

BOROUGH OF BARROW-IN-FURNESS

HOUSING MANAGEMENT FORUM

Meeting: Thursday, 21st January, 2010
at 2.00 pm (Committee Room 4)

Group Meetings at 1.15 pm

A G E N D A

PART ONE

1. To note any items which the Chairman considers to be of an urgent nature.

2. **Admission of Public and Press**

To consider whether the public and press should be excluded from the meeting during consideration of any of the items on the agenda.

3. Disclosure of Interests

A Member with a personal interest in a matter to be considered at this meeting must either before the matter is discussed or when the interest becomes apparent disclose

1. ***The existence of that interest to the meeting.***

2. ***The nature of the interest.***

3. ***Decide whether they have a prejudicial interest.***

A note on declaring interests at meetings, which incorporates certain other aspects of the Code of Conduct and a pro-forma for completion where interests are disclosed accompanies the agenda and reports for this meeting.

4. Confirmation of minutes of meeting held on 26th November, 2009.

5. Apologies for Absence/Changes in Membership.

FOR DECISION

STRATEGIC PLANNING

(D) 6. Housing Revenue Account

(D) 7. Housing Maintenance Investment Programme 2010/11

NOTE: (D) – Delegated to the Executive Committee
(R) – Referred to the Council

HOUSING MANAGEMENT FORUM MEMBERS:

Councillors:

D. Dawes
O. N. Flitcroft
J. Hamezeian
L. Hammond
M. Irwin
D. V. James (Councillors' nominated Chairman appointed at Annual Council meeting)
R. E. J. Maltman
J. Waiting

Tenant Representatives: Mrs. P. Charnley (Chairman for meeting management purposes)
Mrs. M. Burgess
Mr. N. Hird
Mrs. K. Hotchkiss
Mr. A. McIntosh
Mr. D McMillan
Mr. T. Slater
Mr T. Wilson

HOUSING MANAGEMENT FORUM

Meeting: 26th November, 2009
at 2.00 p.m.

PRESENT:- Councillors Flitcroft, Hammond, Irwin, James, McEwan, Maltman and Waiting.

Tenant Representatives:- Mrs P. Charnley (Chairman), Mr A. McIntosh, Mr D. McMillan, Mrs J. McMurray and Mr T. Slater.

22 – Minutes

The Minutes of the meeting held on 27th August, 2009 were agreed as a correct record.

23 – Apologies for Absence/Changes in Membership

Apologies for absence were submitted from Councillor J. Hamezeian and Mr N. Hird.

Councillor McEwan attended as a substitute for Councillor J. Hamezeian.

24 – Disclosure of Interest

Councillor Irwin declared a personal and prejudicial interest in Agenda Item 9 – Adaptation for Tenants with Disabilities (Minute No 28). An adaptation to her property was currently being carried out by A. B. Mitchell.

Councillor McEwan declared a personal and prejudicial interest in Agenda Item 9 – Adaptation for Tenants with Disabilities (Minute No 28). An adaptation to his property for his wife had been carried out by A. B. Mitchell.

25 – Planning of Investment and Maintenance Services

The Housing Manager reminded the Forum that in 2005 the Council had appointed a firm of independent surveyors to undertake a detailed survey of the Council's housing stock and associated assets.

The Government's good practice guide entitled "Collecting, Managing and Using Housing Stock Information" had suggested the Council should undertake additional surveys every five years to ensure that the process captured and recorded up to date, reliable and statistically correct details about the stock and associated assets. A further stock condition survey was scheduled for 2010/11.

The purpose of the Stock Condition Survey was twofold, to enable the Council to develop a thirty year business plan; and as a means of directing the order and type of investment work which was completed in annual plans.

With regard to identifying which order properties required upgrading, the survey 'bands' properties and provided clear direction regarding which should be upgraded over the following five years.

The Council was now in the process of completing work to these properties and it would be helpful to complete a new survey earlier than planned to update the running order for the next five years.

In addition, the Government had recently consulted on a review of the Housing Subsidy system which was reported to the last meeting. The proposal would allow Councils to finance their own business plans from their rents and revenues, in exchange for a one-off allocation of housing debt. It would be prudent to ensure that, in consideration of these proposals, the Council ensured its Business Plan reflected the most financially accurate assessment of future investment priorities based on a robust up to date stock condition survey.

The outcome of the recent consultation was yet to be announced, but it did acknowledge and recognise the cost of maintaining communal areas, more than had been recognised previously by the subsidy system.

He also reminded the Forum that at its meeting on 25th June 2009 it had been agreed to extend the current Responsive Repairs Contract for a further two years, which was an option in the current contract.

The two year extension had commenced on 5th November 2009.

In considering the longer term, although the current contract would operate until November 2011, should the Council wish to consider amending the current arrangement when it was due for renewal, such decisions would have to be made in twelve or fifteen months time. That was to allow sufficient time to award a new contract in a timely manner.

The current contract had been based on the NEC3 contract arrangements. At the time of awarding the contract, it had included day to day responsive repairs, gas servicing and maintenance, void maintenance, out of hours emergency response and a proportion of planned investment, kitchen, bathroom and central heating.

To consider whether that approach would remain the most appropriate in the future, it would be appropriate to complete a review of the current practice.

In order to assist the review he suggested that it was appropriate to appoint an independent consultant to support a review of contract arrangements. The exercise would be time limited and involve a written report of their findings and proposals for consideration.

In order to complete a review of current arrangements it was his intention to progress the work in conjunction with the Tenant Compact Working Party (TCWP) in line with the required Housing Service objective to 'invest and maintain homes and estates to the best standard possible with the resources available'. That would involve the

TCWP agreeing a remit for the review, and appointment of a consultant, based on the following principles:-

Complete a review of the current structure and operating arrangements of the current contract with regard to maintain efficiency in delivery and a quality service; and

To consider based on the above analysis the possible options to progress the Maintenance arrangements to ensure a cost effective customer focused service.

RECOMMENDED:- (i) To agree that the Stock Condition Survey be completed during the current financial year; and

(ii) To agree to appoint Consultants to complete a review of the current Responsive Repair Contract in consultation with the Tenant Compact Working Party.

26 – Miscellaneous Properties

At its meeting on 27th August, 2009 the Forum had requested information regarding miscellaneous properties managed by the Housing Service and arrangements for their maintenance.

The Housing Manager reported that the Housing Service now managed eight 'miscellaneous' properties. These were terraced houses that came into ownership of the Council previously but were not traditionally built Council Housing.

In terms of the management of the properties, they had been treated no differently than any other property that was the responsibility of the Housing Service.

Rents were set on the same formulae as purpose built Council Housing and if a vacancy occurred, would be relet to an applicant on the Housing Register.

The exception to the above was Fenton Street which was the subject of a report at the last meeting. That property was let to Project John who in turn used the property to house young homeless people, in doing so assisting the Council meet its statutory obligations for homeless people.

The Forum considered details of each of the properties and what investment works had been completed in the recent past.

Requests for day to day repairs were responded to as in the case of any tenant requiring a repair.

By the location of the properties, they were typically 'older' type property, pre 1919, and as such posed a more difficult problem for maintenance purposes. He would ensure they were included in future investment plans. As there were relatively few properties, he would ensure that each property was surveyed as part of the process of completing a new Stock Condition Survey.

RECOMMENDED:- (i) To note the information regarding the management of miscellaneous properties; and

(ii) To agree the proposals to include the investment requirements of these properties through a Stock Condition Survey.

27 – Gas Servicing

The Housing Manager reported that a landlord was required to complete a gas safety check every twelve months.

In complying with that requirement, the Housing Service exceeded the standard and also completed a service of appliances provided by the Council.

Whilst the Council's aim had always been to achieve a safety check and service on a twelve month basis, it remained the case that a number of tenants did not allow Council contractors access to their home. In the region of 220/230 tenants did not allow access through normal procedures.

The process was therefore monitored on a monthly basis and action taken to resolve the matter on a case-by-case basis.

These procedures were continually under review and changes made to try and improve the success rate. That involved coordination of the Council's and contractors' resources to maximise opportunity to gain access.

More recently a second contractor had been engaged to work outside normal hours if necessary with ongoing publicity through the Newsletter, adopted a proactive approach to tenants who did not respond through the Housing Service's 'IT communication' facilities and practical issues such as putting 'alert labels' over tenants' locks to further ensure they were aware that access was required.

The last resort was action through the Magistrates Courts using powers contained in the Environmental Protection Act 1990 to gain access.

Whilst by far the majority of tenants do cooperate, those that did not cause a disproportionate amount of work to complete the task and subsequently time to resolve. In doing so, as well as putting themselves in potential danger, it puts the Council at risk of not completing that statutory requirement.

Officers had been looking at how other social landlords who report completing such checks on a 100% basis achieved that outcome. It would appear that the most fundamental difference was the adoption of a ten month cycle of completing such work.

At present the Council operated on the basis of issuing work four weeks prior to the due date for the service. A ten month cycle would require such orders to be issued approximately eight weeks before. That would provide a longer period, up to eight weeks, for access to be arranged, or the problem resolved.

RECOMMENDED:- (i) To note information contained in the report regarding gas servicing; and

(ii) To agree that the Housing Service adopt a 'ten month' cycle to further ensure services were completed within twelve months.

28 – Adaptations for Tenants with Disabilities

The Housing Manager reported that following a review of the Housing Service's Policies and Procedures for completing adaptations for tenants with a disability, it had been agreed to adopt a new approach to arranging for such work to be completed. The approach was based on appointing one contractor to complete all major adaptations based on a 'common specification'. The advantage of that approach was the ability to complete adaptations more quickly.

A competitive process had been used to appoint a contractor, based on the NEC3 term service contract. Potential contractors had been considered on a 50% Quality, 50% Price assessment.

The successful contractor would be required to commence work within twenty eight days of instruction; complete works in a maximum of ten working days; and comply with a range of key performance indicators.

Following the above process A B Mitchell had been appointed from 1st April 2008 for a period of two years with an option to extend for a further two years.

The arrangement had been operating for eighteen months and he suggested it was now appropriate to consider whether the arrangement should be continued.

It was clear from the information considered, both in terms of tenants' satisfaction with the service, and work being completed in line with contract requirements that the delivery model was working well and as intended.

RECOMMENDED:- To agree the extension of the current contract arrangement with AB Mitchell for a further two year period, commencing on 1st April 2010.

29 – Performance Information Report – 6th April, 2008 to 4th October, 2009

The Housing Manager submitted information relating to a selection of local and national performance indicators and Best Value performance indicators. The information was as follows:-

PERFORMANCE INDICATORS						
Housemark/ BVPI / Local	Performance Indicator	Actual 2006/7	Actual 2007/8	Actual 2008/9	Target 2009/10	6 Apr - 4 Oct 09
	Rent Arrears and Collection					
BV66a	% Rent Collected	97.88%	96.78%	96.48%	98%	95.79%
BV66b	% Tenants with > 7 weeks arrears	5.89%	6.82%	6.33%	5.5%	5.03%
BV66c	% Tenants served with Notice of Seeking Possession for arrears	35.48%	29%	30.6%	25%	25.84%
BV66d	% Tenants evicted for rent arrears	1.05%	0.66%	0.89%	0.5%	0.82%
Housemark	Current tenants arrears as % of rent roll	2.99%	2.96%	2.60%	2.5%	2.47%

Void management						
BV212	Average relet time for dwellings (in days)	28	35.9	30	28	32
Housemark	% rent loss through vacant dwellings	0.98%	1.41%	1.16%	1%	1.07%
Local	% rent loss due to voids – garages	2.63%	2.81%	3.25%	2%	3.04%
Homelessness						
Housemark	Average stay in B & B for families with children or pregnant women (in days)	2	10	3.7	3	19
Housemark	% of homeless applications where decision made and notified within 33 days	98.5%	95.3%	84.8%	99%	92.2%
Local	Average length of stay in B&B (in days)	22	14.4	18	12	21.9
Local	Average length of stay in dispersed (in days)	45	48	56	28	40
Local	Average length of stay in dispersed for families with children (in days)	34	41	49	28	33
Local	Average number of homeless households in dispersed accommodation	5.8	7.3	9.6	5	7.1
BV213	% of households whose situation was resolved by housing advice	N/A	N/A	N/A	75%	N/A
NI 156 <i>(new for 08/09)</i>	Number of households living in temporary accommodation	--	13	8	10	14
Housing Applications						
Local	% Housing applications answered within 6 days	95%	52%	62%	95%	87%
Repairs						
Housemark	% urgent repairs completed within Government time limits	89.59%	78%	79.91%	92%	85.11%
Housemark	% emergency repairs completed on time	93.6%	84.36%	89.07%	94%	87.70%
Housemark	% routine repairs completed on time	92.3%	77.26%	79.95%	93%	92.41%
Housemark	% urgent repairs completed on time	78.7%	74.86%	74.45%	90%	77.89%
NI 158 <i>(was BV184a)</i>	Proportion of homes which are non-decent	17.8%	2%	0.22%	1.75%	0.2%
Local	Average time taken to complete non-urgent repairs (in days)	10	13.7	24.85	8	18
General Management						
NI 160 <i>(new for 08/09)</i>	Local authority's tenants' satisfaction with landlord's services	--	--	87%	N/A	N/A

RENT ARREARS as at week ending 4th October 2009				
Area	Current £	% Gross Debit	Former Tenants £	% Gross Debit
Central	59,261.43	3.18	23,189.22	1.24%
Dalton	13,720.80	1.89	1,892.26	0.26%
Roosegate	65,269.63	2.73	21,990.32	0.92%
Ormsgill	48,149.87	2.26	57,047.50	2.68%
Walney	17,749.02	1.37	5,236.36	0.40%
Miscellaneous	2,082.16	9.50	0.00	0.00%
Dwellings total	206,232.91	2.45	109,355.66	1.30%
Garages	3,453.92	1.93	1,037.09	0.58%
Homeless	2,563.06	3.31	15,835.82	20.48%
Total	212,249.89	2.44	126,228.57	1.45%
Grand Total		£338,478	3.90%	

FORMER TENANT ARREARS

Former tenants arrears written off in period April - September 2009 = £81,729.44

VOIDS						
from 6 th April 2009 to 4 th October 2009						
	Central	Dalton	Ormsgill	Roosegate	Walney	Total
1 Bedroom						
Ground-floor flat	8	0	10	7	6	31
Upper-floor flat	19	1	5	14	5	44
Bungalow	2	1	1	0	3	7
Sub total	29	2	16	21	14	82
2 Bedrooms						
Ground-floor flat	1	0	10	1	0	12
Upper-floor flat	3	1	9	1	0	14
Bungalow	0	0	0	0	0	0
House	6	0	3	5	1	15
Sub-total	10	1	22	7	1	41
3 Bedrooms						
Ground-floor flat	0	0	0	0	0	0
Upper-floor flat	0	0	0	0	0	0
Bungalow	0	0	0	0	0	0
House	1	1	9	5	5	21
Sub-total	1	1	9	5	5	21
4 Bedrooms						
House	1	0	0	2	0	3
5 Bedrooms						
House	0	0	0	0	0	0
Total	41	4	47	35	20	147

OFFERS OF ACCOMMODATION made and refused between 6th April 2009 to 4th October 2009

Area	Property Details	Area	Condition	Personal circumstances	No reply to offer	Other reasons	Withdrawn	Total
Central	4	4	2	1	0	2	0	13
Dalton	1	0	0	1	0	0	0	2
Ormsgill	1	6	1	0	1	1	0	10
Roosegate	1	3	1	1	0	0	0	6
Walney	2	3	0	1	0	0	0	6
Total	9	16	4	4	1	3	0	37

NEW TENANCIES
6th April 2009 to 4th October 2009

<i>Applicant Type</i>	<i>No.</i>
Housing Register	90
Transfers:	40
General Management	3
Management	10
Medical	12
Under/over Occupancy	15
Homeless (monitored from October 2004)	21
Mutual Exchanges	15
Total Relets	166

HOUSING PROPERTY AS AT 30th September 2009

TYPE OF PROPERTY	NO. OF BEDS.	CENTRAL	DALTON	ORMSGILL	ROOSE	SHOPS	DISPERSED	WALNEY	TOTAL
BUNGALOWS	1	13	35	27	14			54	143
	2		5						5
	3			4	4				8
FLATS	1	314	30	213	243		4	145	949
	2	62	12	161	50		5	16	306
	3	3	1		1		2	1	8
HOUSES	2	80	19	66	143			76	384
	3	133	114	220	252			119	838
	4	9	4	7	51			4	75
	5				5				5
SUB-TOTAL		614	220	698	763		11	415	2,721
SHOPS	0					16			16
	2					4			4
	3					0			0
	4					1			1
HOSTEL FLATLETS	1						0		0
	2						0		0
GRAND TOTAL		614	220	698	763	21	11	415	2,742
GARAGES		207	42	68				167	484

SOLD PROPERTIES

6th April to 4th October 2009

AREA	PROPERTY TYPE	BEDROOMS	TOTAL
North Walney	GFL	1	1
Ormsgill 1	GFL	2	1
TOTAL			2

RESOLVED:- To note the Performance Information.

30 – Planned Maintenance 2009/10

The Housing Manager reported information relating to the progress of the Planned Maintenance Programme for 2009/10. The information was attached at **Appendix A** to these Minutes.

RESOLVED:- To note the progress of the Planned Maintenance Programme 2009/10.

31 – Presentation

The Housing Manager gave a short presentation to the Forum regarding a newly published consultation paper entitled “A New Regulatory Framework for Social Housing in England.”

RESOLVED:- To note the Presentation.

The meeting closed at 3.10 p.m.

PLANNED MAINTENANCE PROGRAMME 2009/10 @ 30.10.2009

APPENDIX A

SCHEME	CONTRACTOR OR SUPPLIER	AVAILABLE BUDGET	NO OF PROPERTIES	INVOICES PAID TO DATE	START DATE	ESTIMATED COMPLETION DATE	CONTRACTOR	TARGET COST	OUT TURN ESTIMATE	ESTIMATED OVER/UNDER SPEND	COMMENTS
REWIRES	CUMBRIA HOUSING PARTNERS	£252,700	Phase I Ewan Close (82 properties) Phase II Broad Close (72 properties)	£87,500 £24,500	Apr-09	Feb-10	AB MITCHELL (via K Wilson)	Phase I - £125,788 Phase II - £113,502	£252,000	£0	Phase I - 95% COMPLETE Phase II - 27% COMPLETE
BATHROOMS I	CUMBRIA HOUSING PARTNERS	£200,000	Walney/Abbotsmead (95 properties)	£84,829	May-09	Feb-10	AB MITCHELL	£196,690	£196,690	£-3,000	47% COMPLETE
BATHROOMS II	INTEGRAL	£100,000	Sowerby Avenue (29 properties)	£0	Sep-09	Feb-10	INTEGRAL	£75,000	75000 + £14,000 Prelims	£-11,000	Due to commence 1st Nov 2009
BATHROOMS III (MRA Funding)	CUMBRIA HOUSING PARTNERS	£100,000	The Griffin (38 Properties)	£0	Oct-09	Feb-10	AB MITCHELL	£72,560	£100,000	£0	Due to commence 1st Nov 2010 Uncertainty about volume of showers due to elderly tenants
KITCHENS I	CUMBRIA HOUSING PARTNERS	£400,000	Ewan Close/Ormsgill (117 properties) Yew Tree estate (36 properties)	£171,345	May-09	Feb-10	AB MITCHELL	£361,360	£321,360	£-40,000	45% COMPLETE
KITCHENS II	INTEGRAL	£225,000	Park Road/Millstone Ave (25 Properties)	£0	Sep-09	Feb-10	INTEGRAL	£65,000 + £30,000 One Off Installations; + £32,000 prelims	£65,000	£-98,000	Due to commence 1st Nov 2010 Allow £30,000 for one kitchen installations by Apr 2010
KITCHENS III (MRA Funding)	CUMBRIA HOUSING PARTNERS	£100,000	Ormsgill (37 Properties)	£0	Oct-09	Feb-10	AB MITCHELL	£85,398	£100,000	£0	Not started
HEATING I	CUMBRIA HOUSING PARTNERS	£475,000	Phase I Ewan Close + Others (91 properties)	£315,000	May-09	Feb-10	AB MITCHELL	Phase I - £253,776 + £100,000 One off installations	£475,000	£-100,000	83% COMPLETE Includes 25 No One off installations @ £100,000
HEATING II	INTEGRAL	£375,000	Dalton (47 Properties) Ormsgill (22 Properties)	£0	Sep-09	Feb-10	INTEGRAL	£276,000 + £45,000 for One off boiler swaps +£54,000 Prelims	£375,000	£0	Not started Includes 30 No boiler swaps by Apr 2010 and £54k prelims
HEATING III (MRA Funding)	CUMBRIA HOUSING PARTNERS	£100,000	Ormsgill + others (45 Properties)	£0	Oct-09	Feb-10	AB MITCHELL	£143,668	£143,668	£43,668	Not started
PAINTING	CUMBRIA HOUSING PARTNERS	£200,000	Phase I Vulcan/Risedale (206 properties) Phase II Greengate (150 properties)	£0	Jun-09	Feb-10	GH JONES	Phase I - £87,859 Phase II - £46,173	£150,000	£-50,000	Phase 1 - 85% COMPLETE £13,200 EXTRA agreed to repaint render at Raglan court Phase 2 - On site 66% COMPLETE

HOUSING MAINTENANCE COMMITMENTS 2009/10 @ 30.10.2009

	Funding Available 2009/10	Gross COMMITMENT to Date	Weekly Available	Gross Comm. as a % of funds available	Actual Invoices PAID to date
Tenant Demand Repairs	£832,500.00	£461,717.96	£16,009.62	55%	£221,449
Voids	£161,875.00	£131,848.08	£3,112.98	81%	£64,730
Gas Servicing	£394,956.00	£174,215.30	£7,595.31	44%	£78,323
Decoration Vouchers	£35,000.00	£22,885.00	£673.08	65%	£11,373
Disrepair Claims	£25,000.00	£0.00	£480.77	0%	0
Environmental Impmts	£50,000.00	£40,671.20	£961.54	81%	£30,021
Disabled Adaptations	£250,000.00	£220,000.00	£4,807.69	88%	242000
Door Entry	£30,000.00	£18,492.52	£576.92	62%	£20,811

Part One

HOUSING MANAGEMENT FORUM	(D) Agenda Item 6
Date of Meeting: 21st January, 2010	
Reporting Officer: Colin Garnett Housing Manager	
Title: Housing Revenue Account	
Summary and Conclusion:	
The purpose of this report is to agree a Housing Revenue Account Budget for the financial year 2010/11.	
The report also provides an Expected Outturn Budget for the current year 2009/10 and information regarding balances.	
Recommendations:	
Members are asked to:	
1. Note information at (1).	
2. Note information on balances at (2).	
3. Agree 2010/11 budget as shown in Appendix A.	
4. Agree an average increase of 1.3% in line with Rent Restructuring guidelines and note the effect on individual rents as shown at Appendix B.	
5. Agree an increase of Garage charges of 3%.	
6. Agree action contained in point 4.2 and 4.3.	
7. Agree the use of £137,470 from HRA balance to balance the budget for 2010/11.	

Report

The purpose of this report is to agree a Housing Revenue Account Budget for the financial year 2010/11.

The Report also provides an Expected Outturn Budget for the current year 2009/10 and information regarding balances.

The expected outturn and proposed HRA for 2010/11 is attached at **Appendix A**.

In drafting this report I have followed the subsidy determination provided in this year's guidance on rent setting and Housing Subsidy.

1. Expected Outturn Budget 2009/10

The forecast outturn for the year is:

- (i) Rental Income sales during the year are significantly lower than when the budget was set.
- Sales assumed in original 2009/10 budget = 25 dwellings
 - Sales current expectations 2009/10 = 6 dwellings (6 completed as at December 2009)
 - Expected decrease in rental income = £192,650 due to government guidance to limit the increase in 2008-2009. It is expected that this will be matched by a reduction in the subsidy payable to the government.
- (ii) Salaries

Changes in personnel, working hours and unfilled vacancies have resulted in savings estimated to be £92,000 for the year.

2. Balances on the Expected Outturn for 2009-10

The above is likely to result in the following movement in balances.

2.1 Balance on the Major Repair Reserve as at 31 March 2009 : £0

2.2 Balance on the Housing Revenue Account as at 31 March 2009: £845,980

The Housing Revenue Account Balance includes an element for funds committed to ongoing housing maintenance of £72,000.

2.3 Breakdown of Balances on Account:

Balance 1.4.09	:	£ 845,980
Ongoing Housing Maintenance	:	£ (72,000)
Forecast surplus 2009-10	:	£ 51,810
Proposed use to balance budget 2010-11	:	£ (137,470)

Estimated Balance at year end		£ 688,320

This figure is in line with the recommended minimum balances as suggested by the Borough Treasurer.

3. Draft Proposed HRA 2010/11

Appendix A shows a proposed budget for 2010/11.

- 3.1 In developing a proposed budget for 2010/11 the following factors have been taken into account:
- Rent increases will be applied in accordance with the rent restructuring plans (further details are shown below) – currently averaging 1.3% on actual rents per annum and 3.1% on guideline rents per annum.

- General inflation of 0% on salary costs, 0% on utilities or in line with contractual increases.
- Rental income is based on sales of 6 dwellings in 2010/11.

3.2 As referred to above, rent levels are dictated by the rent restructuring rules.

This year's rent restructuring guidance has been set to reflect the Department of Communities and Local Government's (CLG's) decision to fix rent increases for this year and next. The Retail Price Index (RPI) has fallen to -1.40% in the 2010/11 calculation, from 5% quoted last year. The number of years to convergence is 3.07 creating a convergence date of 25th April 2012.

The effect of this is as follows:

	48 Weeks	52 Weeks
2009/10	£64.71	£59.73
2010/11	£65.55	£60.51
Increase	1.3%	1.3%

Attached at **Appendix B** are further details of the resultant rents for different property types.

3.3 The housing repairs and maintenance budget has been increased in line with the subsidy guidelines. An amount of £1,126.61 per dwelling has been allowed by the subsidy system.

You will note following the above principles results in an in year deficit of £137,470. You will note that in the current year the predicted repayments of subsidy have yet to be adjusted following the rent reduction last year. I would expect that this would be remedied in the final determination in the current financial year but will monitor the situation and will report further, if necessary, on whether action will be required.

For the purpose of setting the budget, the deficit will be met from the HRA balance.

4. Other Charges

4.1 Garage Charges

The proposed budget does not include any increase on garage charges.

The following extra income would be generated if certain increases were approved:

1%	:	£1,620
2%	:	£3,240
3%	:	£4,850

The effect on individual garage charges would be as follows:

	2009/10	+1%	+2%	+3%
Garage rate 1	£5.29	£5.34	£5.40	£5.45
Garage rate 2	£7.31	£7.38	£7.46	£7.53

Please note that VAT is payable in addition to the above charges for garage holders who are not also Council tenants. VAT increased on 1 January 2010 from 15% to 17.5%.

Demand for garages is buoyant with few vacancies.

You will be aware it is my normal practice to recommend that garage rents should be increased in line with the increase for residential properties. I would, therefore, suggest you give consideration to increasing current rents by 3%.

I would, however, remind Members that whilst we adopted that principal last year in setting the budget, no reduction in the rents for garages was made following the revised guidance on rent increases late in the year.

Members instructions are therefore requested.

4.2 Homelink

I am not proposing any changes to Homelink charging at this time. With regards our own tenants, the charges are somewhat led by agreed contract rates with Supporting People Commissioning Body. I am currently in discussion with Supporting People regarding the identified reduction in income for this service, and will report shortly on proposals to deal with the matter.

4.3 Other Charges

Previously the principle has been agreed to vary certain charges as required to reflect the full cost of the service. These charges are altered when contracts are reviewed. Areas covered by this are staircase cleaning, supported tenancies, furnished tenancies, and dispersed accommodation.

I would recommend this principle be continued.

5. Housing Revenue Account Review

As I have reported previously, a review of the Housing Revenue Account subsidy system is ongoing and I understand that further details will be published in the Spring. I am unable to comment further on likely implications, but will report further when the information is available.

6. Summary

The proposed HRA budget for 2010/11 has been drafted to reflect the latest guidance.

The proposed rent increase is in line with the rent restructuring plan and provides a convergence date of 25th April 2012.

In agreeing these proposals there will be an in year deficit of £137,470 which will be supported by the HRA balance. Further consideration of this matter will be required after year end and final subsidy determinations are available.

Recommendations:

Members are asked to:

1. Note information at (1).
2. Note information on balances at (2).
3. Agree 2010/11 budget as shown in Appendix A.
4. Agree an average increase of 1.3% in line with Rent Restructuring guidelines and note the effect on individual rents as shown at Appendix B.
5. Agree an increase of Garage charges of 3%.
6. Agree action contained in point 4.2 and 4.3.
7. Agree the use of £137,470 from HRA balance to balance the budget for 2010/11.

Legal Implications

Proposals in report reflect guidance on rent restructuring.

Financial Implications

Management procedures in place to regularly review expenditure within budget.

Health and Safety Implications

N/A

Key Priorities or Corporate Aims

Corporate:

Meet the housing needs of the Borough and make decent housing more accessible.

Housing Service:

Prudent financial management to ensure financial resources are used effectively with regards value for money.

Risk Assessment

N/A

Equal Opportunities

N/A

Background Papers

2010/11 Subsidy Determination.

HRA Resource Accounting Budget 2010-2011

BARROW BOROUGH COUNCIL

	Actual 2008-2009	Original Budget 2009-2010	Outturn Budget 2009-2010	Budget 2010-2011
INCOME				
Dwelling rents	<8,098,913>	<8,499,850>	<8,307,200>	<8,405,900>
Other rents	<291,408>	<311,270>	<313,770>	<315,360>
Charges for services and facilities	<344,441>	<359,770>	<360,050>	<318,080>
Other income	<74,998>	<41,070>	<138,940>	<41,070>
Total Income	(8,809,760)	(9,211,960)	(9,119,960)	(9,080,410)
EXPENDITURE				
Management	2,905,578	3,079,800	2,988,660	2,951,060
Maintenance	2,918,874	2,986,290	2,986,290	3,067,750
Bad debt provision	80,271	82,210	82,210	90,600
Housing subsidy payable	0	399,940	399,940	492,250
Dwellings depreciation	1,959,001	1,934,670	1,934,670	1,561,740
Non dwellings depreciation	118,091	118,230	118,230	132,500
Impairment loss	8,119,000	0	0	0
Deferred grants	<41,570>	<36,550>	<36,550>	<31,690>
Debt management expenses	16,595	13,350	13,350	12,320
Total Expenditure	16,075,840	8,577,940	8,486,800	8,276,530
NET COST OF SERVICES	7,266,080	(634,020)	(633,160)	(803,880)
Gains and losses on HRA assets disposal	<76,058>	0	<262,700>	0
Interest payable and related items	488,446	433,190	433,190	407,350
Interest on pension liabilities	832,000	667,000	667,000	832,000
Expected return on pension assets	<609,000>	<616,000>	<616,000>	<609,000>
Interest on mortgages	<467>	<460>	<460>	<450>
NET OPERATING EXPENDITURE	7,901,001	(150,290)	(412,130)	(173,980)
Statement of Movements on HRA Balances				
Reversal of grants released	41,570	36,550	36,550	31,690
Reversal of impairment loss	<8,119,000>	0	0	0
HRA premiums on early repayment of debt	249,970	249,970	249,970	251,120
HRA discounts on early repayment of debt	<8,897>	<8,900>	<8,900>	<10,050>
HRA net charges for retirement benefits	<411,406>	<307,030>	<307,030>	<223,000>
Gain on sale of fixed assets	72,800	0	251,900	0
Gain on sale of contingent assets	3,258	0	10,800	0
Transfer to Major Repairs Reserve	0	0	0	371,800
Transfer from Major Repairs Reserve	<125,882>	<150,090>	<150,090>	<132,500>
HRA employer's contributions	249,245	277,120	277,120	22,390
HRA capital expenditure financed from revenue	26,784	0	0	0
Net HRA balance	0	0	0	0
NET (SURPLUS) / DEFICIT	(120,557)	(52,670)	(51,810)	137,470

Part One

HOUSING MANAGEMENT FORUM	(D) Agenda Item 7
Date of Meeting: 21st January, 2010	
Reporting Officer: Colin Garnett Housing Manager	
Title: Housing Maintenance Investment Programme 2010/11	
Summary and Conclusion:	
The purpose of this report is to consider and agree the expenditure profile for the financial year 2010/11. It provides details of progress during the current year and details of ongoing investment.	
Recommendations:	
Members are asked to:	
<ol style="list-style-type: none">1. Note progress on achieving the Decent Homes Standard shown at point 1.2. Agree principles highlighted in point 2; and the annual Investment Profile shown at Appendix C.3. Agree to increase delivery proposals through Cumbria Housing Partners subject to compliance with the frameworks group accounting requirements.	

Report

The purpose of this Report is to agree the spend profile for the Housing Services Investment Plans for the next financial year.

It also seeks to suggest how it should be delivered.

Background

The investment Programme is funded from the Housing Revenue Account or from the Major Repairs Allowance.

The principles adopted in drafting these proposals continue with the previously agreed approach that seeks to ensure:

- i The Council achieves the Decent Homes standard.
- ii The investment split between responsive and planned works at a minimum meets the Audit Commission's guidelines, and seeks to maximise monies spent on planned works.
- iii The aspirations of tenants are considered and incorporated where appropriate.
- iv To work collaboratively with other housing providers and contractors to improve delivery of planned and responsive repairs services.

Properties identified for improvement are completed on a “worst first” basis. Programmes of delivery reflect the need to satisfy Decent Homes requirements and are based on the results from the independent Stock Condition Survey completed in 2005/06. Properties scheduled for investment during 2010/11 are shown in **Appendix D**.

A further survey of the housing stock is due to be completed before 31st March 2010. Officers will report the findings of the survey to the Housing Management Forum. The report will include a detailed property investment list covering years 2 to 5 of the business plan.

1. Progress during the Current Year 2009/10

All planned investment works have progressed satisfactorily during the year. The bulk of work progressed through CHP was completed prior to Christmas. Additional works made possible by the bringing forward of MRA are on site and scheduled for completion by the end of the financial year.

Delivery through CHP has continued to be an effective delivery method in terms of value for money, compared with historical costs, and improved delivery by providing a structured approach to the management, administration and monitoring of the contracts.

Planned work to be completed through our contract with Integral, did start later in the year but again is scheduled for completion by the end of the financial year.

Progress on delivery will continue to be reported to this Forum on a regular basis through the Information Report.

The table below gives an indication of the number of properties that have benefited from the more significant Investment Plans and will be updated where appropriate at year end.

Type of Work	No of Properties
Kitchens	285
Bathrooms	156
Central Heating	205
Rewires	154
Painting	356
Minor Adaptations	153
Major Adaptations	70

It is our normal practice when presenting this Report to provide an update on the number of properties failing the decent homes standard.

Our assessment is based on information provided by the Stock Condition Survey updated by a record of the investment work completed since the survey. On this basis the current position is:

	Properties	Percentage of Stock
* Baseline	509	18%
as at 4/09	6	Less than 1%
as at 4/10 (est)	0	0%

* 2005/06 Stock Condition Survey

A review of our assessment will be completed as part of the new Stock Condition Survey which will be completed by the end of this financial year.

2. Suggested Investment Profiles for 2010/11

Attached at **Appendix C** is a suggested investment profile.

The proposals have been developed based on the principles highlighted at i, ii and iii above.

In terms of putting the proposals in context, they are based on an investment of £5,001,293 in 2010/11 compared with a budgeted investment of £4,888,990 in the current year.

I would draw your attention to the following issues regarding the draft Investment Plan.

2.1 Adaptations for Tenants with a Disability

I am proposing the budget for adaptations be increased from £250,000 to £300,000.

This is in order to ensure we are able to respond to the demand for adaptations and keep delays in delivery of such work to a minimum. During the current year demand has exceeded budget provision. However, by reallocating underspends on follow up works to electrical testing and savings on external painting, it has been possible to continue to meet demand.

Whilst having to now fund small adaptations (up to £1000) the most significant challenge is responding to the demand for such works generally, an issue to the Housing Service, but also a national issue.

2.2 Door Entry Replacements - £150,000

Following discussions at the Tenant Compact Working Party, Officers appointed a suitable contractor to commence replacement of the existing door entry systems throughout the Borough. I had originally suggested this programme would take four years to complete. However, having now competitively tendered the work I am suggesting the budget be increased from £100K to £150K with a view to completing the programme in 2-3 years.

2.3 Voids and Energy Performance Certificates - £230,000

In 2009 expenditure on voids increased due to our legal obligation to carryout a full test of the electrical and gas supplies to the property. In addition, we are required to provide each new tenant with an "Energy Performance Certificate" (EPC). The cost of providing EPCs is approximately £30,000 per year. In view of these additional costs I have

proposed to increase the void budget to £200,000 and allow a further £30,000 for the provision of EPCs.

2.4 Cyclical Painting - £200,000

In 2009 members agreed to the delivery of the cyclical painting programme via CHP. Following the appointment of George Jones Ltd, I can report that the works were completed to the required standard, delivered on time and within budget. This resulted in a saving of approximately 40% when compared to traditionally tendered works.

In view of this I propose that Members agree the 2010/11 painting works continue to be delivered via CHP.

2.5 Environmental Improvements

I am proposing changes to the way we use resources allocated for this purpose to improve focus and delivery in a more planned manner. The principle I am suggesting, based on previous experience of managing these budget headings, is to reduce the resources for day to day 'responsive' works and move towards more 'planned' environmental investment. This could be progressed by:

2.5.1 Area Improvements and Environmental Improvements

Expenditure from this budget is agreed with the Tenants' Forum. It seeks to respond to requests for adhoc environmental improvements on estates. In recent years the level of requests has meant the budget not being committed in full.

I am therefore proposing it be reduced to £25,000.

2.5.2 Fencing and Environmental Improvements

This budget is used for replacing fencing that, if not replaced, would pose a health and safety risk to the occupiers. As such, it tends to be demand led and not always fully committed. It also funds other environmental works, more recently balcony upgrades at Grange and Cartmel Crescent.

I am proposing this be reduced to £25,000 and be used solely for fencing replacement based on the above criteria.

2.5.3 In reducing the resources under the above budget headings, and to move towards more planned investment I would advise Members of the following:

- Door entry upgrades:

Proposed increase of original budget to £150,000 this year.

- 'Other planned maintenance':

Proposed increase to £197,000. these resources are used to complete investment work which I would describe as 'adhoc' upgrades, as opposed to 'cyclical' upgrades such as the kitchen replacement programme. Proposals on how these resources are used is agreed with the Tenant Compact Working Party, but are generally planned and therefore ensure a more structured investment. Recent examples of work in progress includes pointing agreed to particularly exposed property.

3. Progressing the Planned Investment Works

I would propose the existing arrangements for delivering the investment works of the Maintenance budget be continued for 2010/11.

This includes completion of works through the CHP framework, through our contract arrangement with Integral, and shorter term work such as the door entry upgrades by one off competitive tendering exercises.

As referred to above I am proposing the external painting contract be delivered via CHP in 2010/11 and as such whilst we have worked on the basis of cyclical investment over the last few years being delivered on the basis of 50% Integral, 50% CHP, this should be changed to a target of 30%/50%.

In proposing the continued involvement with CHP, I would advise you the four year framework contract is coming to an end and is currently being re-tendered. I will provide details of progress with this when it is available.

Recommendations

1. Note progress on achieving the Decent Homes Standard shown at point 1.
2. Agree principles highlighted in point 2; and the annual Investment Profile shown at Appendix C.
3. Agree to increase delivery proposals through Cumbria Housing Partners subject to compliance with the frameworks group accounting requirements.

Legal Implications

N/A

Financial Implications

Appendix C provides details of expenditure to deliver the programme funded by HRA contribution and MRA.

Health and Safety Implications

The delivery of contracts is carried out in accordance with the Council's Health and Safety Policy and specific guidance where appropriate

Key Priorities or Corporate Aims

Corporate:

Meet the housing needs of the Borough and make decent housing more accessible

Housing Service:

Investing and maintaining homes and estates to the best standard possible with the resources available

Risk Assessment

Management systems are in place to regularly monitor on delivery and expenditure

Equal Opportunities

N/A

Background Papers

N/A

BUDGET 2010 APPENDIX C.xls

Total Budget £5,001,293

NEC 3 Contingencies (7.5%)	Routine Maintenance	Other Planned Maintenance	MRA				
£67,500	Tenant Demand Repairs	£832,500	Tenant Demand Repairs	£69,375	Gas Building Works	£283,543	Rewires (CHP)
£15,000	Void Repairs	£185,000	Void Repairs	£193,581	Gas Breakdown Repairs	£375,000	Heating and Insulation (Integral)
£5,625	Associated Building Works	£30,000	EPC Surveys	£132,000	Gas Safety Tests and Servicing	£475,000	Heating and Insulation (CHP)
£14,529	Gas Breakdown Repairs	£35,000	Decoration Vouchers	£200,000	Painting and Fabric repairs	£100,000	Bathrooms (Integral)
£9,900	Gas Safety Tests and Servicing	£10,000	Security Shutters	£20,000	Community Centre Repairs	£200,000	Bathrooms (CHP)
		£15,000	Tipping charges (Voids)	£20,000	Door Entry Maintenance	£225,000	Kitchens (Integral)
				£15,000	Disrepair Claims	£275,000	Kitchens (CHP)
				£25,000	Environmental Enhancements		
				£175,000	Electrical Testing & Smoke Alarms		
				£10,000	Asbestos Surveys and Removal		
				£25,000	Fencing and Environmental Imp		
				£50,000	Consultancy Fees		
				£20,000	Shop Repairs/Upgrades		
				£150,000	Door entry replacements		
				£20,000	Re-Insulation works		
				£197,740	Other Contractors Planned Works (Misc)		
				£225,000	Kitchens via CHP	£1,933,543	
				£300,000	Disabled Adaptations	£1,933,543	
£112,554		£1,107,500		£1,847,696			

CHP = Cumbria Housing Partners

2010/11 INVESTMENT PROGRAMME

KITCHENS – 148

Brook Street	10 houses
Jarrow Street	15 houses
Langdale Grove	10 houses
Mardale Grove	23 houses
Suffolk Street	4 houses
Wasdale Grove	13 houses
Jarrow Street	10 flats
Mardale Grove	11 flats
Wasdale Grove	3 flats
Wyre Green	1 bungalow
Roding Green	1 bungalow
Broadstairs Lane	2 bungalows
Levens Terrace	7 houses
Corporation Terrace	4 houses
Brathay Crescent	25 houses
Cecil Street	9 houses

BATHROOMS – 86

Cotswold Crescent	14 bungalows
Chiltern Crescent	26 flats
Pennine Gardens	46 flats

PAINTING

Roosegate/Ormsgill (part only)

HEATING

To be confirmed

REWIRES

To be confirmed