil" grant approval and undertake the works to the satisfaction of the City Council they may benefit on a subsequent application. The provisions for disregarding the contribution will only apply for a 10 year period for owner occupiers and 5 years for tenants and will only relate to the same property.

There are no restrictions on successive applications for grant on the same property. Provision is made in the legislation to reduce the amount of an applicant's current contribution when a previous grant has been given. The contribution will be reduced by any previously assessed contribution if the applicant went ahead with the previous works. The time period, for the purpose of this test, is ten years for owner-occupiers and 5 years for tenants i.e. if the applicant's contribution was £8,000 and the amount of grant was £10,000 then any contribution in a subsequent application within the time limits would be reduced by £8,000.

2.4 Initial Site Visit

The in-house Occupational Therapist or Housing Technician will arrange to carry out the necessary survey of the property to determine the extent of the works and whether these are **necessary, appropriate, reasonable and practicable**.

The whole of the property should be inspected in order to assess and record whether the property exhibits any significant hazards as assessed using the HHSRS.

The survey of the property should also consider whether any works are required to install preventative measures to reduce hospital or residential care home admissions and facilitate improvements in individuals' wellbeing and ability to remain independent in their own home and which may attract discretionary grant.

If works are requested which do not fall within the mandatory categories of work eligible for DFG, or fall within the discretionary category, then the applicant should be notified.

Prior to any grant survey the grant officer should examine any previously completed grant information which will be detailed in Uniform.

At this visit the OT/HT will complete a full application form appropriate to the case and determined by the content and result of the provisional means test form (cases for passport benefits and children need a shorter application form), and request agreement from the applicant to act on their behalf in organising and managing the works, and authorisation to conduct such financial enquiries of Council benefits sections or other agencies as may be necessary to confirm the information provided in the application form. The following forms may be required:

- Application form
- Certificate of Owner Occupation , or
- Tenants Certificate
- Certificate of Title (Legal interest in the property) where the property has not been land registered.
- Authorisation and Charging Agreement and Terms and Conditions Form
- Consent form from Landlord or Joint Owner

At the visit the OT/HT will provide the applicant with a copy of the Preliminary Information for Contractors document which explains the relationship between them, any appointed contractor, and the Council, and expectation as to the performance of the appointed contractor.

If a property has significant HHSRS Hazards a full survey should be carried out and recorded and whilst DFG awards can be given to properties which have such hazards, no commitment should be given until the most satisfactory course of action to remedy

these Hazards has been determined and the case has been discussed with the Private Sector Housing Team Leader.

It should not normally be necessary to have a joint visit with the Occupational Therapist, but in complex and difficult cases a joint visit may be instigated by either party.

2.5 Grant Applications

The DFG Administrator should check the application details to determine whether all the information is complete. The following completed items comprise a proper application:

- Application form (including proof of benefit status and/ or supporting bank statements etc. see below)
- Certificate of Owner Occupation, or
- Certificate Of Letting
- Owner's permission to carry out works (tenanted properties)
- Certificate of title/interest in the property
- Receipt of benefits: the original documents/correspondence, or true copies. It has been agreed by Internal Audit that photographic reproductions of such documentation/correspondence, confirming receipt of benefit/s, may be placed on file as proof.
- Signed Authorisation, Charging Agreement and Terms and Conditions form.

All documents must be scanned and save in the Sharepoint folder for the property

Tenanted Properties (Privately Rented and Housing Associations)

In tenanted properties the permission of the owner must be sought along with a Certificate of Letting stating that they expect to let the property for a period of 5 years from the date of the certificate. If the property is tenanted the DFG Administrator should forward the Certificate of Letting and permission letter to the owners or owner's agents for completion along with a copy of the schedule and specification as detailed below.

Tenanted Properties – special requirements in Housing Associations

In properties owned by Housing Associations and other registered providers the OT/HT must make the following requests of the landlord:

- 1) A copy of the Asbestos Register for the property to forward to potential contractors.
- 2) Details of any specific requirements with regard to materials or design.
- 3) A statement of their proposed contribution

2.6 Schedule and Specification and requesting quotes

The HT should, following the survey, produce a detailed Schedule of Works using the excel spreadsheets of standard phrases or create a suitable written specification agreed with the OT where works have specific characteristics.

For projects that are within the scope of the approved list of contractors for level access showers, stair-lifts, or minor works, and are likely to be below £10,000, the HT may invite the next contractor in rotation to complete the works.

Where works are likely to be between £10,000 and £25,000, one written quote is required from a contractor on the approved list.

For larger scale projects HT should select a minimum of three contractors in accordance with the Council's procurement rules and the DFG Administrator should send out a standard letter of invitation to quote with a copy of the schedule of works, method of assessment, and Preliminary Information to Contractors document to these companies.

If the HT disagrees with the Occupational Therapist referral or finds that the works cannot be carried out, the case must initially be discussed with the OT. It is important for the Housing Technician not to alter referrals without firstly agreeing the alteration with the Occupational Therapist and obtaining an amended recommendation in writing. The final decision regarding the scheme of works, however, lies with the City Council.

Where appropriate the specification must require that suitable planning consents, building control certificates, gas safety records, electrical installation certificates etc are required to be submitted at suitable stages of the works.

2.7 Offer of Grant

An offer of a grant can be made where

- A written referral from Adult or Children's Services is received or an assessment is completed by the in-house OT service
- the work is necessary and proportionate and reasonable & practical
- the result of the PMT is favourable or discretionary assistance is approved
- permission is received from the property owner if applicable
- all necessary forms and certificates have been provided

In all cases agreement to sign off the assistance must be sought at the appropriate level as follows:

Up to £10,000 – Private Sector Housing Team Leader

Up to £50,000 – Head of Housing Options

Up to £100,000 – Corporate Head of Housing

Over £100,000 – Portfolio Holder for Housing (via decision notice)

2.8. Grant Approval

On receipt of quotes and all other necessary paperwork as detailed above, the HT should calculate the cost of the eligible works, eligible ancillary fees and charges. A copy of this should be saved in the Sharepoint folder for the property.

The following works are zero rated for VAT:

- the construction of ramps or widening of doorways or passages for the purpose of facilitating the disabled person's entry to, or movement within the building, including any preparatory work or making good
- the installation of a lift for the purpose of facilitating the movement of the disabled person between floors of the building. Repair and maintenance or preparatory works, making good and restoring of decorations are also zero-rated
- the providing, extending or adapting of a bathroom, washroom or lavatory where such provision, extension or adaptation is necessary by reason of the disabled person's condition. In addition, other work essential to the provision of these facilities can be zero-rated

Full details of what can be zero rated for VAT purposes can be found in VAT Notice 701/7. It should be noted that it is the contractor's responsibility to correctly charge VAT and this is noted in the Preliminary Information to Contractors document

The assessment should be forwarded to the DFG Administrator who will prepare the Certificate of Approval and approval letter from the information held on Uniform.

When the HT has chosen the contractor, the DFG Administrator will then raise a purchase order (PO) based on the winning quote. The PO number is to be itemised on the letter sent and the letter saved on Sharepoint.

When the DFG Administrator is satisfied that the Certificate of Approval and accompanying letter are correct they should be passed with the file to the Private Sector Housing Team Leader who will check the details and sign the Certificate and covering letter and pass the file to the DFG Administrator. The approved amounts will be recorded in the grants register and on the grant record and activity screens by the DFG Administrator who will dispatch the Certificate and letter to the applicant.

A copy of the Certificate and letter will be emailed to the relevant OT.

All documents will be saved on Sharepoint.

2.9 Site Visits

The HT should make sufficient site visits at appropriate times to inspect the progress of the eligible works. The frequency of visits, will be decided by the HT according to the extent or complexity of each scheme. Visits can also be made at the request of the applicant, OT, contractor or surveyor to assess progress, discuss/resolve any practical matters or agree unforeseen works and interim payments where necessary.

All visits should be recorded by the HT as Interim visits in the Sharepoint folder for the property. Any changes or omissions from the approved works should be drawn to the applicant's attention. Any suggested changes should be discussed beforehand and given prior approval as appropriate.

NB- It is essential that the applicant be kept fully informed of any on site matters and is advised and agrees in conjunction with the OT, to any changes/additional works.

2.10 Interim Payments (stage payments)

Interim payment (IP) will normally be approved within the following guidelines:

Grant approval - below £5,000 - one IP

Grant approval - £5,000 - £10,000 - up to two IPs

Grant approval - £10,000 - £20,000 - up to three IPs

Grant approval - £20,000+ up to 4 IPs

In any case, an appropriate amount of grant should be retained as a final payment (never less than 10% of the approved grant amount) as a control measure and an incentive to complete all works within a reasonable time period.

Requests for an Interim Payments must be accompanied by an itemised invoice from the contractor. A site visit should be made to ensure that the works for which payment is invoiced have been satisfactorily completed. The procedure for requisition of a payment is described in **5.4.** below

2.11 Revised Approvals

The HT should visit the property and assess whether any additional/unforeseen works are considered necessary in order to complete the eligible works. Consultation with the OT should be undertaken to confirm whether any additional works are essential or necessary.

The Officer should decide what additional works are essential to the completion of the grant aided works and update the file notes accordingly. If agreed, the applicant should submit a contractor's estimate for the unforeseen works and a written request for a revised grant approval. The estimate should be checked and if acceptable a revised grant approval should be issued. A note should be placed on the file describing the unforeseen works agreed to.

Where small amounts of additional work are necessary which needs to be undertaken as the job proceeds, the officer if satisfied, may give verbal approval in response to requests from the applicant or the contractor (on behalf of the applicant) to proceed with the agreed additional works subject to the subsequent submission of an estimate/s as soon as possible. An explanatory note of the agreed action should be placed on file.

A revised Certificate of Approval should be produced together with the standard covering letter the copies should be saved on retriever and passed to the Private Sector Housing Team Leader for signature.

2.12 Final Inspections

A visit should be undertaken jointly with the OT or unaccompanied as appropriate. The Officer should carry out a comprehensive inspection following completion of grant aided works and be satisfied that this has been done to a satisfactory standard. The applicant and the O.T. should also be satisfied with the work and that the completed scheme meets the needs of the applicant.

Incomplete or unacceptable work should be notified to the applicant, the OT and to the contractor or surveyor as necessary. Advice/instructions should be given and confirmed in writing if appropriate. The file notes should be updated on any outstanding or unsatisfactory items of work.

If the HT, OT and the applicant are satisfied that the works are duly completed the file cover should be endorsed and the grant record/activity screens updated. Where appropriate, checks should be made that the works have been signed off by the Building Control Officer in compliance with Building Regulations.

2.13 Final Payment

The contractor will send in their invoice/s which should detail the final/total costs of the grant aided works. The invoice should be checked against the amount of grant approved. Any discrepancies should be resolved by discussion with the applicant and the contractor. If invoices are acceptable a payment Requisition for the final payment can be raised. Invoices, or true copies should be saved on Sharepoint.

The DFG Administrator will produce the Certificate of Completion which will be signed by the Private Sector Housing Team Leader and dispatched with the standard covering letter to the contractor when authorised.

NB – interim and final payments can only be approved by officer within their approved limits.

2.14 Payment Requisitions

When the invoice has come in from the contractor the invoice must be scanned into the financial system and a copy saved in the Sharepoint folder for the property. Then when the invoice comes up in the DFG Administrator's email the payment can be made if the HT agrees that the work has been completed satisfactorily.

To do this the DFG Administrator will click on the email containing the invoice and follow the procedure for payment, send to Private Sector Housing Team Leader for authorisation and then print copy of the payment and save email in the Sharepoint folder for the property

Now print letter to contractor stating payment is on the way from accounts department and again save on Sharepoint.

The Finance Department will dispatch the cheque automatically or make a BACS transfer. Now enter payment details on CAPS and excel spreadsheet.

2.15 Recovery of Client Contributions

Where the applicant is assessed as having to make a contribution, the Council will arrange for payment of invoices to the Contractor for the full value of the works and recover the applicant's contribution by invoice to the applicant.

The invoice will be raised on approval of the Contractor's final invoice and will be subject to the Council's standard terms and conditions for payment and, if necessary, debt recovery policy.

Separation of Responsibilities

To safeguard against the possibility of any impropriety or exploitation of the grant system, it is essential that authorisation of payments be made by another Officer from the person who commenced and/or supervised the process to this stage. The Officer must be duly authorised to sanction expenditure payments in accordance with the Council's current Scheme of Authorisation.

2.16 Reconciliation of grant payments

The DFG Administrator is responsible for recording all interim and final grant payments and to ensure that a monthly reconciliation with the Council's Financial System payments recording system is made (refer to procedure below). This procedure should be maintained within the Housing Section grant payment records.

Reconciliation procedure: refer to: "Procedures for grant reconciliation – including Financial System and Excel"; procedure notes kept by the DFG Administrator.

2.17 Approval Period

The statutory approval period is 12 months from the date of formal grant approval. The officer dealing with the grant should be aware of any lack of progress to complete the works within this period. If it appears likely that completion may not be within the approval period, an advisory/warning letter should be sent within sufficient time so that the applicant is made fully aware that grant payment cannot be guaranteed after the expiry date.

In exceptional circumstances or cases where unavoidable delays have occurred, an extension to the approval period may be considered. The file notes should be updated to explain the reasons for any delay and of the decision whether or not to extend the approval time.

Checklist

<p>Integrated impact Assessment (IIA)</p> <p>Have you carried out an IIA?</p> <p>Remember it is a statutory requirement that any significant change to policy or process for service delivery needs to go through the corporate impact assessment process – speak to the Project Co-ordinator for further guidance.</p>	<p>Yes / No as doesn't meet IIA criteria</p> <p>If yes please provide details</p> <p>Date of IIA -</p> <p>Date of EIA -</p> <p>Validation Date -</p>
<p>Ratification</p> <p>Is formal ratification required?</p> <p>If a change of policy is being set out check whether formal committee ratification is required.</p> <p>If unsure discuss with your manager, and/check Part 3 of the Constitution Section 6 -Scheme of Delegation to officers, Section 2 - the terms of reference of Cabinet Housing Committee, Section 3 - Delegation to Portfolio Holders.</p> <p>Legal, Finance and Democratic Service teams are also able to advise.</p>	<p>Yes / Not required</p> <p>If yes – complete section on page one with the details</p>

References - Remember to provide footnotes to guidance/documents etc you've used in developing the policy and procedure, especially references that relate to statutory requirements?

Glossary – Is this required? Please note that it is good practice to keep jargon to a minimum and use plain English which ideally will remove the need for a glossary.

Consultation Details – Remember to keep records of any consultation processes, along with the outcomes and how the policy has been amended as a result as an audit?

If preferred use the section below to record these details.

Who	Date	Comments Made	Changes Applied

Briefing/Training - Remember to keep details of how this policy and procedure has been communicated to those who'll be required to deliver it.

If preferred use the section below to record these details.

Who	How	Date

Formal Sign Off (optional) – If required, prepare and print off a sign off the slip on the next page as a record that this policy and procedure has been read and understood by those who apply it. This may also be required should formal procedures are required.

Sign off Housing Policy and Procedure

Officer Name	
Title of Policy and Procedure	
I confirm that I have read and understand the policy and procedure.	
Officer signature	
Date	

Conditions for the payments of grants by Hampshire CC from the Better Care Fund for the purpose of funding Disabled Facilities Grants – 2018/19.

These grant conditions shall apply in respect of all funding received by Hampshire County Council as part of the Better Care Fund (BCF) allocated for the purpose of funding Disabled Facilities Grants (DFGs).

In matters of dispute, these conditions are subject to any regulations and conditions as may be set out from time to time by either HM Government or NHS England regarding the use of the BCF utilising powers as set out in the NHS Act 2006 as amended by The Care Act 2014.

These grant conditions may be subject to change where the conclusion of the Government review of DFG's require that.

Purpose of Grant

To provide funding to support the provision of DFGs awarded for the purpose of:

Enabling vulnerable individuals to stay living independently within their own home, preventing them from becoming homeless or having to move unnecessarily into a less independent institutional setting.'

With the objective of:

- Facilitating timely hospital discharge
- Reducing admissions to residential care homes
- Reduce the cost of providing domiciliary care
- Contributing to the wider prevention agenda of housing, social care, and health authorities by facilitating improvements in individuals wellbeing, and reducing hospital admissions.

Amounts payable

The amount of funding allocated to each relevant housing authority within the administrative area of Hampshire County Council shall be determined by Health and Wellbeing Board following consultation with the said housing authorities. For 2018/19 the individual amounts payable shall be the indicative amounts as set out by NHS England, and shown at Annex A.

Any proposed changes to the distribution formula shall be agreed by the Health & Wellbeing Board following consultation and agreement by all said housing authorities.

Timing and frequency of payments

The total amount payable to each individual housing authority shall be made in line with the Integration and Better Care Fund: The Disabled Facilities Capital Grant Determination 2018 – 19 [31/3337]. As such the amounts specified in Annex B of that determination shall be passed to each relevant housing authority in full by 29th June 2018, except where with the express agreement of the Lower-Tier authorities that any funds are retained for additional projects detailed in Annex D and on receipt of this signed agreement. These payments will be made in line with that determination and against the conditions set out below.

Grant Conditions

1. Grant paid to a Local Authority under this determination may be used only for the purposes that a capital receipt may be used for in accordance with regulations made under section 11 of the Local Government Act 2003 and as provided for in paragraphs 2 and 3 below.
2. Grant paid under this determination is required to be spent in accordance with a BCF spending plan jointly agreed between the local authority and the relevant Clinical Commissioning Groups. This plan has been developed in keeping with the BCF Policy Framework and Planning Guidance, National Condition 1 of which provides specific guidance on the DFG [in development as of June 2017].
3. Any money paid under this grant determination must only be used for the specific purpose of providing adaptations for disabled people who qualify under the scheme (or any other social care capital projects where otherwise agreed). Additional projects as agreed are listed in Annex D and will be added and amended as needed throughout the life of this agreement, and notified to the relevant Housing Authorities. Any amendments or additions will be undertaken through the joint agreement of the County Council and the relevant Housing Authority and in line with the previously agreed BCF Plan.

Administrative requirements

Each housing authority shall have appropriate systems in place to ensure effective financial and managerial control to enable it to provide quarterly reports to Hampshire County Council, as soon as practicable after the end of each relevant period, containing the information set out, and in the manner prescribed at Annex B.

Performance

Local Standards for the delivery of DFGs will be agreed and reviewed annually. Each housing authority shall work to ensure that the agreed performance standards are met with regard to the completion of DFGs. Performance Standards for 2018/19 are as set out at Annex C.

Partnership working

Each housing authority shall be required to work in partnership with all other stakeholders and relevant parties to the delivery of DFGs in a timely manner to the agreed standards.

Annex A

Allocation of funding to housing authorities of the funding allocated to Hampshire County Council under Section 31 of the Local Government Act 2003 for the purpose of funding Disabled Facilities Grants

Funding for the Better Care Fund 2018-19			
Local Authority	Disabilities Facilities Grant	Council	BCF contributions to District Councils for DFG
Hampshire	£11,640,732	Basingstoke and Deane	£1,276,257
		East Hampshire	£1,380,658
		Eastleigh	£1,077,919
		Fareham	£701,570
		Gosport	£737,206
		Hart	£684,526
		Havant	£1,627,927
		New Forest	£1,042,963
		Rushmoor	£982,809
		Test Valley	£1,123,443
		Winchester	£1,005,453

Annex B

Information required to be reported by housing authorities on a quarterly basis.

Data set from 1st April 2017	Definition/Comments
District	
Case No.	A unique identifier
Valid Referral Date	The date when the Authority, receive an OT referral which includes actionable recommendations.
Tenure Type	RSL, LA, Pr, OO.
Application Decision	DFG approved DFG rejected - incomplete request DFG rejected - not eligible DFG rejected - other DFG cancelled - client deceased DFG cancelled - privately funded DFG cancelled - client cancelled
Approved Application Grant Value	The total value of the grant approved
Client Contribution	The total value of any contribution from the client
Adaptation Type: Stairlift straight	
Adaptation Type: Stairlift curved	
Adaptation Type: Shower	
Adaptation Type: Through Floor Lift	
Adaptation Type: Extension	
Adaptation Type: Other	
Date Work Completed	The date when the work is completed and the customer can use the facilities. Not the date when the work is paid for.

Annex C

Performance Standards for the delivery of DFGs In Hampshire

Agreed standards for 2017/18:

The delivery by each housing authority of:

90% of all agreed requests for a DFG for the installation of a stairlift to be completed within 90 days of the date of receiving a valid referral.

90% of all agreed requests for a DFG for the installation of a level access showers to be completed within 120 days of the date of receiving a valid referral.

Annex D

Additional projects as agreed:

Opportunity	Outcome	Impact
Adaptations in Extra Care		
Environmental controls		
IOT Network infrastructure		
Deal with repairs and heating problems		
potential handyperson service		
Removal of means test for works below £5,000		
Integrate DFG function into Intermediate care/Reablement services		
Housing MOT		
Enhancement of in house nursing and residential settings		
Discretionary loans		
Potentially removing the ceiling for an individual grant award.		

FORM OF ACCEPTANCE OF GRANT

The Recipient has considered and is pleased to accept the Council's above offer of grant on the terms and conditions stated above and the [undersigned] is duly authorised and empowered to [sign] this acceptance.

SIGNED

Duly authorised on behalf of

DATE

SIGNED

Duly authorised on behalf of Hampshire County Council

DATE

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REPORT TITLE: EXPANSION OF HMO MANDATORY LICENSING

4 JULY 2018

REPORT OF PORTFOLIO HOLDER: LEADER WITH PORTFOLIO HOLDER FOR HOUSING SERVICES

Contact Officer: Kevin Reed Tel No: 01962 848 381 Email kreed@winchester.gov.uk

WARD(S): ALL

PURPOSE

The Government has passed legislation that widens the scope of mandatory licensing for Houses in Multiple Occupation (HMOs) from 1st October 2018. This is 'The Licensing of Houses in Multiple Occupation (Prescribed Description)(England) Order 2018'.

The report outlines the purpose of the expansion of HMO licensing and the benefits this will offer to the Council, occupants and neighbourhoods where HMO's are located. It also recommends an appropriate fee aimed at full cost recovery and the additional resources required to administer the additional work.

RECOMMENDATIONS:

1. That the new requirements resulting from the changes introduced by the new legislation to expand HMO mandatory licensing be noted.
2. That the HMO licence fee be set at £900 (per 5 year licence)
3. That the additional resource requirements be supported
4. That the Corporate Head of Housing, in consultation with the Corporate Head of Resources, be authorised to negotiate terms with Idox for the provision of additional licensing software to support the administration of the additional licensing, as set out in the report, and a Direction be made under Contracts Procedure Rule 2.4 a) accordingly.

IMPLICATIONS:1 COUNCIL STRATEGY OUTCOME

- 1.1 The Council Strategy recognises 'Delivering Quality Housing Options' as one of the 5 key themes within the strategy.
- 1.1 The expansion of HMO mandatory licensing will help raise standards in certain HMOs where they are occupied by a minimum of five individuals forming 2 or more households, regardless of the number of storeys and which currently are exempt. The change is the fact that from October, the number of storeys will no longer be relevant to the definition of a HMO.
- 1.2 The Council Strategy details that it will be delivered with a number of core principles in mind including 'Innovation, Improvement and Investment' and these three principles will help guide the required delivery of the expanded HMO licensing regime.

2 FINANCIAL IMPLICATIONS

- 2.1 The Housing Act 2004 allows the Council to set a fee to meet the full costs associated with the issuing of a HMO licence. Such fees should not generate a profit for the Council but should be a true reflection of the cost of the considerable work involved in the preparation and issuing of a HMO licence and the ongoing delivery and operational costs. This is in order to avoid a shortfall in the funding of the scheme and prevent a drain on other general fund service budgets or council tax.
- 2.2 The proposed cost of an HMO licence for a 5 year period is £900. The fee is comparable with other local authorities in Hampshire which range from a fee charged by Eastleigh Borough Council of £785 to Hart Council of £964; each for a five year licence.
- 2.3 As set out in the workforce implications below, implementing the new licensing cannot be absorbed within existing resources and additional staff will be required.
- 2.4 It is estimated that the scheme will generate income in the region of £400,000-£450,000 over 5 years, with additional ongoing annual costs estimated at £62,500 as well as a significant additional burden on existing staff. In addition, one off system upgrade costs are estimated at £15,000.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 The Council has a legal duty to mandatory license certain types of HMOs and failing to do so would be in breach of its statutory obligations.
- 3.2 To support the administration of the additional licensing requirements, officers are currently reviewing potential software solutions. Idox, one of the Council's existing suppliers (Planning, Environmental Health, Building Control etc) offer

a specific module to support this work, with costs estimated between £10-15,000, which would be less than half the cost of a bespoke new solution. Subject to satisfactory trials, it is recommended that a direction be made in accordance with Contract Procedure Rule 2.4 a) to negotiate with a single supplier.

- 3.3 A number of criminal offences may arise contrary to s.72 Housing Act 2004 where licenses are required and not obtained or where conditions are not adhered to. Where these offences lead to prosecution, additional legal resources may be required.

4 WORKFORCE IMPLICATIONS

- 4.1 The Council's existing Private Sector Housing (PSH) Team currently administer HMO licensing for 113 properties, and has no capacity to absorb the administration involved with what is estimated to be up to 500 additional licences over a 5 year period.
- 4.2 Mandatory licensing of HMOs came into force in 2006 and to date the council has licensed 113 HMOs. Licenses which have already been granted for existing HMOs will continue to be valid until their expiry (usually 5 years after they have been granted).
- 4.3 The Government proposes to extend the scope of mandatory HMO licensing from 1 October 2018.
- It will apply where certain HMOs are occupied by five persons or more in two or more households, regardless of the number of storeys.
 - This includes any HMO which is a building or a converted flat where such householders lack or share basic amenities such as a toilet, personal washing facilities or cooking facilities.
 - It also applies to purpose built flats where there are up to two flats in the block and one or both are occupied as an HMO.
- 4.4 The Private Sector House Condition Report 2015 estimated that Winchester had 713 HMOs, but this figure was considered to be on the conservative side. It is estimated that the number of additional HMO properties that will require to be licensed in the district will be in excess of 500.
- 4.5 As the current team will not be able to absorb the additional duties, it is proposed to recruit an additional housing officer (scale 6 estimated cost at £50,000) and an administrator (0.5 fte scale 3 at an estimated cost of £12,500), both funded directly from licence fee income.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 The expansion of HMO mandatory licensing has no impact on Council property or assets.

6 CONSULTATION AND COMMUNICATION

- 6.1 The expansion of HMO mandatory licensing is a legal requirement which the Council is obligated to undertake under its statutory duties. Discussion has taken place at the county wide Housing Advisory Group (HAG) meeting around the wider issues of the expansion of HMO mandatory licensing.
- 6.2 Officers are currently liaising with all letting agents and local landlords to ensure they are aware of the new requirements.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 The expansion of HMO mandatory licensing will impose greater management responsibilities on the designated licence holder. Such individuals also have to satisfy the council that they are a 'Fit and proper person' to hold a licence. This in turn should assist the Council in being able to address potential HMO complaints by way of licence conditions rather than through the use of various pieces of legislation. The requirement for landlords to inform the Council of licensable HMOs they operate will also assist the Council in identifying the scale of HMO numbers across the city.

8 EQUALITY IMPACT ASSESSEMENT

- 8.1 None

9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 The purchasing of HMO licensing software may necessitate the need for a Data Impact Assessment and this is to be determined as part of the options appraisal of potential systems.

10 RISK MANAGEMENT

Risk	Mitigation	Opportunities
Property N/A	N/A	N/A
Community Support Minimum risk of negative press coverage from affected landlords	Wider press promotion and increased information on the web site to inform landlords of their legal obligations to apply for a licence	Opportunity to positively enhance the Council's reputation by increasing the number of licensed HMOs
Timescales By 1 October 2018 and ongoing	Manual systems already in place	Focuses resources on current systems to enhance and improve them through acquisition of IT software.

Project capacity Scope of sufficiently skilled personnel in the wider external job market place	Ability to recruit additional and appropriately qualified staff within a finite external market place	Expansion of the PSH Team adds to and raises the profile of the wider Housing Services functions
Financial / VfM Under estimating the processing and ongoing costs involved in HMO licensing	Ensure all necessary and appropriate costs are taken into consideration to avoid the need to seek future funding from alternative budgets	Opportunity to examine and identify if stream lining of work processes is possible
Legal Additional legal resource in respect of a potential increase in enforcement / prosecution action	Out source potential additional legal work if necessary	Improved standards in licensed HMOs
Innovation Exploring IT and additional staffing opportunities	Ensure the most appropriate and best value for money HMO licensing software system is purchased / new competent and efficient staff employed	An opportunity to improve the delivery and operational capability of the PSH Team in respect of HMO licensing
Reputation Risk of having under and / or over estimated the number of HMO properties required to be licensed	Ensure details around the new requirements are adequately publicised to agents, landlords, students, tenants and the wider general public.	An opportunity to promote both HMO licensing and the wider functions of the PSH Team.
Other None	N/A	N/A

11 SUPPORTING INFORMATION:

11.1 Expansion of HMO licensing and requirement for additional staff and software funded by HMO licence fee charge.

11.2 Background

11.3 HMO licensing offers a number of positive advantages to the Council, occupants of HMOs and to the neighbourhoods where they are located. The Council currently holds limited information regarding HMOs although licensing will result in more comprehensive records and data. It will also highlight poor condition or potential areas where enforcement action may be needed.

11.4 The original HMO licence fee was set in 2006 and although there have been incremental rises since then, there is a need to seek formal approval for the

level of current fee associated with the cost of managing and operating the licensing scheme.

- 11.5 Mandatory Licensing for Houses in Multiple Occupation (HMOs) has been a legal requirement since the Housing Act 2004 came into force in 2006. Mandatory licensing currently requires only certain HMOs to be licensed. These are those that are 3 storeys or more, house 5 or more persons in 2 or more households and have shared facilities (bathrooms/kitchens) or those where facilities are not self-contained within an individual unit. Presently there are 113 licensed HMOs in the Winchester district.
- 11.6 The Government has passed legislation that widens the scope of mandatory HMO licensing from 1 October 2018. It will apply where HMOs are occupied by 5 persons or more forming 2 or more households. However this will be extended to cover all buildings not just those of 3 or more storeys. Any building or a converted flat where such householders lack or share basic amenities such as a toilet, personal washing facilities or cooking facilities will be included. The extended scheme will also apply to purpose built flats where there are up to two flats in the block and one or both are occupied as an HMO. The current fee level includes the proposed future changes in legislation.
- 11.7 It is estimated that the change in legislation will increase the number of HMOs in Winchester requiring a licence to around an additional 500 properties.
- 11.8 HMOs in the private rented sector provide valuable, low cost housing to many people such as students and those on lower incomes who due to housing affordability issues may otherwise be homeless. However, the sector is perceived to be associated with anti-social behaviour, poor living conditions and it houses some of the most vulnerable members of our society.
- 11.9 Mandatory licensing was originally introduced by Government to tackle those larger HMO properties deemed to present the highest risks. Since 2006 however the private rented sector has greatly expanded and the number of HMO properties has also increased nationally. Although the vast majority of HMOs are run in a satisfactory manner, the Government is aware of a rogue landlord element and part of their reason for expanding HMO licensing is to tackle this small group of unscrupulous landlords.
- 11.10 Section 63(3) of Part 2 of the Housing Act 2004 provides that a Local Housing Authority (LHA) may require an application for a HMO licence to be accompanied by a fee. This fee is at the discretion of the LHA but should, according to section 63(7), reflect the following:
- a) all costs incurred by the LHA in carrying out their functions under this part of the Act, and;
 - b) all costs incurred by them in carrying out their functions under Chapter 1 of Part 4 of the Housing Act 2004 in relation to HMO's (in so far as they are not recoverable under, or by virtue of, any provision of that chapter)

- 11.11 In 2006 The Local Government Association (LGA) in collaboration with the Improvement and Development Agency (IDeA), Chartered Institute of Public Finance and Accountancy (CIPFA) and the Office of the Deputy Prime Minister (ODPM) in an attempt to assist LHAs, developed a HMO licensing fees toolkit.

This stated that:

“It is important for authorities to remember that if they set licensing application fees at a level that do not cover the costs of delivering the licensing scheme the shortfall in funding the scheme will need to come from another source, such as other general fund service budgets or from council tax. This is a decision that local authority members need to take, so the financial implications of what is or is not included in the proposed fees needs to be explained to them.”

- 11.12 The Government to date has not made any Regulations under Section 63(5) of the Housing Act 2004 regarding the setting of HMO licensing fees. Local authorities must, therefore, determine their own fee structures. There is no “cap” on the maximum fee that may be charged but the fee must not exceed costs incurred by the local authority in setting up and administering the licensing scheme.
- 11.13 The charging template included as Appendix 1 devised by Winchester City Council is based on that compiled by the Government in 2006 and comprises of PSH officer average hourly on-costs aligned to each element of the application process.
- 11.14 The current fee is set at £900 for a new licence and £440 for a licence renewal. HMO licences are not transferrable and so should a property be sold the new owner has to apply for a new licence in their own right.
- 11.15 Details of proposal
- 11.16 An explanatory memorandum to The Housing and Planning Act 2016 (the Act) which included the proposal to extend mandatory HMO licensing advised: ‘.....this instrument comes into force on 1 October 2018. Before that date Local Housing Authorities (LHAs) must promote the changes this instrument makes and the extension of mandatory licensing in their respective areas. During this period, LHAs must also process applications for licences relating to those HMOs prescribed by this instrument. However, any licences issued in advance by virtue of this instrument cannot come into force before 1 October 2018. Landlords of HMOs falling within the prescribed description who fail to apply for licences by 1 October 2018 commit a criminal offence from that date’.
- 11.16 Ratification to expand HMO mandatory licensing as proposed in the Act was

only formally laid before Parliament in February 2018 under The Licensing of Houses in Multiple Occupation (Prescribed Description) (England) Order 2018.

11.17 Conclusion

11.18 With an estimated 500 or more additional HMO properties in the district that, it is anticipated, will be required to be licensed, there is an urgent need for extra staffing resource in Private Sector Housing.

11.19 In order to provide the opportunity for greater use of on-line applications and reduce the administrative burden on PSH, there is a requirement for a dedicated HMO licensing soft ware package to be purchased.

12 OTHER OPTIONS CONSIDERED AND REJECTED

12.1 None

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

None

Other Background Documents:-

The Licensing of Houses in Multiple Occupation (Prescribed Description) (England) Order 2018

Private Sector House Condition Report 2015

APPENDICES:

Appendix 1 – HMO licence fee costings template

HMO LICENSING – CALCULATION OF HMO LICENCE FEE APRIL 2018

	<u>Stages leading to the licensing of a HMO</u> (It is assumed that a degree of advice & guidance via either telephone conversations or face to face will be given to assist landlords /agents with making their application)	Average time allowance for each stage of licensing process (Decimal hours)	Average Hourly rate inclusive of on costs for PSH Team	Cost per stage of licensing process (£)
1	Telephone enquiry received from landlord/manager and advice given.	0.25	£40.00	£10.00
2	Licensing information letter/ pack and application form prepared and sent to landlord/manager with covering letter.	0.50	£40.00	£20.00
3	Completed application form received by WCC with fee. Preliminary check carried out to ensure that all necessary enclosures (e.g. gas safety certificate etc.) have been included.	0.25	£40.00	£10.00
4	Cheque paid into cash office. Receipt provided and payment processed.	0.25	£40.00	£10.00
5	Acknowledgement of application letter prepared & sent to applicant. Property file and database updated.	0.25	£40.00	£10.00
6	Detailed assessment to decide whether the application is valid and whether the HMO is suitable to be licensed. Covers checking validity of gas safety certificates/plan etc and whether sufficient detail has been provided within the application. Database updated	0.50	£40.00	£20.00
7	“Fit and proper” determination completed. Check application details/property file to ascertain whether sufficient information provided to establish whether the applicant is a fit and proper person.	0.50	£40.00	£20.00
8	Applicant is a fit and proper person and the HMO is suitable. HMO verification inspection appointment letter prepared and sent.	0.50	£40.00	£20.00
9	HMO verification inspection carried out			

		2.50	£40.00	£100.00
10	Draft proposed licence (and specific conditions) compiled	2.00	£40.00	£80.00
11	HA '04 Intention to grant licence Notice(s) prepared for all interested party(ies)	2.00	£40.00	£80.00
12	Individual "intention to grant" licence letters for all interested parties prepared.	2.00	£40.00	£80.00
13	Proposed draft licence/Notices/ fire schedule/plan and letters sent to interested party(ies).	0.25	£40.00	£10.00
14	Consideration given to any "representation" received from interested party(ies) regarding terms and conditions of proposed draft licence.	1.00	£40.00	£40.00
15	Full HMO licence compiled (with specific conditions)	0.50	£40.00	£20.00
16	HA '04 Granting licence Notice(s) prepared for interested party(ies) and letters (Granting/Pub.reg.)	2.00	£40.00	£80.00
17	HMO licence Public Register compiled	0.75	£40.00	£30.00
18	HMO licence certificate(s)/Notice(s)/Fire schedule/plan/public register and accompanying covering letter(s) sent to interested part(ies)	0.25	£40.00	£10.00
19	Database updated	0.25	£40.00	£10.00
20	Ongoing general cost for scheme management over 5 year term of licence inclusive of consultation with Hants Fire and Rescue Service	6.0	£40.00	£240.00

Basic cost of licence	£900.00
10% Discount for Membership of a National Landlords Association or property already being Accredited with Council	£810.00

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REPORT TITLE: ASSET MANAGEMENT STRATEGY

4 JULY 2018

REPORT OF PORTFOLIO HOLDER: LEADER WITH PORTFOLIO FOR HOUSING SERVICES

Contact Officer: Richard Botham Tel No: 01962 848 421 Email
rbotham@winchester.gov.uk

WARD(S): ALL

PURPOSE

To update Members on the progress being made against the Asset Management Strategy Action Plan presented at Cabinet (Housing) Committee on 23 November 2016 and for members to approve the future priorities for the strategy.

RECOMMENDATIONS:

1. That members note the progress made against priorities outlined and agree the future priorities set out in Appendix 2.
2. That the existing property value thresholds included in the Property Disposal policy be amended and approved as set out in this report.
3. That the Corporate Head of Housing be given delegated authority, in consultation with the Corporate Head of Resources and the Leader with the Portfolio Holder for Housing to review the scope of the Southampton City Council 'ECO and Green Deal Delivery Scheme' Framework and, if eligibility and compliance criteria met in accordance with Contracts Procedure Rules, to sign up to the framework to support work to improve the energy efficiency of non traditional housing stock.
4. That the Wise Move incentive payment scheme be increased to £2,500 per household for each move for a trial period of 12 months.

IMPLICATIONS:1 COUNCIL STRATEGY OUTCOME

- 1.1 That the Council delivers quality housing options by delivering good housing stock condition and energy performance for Council-owned dwellings that meet the decent homes standard; plus being able to respond to the need to provide more affordable housing in the district.

2 FINANCIAL IMPLICATIONS

- 2.1 The current investment plan is already in place to ensure the key priorities of the strategy are delivered.
- 2.2 The HRA Budget and Business Plan continue to prioritise repairs to ensure we meet decent homes standards. Due to efficiencies; the current HRA Business Plan no longer predicts shortfalls in funding over next 5 years. See HRA Outturn Report (CAB3036(HSG)) for further details.
- 2.3 The high value void levy initially proposed by the Government in 2016 is now widely expected to not be introduced at all; therefore no further allowance has been made in the HRA Business Plan. February Cabinet (Housing) Committee agreed to allow the release of the funds amassed to meet the requirements of this levy. Some of the funds have been used in 2017/18 to help support the new build programme. It is accepted that this may represent a future risk should the policy be revitalised and is identified in the risk assessment.
- 2.4 Provision for funding the costs of establishing a housing company are included in the HRA budget detailed in CAB3036(HSG). This report also takes account of the capital and revenue implications of the transfer of Council garages from the HRA to the General Fund.
- 2.5 The above report also highlights the need to commit £1.561m of a current balance of £5.716m of retained Right to Buy receipts in 2018/19 to avoid the need to repay uncommitted funds to the Government. The policy to purchase properties from the open market to be let as Council stock as set out in this Strategy is a reasonable use of those receipts and whilst this report recommends revisions to the policy for disposals, no change is recommended to the acquisition policy.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 As part of the strategy a review of the procurement approach for planned maintenance is being conducted. Housing Quality Network (HQN) have been commissioned to carry out this review. Recommendations will inform actions in the Property Services Service Plan 2019/2020 with strategic elements featuring in the Asset Management Strategy.

- 3.2 All other works commissioned are procured in accordance with the Contract Procedure rules.
- 3.3 Trowers and Hamlin have been commissioned to update their advice on matters for consideration as part of the Housing Company project.
- 3.4 Independent valuations have been sought for the transfer of garages from the HRA to the General Fund.

4 WORKFORCE IMPLICATIONS

- 4.1 Discussions have taken place to increase capacity of the New Homes Team to respond to the increased new build targets and take forward the review of all land assets to further develop list of potential high value plots. These tasks will have implications for other council teams.
- 4.2 The programme of transferring garages from the HRA to the General Fund will impact on the Estates Team who will be required to procure valuation services to enable the transfer of garages by March 2019.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 The Strategy seeks to make best use of housing assets. Asset disposal or change of use will be considered by the Housing Asset Management Group in accordance with policy set out in CAB (HSG) 2791 – 22 March 2016. This report seeks to update the thresholds presented in that report.
- 5.2 Winchester City Council's Development Strategy sets out some detail around the criteria used to determine whether to purchase former Council houses. In summary this sets out that consideration will be given to buying the property back when this enables access to wider development opportunities or support adjacent site development. Buying back properties in development terms (without this added value) is generally unviable and expensive.

6 CONSULTATION AND COMMUNICATION

- 6.1 Key priorities of the Asset Management Strategy are informed by the Housing Strategy aims and objectives which were determined through comprehensive stakeholder consultation. Tenant priorities are further tested through the bi-annual Tenants Satisfaction Survey.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 The purpose of the Asset Management Strategy is to ensure we make effective use of all our assets including land and buildings.
- 7.2 WCC Housing Services approach to energy and renewables has been considered in conjunction with members and is set out in the Energy Strategy, a supporting document to the Asset Management Strategy. It explains that while being committed to achieving average energy ratings of D and

addressing those with ratings of E or below, resources will not be used to improve beyond the national average unless there are changes in the funding regime.

7.3 The Asset Management Strategy links in with the new build programme and the Empty Property Strategy. Planning policy sets the standards for new build.

7.4 Recycling and encouraging sustainable consumption are covered by housing service teams such as Estates.

8 EQUALITY IMPACT ASSESSEMENT

8.1 Impact assessment screening was completed as part of the development of the Strategy and is still relevant.

9 DATA PROTECTION IMPACT ASSESSMENT

9.1 None required

10 RISK MANAGEMENT

10.1

Risk	Mitigation	Opportunities
<i>Property</i> <i>Dwellings not meeting decent homes standard. Dwellings or communal areas not being effectively utilised.</i>	Full stock survey. Investment plans focused on core Decent Homes requirements. Individual asset assessment process in place.	Looking to utilise opportunities to progress future work earlier to achieve decency ahead of deadline.
<i>Community Support</i> <i>Insufficient assets to support obligation to address housing need.</i>	Increased development programme, conversion programme and considering other vehicles such as Housing Company	Housing Management Service Plan action to investigate commissioning support to improve tenancy sustainability
<i>Timescales</i> <i>Garage valuations not received in time to transfer by March 2019</i>	Sufficient notice given to Estates to enable valuations to returned by target time.	
<i>Project capacity</i> <i>Securing the manpower required to meet increased</i>	Corporate commitment to meet strategic aims.	

<i>targets for new homes.</i>		
<i>Financial / VfM</i>		
<i>Insufficient HRA resources to support strategic aims</i>	Long term business plan reflects programme and is sustainable.	Funding works through other vehicles such as a Housing Company or Joint Ventures.
<i>Best value not achieved when assets sold</i>	Only offer assets on the open market if there is a good business case to do so. Determine whether most cost effective approach is to offer with or without planning permission on basis of resources required to achieve planning permission in advance against an estimation of the increased sale price.	Releases resources to support delivery of Housing Strategy objectives.
<i>High value void levy reinvigorated</i>	Risk of impact in the short term considered to be very low and decision not to retain reserves to mitigate the risks was approved by Council in February 2018.	
<i>Legal HQN Procurement recommendations at odds with corporate policy and approach</i>	Specialist advice sought and used as a basis to agree a compliant approach.	
<i>Innovation</i>		New build techniques investigated.
<i>Reputation</i>		
<i>Projects delivery – quality and delays</i>	Follow corporate project management process. Commitment from all Council teams to support project programme. including consultations	

11 SUPPORTING INFORMATION:

- 11.1 Prior to the development of the Housing Asset Management Strategy, the City Council's HRA business plan was not sustainable in the long term and faced significant capital shortfalls within 5 years. A key aim of the Strategy has been to assess options for balancing the capital programme, to review all discretionary spend and to ensure programmes continue to take account of tenants views and to comply with the Decent Homes standard.
- 11.2 In developing the Strategy, members and tenants were consulted regarding those options as set out in paragraph 6. Changes to programmes were implemented following those consultations which saw a reduction in spend on discretionary works and loft conversion programmes, reduced spend on fencing and changes to the profile of other capital investment. As a result, the HRA Business Plan is now sustainable and in balance over the full 30 years of the Plan.
- 11.3 The remit of the strategy was to ensure that the Council made best use of its housing assets in meeting housing need and the emerging challenges included in the Housing and Planning Act and other Government initiatives. While property maintenance was a core part of the strategy; members were also keen to focus on how we use assets to generate receipts and assist the wider development strategy.
- 11.4 Appendix 1 sets out the progress made against the Action Plan. Key elements are:
- a) Asset Management Group – a group was established with representatives from all housing teams who meet quarterly and work to achieve the objectives of the Asset Management Strategy by
 - (i) Monitoring the progress against the Action Plan targets
 - (ii) Reviewing the Asset Group lists in conjunction with the Disposal and Land List.
 - (iii) Determining the triggers which allocate assets into the option groups for disposal, to retain & reinvest, for change of use
 - (iv) Determining the level of stakeholder consultation appropriate for each asset evaluation
 - b) The high value void levy - this Government initiative has not been progressed. Receipts from non right to buy council house disposals were being retained pending clarification from Government. Cabinet (Housing) Committee approved the release of these funds towards the new build programme as part of the budget approval process in February 2018.

The thresholds for disposal of dwellings set in the CAB2791(HSG) need updating as the valuations received means standard family accommodation falls within the disposal banding. It's proposed that the disposal value thresholds for each property type be deleted and that properties only be considered for disposal in exceptional cases, including:

- (i) Properties with a value in excess of £500,000 (with this threshold being reviewed at least annually)
- (ii) Properties assessed as not fit for purpose of social housing

Disposal will continue to be the exception rather than the rule with each case being considered on its merits by this Committee.

No change is recommended to the policy for acquisitions. Whilst no proposals have been considered as part of this policy to date, the purchase of ex-council properties is a potentially positive and reasonable use of retained right to buy receipts which the Council has to commit within three years of receipt or otherwise pay back to Government.

- c) Procurement – Housing Quality Network (HQN) have been commissioned to complete a review of housing maintenance procurement to develop a clear procurement strategy for housing maintenance, improvement and development.
- d) Energy efficiency ratings – very few properties (30) were identified as being rated 'E and below' (13 of which had previously refused energy improvement works). All but £44k of work required to achieve 'D' ratings for these homes is already included in the next 5-yr maintenance budget forecast.

Within those rated E and below are some of the Council's 'Swedish' timber framed housing. With a view to improving the energy performance of all 26 'Swedish' dwellings in the stock, grant funding opportunities for external wall insulation are being explored. The 'ECO and Green Deal Delivery Scheme' Framework administered by Southampton City Council could provide access to pre-tendered and competitive proposals for completing these works and it is recommended that the Corporate Head of Housing be given delegated authority, in consultation with the Corporate Head of Resources and the Leader with the Portfolio Holder for Housing to review the scope of the framework and, if eligibility and compliance criteria met, as Contracts Procedure Rules, to sign up to the framework to support this work.

- e) Sheltered – completion of a programme of conversions and common room upgrades.

- f) Garages – completed review of development potential of all garage sites. Most sites found to be unsuitable for development, those sites which are appropriate for further investigation, including garages at Winnall Flats will be included within New Homes development programme.
- g) Data & systems – completion of actions to ensure asset management databases are accurate and up to date. Application of the sustainability module making it possible to identify poorer performing properties by drawing on stock condition data, maintenance costs and rental income. Assessments are also presented alongside energy performance and valuation data. No poor performing properties identified.

11.5 The Action Plan has been updated by the Asset Management Group in consideration of the Council's strategic priorities; future priorities for action are set out in Appendix 2 and include :

- a) Housing Company – Determining the most appropriate framework/model for establishing a housing company (or similar vehicle) to support the delivery of sub market rented housing.
- b) Sheltered Review – a site by site review of sheltered housing to modernise services and address the tenant scrutiny findings
- c) Temporary Accommodation – effective use of assets to met demand and impact from Homeless Reduction Act. Remodelling Sussex Street and developing a Housing First model.
- d) Energy Efficiency – investigate the benefits of the proposal from WinACC through the Low Carbon Board to adopt the Energy Savings trust – asset management software to model energy efficiency of stock. Conclude investigations into how best to tackle properties with E rating and below.
- e) Garage Review – review of garage usage and charging.
- f) Roofs - last year saw the start of the major re-roofing programmes and these are now due to continue for the foreseeable future. Although the current programmes are primarily structured around the condition of the main roof covering and the other associated elements (fascias; soffits; guttering etc.), other approaches are also being investigated in a bid to reduce the impact on local communities (especially those with very limited parking/poor access) and to offer more structure/notice to tenants and private owners - whilst at all times maintaining 100% decency.
- g) Review of all land assets to -
 - (i) develop a list of potential high value plots and market where appropriate

- (ii) identify land dotted around the district which has development potential
- h) Procurement – apply HQN Report recommendations to inform actions in the Property Services Service Plan 2019/2020 with strategic elements featuring in the Asset Management Strategy.
- i) “Wisemove” Downsizing Scheme – The incentive scheme and campaign has been successful at encouraging downsizing and freeing up family homes, with over 70 tenants taking advantage of the scheme. However, take up in recent months has slowed up significantly. An increased incentive has been trialled at the Victoria Court new development and it is proposed to extend this to all existing stock to test the impact as part of a wider review of the scheme. It is proposed to:
 - (i) For a period of 12 months trial an increase in the incentive paid through the Wise Move scheme to qualifying tenants who move to another social landlord property with fewer homes from £1,000 to £2,500
 - (ii) Undertake a consultation exercise with tenants to review the effectiveness of the current Wise Move scheme.

11.6 Approval is sought for:

- a) Use of Southampton City Council ‘ECO and Green Deal Delivery Scheme’ Framework (as set out in 11.2d)
- b) Updating the Disposal Threshold (as set out in 11.2b)
- c) Wise Move scheme incentive payment to be increased from £1,000 to £2,500 for a period of 12 months. (as set out in 11.2i)

12 OTHER OPTIONS CONSIDERED AND REJECTED

12.1 None

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

CAB2866(HSG) – Housing Asset Management Strategy – 23 November 2016

CAB2791 (HSG) – Developing a Housing Asset Management Strategy – 22 March 2016

CAB2988 (HSG) - Sheltered Housing – Tenant Scrutiny Review – 22 November 2017

Garage report – included in the Housing Revenue Account Budget 2018/19 report
CAB3016(HSG) – 31 January 2018.

CAB2990 (HSG) – Establishing a Housing Company

Other Background Documents:-

CAB3016(HSG) HRA 2018/19 Budget and Business Plan, 31 January 2018.

CAB3054(HSG) - Future of Homelessness Services and Support In Winchester

APPENDICES:

Appendix 1 - Asset Management Strategy - Appendix 1 –progress update

Appendix 2 - Asset Management Strategy – Action Plan 2018 - 2019

Asset Management Strategy – Action Plan – Progress
CAB2866(HSG) 23 November 2016 – Appendix 1

Issue – Stock Condition

Action	Task	Target Date	Status
Maintain decent homes.	Bring all “non-decent” stock back in line with Decent Homes standard –	March 2017	Completed Ongoing annual target. Work programmes are in place to maintain standard
	Deliver annual Repairs Programme in line with key priorities and maintaining 0% “non decency”.	Annually	On target Annual performance target on the Outturn report. Looking to utilise opportunities to progress future work earlier to achieve decency ahead of deadline.
Ensure asset management databases are accurate and up to date.	Update stock condition information in detail taking account of all repairs completed and additional surveys.	Ongoing	Completed Monthly process, forms part of business as usual activities.
	Implement a 5 year cycle of external surveys of all assets to review, validate or update stock condition data for each property	April 2017	Completed Annual process, forms part of business as usual activities
	Rationalise property data held on the Orchard and Keystone systems. [And implement an Orchard/Keystone Property Interface to semi-automate and maintain this position].	July 2017	Completed - overarching stock match and review of definitions. Finer detail matching in progress. Monthly meetings to complete next stage of reconciliation. Target date for reconciliation of finer detail September 2018
Achieve value for money for procured services	To complete a review of all Housing maintenance procurement and to develop a clear procurement strategy for Housing maintenance, improvement and development	Oct 2017	HQN commissioned to undertake independent and objective review of Property Services procurement practices. Report expected June 2018 Recommendations will inform Property Services Service Plan and Asset Management Strategy Actions

Issue – Managing HRA Assets

Action	Task	Target Date	Status
Tackling stock with lower than average energy rating	Agree approach based on independent energy surveys to highlight the options for improving energy efficiency and cost against the potential gain in energy rating.	July 2017	<p>Detailed property investigations have been completed. Results below</p> <ul style="list-style-type: none"> • 30 properties identified as 'E and below' plus 8 where the tenants refused access for EPC. • 13 of 30 tenants have refused energy related works. • All but £44k of work required to achieve 'D' ratings are already included in next 5-yr maintenance budget forecast. • Within the 38 are 15 'Swedish' style non-traditional build structure's (those with EPCs recommend improving External Wall Insulation / room in roof insulation to achieve D+). <p>Currently looking at options</p> <ul style="list-style-type: none"> • Leave works to be completed as part of planned programme • Grant opportunities – whether WCC meet criteria for grant funding to contribute to costs of External Wall Insulation
Option appraisal process	Quarterly Housing Asset Management Group meeting to review the Asset Group lists in conjunction with the Disposal and Land List.	Quarterly	Completed Quarterly process, forms part of business as usual activities. Outcomes recorded in meeting notes.
	Determine the triggers which allocate assets into the option groups for disposal, to retain & reinvest, for change of use, etc –	April 2017	Completed Quarterly process, forms part of business as usual activities. Outcomes recorded in meeting notes. Guidance Notes will be developed when required
	Determine the level of stakeholder consultation appropriate for each asset evaluation.	Ongoing	Completed Quarterly process, forms part of business as usual activities. Outcomes recorded in meeting notes.
Ensuring the sheltered offer is fit for	Improve communal areas at Hyde Lodge and Godson House, Winchester and Greens Close, Bishops Waltham	March 2017	Complete

purpose to meet the needs and aspirations of an ageing population	Improve communal areas at Makins Court, New Alresford and Mildmay Court, Winchester	March 2018	Mildmay complete. Makins target date April 2018. Makins delayed due to procurement review. Revised target date of July 2018.
	Review the suitability of the following schemes for long term sheltered housing: Eastacre, Lawn House and King Harold Ct, Winchester, Whitewings, Denmead	Dec 2017	Future of all schemes will form part of a Review of Sheltered in Housing Mgt Service Plan
	Subject to a review of future use, to upgrade communal facilities at Eastacre, King Harold Court	March 2019	as above
	Subject to Planning and consultation, to convert communal facilities at following schemes to dwellings: Colson Close, Winchester, Spring Hse Close, Colden Common and Harwood Place, Kingsworthy The Valley and Drummond Close, Stanmore, Penton Place, Highcliffe and Chiltern Ct, New Alresford Symonds Court and Chester Ct, Winchester	July 2017 March 2018 March 2019	2017 Programme Completed <ul style="list-style-type: none"> • Spring House Close • Colson Close • Harwood place • The Valley, Common Room 2018/19 programme <ul style="list-style-type: none"> • Drummond –Completed April 2018. • Chiltern Crt – consultation completed, survey requested • Chester – consultation completed, survey requested • Symonds Close – consultation completed, survey requested • Penton Place – dependant on securing an alternative location for Basics Bank

Issue – Disposal

Action	Task	Target Date	Status
Maintain and manage the Disposal List	Review Disposal Policy in light of future Government announcements re “Higher Value Voids”	March 2018	No further action at this stage This policy, initially proposed by the Government in 2016, has been postponed for 2018/19 and is now widely expected to not be introduced at all. Cabinet (HSG) Committee approval given (31.01.18) to Council to allow the release of funds amassed in readiness to meet the levy to help support the new build programme where necessary.

Market Prospect House and 75 Middle Brook St, Winchester for sale (<i>approved at cttee 24.01.16</i>)	March 2017	Completed – Middle Brook St – sold. Prospect Hse sold subject to contract.
Sell those properties meeting the higher value threshold when they become void	Ongoing	Policy updated Asset Management Group 23.08.17 - policy agreed only sell if good business case to do so on the basis of no further Government guidance received.
Review asset values of rural family homes and all properties valued near to existing thresholds	July 2017	No further work until clearer govt. guidance on the potential sale of high value properties is received.
Obtain outline planning permission, subject to survey on Hambledon sites (x2) and central Winchester sites (x2)	March 2017	Hambledon – on hold while complications around flooding resolved. Water Lane/Beggars Lane - sold subject to contract.
Subject to above, to market land for disposal	May 2017	see above
Ongoing Review of all land assets to further develop list of potential high value plots.	Oct 2017	Process forms part of business as usual activities. Action will be progressed once securing additional team resources finalised.
Undertake feasibility study/impact assessment of potential to dispose of garages on existing use basis	Oct 2017	Complete Details set out in Committee Report 22.11.17
Determine long term use of ex-scheme manager accommodation/Central Control offices at Hyde Lodge	Dec 2017	Pended following outcome of Sheltered review and Chesil Lodge becoming operational. New target date to be set by the ASM Group
Review/re-invigorate Wisemove Incentive scheme to encourage tenants to move out of higher value properties	Oct 2017	Review & produce report for Cabinet decision by March 19

Issue – Development

Action	Task	Target Date	Status
Maintain a Register of Sites with	Clarify the approach to identifying land dotted around the district which has development potential.	July 2017	Process forms part of .business as usual activities. Action will be progressed once securing additional team resources finalised.

Development potential	Complete review of development potential of all garage sites	March 2018	Complete. No new sites identified. Review of general use policy in Housing Service Plan
Review Regeneration Opportunities	To review the long term future use/development feasibility of low density housing schemes including Eastacre and King Harold Ct, Winchester and Whitewings, Denmead	March 2018	Eastacre – work to inform the options appraisal commenced. King Harold Court - no further action. White wings – scheduled for discussion post sheltered review.
	To review the regeneration potential of non traditional housing schemes, where housing density is low.	March 2019	Carried over to 2018-2019 Action Plan

Issue – Estate Improvement

Action	Task	Target Date	Status
Deliver programme of Estate Improvements	Review impact of programme to date and update nomination process	Oct 2017	Delayed due to Estate Improvement Officer post vacancy. Will be progressed once new post holder in place
	Review potential of Joint funded schemes to address wider neighbourhoods (Town Forum/other partners)	Oct 2017	No schemes proposed until recently. Target date to complete review – tbd by ASM Group

Issue – Consultation

Action	Task	Target Date	Status
Taking Account of Tenant Opinion	Test opinion of key priorities through STAR survey	Bi-Annually	Complete Biennial process forms part of .business as usual activities.
	Further test tenant aspirations through targeted focus groups/tenant scrutiny	March 2018	Complete New homes Team collecting views through focus groups (summer 2017) with younger households and surveys of new tenants a business as usual activity and used to inform Housing Strategy.

Issue – Supported Housing

Action	Task	Target Date	Status
Ensure Appropriate amount of temporary accommodation	Determine future occupation of Council property by supported housing projects	Oct 2017	In progress Current discussions with Two Saints to introduce a Housing First model of provision in Autumn 18. Financial models to be agreed.
	Review demand in light of first year occupancy of Milford House and rationalise use of existing temporary accommodation.	March 2018	Completed Asset Management Group notes 23.08.17 – Records that profile has changed and unit will be used to address new Homeless Reduction Act agenda

Asset Management Strategy – Action Plan 2018 - 2019**Issue – Stock Condition**

Action	Task	Target Date	Progress (Commentary to be added quarterly)
Maintain decent homes.	Bring all “non-decent” stock back in line with Decent Homes standard –	Annually	
	Deliver annual Repairs Programme in line with key priorities and maintaining 0% “non decency”.	Annually	
Ensure asset management databases are accurate and up to date.	Rationalise property data held on the Orchard and Keystone systems. [And implement an Orchard/Keystone Property Interface to semi-automate and maintain this position].	Sept 2018	
Achieve value for money for procured services	To complete a review of all Housing maintenance procurement and to develop a clear procurement strategy for Housing maintenance, improvement and development	Oct 2018	

Issue – Managing HRA Assets

Action	Task	Target Date	Progress (Commentary to be added quarterly)
Tackling stock with lower than average energy rating	Agree approach based on independent energy surveys to highlight the options for improving energy efficiency and cost against the potential gain in energy rating.	Dec 2018	

Maintain and manage the Disposal List	Determine long term use of ex-scheme manager accommodation/Central Control offices at Hyde Lodge	March 2019	
Garages	Ensure those with development potential not transferred to General Fund	Quarterly	
	Carry out review of garage use	Sept 2018	
Downsizing Scheme	Review the current downsizing incentive scheme with a view to increasing the number of moves freeing up larger properties.	March 2019	
Option appraisal process	<p>Quarterly Housing Asset Management Group meeting to review</p> <ul style="list-style-type: none"> the Asset Group lists in conjunction with the Disposal and Land List. Determine the triggers which allocate assets into the option groups for disposal, to retain & reinvest, for change of use Determine the level of stakeholder consultation appropriate for each asset evaluation 	Quarterly	Outcomes recorded in meeting notes.
Ensuring the sheltered offer is fit for purpose to meet the needs and aspirations of an ageing population	In response to Sheltered Scrutiny – carry out a review Sheltered Housing on a site by site basis. Report recommendations to committee	March 2019	
	<i>Depending on outcome of the above</i> Improve communal areas at Makins Court, New Alresford and King Harold Court, Winchester	March 2019	
	<i>Depending on the outcome of the above</i> Subject to Planning and consultation, to convert communal facilities at following schemes to dwellings: Penton Place, Highcliffe and Chiltern Ct, New Alresford, Symonds Court and Chester Ct, Winchester	March 2019	

Issue – Development

Action	Task	Target Date	Progress (Commentary to be added quarterly)
Maintain a Register of Sites with Development potential	Clarify the approach to identifying land dotted around the district which has development potential.	March 2019	
Review Regeneration Opportunities	To review the long term future use/development feasibility of low density housing schemes	March 2019	
	To review the regeneration potential of non traditional housing schemes, where housing density is low.	March 2019	

Issue – Estate Improvement

Action	Task	Target Date	Progress (Commentary to be added quarterly)
Deliver programme of Estate Improvements	Review impact of programme to date and update nomination process.	March 2019	

Issue – Supported Housing

Action	Task	Target Date	Progress (Commentary to be added quarterly)
Ensure Appropriate amount of	Determine future occupation of Council property by supported housing projects	March 2019	

temporary accommodation	Review Temporary Accommodation provision in light of <ul style="list-style-type: none">• demand• impact of the Homeless' Reduction Act 2018	March 2019	
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REPORT TITLE: HOUSING REVENUE ACCOUNT AND HOUSING CAPITAL
PROGRAMME OUTTURN 2017/18

4 JULY 2018

REPORT OF PORTFOLIO HOLDER: LEADER WITH PORTFOLIO FOR HOUSING
SERVICES

Contact Officer: Bob Gath Tel No: 01962 848136 Email
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WARD(S): ALL

PURPOSE

This report provides an update to members on the financial performance of the Housing Revenue Account (HRA) in 2017/18 and the associated Housing capital programme. It also requests approval for revised budget forecasts to the 2018/19 HRA budget and capital programme to reflect updated costs and take account of emerging issues.

RECOMMENDATIONS:

That Cabinet (Housing) Committee:

1. Approves the HRA Outturn figures for 2017/18 as detailed in Appendices 1 and 2;
2. Notes the carry forward items from 2017/18 and approves the Re-forecast HRA Budget for 2018/19 as detailed in Paragraph 11.2 and Appendix 3;
3. Approves the provision of up to £100,000 for costs related to the rollout of Universal Credit in the Winchester area with delegated authority to the Corporate Head of Housing to spend as required;
4. Notes the Housing capital programme outturn for major works and new build developments as detailed in Paragraphs 11.5 to 11.6 and Appendices 4 & 5;

5. Approves the funding of the HRA capital programme as detailed in Paragraph 11.8 and Appendix 6;
6. Supports the re-forecast capital programme budget of £17,606,400 for 2018/19 in Paragraphs 11.9 to 11.12 of the report and detailed in Appendix 7;
7. Approves the additional expenditure required to complete the Mitford Road development as detailed in Paragraph 11.12.d);
8. Approves the proposal detailed in paragraph 11.12.m) to buy back former Right to Buy properties in line with the Asset Management policy to ensure the full use of 1-4-1 Right to Buy receipts in 2018/19.
9. That the Corporate Head of Housing, in consultation with the Corporate Head of Resources, be authorised to negotiate terms with Galliford Try's mechanical and electrical equipment advisor and installer at Chesil Lodge for the provision of the first year's support for specialist systems as detailed in Paragraph 11.2.iv) in the report, and a Direction be made under Contracts Procedure Rule 2.4 a) accordingly.

IMPLICATIONS:1 COUNCIL STRATEGY OUTCOME

- 1.1 Providing good quality housing and new affordable homes is a strategic priority for the Council and effective resource management is key to achieving this objective. Regular updates to our financial forecasts and HRA Business Plan allows for the continuing success of our repairs service and the ability to take new build opportunities as they arise.

2 FINANCIAL IMPLICATIONS

- 2.1 Full details are included in Section 11 but, briefly, the Council achieved a small net surplus of £117,705 on the HRA for 2017/18 after allowing for the use of £4.969m for capital purposes and the repayment of internal borrowing of £1.029m. It is proposed to carry forward to 2018/19 £179,000 of under spends or savings against specific budgets to support emerging issues or delayed projects. Further adjustments to the forecast budget detailed in Section 11 will result in an overall increase to the budget of £378,593, increasing the projected deficit for the current year to £626,894.
- 2.2 In the Housing capital programme, total spend in the 2017/18 year was £19.023m against a budget forecast in July 2017 of £24.694m (77% spent to budget) giving a variance of £5,671,202 in the year. This compares with an 82.8% spend against the final budget forecast from January 2018 of £22.969m. A re-forecast budget of £17,606,400m for 2018/19 is presented for approval for existing projects and new initiatives.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 The Council is required to maintain a separate Housing Revenue Account with a positive working balance and with a housing revenue borrowing limit (the debt cap). Effective management of the HRA is necessary to ensure that both of these statutory requirements are met.
- 3.2 HRA capital projects with costs in excess of £100,000 will be subject to a financial appraisal in line with Financial Procedure Rules. Similarly, new build projects that are to be submitted for planning permission and tender will be reported to the Committee for approval.

4 WORKFORCE IMPLICATIONS

- 4.1 The HRA 2018/19 Budget and Business Plan report (CAB3016(HSG) refers) made reference to additional staff resources that would be needed to support the rollout of Universal Credit and higher new build programme targets. This report does not anticipate any further changes to those resource requests.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 In order to meet one of the key principles of the Council's strategy, the HRA is required to provide sufficient financial resources to both maintain the Council's existing housing stock to decent homes standard and to enable new affordable housing to be built to help meet local demands.

6 CONSULTATION AND COMMUNICATION

- 6.1 A briefing paper on the key points of this report will have been considered by TACT at their meeting on 12 June 2018. Tenant representatives will be in attendance to give feedback to Cabinet (Housing) Committee.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 The Housing Service considers environmental and ecological factors when developing new build properties and preparing major works plans including estate improvements, working closely with planning officers and the Council's Landscape Team where appropriate. Additional costs for meeting these responsibilities are included in project appraisals and scheme budgets.

8 EQUALITY IMPACT ASSESSMENT

- 8.1 There are no equality issues arising from this report.

9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 None Required.

10 RISK MANAGEMENT

Risk	Mitigation	Opportunities
<i>Property That Council owned dwellings fail to meet decent home standards</i>	An effective programme of future works and sound financial planning ensures that these standards are met and then maintained.	
<i>Community Support Lack of consultation will affect tenant satisfaction and cause objections to planning applications for new build developments.</i>	Regular communication and consultation is maintained with tenants and leaseholders on a variety of housing issues. The Council consults with local residents and stakeholders on proposed new build schemes.	Positive consultation brings forward alternative options that may otherwise not have been considered.

<p><i>Timescales</i> <i>Delays to new build contracts may result in increased costs and lost revenue.</i></p> <p><i>Delays to major works may result in the loss of decent home status for individual properties.</i></p>	<p>New build contracts contain clauses to allow the Council to recover damages if the project is delayed due to contractor actions.</p> <p>Continual updating of asset management plans and major works budgets allows potential issues to be addressed quickly.</p>	
<p><i>Project capacity</i> <i>The HRA debt cap and rules around the use of Right to Buy receipts may limit the ability of the Council to implement proposed new build and major works schemes.</i></p> <p><i>Staffing resources (not always in Housing) reduce the ability to push forward new schemes at the required pace.</i></p>	<p>Regular monitoring of budgets and business plans, together with the use of financial assessment tools enables the Council to manage resources effectively.</p> <p>Staffing resources have been reviewed to support the delivery of the enhanced new build programme.</p>	<p>The Council is monitoring Government announcements on the HRA debt cap to enable an increase in financial resources available.</p>
<p><i>Financial / VfM</i> <i>Risks, mitigation and opportunities are discussed elsewhere in this report.</i></p>		
<p><i>Legal</i> <i>Changing Government priorities and a greater emphasis on social housing (as opposed to affordable housing) may have a direct impact on future new build projects.</i></p>	<p>Government policy changes are being monitored to identify any new risks or opportunities that they may bring.</p>	
<p><i>Innovation</i> <i>The creation of a Housing Company to support the new build programme is introduced without reference to existing rules and consents.</i></p>	<p>External legal and business planning advice has been sought to ensure the Council has the most appropriate and effective solution.</p>	<p>A Housing Company has the potential to increase the available supply of affordable housing to support our residents.</p>
<p><i>Reputation</i> <i>Failure to complete major housing projects due to</i></p>	<p>Business planning tools with regular updates are</p>	

<i>lack of resources would have a direct impact on both customer satisfaction and the Council's reputation.</i>	utilised to make sure resources are available to complete projects.	
<i>Other - None</i>		

11 SUPPORTING INFORMATION:

HRA Outturn 2017/18

- 11.1 Details of the financial performance for the HRA is shown in Appendices 1 and 2 with the re-forecast budget for 2018/19 in Appendix 3. Overall, the HRA produced a surplus of £117,705 in the year against an income of £29.10m before asset sales and interest receivable. The deficit in 2017/18 had been forecast at £3,070,751, leaving a variance of £3,188,456 for the year.

Appendix 1 provides a subjective summary of the outturn figures and the key variances to budgets. For premises, the main difference is due to reduced spend on responsive and cyclical works (see paragraph 11.2.g) below for more details). In supplies and services, there were under spends on IT consultancy and other services of £67k, new build professional services (see paragraph 11.2.c) below) of £71k and sheltered furniture and equipment and contracted services (see paragraph 11.2.f) below) of £127k. The other main variance is an increase in depreciation on fixed assets of £652k as detailed in paragraph 11.2.h).

- 11.2 Within the main service areas, the larger variances were:

- a) HRA General - £143k under – with £76k savings from vacancy management and £97k from supplies and services being the largest contributors. It is proposed that £100k of this saving is put aside as a provision for likely additional costs arising from the rollout of Universal Credit to the whole Winchester District area from July 2018 (recommendation 3 refers). This is in addition to the £138,000 Government grant already received to fund Discretionary Housing Payments (DHP).
- b) Tenants Information - £30k under – achieved through savings from employee costs and support services, mostly design and print. It is proposed to carry forward £20,000 of this saving to support a move to digital surveys for tenants and a campaign to promote the “My Council House” self service portal.
- c) New Build Programme Support - £120k under – from lower spending on legal/business planning advice for a Housing Company and savings from support service recharges following the transfer of staff costs to

the HRA. A forecast adjustment of £50,000 is proposed to further the work on setting up a Housing Company.

- d) Estate Maintenance - £49k under – with reduced spending on maintenance of communal areas. A forecast adjustment of £20,000 is proposed for additional works required on tree maintenance.
- e) Sewage Works – (£67k) over – the recharge from the Special Maintenance Team contributed £36k to this over spend with works maintenance and utility costs a further £28k over spent.
- f) Sheltered Housing - £78k under – the delay in completing Chesil Lodge meant that £80k put aside for furnishings and the catering contract remained unspent at the year end. A forecast adjustment of £70k is proposed to cover the furniture & kitchen equipment cost for Chesil Lodge in this year.
- g) Repairs Works - £263k under – in this mainly demand led budget area. The under spend was primarily due to ongoing efficiencies in the external painting & repair contracts and withdrawal of the discretionary works scheme. The forecast for 2018/19 has been adjusted to reflect new thinking on the budgets required for responsive repairs and cyclic works. For voids, the proposed increase in the budget to £950k includes an allowance for comprehensive void works to the Sussex Street hostel in readiness for a new partnership with a supported housing provider.
- h) Depreciation of Fixed Assets – (£652k) over – a new method of calculating depreciation in the HRA has been introduced into the accounts this year. This has required an analysis of costs and life cycles for itemised components such as kitchens, windows, roofs, etc. and the increase more accurately reflects the level of future investment that is required in the Council's housing stock. However, the net effect on the HRA is nil as the additional depreciation charge is then used towards the major works capital programme, offsetting the contribution from HRA surpluses and balances.

Other budget re-forecasts for 2018/19 include:

- i) Removal Incentive Scheme – an additional £10k has been added to the budget to support the costs of downsizing incentives for the Victoria Court new build scheme.
- ii) Repairs Administration – an extra £9k from the savings made in 2017/18 has been added to the budget to cover the cost of procurement review.
- iii) Interest Payable – this budget line reflects the cost of external interest on the Council's HRA borrowing and has been reduced by £14k as

there is no expected change to the external borrowing requirement this year.

- iv) Chesil Lodge – on the completion of this scheme, the Council will take on responsibility for the specialist maintenance of mechanical and electrical systems e.g. building management systems, CCTV, access controls, combined heat & power unit. Due to the complex nature of the various components it would make sense to use the contractor's original adviser and installer for the different systems. However, the quote for the first 12 months is above the amount allowed under the Council's Contract Procedure Rules without seeking further tenders. This report includes a recommendation (number 9) that these rules are waived to allow the Council to retain suitable expertise to ensure continuity in services at a critical time for this flagship scheme.

11.3 HRA Capital Programme Outturn 2017/18

- 11.4 Appendices 4 and 5 detail the spend in 2017/18 for both the Housing Services and New Build capital programmes against both the original budget and more recent forecasts.

- 11.5 Within Housing Services (Appendix 4), £7.165m was spent against a budget of £8.375m (85.5%), a variance of £1.21m on the year. The largest variances were for external building structure works at £976k – where forecasts had already been reduced and delayed starts to projects and difficulties with access to undertake works were the main reasons for the under spend – and kitchens and bathrooms – where an additional budget allocation was made to reflect anticipated levels of spend in the year. External ground works forecasts were reduced in anticipation of lower spending on fencing and discretionary works. Estate improvements were under spent by £132k at year end where the lack of a dedicated Estates Improvements Officer for the second half of the year caused delays to some projects and improvements to parking arrangements at Trussell Crescent were subject to further consultation. The disabled adaptations budget was under spent by £194k due to a combination of lower demand, delayed medical assessments and holding back some funds for works at Chesil Lodge and Victoria Court which will not be completed until this financial year. The sheltered wi-fi programme was postponed whilst the best value method of procurement was determined and is now due to commence later this summer.

- 11.6 For the new build capital programme (Appendix 5), £11.858m was spent against a final budget of £16.319m (72.7%) although the vast majority of this under spend is committed to existing schemes on site and will be spent early in 2018/19. The Hillier Way scheme was completed in November 2017 with costs coming in under the final budget. However, several other schemes have been subject to delays for a wide variety of reasons including contractor insolvency at Bailey Close, late approval for highways works at Mitford Road and having to retender the contract at The Valley. Victoria House (now known as Victoria Court) was scheduled to be completed before year end but

weather delays and the post year end failure of the contractor into administration has caused an increased re-forecast budget. For Chesil Lodge, full handover will have been completed by the time this report is considered by Committee but there was a large under spend on the expected costs for 2017/18. The sheltered conversions budget was slightly over spent at year end due to works at Drummond Close being completed earlier than expected, the new flat was first let from 9 April.

11.7 HRA Capital Programme Funding

11.8 Appendix 6 details the funding proposed for the capital programme for 2017/18. With reduced spend in both Housing Services and New Build capital programmes, £5.671m less was required in total, of which £3.634m is being held back in HRA balances. The approval of Homes England grant to fund the scheme at The Valley (from 2019/20) was a contributor to using less RTB 1-4-1 funds last year. The delayed completion of Victoria Court and Chesil Lodge resulted in lower sales income than forecast, this will now be utilised for funding the remaining costs of these schemes in 2018/19. Although the Chesil Street Extra Care scheme did not complete prior to 31 March, the Council were given dispensation to claim the Homes England practical completion grant request early so funds were available for this purpose in 2017/18. Finally, reference is made in paragraph 11.2.h) above to the increase in fixed assets depreciation in 2017/18, as can be seen in the appendix, the additional amount has been used to fund major works.

11.9 HRA Capital Programme Re-Forecast for 2018/19

11.10 Within the Housing Services area, an increase to the original capital programme budget of £1,045,400 is proposed, this compares to an overall under spend in 2017/18 of £1,210,308. Details of individual budgets can be seen in Appendix 7.

11.11 The additional monies requested are to help fund:

- a) An enhanced replacement of kitchens in voids (an extra £337k).
- b) Mechanical & electrical works (£965k), including a catch up on electrical testing, smoke detectors at Winnall flats and district heating network upgrades. This is in addition to the already planned boiler and Quantum heating system upgrades that took up much of the original budget.
- c) Disabled adaptations (£36k) to cover the cost of additional adaptations at Chesil Lodge and Victoria Court new build schemes.
- d) Estate improvements (£35k) to meet the remaining costs of the works at Trussell Crescent.

- e) Sheltered wi-fi (£105k) where full quotes for installation have now been received, these also incorporate adding wi-fi services to our temporary accommodation hostels.
- f) Members should note that the external ground works budget (that is used to fund external utility works (such as drain repairs) and fencing has been reduced from £933,000 to £500,000 to reflect current spend levels and to offset some of the increases to other budgets.

11.12 For the new homes programme, the variance on the year (shown in Appendix 5) was £4,460,894 under spent. The original budget for 2018/19 was set at £14.632m (CAB3016(HSG) refers) but revised forecasts now estimate the spend for this year to be £9.300m. The additional funds required or adjustments to budgets are shown in Appendix 7 and detailed below:

- a) Victoria House – in addition to the under spend of £266k last year, an allowance has been added to meet any extra costs arising from the administration of the contractor, HH Drew, to enable the completion of the scheme.
- b) Hillier Way – a carry forward of the under spend in last year (£10k) to meet any potential costs arising from the contractor going into administration during the defects liability period.
- c) Chesil Street Extra Care – in addition to the under spend of £1.223m in 2017/18, an allowance has been made for extra costs due to the delay whilst negotiations on liquidated damages are continuing.
- d) Mitford Road – the under spend of £24k in 2017/18, when added to the original budget of £267k does not accurately reflect the expected costs required to complete this scheme. A large part of the reason for the additional monies is due to a payment bond of £64,600 being made to Hampshire CC for highways works and additional landscaping costs. It is hoped that the payment bond will be returned on scheme completion later this year. Members should note that the total cost of this scheme is now estimated at £1.530m. This is nearly £100,000 more than 10% above the previously approved budget for the scheme of £1,303,750 (CAB2842(HSG) from 11 October 2016 refers), although the recovery of the highways bond will reduce this to approximately £35,000. Members are requested to confirm their approval under Recommendation 7 for the extra funds required to complete this project later this summer.
- e) The Valley – the design fees that were expected to be paid out in 2017/18 did not materialize due to a delay in contract tendering. It is now expected that the start on site will not happen until after March 2019 so the budget of £3,975,000 has been reduced to £850,000 for 2018/19.

- f) Mayles Lane – the under spend of £10k in 2017/18 has been carried into the new year with a start on site expected later this summer.
- g) Bailey Close – the unexpected financial failure of the contractor last September has led to delays in this project being completed and the under spend of £225k is being carried forward into 2018/19 in full.
- h) Rowlings Road – the original budget allowed for a start on site in Autumn 2018 but issues with existing access rights are likely to delay this timing so the budget has been adjusted accordingly.
- i) Meryon Road & Charles/Dyson – the original budgets allowed for starts on site during 2018/19 for both of these schemes, these have been adjusted to show expected fees costs for this year.
- j) Dolphin Hill – it was intended that these works would be completed this year. However, whilst works on the upgrade to the existing property have progressed well, it is now unlikely that the full scheme will be delivered in 2018/19.
- k) Hookpit, Kings Worthy – the budget has been adjusted to allow for a deposit payment to be made on this project, rather than the stage payments expected when the budget was being compiled.
- l) Winnall Flats – this has been added to the budget for 2018/19 to cover expected fees. This project had been left off the original budget for 2018/19 as it was initially unclear whether this scheme would be funded through the HRA.
- m) RTB 1-4-1 funded sites – after the allocation of RTB 1-4-1 receipts had been made for 2017/18, it was identified that £1.561m of 1-4-1 receipts needs to be spent in 2018/19 to avoid having to pay them over to HM Treasury. This will require spending on eligible new build schemes or acquisitions of over £5.2m in the year. Eligible new build schemes do not include those projects where the Council has either received Homes England grant or has had a bid for such a grant approved for example, Chesil Lodge and The Valley. After the re-forecast budgets for the new build schemes detailed in Appendix 7 are taken into account, further spending of around £1.3m (allowing for some cost slippage) will need to be made this year. This can be achieved by supporting housing provider partners with their new schemes and/or acquiring suitable properties on the open market to let at affordable rents. The Asset Management policy allows for the acquisition of properties by the HRA “where appropriate” with decisions taken under the Portfolio Holder decision notice procedure (CAB2791(HSG) refers). Members are requested to re-confirm their approval under Recommendation 8 to support the purchase of suitable properties in line with this policy.

12 OTHER OPTIONS CONSIDERED AND REJECTED

- 12.1 It would be possible not to include any carry forward requests into the budgets for 2018/19. However, this is likely to cause future requests for additional budgets later in the year.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

CAB2791(HSG) Housing Revenue Account Housing Management Strategy – 22 March 2016

CAB2842(HSG) Authorisation for final approval to construct housing scheme at Mitford Road, Alresford – 11 October 2016

CAB2930(HSG) Housing Revenue Account 2016/17 Outturn and Key Performance Indicators – 6 July 2017

CAB2986(HSG) Housing Revenue Account Budget Options 2018/19 and Rent Setting – 22 November 2017

CAB3016(HSG) Housing Revenue Account Budget 2018/19 and Business Plan – 31 January 2018.

Other Background Documents:-

None

APPENDICES:

Appendix 1 – Housing Revenue Account Outturn 2017/18 – Subjective Summary

Appendix 2 – Housing Revenue Account Outturn 2017/18 – Service Summary

Appendix 3 – Housing Revenue Account 2018/19 – Re-forecast Budget

Appendix 4 – Housing Capital Programme 2017/18 – Housing Services Outturn

Appendix 5 – Housing Capital Programme 2017/18 – New Build Outturn

Appendix 6 – Housing Capital Programme 2017/18 Funding

Appendix 7 – Housing Capital Programme 2018/19 – Re-forecast Budget

Winchester City Council Housing Revenue Account Outturn 2017/18					CAB3036(HSG)
		Revised			Appendix 1
		Forecast			
	Original	Budget per		Variance	
	Budget	CAB3016(HSG)	Outturn	to	
Housing Revenue Account:	2017/18	2017/18	2017/18	Revised Budget	
Subjective Summary	£	£	£	£	
Employees	(3,229,227)	(3,507,616)	(3,454,412)	53,204	
Premises	(5,104,791)	(4,836,431)	(4,594,548)	241,883	
Transport	(292,675)	(312,850)	(314,439)	(1,589)	
Supplies & Services	(871,214)	(1,005,633)	(664,246)	341,387	
Third Party Payments	(102,000)	(110,000)	(74,695)	35,305	
Support Services	(2,606,089)	(2,230,525)	(2,111,666)	118,859	
External Interest Payable	(5,192,090)	(5,206,090)	(5,167,926)	38,164	
Depreciation on Fixed Assets	(5,988,560)	(5,988,560)	(6,640,378)	(651,818)	
Amortisation of Intangibles	0	0	(14,574)	(14,574)	
External income	29,377,144	29,042,454	29,099,770	57,316	
Items included in I&E but reversed in Balance Sheet	0	28,441,246	28,258,749	(182,496)	See note below
Surplus for year on HRA Services	5,990,498	34,285,995	34,321,635	35,640	
Adjustments between accounting basis and funding basis under statute and transfers between reserves:	(9,310,200)	(37,290,446)	(33,174,763)	4,115,683	
Net increase/(decrease) in HRA Balance before transfers to or from reserves	(3,319,702)	(3,004,451)	1,146,872	4,151,323	
Transfer re Insurance Reserve	(66,300)	(66,300)	0	66,300	
Repaid Internal Borrowing	0	0	(1,029,167)	(1,029,167)	
Increase/(decrease) in HRA Balance	(3,386,002)	(3,070,751)	117,705	3,188,456	
HRA Working Balance					
Opening Balance	8,491,544	8,998,299	8,998,299	0	
Add (Deficit)/Surplus	(3,386,002)	(3,070,751)	117,705	3,188,456	
Balance at Year End	5,105,542	5,927,548	9,116,004	3,188,456	
Note:					
Items combined into the "I&E but reversed in balance sheet" line include stock revaluations, net sale of assets proceeds, IAS19 pension adjustments, capital grants and a transfer to the Major Repairs Reserve.					

Winchester City Council Housing Revenue Account Outturn 2017/18				CAB3036(HSG)	
		Revised		Appendix 2	
		Forecast			
	Original	Budget per		Variance	
	Budget	CAB3016(HSG)	Outturn	to	
Housing Revenue Account:	2017/18	2017/18	2017/18	Revised Budget	
Service Summary	£	£	£	£	<i>Notes</i>
Housing Management General					
Estate Management	(1,132,404)	(1,102,119)	(1,190,787)	(88,668)	
HRA General	(1,668,183)	(1,707,603)	(1,564,709)	142,894	Paragraph 11.2.a)
HRA Contribution to Non-Distributed Costs	(223,743)	(223,743)	(217,398)	6,345	
HRA Contribution to Democratic Core	(153,575)	(153,575)	(130,050)	23,525	
Removal Incentive Scheme	(50,000)	(50,000)	(39,798)	10,202	Paragraph 11.2.i)
Rent Accounting	(247,894)	(248,174)	(266,784)	(18,610)	
Tenants Information	(112,317)	(113,672)	(84,003)	29,669	Paragraph 11.2.b)
Vacant Dwellings	(9,200)	(9,200)	(16,250)	(7,050)	
New Build Programme Support	(743,026)	(774,963)	(655,447)	119,516	Paragraph 11.2.c)
	(4,340,342)	(4,383,049)	(4,165,226)	217,823	
Housing Management Special					
Communal Services	90,159	90,159	71,157	(19,002)	
Disabled Adaptations	(114,363)	(114,477)	(120,012)	(5,535)	
Estate Maintenance	(523,167)	(510,167)	(460,973)	49,194	Paragraph 11.2.d)
Homelessness	(8,044)	(75,582)	(72,954)	2,628	
Sewage Works	(200,736)	(191,246)	(258,245)	(66,999)	Paragraph 11.2.e)
Sheltered Housing	(696,158)	(770,547)	(692,555)	77,992	Paragraph 11.2.f)
	(1,452,309)	(1,571,860)	(1,533,582)	38,278	
Repairs					
Responsive Maintenance	(2,353,846)	(2,153,846)	(2,024,719)	129,127)
Voids	(590,000)	(575,000)	(560,380)	14,620) Paragraph 11.2.g)
Cyclic	(900,000)	(850,000)	(731,123)	118,877)
Sub - total Repairs Works	(3,843,846)	(3,578,846)	(3,316,222)	262,624	
Repairs Administration	(1,254,090)	(1,206,461)	(1,231,267)	(24,806)	Paragraph 11.2.ii)
	(5,097,936)	(4,785,307)	(4,547,489)	237,818	
Debt Management Expenses					
Debt Management Expenses	(18,297)	(18,297)	(24,922)	(6,625)	
External Interest Payable	(5,168,000)	(5,182,000)	(5,167,926)	14,074	Paragraph 11.2.iii)
Depreciation of Fixed Assets	(5,988,560)	(5,988,560)	(6,640,378)	(651,818)	Paragraph 11.2.h)
Amortisation of Intangibles	0	0	(14,574)	(14,574)	
	(11,174,857)	(11,188,857)	(11,847,800)	(658,943)	
Rents and Other Income					
Dwelling Rents	26,354,166	26,106,396	26,110,917	4,521	
Garage Rents	910,835	872,835	872,371	(464)	
Other Income	273,541	277,191	304,258	27,067	
Sheltered Charges	517,400	517,400	517,020	(380)	
	28,055,942	27,773,822	27,804,566	30,744	
Items included in I&E but reversed in Balance Sheet					
	0	28,441,246	28,611,166	169,920	See note below
Surplus for year on HRA Services					
	5,990,498	34,285,995	34,321,635	35,640	

				CAB3036(HSG) Appendix 2 (Cont)	
Housing Revenue Account:		Revised			
		Forecast			
	Original	Budget per		Variance	
	Budget	CAB3016(HSG)	Outturn	to Revised	
	2017/18	2017/18	2017/18	Budget	
Service Summary (continued)	£	£	£	£	<i>Notes</i>
Adjustments between accounting basis and funding basis under statute and transfers between reserves	(9,310,200)	(37,290,446)	(33,174,763)	4,115,683	
Net increase/(decrease) in HRA Balance before transfers to or from reserves	(3,319,702)	(3,004,451)	1,146,872	4,151,323	
Transfer re Insurance Reserve	(66,300)	(66,300)	0	66,300	
Repaid Internal Borrowing	0	0	(1,029,167)	(1,029,167)	
Increase/(decrease) in HRA Balance	(3,386,002)	(3,070,751)	117,705	3,188,456	
HRA Working Balance					
Opening Balance	8,491,544	8,998,299	8,998,299	0	
Add (Deficit)/Surplus	(3,386,002)	(3,070,751)	117,705	3,188,456	
Balance at Year End	5,105,542	5,927,548	9,116,004	3,188,456	
Note:					
Items combined into the "I&E but reversed in balance sheet" line include stock revaluations, net sale of assets proceeds, IAS19 pension adjustments, capital grants and a transfer to the Major Repairs Reserve.					

Housing Revenue Account 2018/19 - Re-Forecast Budget				CAB3036 (HSG)
				Appendix 3
		Carry Fwds	18/19	
	18/19	& Other	Re-Forecast	
Service Summary	Original Budget	Changes	Budget	Report Note
	£	£	£	
Housing Management General				
Estate Management	(1,260,431)		(1,260,431)	
HRA General	(2,147,271)	(100,000)	(2,247,271)	Para. 11.2.a)
Removal Incentive Scheme	(50,000)	(10,000)	(60,000)	Para. 11.2.i)
Rent Accounting	(260,211)		(260,211)	
Tenants Information	(116,249)	(20,000)	(136,249)	Para. 11.2.b)
Vacant Dwellings	(9,200)		(9,200)	
New Build Programme Support	(668,468)	(50,000)	(718,468)	Para. 11.2.c)
	(4,511,830)	(180,000)	(4,691,830)	
Housing Management Special				
Communal Services	90,500		90,500	
Disabled Adaptations	(115,245)		(115,245)	
Estate Maintenance	(511,717)	(20,000)	(531,717)	Para. 11.2.d)
Homelessness	66,600		66,600	
Sewage Works	(185,179)		(185,179)	
Sheltered Housing	(760,988)	(70,000)	(830,988)	Para. 11.2.f)
	(1,416,029)	(90,000)	(1,506,029)	
Repairs				
Responsive Maintenance	(2,351,407)	151,407	(2,200,000))
Voids	(585,000)	(365,000)	(950,000)) Para. 11.2.g)
Cyclic	(850,000)	100,000	(750,000))
<i>Sub - total Repairs Works</i>	(3,786,407)	(113,593)	(3,900,000)	
Repairs Administration	(1,244,978)	(9,000)	(1,253,978)	Para. 11.2.ii)
	(5,031,385)	(122,593)	(5,153,978)	
Debt Management Expenses				
Debt Management Expenses	(18,297)		(18,297)	
Interest Payable	(5,182,000)	14,000	(5,168,000)	Para. 11.2.iii)
Depreciation of Fixed Assets	(6,044,100)		(6,044,100)	
	(11,244,397)	14,000	(11,230,397)	
Rents and Other Income				
Dwelling Rents	26,097,400		26,097,400	
Garage Rents	650,240		650,240	
Other Income	264,800		264,800	
Sheltered Charges	517,400		517,400	
Interest Receivable	21,000		21,000	
	27,550,840		27,550,840	
Surplus for year on HRA Services	5,347,199	(378,593)	4,968,606	

Housing Revenue Account 2018/19 - Re-Forecast Budget				CAB3036 (HSG) Appendix 3 (cont)
	18/19 Original Budget £	Carry Fwds & Other Changes £	18/19 Re-Forecast Budget £	Report Note
Capital Expenditure funded by HRA	(5,550,000)		(5,550,000)	
Right to Buy Admin Fees	20,800		20,800	
Net increase/(decrease) in HRA Balance before transfers to or from reserves	(182,001)	(378,593)	(560,594)	
Transfer re Insurance Reserve	(66,300)		(66,300)	
Increase/(decrease) in HRA Balance	(248,301)	(378,593)	(626,894)	
HRA Working Balance				
Opening Balance (from Outturn)	9,116,004		9,116,004	
Add Projected (Deficit)/Surplus	(248,301)		(626,894)	
Projected Balance at Year End	8,867,703		8,489,110	

Housing Capital Programme - 2017/18 Outturn					CAB3036(HSG)	
					Appendix 4	
					Variance to Original Budget	
Housing Services - Major Repairs	Original Budget	Revised Budget	Final Forecast	Actual Results		Report Note
	(CAB2930HSG)	(CAB2986HSG)	(CAB3016HSG)			
	£	£	£	£	£	
External Building Structure Works	(2,932,000)	(2,682,000)	(2,432,000)	(1,956,019)	975,981	Para. 11.5
External Windows/Doors/Screens	(445,000)	(445,000)	(445,000)	(328,153)	116,847	
Kitchen & Bathroom Renewals	(811,000)	(1,201,000)	(1,401,000)	(1,337,955)	(526,955)	
Mechanical & Electrical Services	(1,177,000)	(1,707,000)	(1,957,000)	(1,410,347)	(233,347)	Para. 11.5
Internal Structures & Finishes	(233,000)	(233,000)	(233,000)	(236,133)	(3,133)	
External Ground Works	(970,000)	(700,000)	(500,000)	(512,005)	457,995	
Sub-Total	(6,568,000)	(6,968,000)	(6,968,000)	(5,780,612)	787,388	
Improvements & Conversions						
Estate Improvements	(338,000)	(260,000)	(260,000)	(205,945)	132,055	Para. 11.5
Loft Conversion & Extensions	(422,000)	(360,000)	(360,000)	(369,733)	52,267	
Sheltered Upgrades	(100,000)	(60,000)	(60,000)	(91,203)	8,797	
Sub-Total	(860,000)	(680,000)	(680,000)	(666,881)	193,119	
Disabled Adaptations						
	(770,000)	(770,000)	(770,000)	(576,316)	193,684	Para. 11.5
Sheltered Wi-Fi Scheme	(77,000)	(77,000)	(77,000)	0	77,000	Para. 11.5
Sewage Treatment Works	(100,000)	(145,000)	(145,000)	(140,883)	(40,883)	
Major Works Total	(8,375,000)	(8,640,000)	(8,640,000)	(7,164,692)	1,210,308	

Housing Capital Programme - 2017/18 Outturn (Continued)					CAB3036(HSG)	
					Appendix 5	
					Variance to	
					Original	
New Build Programme	Original Budget	Revised Budget	Final Forecast	Actual Results	Budget	Report Note
	(CAB2930HSG)	(CAB2986HSG)	(CAB3016HSG)			
	£	£	£	£	£	
Completed schemes final payments	0	0	0	(949)	(949)	
Westman Road (Symonds Close)	(3,000)	(3,000)	(3,000)	(3,088)	(88)	
Victoria House	(2,648,000)	(2,590,000)	(2,590,000)	(2,323,646)	324,354	Para. 11.6
Hillier Way	(1,105,000)	(1,180,000)	(1,180,000)	(1,170,513)	(65,513)	
Chesil Street Extra Care	(8,360,000)	(8,340,000)	(7,780,000)	(6,557,241)	1,802,759	Para. 11.6
Mitford Road, New Alresford	(1,193,000)	(1,120,000)	(926,000)	(901,592)	291,408	
The Valley, Stanmore	(300,000)	(800,000)	(800,000)	(49,386)	250,614	Para. 11.6
Mayles Lane, Knowle	(200,000)	(70,000)	(70,000)	(60,047)	139,953	
Bailey Close, Stanmore	(729,000)	(680,000)	(460,000)	(235,412)	493,588	Para. 11.6
Rowlings Road, Weeke	(100,000)	(40,000)	(40,000)	(20,326)	79,674	
Wykeham Place, Stanmore	(100,000)	0	0	0	100,000	
Meryon Road, Alresford	0	0	0	(3,271)	(3,271)	
Charles/Dyson, Abbots Barton	0	0	0	(11,194)	(11,194)	
Dolphin Hill, Twyford	0	0	0	(6,349)	(6,349)	
Woodman Close, Sparsholt	0	0	0	(5,978)	(5,978)	
Hookpit, Kings Worthy	0	0	0	0	0	
Sheltered Conversions	(505,000)	(450,000)	(480,000)	(509,114)	(4,114)	Para. 11.6
Small Sites	(1,076,000)	0	0	0	1,076,000	
New Build Total	(16,319,000)	(15,273,000)	(14,329,000)	(11,858,106)	4,460,894	
Total Capital Programme	(24,694,000)	(23,913,000)	(22,969,000)	(19,022,798)	5,671,202	

Housing Capital Programme Funding 2017/18					CAB3036(HSG)	
					Appendix 6	
Funding Source	Original Budget (CAB2930HSG)	Revised Budget (CAB2986HSG)	Final Forecast (CAB3016HSG)	Actual Results	Variance to Original Budget	Report Note
	£	£	£	£	£	
Right to Buy 1-4-1 Receipts	1,280,000	597,000	593,000	420,671	859,329	Para. 11.8
RTB Other Retained Receipts	872,000	999,000	1,200,000	1,200,000	(328,000)	
New Build Sales	3,280,000	3,324,000	1,286,000	300,000	2,980,000	Para. 11.8
Non Right to Buy Sales	0	0	500,000	500,000	(500,000)	
S.106 Contributions	829,000	940,000	940,000	949,438	(120,438)	
Homes England Grant	1,545,000	463,000	0	462,500	1,082,500	Para. 11.8
Hampshire County Council Extra Care Grant	736,000	1,303,000	567,000	566,667	169,333	
HRA Revenue Contribution to Capital	8,695,000	7,298,000	8,894,000	4,969,446	3,725,554	Para. 11.8
Additional Borrowing	1,027,000	3,000,000	3,000,000	3,000,000	(1,973,000)	
Renewable Heating Grants	0	0	0	0	0	
Major Repairs Reserve	6,430,000	5,989,000	5,989,000	6,654,077	(224,077)	Para. 11.8
Total Capital Funding	24,694,000	23,913,000	22,969,000	19,022,798	5,671,202	

Housing Capital Programme - Re-Forecast Budget 2018/19				CAB3036(HSG)
				Appendix 7
Housing Services	Original Budget (CAB3016(HSG))	Carry Forwards & Other Changes	Re-Forecast Budget 2018/19	Notes
	£	£	£	
Major Repairs				
External Building Structure Works	(2,942,000)	0	(2,942,000)	
External Windows/Doors/Screens	(417,000)	0	(417,000)	
Kitchen & Bathroom Renewals	(763,000)	(337,000)	(1,100,000)	Para. 11.11.a)
Mechanical & Electrical Services	(797,000)	(965,000)	(1,762,000)	Para. 11.11.b)
Internal Structures & Finishes	(231,000)	0	(231,000)	
External Ground Works	(933,000)	433,000	(500,000)	Para. 11.11.f)
Sub-Total	(6,083,000)	(869,000)	(6,952,000)	
Improvements & Conversions				
Estate Improvements	(250,000)	(35,000)	(285,000)	Para. 11.11.d)
Loft Conversions & Extensions	(60,000)	0	(60,000)	
Sheltered Upgrades	(100,000)	0	(100,000)	
Sub-Total	(410,000)	(35,000)	(445,000)	
Disabled Adaptations	(770,000)	(36,400)	(806,400)	Para.11.11.c)
Other Capital Works				
Sheltered Wi-Fi Scheme	(38,000)	(105,000)	(143,000)	Para. 11.11.e)
Sewage Treatment Works	(100,000)	0	(100,000)	
Sub-Total	(138,000)	(105,000)	(243,000)	
Major Works Total	(7,401,000)	(1,045,400)	(8,446,400)	

Housing Capital Programme - Re-Forecast Budget 2018/19 (Cont.)				CAB3036(HSG)
				Appendix 7 (Cont.)
	Original Budget	Carry Forwards & Other Changes	Re-Forecast Budget 2018/19	Notes
New Build Programme	(CAB3016(HSG))			
	£		£	
Victoria House	0	(410,000)	(410,000)	Para. 11.12.a)
Hillier Way	0	(10,000)	(10,000)	Para. 11.12.b)
Chesil Street Extra Care	(560,000)	(1,420,000)	(1,980,000)	Para. 11.12.c)
Mitford Road, New Alresford	(267,000)	(158,000)	(425,000)	Para. 11.12.d)
The Valley, Stanmore	(3,975,000)	3,125,000	(850,000)	Para. 11.12.e)
Mayles Lane, Knowle	(1,530,000)	(10,000)	(1,540,000)	Para. 11.12.f)
Bailey Close, Stanmore	(300,000)	(225,000)	(525,000)	Para. 11.12.g)
Rowlings Road, Weeke	(680,000)	430,000	(250,000)	Para. 11.12.h)
Wykeham Place	(50,000)	0	(50,000)	
Meryon Road, Alresford	(250,000)	150,000	(100,000))
Charles/Dyson, Abbots Barton	(700,000)	600,000	(100,000)) Para. 11.12.i)
Dolphin Hill, Twyford	(500,000)	240,000	(260,000)	Para. 11.12.j)
Woodman Close, Sparsholt	(50,000)	0	(50,000)	
Hookpit, Kings Worthy	(3,750,000)	3,000,000	(750,000)	Para. 11.12.k)
Winnall Flats	0	(500,000)	(500,000)	Para. 11.12.l)
Sheltered Conversions	(200,000)	0	(200,000)	
RTB 1-4-1 Funded Sites	(1,820,000)	520,000	(1,300,000)	Para. 11.12.m)
Unallocated Sites	0	0	0	
New Build Total	(14,632,000)	5,332,000	(9,300,000)	
Total Capital Programme	(22,033,000)	4,286,600	(17,746,400)	

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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