



TENANTS' AND LEASEHOLDERS' CONSULTATIVE FORUM

**TUESDAY 6 JANUARY 2009
7.30 PM**

FORUM AGENDA (CONSULTATIVE)

**COMMITTEE ROOMS 1 & 2,
HARROW CIVIC CENTRE**

MEMBERSHIP (Quorum 3 Council Members)

Chairman: Councillor Barry Macleod-Cullinane

Councillors:

Yogesh Teli

**Bob Currie
David Gawn**

Representatives of Individual Housing Estate Tenants' and Residents' Associations

Reserve Members:

1. G Chowdhury
2. Ashok Kulkarni
3. Mrs Kinnear

1. Phillip O'Dell
2. B E Gate
3. -

**Issued by the Democratic Services Section,
Legal and Governance Services Department**

**Contact: Lysandra Dwyer, Democratic Services Officer
Tel: 020 8424 1264 E-mail: lysandra.dwyer@harrow.gov.uk**

***NOTE FOR THOSE ATTENDING THE MEETING:
IF YOU WISH TO DISPOSE OF THIS AGENDA, PLEASE LEAVE IT BEHIND AFTER THE MEETING.
IT WILL BE COLLECTED FOR RECYCLING.***

HARROW COUNCIL

TENANTS' AND LEASEHOLDERS' CONSULTATIVE FORUM

TUESDAY 6 JANUARY 2009

AGENDA - PART I

1. **Attendance by Reserve Members:**

To note the attendance at this meeting of any duly appointed Reserve Members.

Reserve Members may attend meetings:-

- (i) to take the place of an ordinary Member for whom they are a reserve;
- (ii) where the ordinary Member will be absent for the whole of the meeting; and
- (iii) the meeting notes at the start of the meeting at the item 'Reserves' that the Reserve Member is or will be attending as a reserve;
- (iv) if a Reserve Member whose intention to attend has been noted arrives after the commencement of the meeting, then that Reserve Member can only act as a Member from the start of the next item of business on the agenda after his/her arrival.

2. **Declarations of Interest:**

To receive declarations of personal or prejudicial interests, arising from business to be transacted at this meeting, from:

- (a) all Members of the Committee, Sub Committee, Panel or Forum;
- (b) all other Members present in any part of the room or chamber.

Enc. 3. **Minutes:** (Pages 1 - 6)

That the minutes of the meeting held on 11 November 2008 be taken as read and signed as a correct record.

4. **Public Questions:**

To receive questions (if any) from local residents or organisations under the provisions of Advisory Panel and Consultative Forum Procedure Rule 16 (Part 4E of the Constitution).

5. **Petitions:**

To receive petitions (if any) submitted by members of the public/Councillors under the provisions of Advisory Panel and Consultative Forum Procedure Rule 14 (Part 4E of the Constitution).

6. **Deputations:**

To receive deputations (if any) under the provisions of Advisory Panel and Consultative Forum Procedure Rule 15 (Part 4E of the Constitution).

- Enc. 7. **References from Council and Other Committees/Panels:** (Pages 7 - 22)
To receive any references from Council and/or other Committees or Panels.
- (a) Reference re: Draft Housing Revenue Account (HRA) 2009-11 to 2011-12. Reference received from Cabinet meeting held on 18 December 2008.
- Enc. 8. **INFORMATION REPORT - Quarter 2 Housing Revenue Account (HRA) Monitoring Report as at 30 September 2008:** (Pages 23 - 28)
Report of the Corporate Director (Finance)
- Enc. 9. **INFORMATION REPORT - Housing Capital Programme:** (Pages 29 - 46)
Information Report of the Divisional Director (Housing)
- Enc. 10. **INFORMATION REPORT - Update on Housing Repairs Budget:** (Pages 47 - 50)
Information Report of the Divisional Director (Housing)
- Enc. 11. **Estate Services Consultation:** (Pages 51 - 70)
Report of the Divisional Director (Housing)
- Enc. 12. **INFORMATION REPORT - Report on Restructuring following the Introduction of CIVICA IT systems:** (Pages 71 - 74)
Information Report of the Divisional Director (Housing)
- Enc. 13. **Draft Housing Revenue Account (HRA) Budget 2009-10 and Medium Term Strategy 2009-10 to 2011-12:** (Pages 75 - 90)
Report of the Corporate Director (Finance)
14. **Suggestions for agenda items for next meeting:**
Suggestions for agenda items for the next meeting.
15. **Any Other Urgent Business:**
Which cannot otherwise be dealt with.
16. **Date of Next Meeting:**
To note that the next meeting of the Forum is due to be held on Thursday 26 February 2009 at 7.30 pm.

AGENDA - PART II - NIL

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**TENANTS' AND LEASEHOLDERS'
CONSULTATIVE FORUM**

11 NOVEMBER 2008

Chairman: * Councillor Barry Macleod-Cullinane

Councillors: * Bob Currie
* Phillip O'Dell (1) Yogesh Teli

* Denotes Member present
(1) Denotes category of Reserve Member

[Note: Councillor Susan Hall also attended this meeting.]

PART I - RECOMMENDATIONS - NIL

PART II - MINUTES

157. **Attendance by Reserve Members:**

RESOLVED: To note the attendance at this meeting of the following duly appointed Reserve Members:

<u>Ordinary Member</u>	<u>Reserve Member</u>
Councillor David Gawn	Councillor Phillip O'Dell

158. **Declarations of Interest:**

RESOLVED: To note that the following interest was declared:

Councillor Bob Currie declared a personal interest in that he attended monthly meetings of Brookside Close Tenants' and Residents' Association and Eastcote Lane Tenants' and Residents' Association. Accordingly, he would remain in the room during the discussion and decision-making for all items.

159. **Arrangement of Agenda:**

The Forum was asked to consider two items, which had been admitted late to the agenda, as follows:

<u>Agenda item</u>	<u>Special Circumstances / Grounds for Urgency</u>
17. Reference from Overview and Scrutiny Committee	This report had not been circulated with the agenda as the meeting of Overview & Scrutiny Committee had not taken place at the time of dispatch.

Following a vote, it was unanimously:

RESOLVED: That (1) the item be admitted late to the agenda and considered in conjunction with Item 9;

(2) all items be considered with the press and public present.

160. **Minutes:**

RESOLVED: That the minutes of the meeting, held on 22 July 2008 be taken as read and signed as correct records.

161. **Public Questions:**

RESOLVED: To note that no public questions were received at this meeting under the provisions of Advisory Panel and Consultative Forum Procedure Rule 16 (Part 4E of the Constitution).

162. **Petitions:**

RESOLVED: To note that no petitions were received at this meeting under the provisions of the Advisory Panel and Consultative Forum Procedure Rule 14 (Part 4E of the Constitution).

163. **Deputations:**

RESOLVED: To note that no deputations were received at this meeting under the provisions of Advisory Panel and Consultative Forum Procedure Rule 15 (Part 4E of the Constitution).

164. **INFORMATION REPORT - Update on the Xcite Project - Outreach Work Supporting Residents of Social Housing Back into Work and Training:**

An officer presented the Forum with an update on the Xcite project previously reported on in the Tenants' and Leaseholders' Consultative Forum meeting on 9 January 2008.

The Forum was advised that funding for two years from the London Development European Social Fund and West London Working agency would be used to support 300 Harrow tenants back into work and training. The officer confirmed that three outreach officers had been employed to support participants in the project living on Cottesmore, Woodlands, Rayners Lane, Pinner Hill, Mill Farm, Stanmore Park, Weald village and Harrow Weald Estates. The officer added that Harrow Council would be responsible for managing the project and work in partnership with Tenants and Resident Associations, the Harrow Association of Somalian Voluntary Organisations (HASVO), Harrow and Stanmore Colleges and Jobcentre Plus. Specialist support would be delivered by Harrow Association of Disabled People (HAD), MIND in Harrow and One Parent Families/ Gingerbread.

During the discussion on the item, Forum members raised a number of issues, including:

- that some of the development opportunities did not address the needs of participants who already held organising and prioritising skills;
- that there could be a greater concentration on targeting youths that were currently unemployed to participate in the project;

In response to these and other questions, the officer confirmed that:

- the programme could also train participants and provide personal advice / coaching to workless adults in Harrow and would address individuals needs;
- officers continually sought to attract young people over the age of 18 years to the scheme however, it remained a voluntary participation scheme and Connexions was the key agency to support the needs of young people;
- individuals would have the opportunity to develop and refresh skills and address barriers to work;
- advisors would work from children's centres, schools and community centres;
- the Xcite project would link with other projects, including, the Childcare Affordability Project, and Parents into Employment which will provide English for Speakers of Other Languages (ESOL).

The Chairman emphasised the importance of the scheme in terms of addressing worklessness issues and agreed that a report be submitted to the next meeting providing a full update against the agreed targets identified.

RESOLVED: That the report be noted.

165. **INFORMATION REPORT - Right To Manage Process Update:**

The additional late item (Reference from Overview and Scrutiny Committee – Right to Manage Process) was considered in conjunction with this item. The Chairman advised that the Overview and Scrutiny Committee had been asked to undertake a scrutiny investigation in respect of this issue to ensure the veracity of the process and provide surety as to the outcomes and this would report outcomes to a future meeting when complete.

An officer from Adults and Housing Services outlined the history of the Right to Manage dating from the agreement by Cabinet on 23 June 2005 to undertake an investigation of the potential for establishing a Tenants Management Board (TMB) supported by an Independent Tenants Advisor Service and other resources as necessary. The officer reported that First Call had been appointed as Independent Tenant Advisors in December 2006 and successfully applied for Section 16 funding from the Housing Corporation with local authority and borough support and then outlined the progress

achieved to date. In response to a question, the Divisional Director of Housing confirmed that the bid for the Feasibility Stage had been provisionally signed off.

The Chairman then spoke, noting the concerns that had been registered at previous meetings and that all further progress concerning working with First Call or the Right to Manage Process would be placed on hold pending the outcome of the Overview and Scrutiny Investigation.

At the request of the Forum a representative of First Call was invited to speak and he agreed that his organisation would undertake no further work until the completion and consideration of the Overview and Scrutiny investigation.

During the discussion on the item, Forum members raised a number of issues, which officers responded to as follows:

- concerning communication of the decision it was anticipated that the Forum representatives would disseminate information to tenants as part of their role and an item would be included in the next newsletter;
- outlined how it was anticipated the scrutiny investigation would be undertaken and that it was intended that TRA representatives would be able to participate as part of the scrutiny investigation both as witnesses and members to any panel;
- that it was not possible to begin the process again at this stage as legislation dictated the Council must adhere to the identified procedure agreed following the appointment of an Independent Tenant Advisor;
- outlined the membership and decision making history of the former Steering Group;

The Chairman spoke on the importance of ensuring that the process going forward was correct and that he welcomed a thorough investigation of all concerns.

RESOLVED: That the report be noted.

166. **INFORMATION REPORT - Quarter 1 Housing Revenue Account (HRA) Monitoring Report as at 30 June 2008:**

The Forum received an information report detailing the monitoring of the Housing Revenue Account as at 30 June 2008. Officers explained that:

- increase in Home Ownership costs – equated to additional half post within service;
- there were income variations as these were not achieving to anticipated levels in the current economic climate;
- the key variation on HRA expenditure arose from significant pressures on the repairs budget;
- it was anticipated that there would be a shortfall of £0.3M against the identified budget target;
- no further commitments were anticipated on the contingency provision.

In response to a question from a Member officers confirmed that training had been arranged to assist forum members in understanding the financial data under consideration but, that further targeted training opportunities would be arranged.

A Forum member advised that the Harrow Federation of Tenants' and Residents' Associations (HFTRA) had also commenced its training programme and that she would arrange for this issue to also be included within its programme of events and learning. It was agreed that such training should take place prior to the next meeting as that Forum would have to consider items relating to Quarter 2 Monitoring and the proposed 2009/10 Budget.

RESOLVED: That the HRA position at the end of the first quarter 2008/09 be noted.

167. **INFORMATION REPORT - Community Centres Review:**

An officer reported upon the 10 Community Centre within the ownership of the Housing Service and identified as assets to the Housing Revenue Account, noting that all were

compliant with Disability Discrimination Act (DDA) requirements. She then spoke on the responsibility of the authority to ensure that usage of these centres was achieved at a market rent basis noting that this would impact upon one full time user and three centres providing accommodation for pre-school nursery facilities.

The officer then spoke of the challenges ahead in terms of the use of the centres and that a stock condition survey had been commissioned which would enable the Housing Service to develop a planned programme of maintenance and improvements for the future. She also outlined the shortfall between expenditure as opposed to income in respect of the Centres noting that the current economic climate could create further difficulties in identifying other income opportunities.

The Forum was then informed of potential redevelopment opportunities arising from the concerns identified within the Housing Strategy in relation to increasing the supply of affordable housing; satisfying the needs of Black and Minority Ethnic residents and delivering Value for Money. These aligned with the Local Area Agreement target to deliver 200 new affordable homes. It was therefore intended that a report be submitted to a future meeting concerning the results of the Stock Condition Survey and addressing potential options for use of the Community Centres in light of this, which would include where appropriate and aligned with Council priorities potential redevelopment in terms of affordable housing and/or re-provision of a community centre.

During discussion residents made the following points:

- concern that achieving market level rents could lead to unused buildings as potential users would be unable to meet costs;
- that officers contact youth services regarding the potential for further utilisation on youth related use and other budget opportunities available to be sourced for such use;
- there were no current facilities easily available for Eastcote area residents and that other opportunities for provision (such as school halls and church halls) should be considered;
- that any feasibility study in respect of the Brookside Centre should be undertaken in conjunction with the proposals for the redevelopment of the garages on that estate;
- that officers advise what the future proposals were for the previous Whitchurch Institute and old Cricket Pavilion in the Berridge Estate area which were vacant and becoming derelict.

RESOLVED: That the report be noted.

168. **INFORMATION REPORT - Update on Housing Repairs Budget:**

An officer reported upon the budgetary challenges faced by the Housing repairs service and the identified measures that would be required to successfully address these. He advised that a history of a high expenditure on housing repairs had led to an increasing pressure upon the repairs budget, noting that in comparison to the size of its housing stock the service experienced a very high level of demand that was also disproportionate in respect of some service users. He added that the increase in costs had arisen as a result of several factors including where the authority had undertaken to rectify "do-it-yourself loft conversions that failed to adhere to building regulations.

Officers considered that the implementation of robust procedures around repair requests were necessary to contain the projected overspend of the repairs budget, whilst emphasising that the authority would not fail in its duty to ensure health and safety and resident security requirements were abided by. A proposed list of non-urgent repairs items was detailed whereby the authority would seek to place these in abeyance, subject to a further reassessment by Property Services. However, it was recognised that these categories of repairs would need to be considered on a case-by-case basis where residents raised concerns in relation to health, safety and security.

Officers further proposed that a recharge policy could be implemented requiring residents to pay for repairs caused following acts of negligence, accidental damage or non-reportable crime matters.

The proposals around the repairs service were anticipated to be temporary measures until the service had re-established itself and contained the high level of expenditure

currently experienced. In terms of communicating the proposals to residents this would be at point of service, via mailshot and the "Homing-In" magazine.

In response to anecdotal examples raised by the Forum officers confirmed that controls would be put in place whereby all works were scrutinised by the minor repairs team. It was emphasised that the Council would always meet those repairs which complied with its health and safety obligations. Forum members also spoke on instances where advice received at point of contact with the Council seemed to contradict with the proposals contained within the item and the Chairman asked that such instances be advised to him and he would undertake to investigate.

In response to a question from a Member it was agreed that the figures in relation to those repairs which could be impacted by being deferred be circulated to all members of the Forum.

The Chairman agreed that where a Member of the Council was particularly concerned regarding a resident repair issue they should raise this directly for further consideration with the relevant Service Manager.

RESOLVED: That the report be noted.

169. **INFORMATION REPORT - Estate Services Report on Garages:**

The Forum received a report detailing an update of garages and other sites which offered opportunities for redevelopment. The report addressed the problems associated with garages disrepair, market rents and levels of voids. Officers briefly outlined details of income to the Housing Revenue Account for the previous three years, together with the number of empty garages and their current condition.

It was suggested that disused or non-viable garage sites should be considered for opportunities for future development and subject to a full consultation with residents and a list of potential sites was discussed including Holsworth Close, Hawkins Close, Charles Crescent, Farmborough Close, Apsley Close and Antoneys Close.

The Forum welcomed the report and referred to the anti-social issues which could arise in relation to disused garage areas.

RESOLVED: That the report be noted.

170. **Suggestions for Agenda Items for Next Meeting:**

RESOLVED: That any suggestions for items be advised to the Chairman or Director of Housing Services.

171. **Date of Next Meeting:**

RESOLVED: To note that the next meeting would be held on 6 January 2009.

(Note: The meeting having commenced at 7.30 pm, closed at 10.06 pm)

(Signed) COUNCILLOR BARRY MACLEOD-CULLINANE
Chairman

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LONDON BOROUGH OF HARROW

TENANTS' AND LEASEHOLDERS' CONSULTATIVE FORUM

TUESDAY 6 JANUARY 2009

Key Decision - Draft Revenue Budget 2009-10 to 2011-12

Reference from the meeting of Cabinet held on 18 December 2008

1. The Portfolio Holder for Strategy, Partnership and Finance introduced the report, which set out the draft revenue medium term financial strategy (MTFS) for 2009-10 to 2011-12, and outlined the context for the budget. He advised that a funding gap of £4.2m remained and that there needed to be a radical assessment of the services provided. There would be limited funding from the Government in future years.
2. The Corporate Director of Finance stated that there were funding gaps year on year. She highlighted the proposed change in relation to the contribution to reserves from £1m to £0.5m per annum. Therefore it was essential that the Council came in on budget this year and added £1m to reserves as planned.

RESOLVED: That (1) the results of the consultation carried out on the draft corporate priorities, set out in Appendix 1 to the report of the Corporate Director of Finance, be noted;

(2) the draft revenue budget of £168.599m for 2009-10 and the draft MTFS be agreed;

(3) the reserves policy set out in paragraph 46 of the report of the Corporate Director of Finance be approved;

(4) the draft Housing Revenue Account (HRA) for 2009-10 to 2011-12 set out in Appendix 6 of the Corporate Director of Finance's report be approved, and the draft HRA be referred to the Tenants and Leaseholders Consultative Forum in January.

Reason for Decision: To publish the draft budget.

FOR CONSIDERATION

Background documents:

1. Cabinet report – 18 December 2008.
2. Minutes of the Cabinet meeting held on 18 December 2008.

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HOUSING REVENUE ACCOUNT (HRA)

Draft Medium Term Financial Strategy (MTFS) 2008-09 to 2010-11

1. The Council's 30 year HRA business plan was updated and submitted to the Government Office for London (GOL) in July 2006. The plan sets out how the Council intends to manage and maintain its housing stock over the next 30 years. This financial strategy, as set out below, relies on the business plan assumptions, which have been updated where relevant to reflect changing operational needs and priorities.
2. The medium term financial strategy reflects the costs of delivering services at current levels and takes account of areas of identified pressures and savings. It builds on the HRA forecast outturn position at quarter 2 and is subject to changes that may be required to reflect government policy and housing priorities.
3. The draft housing revenue account for 2009-10 to 2011-12 is attached at Appendix 6a. The key assumptions that underpin the strategy and the three year revenue budget summary are set out below.

Balances

4. The strategy will deliver an in year deficit of £1.4m in 2009-10 and £0.8m in 2010-11, and a surplus of £0.1m in 2011-12. The accumulated balances are estimated to reduce from £6.2m at the end of 2007-08 to £3m at the end of 2011-12.
5. In line with the business plan, the HRA aims to maintain a minimum balance of £0.75m.

Income

Dwelling Rent

6. The Government intends that by 2016 similar properties in the same area will have similar rents even if owned by different social landlords. The aim is to deliver fairer rents, and greater transparency and choice for tenants. This is generally referred to as rent convergence.
7. In line with Government policy, an average rent increase of 6.19% is recommended in 2009-10 (5.66% in 2008-09). This means an average rent charge of £86.17 per week per tenant (£81.59 in 2008-09) representing an average rent increase of £4.58 (£4.37 in 2008-09). This will achieve rent convergence for 83% of Council dwellings by the target date.
8. Average formula rents and service charges by dwelling are set out in Appendix 6b. (The average rent for 2008-09 is the average as at November 2008, reflecting sales to date.)

9. The strategy assumes a stock level of 5,065 at the start of April 2009 reducing marginally by an estimated five right to buy sales each year thereafter. Rent loss resulting from voids is estimated at 1.44% of the rental income for dwellings and 0.58% for sheltered accommodation. These assumptions are reflected in the estimated rental incomes detailed in appendix 6a.

Service Charge – Tenant and Leaseholders

10. In line with Government guidance, the Council separated service charge from dwelling rent in April 2007. The costs of delivering estate based communal services are recovered directly from tenants through the service charge. The estimated total cost of depooled services in the current year is £1.9m. (£1.24m in 2007-08).
11. The service charge for tenants is recommended to increase by 5.50% in 2009-10 (3.5% in 2008-09) resulting in an average service charge of £4.39 (£4.13 in 2008-09), representing an average increase of £0.26 (£0.14 in 2008-09) per week per tenant.
12. As noted above, service charges by dwelling are shown in Appendix 6b.
13. The service charge for leaseholders is recommended to increase by 10.6% in 2009-10, reflecting additional repairs costs. Recovery of costs for administering the leasehold team is recommended to remain at 20% of the service charge costs. Recovery of the costs of repairs to leasehold blocks is estimated at £53 per leaseholder. Building insurance is to be recovered based on an average of £157 per year per leaseholder. It is estimated there will be 1,172 leaseholders as at 31st March 2009.

Other Rental Income

14. Other rent income from garages, car parking, commercial shops and facilities charges is recommended to increase by 2.5%.
15. Details of the proposed rents for garages and parking, facility charges and charges for community centres are set out in appendices 6c, 6d and 6e respectively.

Summary

16. The recommended rent increases will support the delivery of key services to tenants at their present level, to reflect increases to management and borrowing costs to support the delivery of decent homes. The recommended rental increases have been adjusted for voids and right to buy sales where relevant.

HRA subsidy

17. The draft budget includes uplifts to all the allowances and guideline rents in line with draft HRA Subsidy determination. Rental Constraint

Allowance, as previously assumed, has not continued beyond 2007-08, with the Government reverting to the Caps and Limits regime from 2008-09.

18. In March 2008 a review of Council Housing Finance was launched by the Communities and Local Government and HM Treasury Departments. The purpose of the review is to develop a sustainable, long term system for financing council housing, and one which is consistent with wider housing policy, including the establishment of a regulator of social housing. The review is due to report to Ministers mid 2009, setting out options for the subsidy system including proposals for changing to rent policy.
19. A formal consultation will follow the review and at this point it should be possible to advise on the impact of the changes on both the HRA and the Business Plan.

Expenditure

20. Five RTB sales are assumed in 2009-10. The marginal reduction in stock levels is reflected in the assumed level of maintenance expenditure. No reduction is assumed for management costs.

Employee Costs

21. The financial strategy is based on estimated outturn and reflects pay increases for staff of 2.75% each year and pension contribution increases of 0.25% each year. It also reflects the proposed changes to the housing structure where confirmed.

Responsive Repairs

22. The strategy assumes contributions to the responsive and cyclical repairs of £4.8m in each of the next three years. This area is subject to further review, with benchmarking being progressed to ensure that Harrow's repairs costs are reasonable. Discussions are progressing with Kier on a partnership basis to improve service delivery whilst containing and controlling costs.

Energy Costs

23. A 3% increase in energy costs is assumed. Whilst prices increases in the last year of so have been significant the budget for energy costs was increased substantially in 2008-09. These costs are recovered directly from charges to tenants/leaseholders through the service and facilities charges.

Charges for Capital

24. The strategy reflects the HRA share of the Council debt redemption premium across all 3 years. It also reflects discounts due to the HRA from the debt restructuring. In calculating the cost of borrowing to support the decent homes programme, detailed in paragraph 21 below, a consolidated rate of interest (CRI) of 5.45% is assumed.
25. Interest on the HRA balances is assumed at an average of 2.1% reflecting the anticipated reduction in interest rates.

Capital Investment and Prudential Borrowing

26. The strategy assumes capital expenditure to achieve the decent homes standard of £6.9m in 2009-10, £5.9m in 2010-11 and £6.1m in 2011-12 in line with the business plan. Capital expenditure is funded from Major Reserve Allowances (MRA) and capital receipts with the balance being financed through estimated borrowing of £1.9m in 2009-10, £817k in 2010-11 and £1m in 2011-12. This level of borrowing is within the supported borrowing figure of £2.7m included in the subsidy determination.
27. The forecast level of usable capital receipts has reduced from £0.5m to £0.25m. This reduction reflects the lower level of Right To Buy sales.
28. Significant investment has been made in IT services during 2008-09 and will assist in delivering business efficiency during 2009-10. Additional borrowing costs of £195k have been included within capital financing costs. These borrowing costs along with the ongoing system support costs are offset by efficiency savings arising from the new technology.

Revenue Contribution to Capital Outlay (RCCO)

29. A contribution from the HRA reserves of £1m for each of the 3 yrs is recommended to support housing capital investment on the decent homes programme.

General Contingency

30. The strategy sets aside £200k to cover unforeseen expenditure that may arise in the management and maintenance of the housing stock, with the balance representing the anticipated increases in employee costs as detailed in above.

Summary

31. The recommended HRA strategy is broadly consistent with the 30 year business plan and reflects current operational needs and priorities. It is expected that the strategy will support the continuing improvement to current service levels in order to meet expectations of tenants and comply with Government requirements.
32. The impact of the current economic climate has been estimated where possible within this three year budget position now being reported. The increase quantified within this budget totals approximately £0.5m and arises from the need to increase the bad debt provision for Council tenants, lower levels of rental income for non-dwelling HRA assets, and a reduction in the investment income earned.

33. The draft budget estimates a deficit until 2011-12, when the HRA anticipates a small surplus, resulting in a reduction of balances of £2.5m when compared with the business plan surplus of £5.5m at the end of 2011-12. The main reasons for this shift are additional repairs costs in 2008-09, changes to the subsidy regime and increased capital financing costs arising from the decent homes programme.
34. The impact of the lower level of balances will significantly shorten the period during which the Council has a viable HRA. If income and expenditure assumptions remain in line with the business plan, in year 7 [2013-2014] the balances will fall below the recommended level of £0.75m. By this point, the Council will have considered the options around the future of housing in this respect.

Appendix 6a
Draft Housing Revenue Account 2009-10 to 2011-12

	Budget 2009-10	Budget 2010-11	Budget 2011-12	Comments
Expenditure				
Employee Costs	1,915,245	1,865,245	1,865,245	Pay inflation assumed as 2.75% and held in contingency
Supplies & Services	465,360	485,360	465,360	
Utility cost (Water & Gas)	549,000	565,470	582,434	Inflation assumed at 3%
Estate & Sheltered Services	1,916,390	1,916,390	1,916,390	
Central Recharges	2,000,710	2,050,728	2,101,996	Inflation assumed at 2.5%
Operating Expenditure	6,846,705	6,883,193	6,931,425	
Contingency - general	285,220	372,220	461,220	Provision for unforeseen expenditure & pay inflation
Charges for Capital	6,989,420	7,176,600	7,044,140	Includes £195k HARP costs, CRI @ 5.45%, interest on balances @ average 2.1%
Contribution to Repairs Account	4,800,680	4,800,680	4,800,680	
RCCO	1,000,000	1,000,000	1,000,000	Annual contribution
Bad or Doubtful Debts	250,000	250,000	250,000	
Total Expenditure	20,172,025	20,482,693	20,487,465	
Income				
Rent Income – Dwellings	-22,566,752	-23,991,910	-25,488,070	Average rent increase 2009-10 6.19% in line with rent model
Rent Income – Non Dwellings	-869,840	-881,840	-893,840	Average increase of 2.5% for garages. Commercial premises reflect lease agreements
Service Charges - Tenants	-1,150,426	-1,201,045	-1,253,891	Average rent increase 2009-10 5.5% in line with rent model
Service Charges - Leaseholders	-426,037	-426,037	-426,037	Average rent increase 2009-10 10.6% reflecting leaseholder costs to be recovered

	Revised Budget 2009- 10	Budget 2010-11	Budget 2011- 12	Comments
Facility Charges (Water & Gas)	-487,480	-499,480	-511,480	Average increase of 2.5%
Interest	-17,000	-17,000	-17,000	
Other Income	-8,010	-8,010	-8,010	
Transfer from General Fund	-83,000	-83,000	-83,000	
HRA Subsidy	6,880,274	7,392,910	8,093,462	
Total Income	-18,728,271	-19,715,413	-20,587,866	Based on draft determination issued by CLG
In Year Deficit / (Surplus)	1,443,754	764,010	-103,671	
BALANCE carried forward	-3,626,531	-2,862,521	-2,966,192	
BALANCE Business Plan	-4,764,000	-5,319,000	-5,460,000	

Average Rents & Service Charges

Property Type	No of Beds	No of Properties	Current Average Rent 2008-09	Current Average Service Charge 2008-09	Total of Rent & Service Charge 2008-09	Proposed Average Rent 2009-10	Proposed Average Service Charge 2009-10	Total of Rent & Service Charge 2009-10	Proposed Average Rent Increase 2009-10	Proposed Average Service Charge Increase 2009-10
			£	£	£	£	£	£	£	£
Bedsit flat	0	102	62.26	2.95	65.21	66.06	3.11	69.17	3.80	0.16
Flat	1	1,246	69.74	3.11	72.85	74.02	3.28	77.30	4.29	0.17
Flat	2	827	76.47	3.33	79.79	81.42	3.51	84.93	4.95	0.18
Flat	3	45	80.12	3.50	83.62	85.72	3.69	89.41	5.60	0.19
Bedsit Bungalows	0	21	74.83	3.05	77.88	79.27	3.21	82.48	4.44	0.17
Bungalow	1	116	83.38	3.29	86.67	88.31	3.47	91.78	4.93	0.18
Bungalow	2	25	98.24	3.37	101.60	103.74	3.55	107.29	5.50	0.19
Non-Parlour Bungalows	2	1	95.83	3.37	99.20	100.95	3.55	104.50	5.12	0.19
Non-Parlour Bungalows	3	1	125.17	0.00	125.17	131.73	0.00	131.73	6.56	0.00
Non-Parlour Bungalows	7	1	165.76	3.79	169.55	173.03	4.00	177.03	7.27	0.21
Maisonette	1	6	68.83	3.37	72.20	72.92	3.55	76.47	4.09	0.19
Maisonette	2	96	76.28	3.37	79.66	81.17	3.56	84.74	4.89	0.19
Maisonette	3	61	80.30	3.58	83.88	85.92	3.78	89.70	5.62	0.20
Maisonette	4	1	88.90	0.00	88.90	95.74	0.00	95.74	6.84	0.00

Property Type	No of Beds	No of Properties	Current Average Rent 2008-09	Current Average Service Charge 2008-09	Total of Rent & Service Charge 2008-09	Proposed Average Rent 2009-10	Proposed Average Service Charge 2009-10	Total of Rent & Service Charge 2009-10	Proposed Average Rent Increase 2009-10	Proposed Average Service Charge Increase 2009-10
			£	£	£	£	£	£	£	£
Non-Parlour House	1	1	48.03	3.37	51.40	52.65	3.55	56.20	4.62	0.19
Non-Parlour House	2	526	88.42	3.52	91.93	93.71	3.71	97.43	5.30	0.19
Non-Parlour House	3	752	94.52	3.70	98.21	100.40	3.90	104.31	5.89	0.20
Non-Parlour House	4	28	105.42	3.49	108.90	111.96	3.68	115.64	6.54	0.19
Non-Parlour House	5	3	112.19	3.79	115.97	119.12	4.00	123.11	6.93	0.21
Parlour House	2	35	92.02	2.43	94.45	97.48	2.56	100.04	5.45	0.13
Parlour House	3	551	100.41	2.92	103.33	106.47	3.08	109.56	6.07	0.16
Parlour House	4	58	108.99	3.32	112.31	115.56	3.51	119.06	6.56	0.18
Parlour House	5	6	117.40	3.44	120.83	124.36	3.63	127.99	6.96	0.19
Parlour House	6	2	129.43	2.73	132.16	137.08	2.89	139.97	7.65	0.15
Sheltered	0	547	67.20	11.26	78.46	71.32	11.88	83.20	4.13	0.62
Sheltered other	1	9	80.60	11.56	92.15	86.22	12.19	98.41	5.62	0.64
		5067								

Garages & parking space charges

	Current Weekly Rental 2008/09	Proposed Weekly Rental 2009/10
	£	£
Garages	13.13	13.50
Car Spaces	8.62	8.80

Appendix 6d

Facility Charges

Sheltered Block	No of Properties	Current average facility charge (Heating) 2008-09 £	Proposed average facility charge (Heating) 2009-10 £
Cornell House	30	9.91	10.15
Meadfield	29	9.91	10.15
Harrow Weald Park	31	8.13	8.35
Watkins House	43	10.38	10.65
Boothman House	30	9.87	10.10
Durrant Court	28	10.03	10.30
Grahame White House	29	9.89	10.15
Harkett Court	31	10.02	10.30
Sinclair House	27	9.89	10.15
Tapley Court	26	9.86	10.10
Alma Court	30	9.89	10.15
Belmont Lodge	30	9.87	10.10
Edwin Ware Court	30	8.30	8.50
Goddard Court	31	10.03	10.30
Grange Court	31	8.46	8.65
John Lamb Court	32	10.38	10.65
Thomas Hewlett House	30	9.92	10.15
William Allen House	29	8.98	9.20
Resident Warden Accommodation	9	13.15	13.50
Other Non Sheltered	129	9.16	9.40

Community Centres

	Current 2008-09 Charges per 3 hour letting (additional hourly charge)		Proposed 2.5% uplift for 2009- 10 Charges per 3 hour letting (additional hourly charge)	
	Evening Rate £	Daytime Rate £	Evening Rate £	Evening Rate £
Methuen Road Fully Let to Flash Musicals				
Augustine Road	72.01	36.27	73.80	37.20
Each Extra Hour	13.69	7.17	14.00	7.30
Marsh Road Hall	36.81	18.08	37.70	18.50
Each Extra Hour	9.31	4.92	9.50	5.00
Stonegrove Gardens Hall	80.78	40.13	82.80	41.10
Each Extra Hour	13.69	7.17	14.00	7.30
Churchill Place Hall	80.78	40.13	82.80	41.10
Each Extra Hour	13.69	7.17	14.00	7.30
Kenmore Park Hall	80.78	40.13	82.80	41.10
Each Extra Hour	13.69	7.17	14.00	7.30
Pinner Hill Hall	80.78	40.13	82.80	41.10
Each Extra Hour	13.69	7.17	14.00	7.30
Northolt Road Hall	80.78	40.13	82.80	41.10
Each Extra Hour	13.69	7.17	14.00	7.30
Brookside Hall	72.01	36.27	73.80	37.20
Each Extra Hour	13.69	7.17	14.00	7.30
Woodlands Hall	36.81	18.08	37.70	18.50
Each Extra Hour	9.31	4.92	9.50	5.00

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Meeting:	Tenants' and Leaseholders' Consultative Forum
Date:	6 January 2009
Subject:	INFORMATION REPORT – Quarter 2 Housing Revenue Account (HRA) Monitoring Report as at 30 September 2008
Responsible Officer:	Corporate Director of Finance Myfanwy Barrett
Portfolio Holder:	Portfolio Holder for Adults & Housing Councillor Barry Macleod-Cullinane
Exempt:	No
Enclosures:	Appendix 1 – HRA Forecast Outturn as at 30 September 2008

SECTION 1 – SUMMARY AND RECOMMENDATIONS

This report sets out monitoring of the Housing Revenue Account (HRA) as at 30 September 2008 as reported to Cabinet on 18th December 2008.

FOR INFORMATION:

To note the HRA position at the end of the second quarter for 2008-09.

SECTION 2 – REPORT

Introduction

1. The provisional forecast outturn as at 30th September 2008 for the HRA anticipates an in year deficit of £1,170k, an increase of £379k from the budgeted deficit of £791k and further increase on the outturn reported at the end of the first quarter of £306k. The increased deficit results from both income and expenditure variations detailed below and in the attached Appendix.

Expenditure

2. Increased expenditure of £781k when compared with the approved budget for the year.
3. In relation to day to day running expenditure there are a number of variations across the range of budget heads which result in a lower level of expenditure of £120k. These variations reflect in the main staffing and supplies and service costs.
4. It is assumed at this stage that there will be no further call on the contingency provision for unforeseen costs, after allowing for the deep clean on estates and redundancy costs, enabling the balance to be used to assist in managing the in year HRA variations.
5. Charges for capital are projected to increase in the current year as a result of an increase in the interest rates, reflecting the average rate of interest payable on the HRA element of Council borrowing, together with the re-phasing of the Decent Homes expenditure from 2009-10 into 2008-09 of £3.6m. The increase in capital financing costs will be partly offset by increased HRA subsidy.
6. The key variation on the HRA expenditure arises from pressures on the repairs budget as previously reported. Without intervention the overspend was projected at £1.2m, however, management action has reduced this to £650k. The repairs position is the subject of a more detailed report elsewhere on this agenda.
7. An increase is required in the level of bad debt provision for rent and service charge arrears, based on the amounts anticipated for write off by 31st March 2009 and arrears at the end of the second quarter.

The increased provision totals £879k and represents 49% of the total debt outstanding of £1,802k.

Income

7. Additional income of £401k is anticipated. This relates in the main to a reduction in the amount of negative subsidy payable to central government, when compared with the approved budget for 2008-09.
8. Dwelling rental income is forecast to be £185k higher than budget, and offsets a lower level of income from garages and commercial premises of £161k.
9. Changes in interest rates applied to HRA borrowing result in increased subsidy being paid to Harrow, thereby reducing the negative subsidy payable to central government by £423k. This is offset by an adjustment of £91k following the audit of the 2007-08 subsidy claim.

HRA Balances

10. The balance on the HRA brought forward from 2007-08 was £6,246k. The HRA business plan assumed a balance of £5,685k to be carried forward at the end of 2008-09, however, the position at the end of the second quarter projects this balance at £5,070k – a shortfall of £615k.
11. The impact of the lower level of balances will significantly shorten the period during which the Council has a viable HRA. Assuming income and expenditure assumptions remain in line with the business plan, in year 10 [2016-2017] the impact of the reduction in balances will reduce balances to below the recommended level of £750k. By this point, the Council will have considered the options around the future of housing in this respect.

SECTION 3 – FURTHER INFORMATION

None.

SECTION 4 - CONTACT DETAILS AND BACKGROUND PAPERS

Contact: Donna Edwards, Adults & Housing Finance Manager
Telephone: 020 8424 1140

Background Papers: 30 year HRA Business Plan
HRA Medium Term Budget Strategy

HOUSING REVENUE ACCOUNT (HRA) - FORECAST OUTTURN 2008-09

C:\moderngov\Data\AgendaItemDocs\0\8\8\AI00047880\AgendaItem1HRAPd6t1cf0.xls]Summary

Period 6 : September 2008

	Approved Budget 2008-09	Forecast Outturn 2008-09	Variance £000	Variance (%)	Comments
Expenditure					
Employee Costs	1,893,290	1,794,669	-98,621	-5%	Training budgets fully spent in line with contract with Richmond College. Pay award reflected at 2.45%. Underspend in respect of various vacant post which is in part being used to fund 2 additional caretakers which can be recovered by way of service charges
Supplies & Services	458,810	457,855	-955	0%	Minor variations across a wide range of budget heads
Utility cost	410,000	416,163	6,163	2%	Communal electricity and water rates recovered through facility charges below.
Estate & Sheltered Services	1,970,070	1,902,322	-67,748	-3%	Increased salary costs funded by vacant posts detailed in employee costs above, £110k increased staffing costs in respect of sheltered wardens offset by anticipated contribution of £73k from Adults services, underspend on gas costs £123k
Central Recharges	1,663,840	1,663,940	100	0%	
Home Ownership Service	161,970	202,607	40,637	25%	Net cost of service not funded by service charge admin. Half post extra plus higher cost of agency cover for managers post
Operating Expenditure	6,557,980	6,437,557	-120,423	-2%	
Contingency - general	196,900	115,000	-81,900	-42%	£115k committed to date re deep clean on estates 65k and redundancy cost £50k, 2.5k HFTRA
Charges for Capital	5,520,640	5,813,687	293,047	5%	Assumes full spend on Decent Homes capital programme including rephasing from 2009-10 into 2008-09 of £3.6m, together with impact of increase in interest rates which will be offset in part by lower levels of subsidy payable
Contribution to Repairs Account	4,752,170	5,402,170	650,000	14%	Anticipated outturn, reflecting corrective action discussed with Corporate Director and Portfolio Holder
RCCO	1,000,000	1,000,000	0	0%	Contribution to Decent Homes expenditure.
Bad or Doubtful Debts	100,000	140,000	40,000	40%	Assumed level of right offs and arrears position requires an increase of £140k to ensure the provision is maintained at the appropriate levels.
Total Expenditure	18,127,690	18,908,414	780,724	4%	
Income					
Rent Income – Dwellings	-21,160,320	-21,345,000	-184,680	1%	Income budget not appropriately reflecting anticipated income for the year.
Rent Income – Non Dwellings	-990,810	-829,660	161,150	-16%	Lower levels of garage income (£77k), shops leases (£86k) when compared with approved budget.
Service Charges - Tenants	-1,079,420	-1,088,480	-9,060	1%	
Service Charges - Leaseholders	-363,870	-382,900	-19,030	5%	Reflects billing of 2008-09 on account invoices. Excludes actual adjustments re 2007-08 outturn which have yet to be invoiced.
Facility Charges	-469,980	-470,377	-397	0%	
Interest	-19,000	-17,000	2,000	-11%	Mortgage Interest receivable.
Other Income	-8,010	-28,016	-20,006	250%	Mainly court cost and recovered
Transfer from General Fund	-83,000	-83,000	0	0%	Contribution from the HGF.
HRA Subsidy	6,837,600	6,506,217	-331,383	-5%	Reduction in HRA Subsidy payable following completion of second advance claim form. Combination of factors including increase in interest rate for capital charges from 4.50% to 5.15% (£423k) and adjustment anticipated in relation to final subsidy claim for 2007-08 of £91k
Total Income	-17,336,810	-17,738,216	-401,406	2%	
In Year Deficit / (Surplus)	790,880	1,170,198	379,318	48%	
BALANCE	-5,450,859	-5,070,285			HRA Business Plan assumes surplus carried forward into 2009-2010 of £5,685K. This shortfall of £615k is likely to affect the liability of the HRA.

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Committee:	Tenant and Leaseholder Consultative Forum
Date:	6 January 2009
Subject:	INFORMATION REPORT – HOUSING CAPITAL PROGRAMME
Responsible Officer:	Gwyneth Allen, Divisional Director for Housing
Portfolio Holder:	Councillor Barry Macleod-Cullinane, Portfolio Holder for Adults and Housing
Exempt:	No
Enclosures:	Appendix 1: 2008/09 progress report on the Housing Capital Programme Appendix 2 – Risk Register

Section 1 – Summary

This report sets out information on the 08/09 and proposed 09/10 Housing Capital Programmes

FOR INFORMATION

Section 2 – Report

1. INTRODUCTION

- 1.1 A progress report on the Housing Capital Programme is contained in Appendix 1.
- 1.2 The Housing Capital Programme comprises **seven main headings** as follows:
 1. Decent homes
 2. Other internal works
 3. External works
 4. Estates environmental improvements
 5. Community Centres
 6. IT projects
 7. Health & Safety / management and contingencies

In Appendix 1, these are each shown in a grey shaded band.

1.3 Each of the **seven main headings is made up of a number of sub-headings**. For example, the decent homes heading has the following sub headings:

- Individual dwellings
- Extensions
- Capitalised major works including voids
- Disabled adaptation works (Housing, Health & Safety Rating System)
- Communal boiler replacements in sheltered housing
- Roofs
- Stock condition

1.4 Each subheading contains a **number of projects** against which information is given on:

- Budget costs
- The name of the contractor undertaking the work
- What has been spent up to the 30 November 2008 (the date at which this report was prepared)
- The level of funding that needs to be put aside to pay for works where the order has been placed but no payments have yet been made (known as 'commitments')
- The balance left in the budget after the monies spent **and** committed have been deducted

2. **2008/09 HOUSING CAPITAL PROGRAMME**

2.1 The Housing Capital programme budget for 2008/09 comprises:

07/08 Balance b/f	£2,614,090
08/09 Housing Capital budget allocation	£12,500,000
09/10 Decent homes budget b/f	£3,600,000
Total	£18,697,590

2.2 The works carried forward from 07/08 have now completed and the b/f budget from 07/08 has been spent in full.

2.3 There has been good progress made in spending and committing projects against the remainder of the budget but some projects are still in the pre contract phase. On some other projects technical issues or long lead in times to the start of the project mean they may not be completed by year-end and may, therefore, have to be carried forward into 09/10 e.g. the installation of additional lift facilities to some single lift sheltered properties where the lifts cannot be taken out of service until such times as alternative arrangements to climbing the stairs are in place.

2.4 There are also a number of standing items on the Housing Capital Programme that are demand led with no expenditure to date e.g. for subsidence problems or major fires.

2.5 The decent homes programme (within the Housing Capital Programme) changes on a day-to-day basis and will continue to do so to the end of the programme. This is because, each day, new properties are added (as tenants identify that their homes need work not included previously in the decent homes programme) and because, following

survey, some properties are found not to need some or all of the work previously anticipated. A number of contingencies have been included in the budget in anticipation of this changing need.

2.6 During October 2008 Kier completed 173 homes against a target of 225. Radway completed 2 of the remaining 19 properties b/f from 07/08. The number of non decent homes outstanding at the end of October (based on revised targets) was 1722 (34%) against a target of 1656 (32.7%). The revised target for Q3 is set at 39.7% and 64.4% as at the end of Q4.

3. **2009/10 HOUSING CAPITAL PROGRAMME**

3.1 A comprehensive new stock condition survey has been commissioned to inform the above. Surveys will be undertaken during January and February 2009: the following will be surveyed:

- 100% of the exterior and communal areas of all flatted blocks
- 20% of the interiors of flats
- 20% of the interiors of houses
- 20% of the exteriors of houses
- Some 250 or so properties where the asset management database suggests that the thermal insulation of the properties require improvement

3.3 The properties selected for survey are representative of the different types of properties across Harrow's stock. The data obtained is then copied (cloned) to those properties that have not been surveyed in accordance with government guidelines. A rolling programme in future years will ensure that properties with cloned data are surveyed individually to replace cloned data with real data.

3.4 Priorities for the 09/10 Housing Capital Programme will be:

- Projects c/f from the 08/09 programme
- Decent homes works not already identified to date
- Subject to budget availability, other urgent works

3.5 The Housing Capital Programme budget for 09/10 has been reduced from £10m (excluding £500k ring fenced for aids and adaptations) to £6.4m as a result of the decision to bring forward the decent homes 09/10 budget into 08/09.

Section 3 – Further Information

Further progress on the capital programme will be reported to the next TLCF meeting.

Section 4 - Contact Details and Background Papers

Contact: Lorraine Dallas, Interim Service Manager, 020 8424 1339

Background Papers:

TLCF report on the Housing Capital programme of 22 February 2008

Cabinet report on the Housing Capital programme of 13 March 2008

TLCF report on the Housing Capital programme of 22 July 2008

Decent Homes programme 2007-10

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CAPITAL WORKS PROGRAMME 2007 – 2008 (C/F INTO 08/09)								
	ELEMENT	TOTAL PROJECT BUDGET	PROGRAMME REVISED AS AT 30 NOVEMBER 2008	CONTRACTOR	SPEND	COMMITMENT	BALANCE	NOTES
1.	Various	£2,614,090	£2,614,090	Various	£2,496,377	£83,170	£34,543	All works completed

CAPITAL WORKS PROGRAMME 2008 – 2009								
	ELEMENT	TOTAL PROJECT BUDGET	PROGRAMME REVISED AS AT 30 NOVEMBER 2008	CONTRACTOR	SPEND	COMMITMENT	BALANCE	NOTES
1.	DECENT HOMES							
1.1	Individual dwellings:	£8,073,900						
1.1.1	• Kier		£7,527,000	Kier	£1,810,496	£5,682,808	£33,696	Includes 2009/10 decent homes programme and budget (£3,583,500) b/f to 2008/09
1.1.2	• Radway		£300,000	Radway	£173,712	£0	£126,288	Original programme - works in progress
1.2.3	• New front & rear doors		£200,000	Radway	£0	£0	£200,000	Additional programme - preparation works in progress
1.2.4	• Shower cubicles / level access		£22,000	Kier	£0	£0	£22,000	Installation of showers deferred as a result of programme constraints. Retained budget required for exceptional circumstances.
1.2.5	• Resident decant and / or support costs		£24,900	N/a	£724	£650.00	£23,526	Budget is for temporary housing costs of residents as required
1.2.6	Unallocated Balance		£0					
1.2	Extensions:	£300,000	£300,000	Kier	£4,900	£56,163	£238,937	The extensions are required to meet decent homes requirements and, where practicable, to create larger homes. West London grants are expected to meet some of the costs (because the extensions will add 2 bedrooms) which, when received, will release the budget provision for other projects to be added. Costs above £50k to be met from: (a) DH if appropriate (b) Affordable Housing Fund In some instances work is being delayed pending decant of residents.

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CAPITAL WORKS PROGRAMME 2008 – 2009

	ELEMENT	TOTAL PROJECT BUDGET	PROGRAMME REVISED AS AT 30 NOVEMBER 2008	CONTRACTOR	SPEND	COMMITMENT	BALANCE	NOTES
1.3	Capitalised major works including voids	£275,000	£191,000	Repairs team	£191,000	£0	£84,000	Combines major works and major voids into one budget . Original budget £175k. Increased by £100k vired from 1.4 (EEI).
1.4	Disability adaptation works (HHSRS)	£500,000	Demand led	Kier + Others	£187,642	£51,182	£261,173	Various works to 23 properties commenced since 1 April 2008. 14 have been completed.
1.5	Communal boiler replacements in sheltered housing:	£300,000						
1.5.1	Belmont Lodge – boiler replacement		Awaiting AMP	Kier	£0	£0	£0	Expected commencement of works 12/ 08 and completed by 03/ 09
1.5.2	William Allen House – boiler replacement		Awaiting AMP	Kier	£0	£0	£0	Expected commencement of works 12/ 08 and completed by 03/ 09
1.5.3	Boothman House – replace calorifier & remedial works		Awaiting AMP	Kier	£0	£0	£0	Expected commencement of works 12/ 08 and completed by 03/ 09
1.5.4	Edwin Ware Court – remedial and health & safety		Awaiting AMP	Kier	£0	£0	£0	Expected commencement of works 12/ 08 and completed by 03/ 09
1.5.5	Unallocated balance				£0			
1.6	Roofs	£445,000						
1.6.1	Churchill Place		£0	N/a	N/a	N/a	N/a	B/f from 07/08. Survey indicated no works required.
1.6.2	Hazeldene Drive		£370,000	Kier	£0	£0	£370,000	Expected commencement date 01/09 and expected completion 03/09.
1.6.3	Edwin Ware Court		£75,000	Kier	£0	£0	£75,000	Expected commencement date 01/09 and expected completion 03/ 09.
1.6.4	Unallocated Balance		£0					
1.7	Stock Condition	£870,000						
1.7.1	Surveys		£100,000	Kier	£0	£0	£100,000	Stock condition surveys Phase 1 due to commence 01/09. Original budget £50k. Further £50k vired from 1.7.2 (contingencies) to cover total costs.
1.7.2	Contingency for unforeseen works following validation surveys		£770,000	Kier + Others	£0	£0	£770,000	Original budget £820k. £50k vired to 1.7.1 (stock condition surveys) to cover increased costs.
1.7.3	Unallocated Balance		£0					
2.	OTHER INTERNAL WORKS							
2.1	Lifts	£550,000						

CAPITAL WORKS PROGRAMME 2008 – 2009

	ELEMENT	TOTAL PROJECT BUDGET	PROGRAMME REVISED AS AT 30 NOVEMBER 2008	CONTRACTOR	SPEND	COMMITMENT	BALANCE	NOTES
2.1.1	Watkins House and Harkett Court		£250,000	Other	£61,798	£162,306	£25,896	B/f from 07/08. Full lift refurbishment works due for completion by 31/03/09.
2.1.2	Grange Court		£100,000	Kier	£0	£0	£100,000	Provision of one new lifts. Design progressing. Awaiting Agreed Maximum Price. Expected start 02/09. Existing lift to be refurbished 09/10.
2.1.3	Goddard Court		£100,000	Kier	£0	£0	£100,000	Provision of one new lifts. Design progressing. Awaiting Agreed Maximum Price. Expected start 02/09. Existing lift to be refurbished 09/10.
2.1.4	Thomas Hewlett House		£50,000	Kier	£0	£0	£50,000	Refurbishment of lift
2.1.5	Durrant Court		£50,000	Kier	£0	£0	£50,000	Refurbishment of lift
2.1.6	Unallocated Balance		£0					
2.2	Warden call (inc. renewal of door entry and front doors) systems	£325,000						
2.2.1	Alma Court		£1000	Kier	£1,000	£0	£324,000	Phase 1 - upgrade warden system from analogue to digital (01/ 09)
2.2.2	Belmont Lodge		£1000	Kier	£0	£0	£324,000	Phase 4 – replacement of remaining warden call systems programmed for 09/10
2.2.3	Boothman House		£1000	Kier	£0	£0	£324,000	Replacement deferred to 09/10
2.2.4	Cornell House		£1000	Kier	£0	£0	£324,000	Replacement deferred to 09/10
2.2.5	Durrant Court		£1000	Kier	£0	£0	£324,000	Replacement deferred to 09/10
2.2.6	Edwin Ware Court		£1000	Kier	£0	£0	£324,000	Replacement deferred to 09/10
2.2.7	Goddard Court		£1000	Kier	£0	£0	£324,000	Replacement deferred to 09/10
2.2.8	Grahame White House		£1000	Kier	£0	£0	£324,000	Replacement deferred to 09/10
2.2.9	Grange Court		£1000	Kier	£0	£0	£324,000	Replacement deferred to 09/10
2.2.10	Harkett Court		£1000	Kier	£0	£0	£324,000	Replacement deferred to 09/10
2.2.11	Harrow Weald Park		£1000	Kier	£0	£0	£324,000	Replacement deferred to 09/10
2.2.12	John Lamb Court		£1000	Kier	£0	£0	£324,000	Replacement deferred to 09/10
2.2.13	Meadfield		£1000	Kier	£0	£0	£324,000	Replacement deferred to 09/10
2.2.14	Sinclair House		£1000	Kier	£0	£0	£324,000	Replacement deferred to 09/10
2.2.15	Tapley Court		£1000	Kier	£0	£0	£324,000	Replacement deferred to 09/10
2.2.16	Thomas Hewlett House		£1000	Kier	£0	£0	£324,000	Replacement deferred to 09/10
2.2.17	Watkins House		£1000	Kier	£0	£0	£324,000	Replacement deferred to 09/10
2.2.18	William Allen House		£1000	Kier	£0	£0	£324,000	Replacement deferred to 09/10
2.3.1	Alma Court		AMP awaited					Phase 2 – Replacement of main entrance doors (02/09)

CAPITAL WORKS PROGRAMME 2008 – 2009

	ELEMENT	TOTAL PROJECT BUDGET	PROGRAMME REVISED AS AT 30 NOVEMBER 2008	CONTRACTOR	SPEND	COMMITMENT	BALANCE	NOTES
2.3.2	Belmont Lodge		AMP awaited					Phase 2 – Replacement of main entrance doors (02/09)
2.3.3	Boothman House		AMP awaited					Phase 2 – Replacement of main entrance doors (02/09)
2.3.4	Cornell House		AMP awaited					Phase 2 – Replacement of main entrance doors (02/09)
2.3.5	Durrant Court		AMP awaited					Phase 2 – Replacement of main entrance doors (02/09)
2.3.6	Edwin Ware Court		AMP awaited					Phase 2 – Replacement of main entrance doors (02/09)
2.3.7	Goddard Court		AMP awaited					Phase 2 – Replacement of main entrance doors (02/09)
2.3.8	Grahame White House		AMP awaited					Phase 2 – Replacement of main entrance doors (02/09)
2.3.9	Grange Court		AMP awaited					Phase 2 – Replacement of main entrance doors (02/09)
2.3.10	Harkett Court		AMP awaited					Phase 2 – Replacement of main entrance doors (02/09)
2.3.11	Harrow Weald Park		AMP awaited					Phase 2 – Replacement of main entrance doors (02/09)
2.3.12	John Lamb Court		AMP awaited					Phase 2 – Replacement of main entrance doors (02/09)
2.3.13	Meadfield		AMP awaited					Phase 2 – Replacement of main entrance doors (02/09)
2.3.14	Sinclair House		AMP awaited					Phase 2 – Replacement of main entrance doors (02/09)
2.3.15	Tapley Court		AMP awaited					Phase 2 – Replacement of main entrance doors (02/09)
2.3.16	Thomas Hewlett House		AMP awaited					Phase 2 – Replacement of main entrance doors (02/09)
2.3.17	Watkins House		AMP awaited					Phase 2 – Replacement of main entrance doors (02/09)
2.3.18	William Allen House		AMP awaited					Phase 2 – Replacement of main entrance doors (02/09)
2.4.1	Alma Court *		AMP awaited	Kier				Phase 3: pilot warden call system replacement * Maybe undertaken in either Alma Court, Durrant Court or Graham White House
2.4.2	Belmont Lodge		AMP awaited	Kier				Phase 4 – replacement of remaining warden call systems programmed for 09/10
2.4.3	Boothman House		AMP awaited	Kier				Phase 4 – replacement of remaining warden call systems programmed for 09/10
2.4.4	Cornell House		AMP awaited	Kier				Phase 4 – replacement of remaining warden call systems programmed for 09/10
2.4.5	Durrant Court *		AMP awaited	Kier				Phase 3: pilot warden call system replacement * Maybe undertaken in either Alma Court, Durrant Court or Graham White House
2.4.6	Edwin Ware Court		AMP awaited	Kier				Phase 4 – replacement of remaining warden call systems programmed for 09/10
2.4.7	Goddard Court		AMP awaited	Kier				Phase 4 – replacement of remaining warden call systems programmed for 09/10
2.4.8	Grahame White House *		AMP awaited	Kier				Phase 3: pilot warden call system replacement * Maybe undertaken in either Alma Court, Durrant Court or Graham White House
2.4.9	Grange Court		AMP awaited	Kier				Phase 4 – replacement of remaining warden call systems programmed for 09/10
2.4.10	Harkett Court		AMP awaited	Kier				Phase 4 – replacement of remaining warden call systems programmed

CAPITAL WORKS PROGRAMME 2008 – 2009

	ELEMENT	TOTAL PROJECT BUDGET	PROGRAMME REVISED AS AT 30 NOVEMBER 2008	CONTRACTOR	SPEND	COMMITMENT	BALANCE	NOTES
2.4.11	Harrow Weald Park		AMP awaited	Kier				for 09/10 Phase 4 – replacement of remaining warden call systems programmed for 09/10
2.4.12	John Lamb Court		AMP awaited	Kier				Phase 4 – replacement of remaining warden call systems programmed for 09/10
2.4.13	Meadfield		AMP awaited	Kier				Phase 4 – replacement of remaining warden call systems programmed for 09/10
2.4.14	Sinclair House		AMP awaited	Kier				Phase 4 – replacement of remaining warden call systems programmed for 09/10
2.4.15	Tapley Court		AMP awaited	Kier				Phase 4 – replacement of remaining warden call systems programmed for 09/10
2.4.16	Thomas Hewlett House		AMP awaited	Kier				Phase 4 – replacement of remaining warden call systems programmed for 09/10
2.4.17	Watkins House		AMP awaited	Kier				Phase 4 – replacement of remaining warden call systems programmed for 09/10
2.4.18	William Allen House		AMP awaited	Kier				Phase 4 – replacement of remaining warden call systems programmed for 09/10
2.2.1	Unallocated Balance		£0					
3.	EXTERNAL WORKS							
3.1	Drainage	£150,000						
3.1.1	Hartington Close		£150,000	Accord MP	£117,805	£0	£32,195	Works completed
3.2	Means of escape	£455,000						
3.2.1	Alma Court		£75,833	Kier	£0	£75,831	£2	Phase 2 of 3– Average AMP cost across contract
3.2.2	Belmont Lodge		£75,833	Kier	£0	£75,831	£2	Phase 2 of 3– Average AMP cost across contract
3.2.3	Boothman House		£75,833	Kier	£0	£75,831	£2	Phase 2 of 3– Average AMP cost across contract
3.2.4	Grange Court		£75,833	Kier	£0	£75,831	£2	Phase 2 of 3– Average AMP cost across contract
3.2.5	Harrow Weald Park		£75,833	Kier	£0	£75,831	£2	Phase 2 of 3– Average AMP cost across contract
3.2.6	Meadfield		£75,833	Kier	£0	£75,831	£2	Phase 2 of 3– Average AMP cost across contract
3.2.7	Unallocated Balance		£12					
3.3	Digital aerials	£150,000						
3.3.1	Osmond Close		£10,578.80	Kier	£0	£0	£10,578.80	Phase 2 – project commenced expected start 02/ 09– Average cost across contract (BUDGET)
3.3.2	Wesley Close		£10,578.80	Kier	£0	£0	£10,578.80	Phase 2 – project commenced expected start 02/ 09– Average cost across contract (BUDGET)
3.3.3	Grange Farm Close		£10,578.80	Kier	£0	£0	£10,578.80	Phase 2 – project commenced expected start 02/ 09– Average cost across contract (BUDGET)

CAPITAL WORKS PROGRAMME 2008 – 2009

	ELEMENT	TOTAL PROJECT BUDGET	PROGRAMME REVISED AS AT 30 NOVEMBER 2008	CONTRACTOR	SPEND	COMMITMENT	BALANCE	NOTES
3.3.4	Stuart Ave		£10,578.80	Kier	£0	£0	£10,578.80	Phase 2 – project commenced expected start 02/ 09– Average cost across contract (BUDGET)
3.3.5	Brookside Close		£10,578.80	Kier	£0	£0	£10,578.80	Phase 2 – project commenced expected start 02/ 09– Average cost across contract (BUDGET)
3.3.6	Belmont Lodge		£19,421.20	Kier	£72	£19,349.20	£0	Phase 1 – works to commence 12/08 and completed 01/09– Average AMP cost across contract
3.3.7	Watkins House		£19,421.20	Kier	£72	£19,349.20	£0	Phase 1 – works to commence 12/08 and completed 01/09– Average AMP cost across contract
3.3.8	Meadfield		£19,421.20	Kier	£72	£19,349.20	£0	Phase 1 – works to commence 12/08 and completed 01/09– Average AMP cost across contract
3.3.9	Cornell House		£19,421.20	Kier	£72	£19,349.20	£0	Phase 1 – works to commence 12/08 and completed 01/09– Average AMP cost across contract
3.3.10	Harrow Weald Park		£19,421.20	Kier	£72	£19,349.20	£0	Phase 1 – works to commence 12/08 and completed 01/09– Average AMP cost across contract
3.3.11	Unallocated Balance		£0					
4.	ESTATE ENVIRONMENTAL IMPROVEMENTS (EEI)	£914,000						Original budget £1.14m. £100k vired to 1.3 (capitalised major works including voids)
4.1.1	Door entry feasibility study		£35,000	Kier	£2,283	£0	£32,717	Will include undertaking minor repairs
4.1.2	Door entry substantial essential repairs		£30,000	Kier	£0	£0	£30,000	Arising from feasibility study (4.1.1 above)
4.1.3	Augustine Road: front entrance porches, windows and doors to 16 blocks: <ul style="list-style-type: none"> • 1-23 Juxon Close • 2-16 Juxon Close • 2a-2h Theobald Crescent • 2-45 Augustine Road • 40-47 Bancroft Gardens 		£225,000	Kier	£0	£0	£225,000	Awaiting Agreed Maximum Price

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CAPITAL WORKS PROGRAMME 2008 – 2009

	ELEMENT	TOTAL PROJECT BUDGET	PROGRAMME REVISED AS AT 30 NOVEMBER 2008	CONTRACTOR	SPEND	COMMITMENT	BALANCE	NOTES
4.1.4	Top garage block at rear of properties including No.139-153: fencing and external lighting		£40,000		£0	£0	£40,000	Awaiting Agreed Maximum Price
4.1.5	Churchill Place: fencing to rear and side aspects. CCTV to all blocks and lighting to underground parking area: • 1-99		£130,000	Kier	£0	£0	£130,000	Awaiting Agreed Maximum Price
4.1.6	Overbrook Walk: solar panels, entrance windows and porches • 1-15		£20,000	Kier	£0	£0	£20,000	Awaiting Agreed Maximum Price
4.1.7	Stuart Avenue: fencing • Blocks 4, 6 and 28		£20,000	Kier	£0	£0	£20,000	Awaiting Agreed Maximum Price
4.1.8	Durrant Court: fencing • Rear side of sheltered block 229 High Road, Wealdstone		£3,000	Kier	£0	£0	£3,000	Awaiting Agreed Maximum Price
4.1.9	Alma Court: fencing • Rear side of sheltered block off Northolt Road		£3,000	Kier	£0	£0	£3,000	Awaiting Agreed Maximum Price
4.1.10	Garage area adjacent to 14 Chenduit Way: demolition		£40,000	Kier	£0	£0	£40,000	Awaiting Agreed Maximum Price

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CAPITAL WORKS PROGRAMME 2008 – 2009

	ELEMENT	TOTAL PROJECT BUDGET	PROGRAMME REVISED AS AT 30 NOVEMBER 2008	CONTRACTOR	SPEND	COMMITMENT	BALANCE	NOTES
4.1.11	Cornell House: fencing <ul style="list-style-type: none"> Rear side of sheltered block off Hamilton Crescent 		£3,000	Kier	£0	£0	£3,000	Awaiting Agreed Maximum Price
4.1.12	Beatty Road sheds at rear of blocks: external lighting and building works. Sheds at rear of: <ul style="list-style-type: none"> 53-66 89-121 		£25,000	Kier	£0	£0	£25,000	Awaiting Agreed Maximum Price
4.1.13	Garage area off 15 – 46 Cowen Avenue: renew doors and gutters		£20,000	Kier	£0	£0	£20,000	Awaiting Agreed Maximum Price
4.1.14	Garage area between 6 – 8 Westbere Drive: renew doors and guttering		£15,000	Kier	£0	£0	£15,000	Awaiting Agreed Maximum Price
4.1.15	Honeypot Close: entrance doors <ul style="list-style-type: none"> Rear of blocks 1-30 		£10,000	Kier	£0	£0	£10,000	Awaiting Agreed Maximum Price
4.1.16	Elmgrove Crescent: front doors <ul style="list-style-type: none"> 45-67 		£13,000	Kier	£0	£0	£13,000	Awaiting Agreed Maximum Price
4.1.17	Buckingham/Whitehurch estate: front doors <ul style="list-style-type: none"> All blocks 		£60,000	Kier	£0	£0	£60,000	Awaiting Agreed Maximum Price
4.1.18	Kenilworth House: entrance doors <ul style="list-style-type: none"> Off Wolverton Road 		£5,000	Kier	£0	£0	£5,000	Awaiting Agreed Maximum Price
4.1.19	Atherton Place: external lighting		£15,000	Kier	£0	£0	£15,000	Awaiting Agreed Maximum Price

CAPITAL WORKS PROGRAMME 2008 – 2009

	ELEMENT	TOTAL PROJECT BUDGET	PROGRAMME REVISED AS AT 30 NOVEMBER 2008	CONTRACTOR	SPEND	COMMITMENT	BALANCE	NOTES
	<ul style="list-style-type: none"> 13-66 including Bucknall House 							
4.1.20	Chichester Court: external lighting		£10,000	Kier	£0	£0	£10,000	Awaiting Agreed Maximum Price
4.1.21	<ul style="list-style-type: none"> 1- 45 Cody Close: external lighting		£5,000	Kier	£0	£0	£5,000	Awaiting Agreed Maximum Price
4.1.22	<ul style="list-style-type: none"> 4-11 33-40 Grahame White House: external lighting		£5,000	Kier	£0	£0	£5,000	Awaiting Agreed Maximum Price
4.1.23	Honeypot Close: external lighting		£5,000	Kier	£0	£0	£5,000	Awaiting Agreed Maximum Price
4.1.24	Little Common: external lighting		£5,000	Kier	£0	£0	£5,000	Awaiting Agreed Maximum Price
4.1.25	Boothman House: external lighting		£5,000	Kier	£0	£0	£5,000	Awaiting Agreed Maximum Price
4.1.26	Warneford Road: external lighting		£5,000	Kier	£0	£0	£5,000	Awaiting Agreed Maximum Price
4.1.27	<ul style="list-style-type: none"> 18-24 Rainsford Close: external lighting		£5,000	Kier	£0	£0	£5,000	Awaiting Agreed Maximum Price
4.1.28	<ul style="list-style-type: none"> 1-9 Northolt Road hall: entrance doors		£30,000	Kier	£0	£0	£30,000	Awaiting Agreed Maximum Price
4.1.29	Kenmore Hall: entrance doors		£25,000	Kier	£0	£0	£25,000	Awaiting Agreed Maximum Price
4.1.30	Chenduit Way: resurfacing:		£5,000	Accord	£0	£0	£5,000	Instructions given to engineers to proceed with works.
4.1.31	<ul style="list-style-type: none"> Outside 5-11 Burnt Oak Broadway: resurfacing: <ul style="list-style-type: none"> Entire access road at rear of all blocks 321-367 and rear of blocks leading from slip road to rear 		£23,000	Accord	£0	£0	£23,000	Instructions given to engineers to proceed with works.

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CAPITAL WORKS PROGRAMME 2008 – 2009

	ELEMENT	TOTAL PROJECT BUDGET	PROGRAMME REVISED AS AT 30 NOVEMBER 2008	CONTRACTOR	SPEND	COMMITMENT	BALANCE	NOTES
4.1.32	entrances 321-367 Moundside: resurfacing • Main parking areas to front and rear of blocks 49-99		£44,000	Accord	£0	£0	£44,000	Instructions given to engineers to proceed with works.
4.1.33	Grange Court: resurfacing • Area at rear of bus shelter opposite police station		N/a	Accord	N/a	N/a	N/a	Deferred by Client
4.1.34	Greenway, Pinner: play area		£30,000	Playworld				Awaiting contractor being approved
4.1.35	Chenduit Way: play area adjacent to number 14		N/a	Playworld	N/a	N/a	N/a	Deferred by Client
4.1.36	Buckingham/Whitchurch estate: play area at centre of estate		N/a	Play world	N/a	N/a	N/a	Deferred by Client
4.1.37	Unallocated Balance		£0					
5.	COMMUNITY CENTRES	£115,000						
5.1.1	Kenmore community centre roof		£60,000	Kier	£0	£49,619	£10,381	Roof completed but internal works will take costs above budget
5.1.2	Headstone community centre refurbishment		£55,000	Kier	£41,737	£8,989	£4,274	Completed
5.1.3	Unallocated Balance	£0						Likely overspend
6.	IT PROJECTS:	£811,000						
6.1	Codeman and ANITE		£30,000	Northgate	*	*	*	* Annual licences and upgrades. Original budget £10k. Increased by virement of £20k from 7.6 (housing department project management costs). * Oral update to be provided to TLCF.
6.2	BTP Housing		£781,000	Capita	*	*	*	* Paperless office project. * Oral update to be provided to TLCF.

CAPITAL WORKS PROGRAMME 2008 – 2009

	ELEMENT	TOTAL PROJECT BUDGET	PROGRAMME REVISED AS AT 30 NOVEMBER 2008	CONTRACTOR	SPEND	COMMITMENT	BALANCE	NOTES
7.	H&S / MANAGEMENT / CONTINGENCIES							
7.1	Feasibilities / future works	£100,000	£100,000	Kier	£0	£2,000	£48,000	Preparatory works to assess costs / need for the work on a number of projects including condition of community centres and sheltered housing blocks, potential structural problems.
7.2	Boiler control timers	£22,000		Kier	£0	£0	£22,000	New budget item to ensure annual gas safety checks are undertaken on a timely basis. Budget to be expended by Maintenance Section
7.3	Fire damage / under pinning works (insurance claims):	£72,000		Kier	£0	£0	£72,000	Original budget net of insurance refunds due
7.4	Asbestos Register & Management	£50,000		Harrow	£1,595	£33,000	£15,405	Increased Type 3 asbestos checks (more expensive than usual Type 2) will be increasingly required. Also larger programme as 08/09 and 09/10 decent homes programmes are being combined
7.5	Mill Farm regeneration		£50,000	Tribal	£25,882	£0	£24,118	2nd stage
7.6	Housing department project management costs		£180,000	N/a	£76,578	£125,507	-£22,085	Capitalised housing staff costs. Original budget £200k. £20k vired previously to 6.1 (ANITE & Codeman). However, to meet increased specialist consultancy costs on Codeman £25k will be added back to increase the budget to £205k. Additional costs to be vired from DH contingency (Para 1.7.2)
7.7	Design & Build management fees and staffing costs		£1,375,000	N/a	£734,000	£641,000	£0	
	TOTAL				£16,083,500			
8.	BUDGETS							
8.1	Budget 2007/08 c/f				£2,614,090			
8.2	Budget 2008/09				£12,500,000			
8.3	Add: 2009/10 budget for Decent Homes				£3,583,500			
	Revised budget for 2008/09				£18,697,590			

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Cabinet/Committee:	Tenants & Leaseholder Consultative Forum
Date:	6 January 2009
Subject:	INFORMATION REPORT – Update on the Housing Repairs budget
Responsible Officer:	John Edwards Divisional Director – Environmental Services
Portfolio Holder:	Cllr Barry Macleod-Cullinane. Portfolio Holder for Adults& Housing
Exempt:	No

SECTION 1 – SUMMARY

This report updates TLCF on progress in managing the reported budgetary overspend for the Housing repairs service.

FOR INFORMATION

SECTION 2 – REPORT

Background

At Quarter 2 the housing responsive repairs budget of £4.75m, was projected to overspend by £1.24m by 31st March 2009. The projection was based on expenditure on repairs to September 2008 and anticipated outturn was in line with historic average annual investment in responsive repairs to ensure tenants' and leaseholders' properties are effectively maintained.

In response, and as reported at TLCF on 11th November 2008, a number of measures were introduced with effect from 2nd October 2008 to manage the position where possible within budget and to reduce the potential overspend and pressure on the HRA.

Management Action Taken

The enhanced control and remedial measures introduced to manage the position comprise the following:

- Deferral of non urgent repairs to 2009-10 subject to future reassessment by Property Services.
- Management of void properties to the Authority's minimum lettable standards
- Review of supply chain and subcontractor management processes by Kier to ensure value for money services are delivered.
- Closer scrutiny of repair costs and enhanced repair validation and quality control processes.
- Capitalisation of any necessary boiler replacements, kitchen renewals or electrical rewiring works through the Decent Homes programme where appropriate.

Financial Impact of management action to date.

- Spend on day to day landlord repairs has historically out-turned at an average of £3.3m per annum or £280k per month over the last 5 years. However, as a result of the measures outlined in this report the rate of spend on response repairs has reduced to £141k per month.
- In the first two quarters of 2008-9 void repairs were undertaken to Decent Homes standards at an average cost of £2419 per void. Following the implementation of void repairs to minimum lettable standards unit void repair costs have reduced to £1680 per void.
- The cost of invoiced landlord repairs has reduced by 43% from an average of £148 to £85 per repair, subject to inflationary

uplift.

As a result the anticipated overspend was revised from £1.24m to £650k based on deferral of non urgent ['K4' repairs] and implementation of void repairs to minimum lettable standards. It should be noted, however, that this projection is subject to variances in repair demand due to adverse weather conditions. However as the average cost of repairs reduces it may be possible to contain this further increase in volume.

Performance Issues

Performance on repairs turnaround has improved in 2008-09 and have not been adversely affected by the budgetary control measures introduced.

Financial Implications

The projected overspend of £650k increases the in-year HRA deficit and reduces the balance to be carried forward into 2009-10, and will significantly shorten the period during which Harrow Council has a viable HRA.

However, it is expected that the outturn position for 2008-9 will be less than the £650k now reported by working in partnership with Kier and continually driving down repair costs.

The draft HRA 2009-10 to 2011-12 is reported elsewhere on this agenda. At this stage it has not been possible to revise the repairs budget for 2009-10, however, it is expected that this will be reviewed before the final HRA budget is agreed by Council in February. By this time, the scope of service to be delivered and the demand for response repairs will be considered. The process will involve benchmarking the service against the Authority's peers and incorporate development of an improved payment mechanism with Kier. This will enable expenditure to be more effectively controlled and assist in delivering a satisfactory cost effective service to tenants and leaseholders.

Risk Management Implications

All non-urgent repairs are initially placed in abeyance by Access Harrow and reviewed by Property Services on a weekly basis to ensure no resident is put at risk.

This process involves pre-inspection by Property Services surveyors to assess if the repair would cause serious property damage if left unattended. The maintenance database is also checked to establish if any 'care flags' apply to the property where the repair has been requested. This is to ensure that the well-being or lifestyle of residents who are vulnerable, disabled or have a medical condition, is not compromised or adversely affected.

Where special circumstances are considered to apply financial approval is sought and the works undertaken accordingly.

SECTION 3 - STATUTORY OFFICER CLEARANCE

Name: Donna Edwards	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 5 th December 2008		
Name: Stephen Dorrian	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 3 rd December 2008		

SECTION 4 - CONTACT DETAILS AND BACKGROUND PAPERS

Contacts:

George Ogunsiji, Service Manager – Minor Works and Contracts
020 8424 1014

Background Papers:

None



Meeting:	Tenants & Leasehold Consultative Forum
Date:	6 th January 2009
Subject:	Estate Services Consultation
Responsible Officer:	Gwyneth Allen - Divisional Director - Housing
Portfolio Holder:	Councillor Barry Macleod-Cullinane - Portfolio Holder for Adults & Housing Services
Exempt:	No
Enclosures:	Appendix 1 – Estate Services Consultation Presentation

Section 1 – Summary and Recommendations

This report provides feedback on the consultation with residents on improving estate services to Council housing estates

Recommendations:

TLCF is requested to note the outcome of the consultation into estate services

TLCF is requested to agree to the setting up of a Steering Group to progress service improvements on estates

Reason: (For recommendation)

The council is required to consult on any proposed changes to its services.

Section 2 – Report

2:1 Background

2:1:1 Estate services comprise the following:

- Caretaker Services
- Grounds Maintenance Services
- Parking Controls
- Building Cleaning (internal common parts)

2:1:2 Estate services are provided by directly employed teams for caretaking from within the Resident Services team. Grounds Maintenance is provided through a Service Level Agreement with the Council's Public Realm Team. Parking control is provided by a private company Borough Parking Enforcement (BPE).

2:1:3 In October 2007 an initial review of the Caretaker service was undertaken by Brent Housing Partnership (BHP).

2.1.4 The findings of this report were that a number of short term improvements to services were required and the report highlighted the need to ensure value for money. At the TLCF meeting on 22 July 2008 it was agreed that Resident Services would consult with residents on the services required and how best to provide the full range of estate services delivered by the Housing service in the medium to longer term. It was also agreed to report to TLCF within the current financial year providing specific recommendations having completed this consultation exercise.

2.1.5 One of the short term improvements put in place during 2008 is a short term arrangement to provide a dedicated team of cleaners that are providing a deep clean to all internal communal areas of buildings on council estates owned by the London Borough of Harrow. This was done as a pilot to ensure it was both necessary and required by Tenants and Leaseholders. This project has proven highly successful and it has been well received. If residents are to continue to receive this service as a regular estate cleaning service it will be necessary to undertake formal consultation and provide costing. The current deep clean project has been funded as a one off scheme through a contingency budget in 2008/9 and this is not currently integrated into our regular services provision. A Steering Group is being set up in January 2009 to review all existing and proposed service charges to tenants and leaseholders.

2:1:6 All parking in Harrow is currently subject to an efficiency review agreed by the Efficiency Improvement Board. The scope of the review has identified the need to look at the Housing estate areas and the Project Manager leading the review has contacted Housing Services to enable the service to contribute to that review. Parking on housing estates, un-adopted highways, will be considered as part of the review which is due for completion in January 2009. Only some 9 estates are covered by the current arrangements and there is an opportunity to review those arrangements for car parking on housing estates.

2:2 Consultation

2:3:1 Resident Services undertook the consultation during the autumn from a number of locations including various estate based community centres.

2:3:2 Eight meetings took place between 7 and 29 October 2008. The meetings were chaired by a member of the Resident Services management team and one other manager or officer was in attendance. The presentation set out at Appendix 1 was used at each meeting.

The meetings were not estate specific and did provide opportunity for all residents throughout the borough to attend and make their comments. The aim was to allow access to as many tenants and leaseholders as possible and to receive their comments.

2:3:3 Invitation letters were sent to all council tenants and leaseholders and a total of 79 residents attended meetings.

2:3:4 The majority of comments received related to the need to ensure value for money, lack of caretaking service and lack of internal cleaning. Leaseholders in particular expressed the view that they do not wish to pay increased service charges for an enhanced service.

2:3:6 Consultation with tenants and leaseholders was not conclusive and provided information that will enable a review of estate services to move forward with residents as part of the project steering group which will fully consider options for improving the services provided to residents.

2.4 Options

2.4.1 The options outlined in the presentation to tenants and leaseholders were as follows:

- a) Maintaining “as is” arrangements with more effective monitoring and enforcement
- b) Improve the existing services retaining in house provision of the service
- c) Seeking an alternative contractor

Option a) Existing Caretaker and Grounds Maintenance services will not deliver a 3 star service without investment and redesign. There have been failures in service delivery in the past which must be urgently addressed. Currently the service does not deliver the full scope of estate services particularly internal cleaning and effective parking controls.

Option b) Retaining the existing service with improvements that may require re-tendering the service level agreement with the Public Realm Service for grounds maintenance. The service could include all estate based services including grounds maintenance, internal cleaning, and caretaker duties as well as parking control. This option may result in increased costs.

Option c) Requires an options appraisal to be undertaken followed by formally tendering the service within a formal contractual arrangement including advertising in the Official Journal for the European Union. This

would require full market testing and a comprehensive specification. It could involve the transfer of a number of council employees to the successful contractor and monitoring and payment would be based on performance and delivery of the service. This option would take at least one year of project work.

2.5 Recommendation

2:5:1 It is recommended that the service is maintained in its existing form in the absence of a clear option for change at present. A Steering Group should be established to deliver service improvements in estate services which have been shaped, by tenants and leaseholders. The officers on the Steering Group will include tenants and residents working with staff from housing and finance. The first meeting of the Steering Group would be in January 2009.

2:5:2 TLCF is requested to decide on the number of tenants/leaseholder representatives who would attend the Steering Group meetings.

2:5:3 It is essential that residents are involved throughout this process. At the consultation meetings, residents were asked to consider becoming resident volunteers during a future review process if that was the decision of the TLCF. A total of 11 people have expressed an interest in this role.

2.6 Implications of the Recommendation

2.6.1 Resources, costs and risks

The review can be undertaken within existing resources; at this juncture there are no risks to the service.

Failure to agree the recommendation may delay longer-term improvements to the service. The identified risk is continued dissatisfaction of the services provided and not achieving improved value for money.

2.7 Financial Implications

2.8 Performance Issues

BV74 Overall satisfaction with landlord

BV74b Overall satisfaction with landlord (BME residents)

Both the above BVPI are at below lower quartile for CPA purposes but at middle quartile when reviewed through the tenant's satisfaction survey undertaken in 2006 and compared London wide. Surveys are undertaken every two years and a further survey will be undertaken in 2008.

2.9 Risk Management Implications

All risks are set out in the report.

Risk included on Directorate risk register? No

Section 3 - Statutory Officer Clearance

Name: Donna Edwards	<input checked="" type="checkbox"/>	on behalf of the* Chief Financial Officer
Date: 9 December 2008		
Name: Paresh Metha	<input checked="" type="checkbox"/>	on behalf of the* Monitoring Officer
Date: 17 December 2008		

Section 4 - Contact Details and Background Papers

Contact: Ghazala Faizi, Service Manager, Resident Services, 020 8424 1473
Ghazala.Faizi@harrow.gov.uk

Background Papers:
Estate Services Consultation report November 2008

If appropriate, does the report include the following considerations?

1.	Consultation	YES
2.	Corporate Priorities	YES

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Estate Services Consultation

Presented by: ()

Venue: ()

Welcome

- Introductions

Contents

- Problems with existing services
- Internal & external reviews
- Key messages
- Gaps in existing services
- Options for estate services
- Your requirements from the service
- Resident involvement
- Questions
- Moving Forward

Problems with existing services

- Does not meet customer expectations
- Separate arrangements for service delivery e.g. grounds maintenance & caretaking
- Inconsistent service delivery
- Resources too thinly spread
- Not delivering value for money

Internal & external reviews

- Audit Commission – requires us to market test services to provide value for money
- Caretaker review (BHP K&C) – Long term improvement plan, not value for money – need to market test – need to expand to include internal cleaning and parking controls
- Capita (GM) – Cannot demonstrate value for money

Key messages

- Need to expand service to ensure all estate requirements e.g. internal cleaning and parking controls are provided
- Requirement to provide 3 star service
- Tenants and leaseholders now pay service charges – need better value for money
- Does not meet government standards – KLOEs
- Residents express continued dissatisfaction
- Improvements to be within existing resources

Gaps in existing services

- Internal Cleaning – blocks require this new service – not currently provided and blocks in poor state of cleanliness
- Parking Controls – only some estates covered and opportunity to review arrangements for car parking on housing estates
- Existing Caretaker, Grounds Maintenance services will not deliver 3 star service without investment & redesign – too many failures in service delivery

Options for estate services

- Improve the existing services retaining in house provision of the service
- Currently the service does not fully cover the full scope of estate services namely internal cleaning. Retaining the service in house with improvements may require the ending of the service level agreement with the Public Realm Service including grounds maintenance within an enhanced caretaker service. The service would include grounds maintenance, cleaning, and caretaker duties. A view on how to undertake parking control would need to be developed
- Likely to result in increased costs

Options for estate services

- Maintaining “as is” arrangements with more effective monitoring and enforcement
- This option would be least disruptive and work has already begun on improving the service to residents. It does not however allow facility to expand to deliver a full cleaning service necessary to cleanse buildings on a daily basis. Additional funds would need to be allocated from the HRA to purchase this service. – No additional resources are available

Options for estate services

- Seeking an alternative contractor
- This option would require formally tendering the complete service to a contractor within a formal contractual arrangement. It would require full market testing and adequate specification. It could involve the transfer of a number of council employees to the successful contractor. Monitoring and payments would be on performance and delivery of the service.
- Tenants able to design a new service with additional elements e.g. internal cleaning
- Opportunity to for all services under one umbrella – no service - no payment

Your requirements from the service

- Caretaking – e.g. Frequency – how often – standards etc.
- Internal Cleaning - New Service – how often - expectations ?
- Grounds Maintenance – your expectations/views on how this can be improved
- Car parking controls – options for permit parking and annual fee – re – investment into estate services reducing service charge costs.

Resident Involvement

- Resident Volunteers

Involvement in development of specification

Tender evaluations/ interviews and site visits

Ongoing monitoring of new look service.

Questions

Moving forward

- Consultation meetings across borough during September/October 2008
- Outcome of meetings reported to TLCF in November 2008
- TLCF recommendation of which option we will implement notified to residents in November 2008
- Implementation of options taken forward by Estate Services Team
- Timescale for completion/implementation



Committee:	Tenants and Leaseholders Consultative Forum
Date:	6 th January 2009
Subject:	Report on restructuring following the introduction of CIVICA IT system
Responsible Officer:	Gwyneth Allen Divisional Director Housing
Portfolio Holder:	Councillor Barry MacLeod-Cullinane Portfolio Holder for Adults and Housing
Exempt:	No
Enclosures:	None

Section 1 – Summary

This report sets out the proposals for achieving a reduction in costs in delivering the housing service following the implementation of Civica through the HaRP project.

This report sets out the proposals that are the basis for staff consultation

FOR INFORMATION

Section 2 – Report

1: Background

In September 2007 the Housing Service with Adult Services, Planning and Housing Benefit contributed to a business case to implement an IT system that would result in electronic storage and retention of customer data and provide the facility for managing work flow. The business case was accepted in November 2007 and with the exception of Adults Services implementation of the chosen system, Civica, commenced in February 2008. The 'go live' date for the Housing system was 16th October 2008 and with effect from that date customer data is being stored and retrieved electronically and has the capacity to be shared with other departments within the Council. Remote and flexible

working has also become possible and relevant staff have been issued with laptop/tablet devices to enable them to work off site. The introduction of Civica benefited the two operational parts of the service: Resident Services and Housing Needs. Housing Enabling and Strategy functions have not been directly affected by the introduction of Civica.

2: Reasons for change

The introduction of Civica will result in improvements in service delivery within the Housing service. In order to maximise efficiency in resident services additional processes need to be mapped and managed through Civica. The support and development of the Civica system within the Housing Service requires a temporary post to be located in the business support team.

There have also been a number of other changes such as legislative changes, the move to join Adults Services, and emerging government initiatives that require the Housing service to ensure that it is organised and continually able to respond to the challenges ahead.

To achieve the savings required by the end of the financial year, Senior Managers have identified the removal of those posts that are no longer needed because of efficiencies enabled by the electronic transfer of data. In addition we have explored the ability of the service to generate additional income / savings through other initiatives and efficiencies.

When the HARP business case was signed off it was accepted by all involved that in return for a capital investment of £1.4m, revenue savings totaling approx. £300,000 would need to be identified with effect from 1st April 2009. The savings related to the operational functions of the Housing Service with £167,000 to be identified within Housing Needs General Fund and £134,000 from Housing Revenue Account, predominately from Resident Services. In addition to the savings identified, changes are required to fund £61,000 growth in the Housing business support and enabling teams. The overall saving is £362,000 split between Resident Services and Housing Needs.

3: Business benefits

The benefits of this change will be:

To achieve the savings required by HaRP with minimal impact on staff
To modernise the service and create more flexibility than the present service offers
To target the staff resources to those areas where it is felt they can add most value.

4: Details of the Staff Affected

The Resident Services Team comprises of 55.5 staff including caretakers and cleaners, with 20.5 staff in the sheltered housing service. These are organised in three teams:

Community and Investment (CI)
Housing Management (HM)
Leasehold services (LS)

The review affects staff in all three teams across Resident Services.

4.1 Resident Services Savings (HRA Target £195,200)

Vacant Posts

- Delete one post from three Estate Services Supervisors (vacant-CI)
- Delete one part-time admin post (vacant-LS)
- Delete Housing Support Officer (vacant -HM)
- Delete Tenant Participation Officer (vacant -CI)

Filled Posts

- Delete one Caretaker Team leader post from three posts (CI)
 - Delete Former Tenants Arrears Officer post (HM)
 - Delete Lettings Officer post from within the voids team¹
- Total estimated savings: £197,130

It is proposed that the above four vacant posts are deleted. This will minimize the impact of the reduction in staffing levels on permanent staff in post.

4.2 Housing Needs

Housing Needs Savings (GF target £166,000)

Filled Posts

- Delete the post of Lettings Officer from within the Voids team (HRA saving)
- Delete the post of Single Homelessness Project Officer (GF Saving)
- Delete the post of part time Support Officer (GF saving)

Other Savings

- Reduce the budget for deposit bonds
- Allocation of Over Crowding Grant to fund costs of undertaking home visits and promoting Let Start scheme
- Initiate a direct leasing scheme to generate additional income
- Reduce allocation for B&B

TOTAL GF saving £166,020

Housing Needs is fortunate in being able to generate extra income next year, and so minimise the number of posts that currently need to be deleted. However, in following years, this extra income may no longer be available. The reduced income may be balanced by less expenditure having to be made to reduce the number of households in Temporary Accommodation. It is too early to accurately project the 2010-11 budget so further cuts in consequence of HARP implementation cannot be ruled out.

4.3 Other issues

Following the introduction of Civica there is a need for an additional post within the business support team to ensure that full and effective application of Civica is firmly embedded and that the Housing Service maximises the opportunities that Civica presents. An additional post has been included within the Housing Business Support team for a fixed term of one year from 1st April 2009.

The recent Cabinet decision to transfer Mill Farm Close to a housing association partner, coupled with the need to monitor very closely the provision of new housing either by

investigating opportunities to provide new homes on HRA estates or working with Homes and Communities Agency funding to progress development of new homes with housing association partners, has stretched the enabling team and it is proposed to increase the resources in that team by one Project Support Officer post with effect from 1st April 2009.

5. Implications for Conditions of Service

The duties of staff remaining in teams directly affected by the reduction in posts will be reviewed and reassessed following the consultation on the changes with staff. All role profiles that are affected by the proposed changes will be consulted on and evaluated.

All terms and conditions remain unaltered.

6. Time scales

The aim is to reach a final decision on the proposals by the beginning of January 2008 and then undertake the implementation stage. By 1st April 2009 new structures will be in place and Civica processes will be embedded and developed to improve service delivery.

Section 3 – Further Information

None

Section 4 - Contact Details and Background Papers

Ghazala Faizi
Service Manager – Resident Services
Tel: 0208 424 1473

Jon Dalton
Service manager – Housing Needs
Tel: 0208 416 8647

Carol Yarde,
Service Development Manager,
Tel: 0208 420 5660

Background Papers: None



Meeting:	Tenants' and Leaseholders' Consultative Forum
Date:	6 January 2009
Subject:	Draft Housing Revenue Account (HRA) Budget 2009-10 and Medium Term Financial Strategy 2009-10 to 2011-12
Key Decision: (Executive-side only)	No
Responsible Officer:	Corporate Director of Finance Myfanwy Barrett
Portfolio Holder:	Councillor Barry Macleod-Cullinane Portfolio Holder for Adults & Housing
Exempt:	No
Enclosures:	Appendix 1 – Draft HRA Budget 2009-10 to 2011-12

SECTION 1 – SUMMARY AND RECOMMENDATIONS

This report sets out the draft Housing Revenue Account (HRA) Budget for 2009-10 and the Medium Term Financial Strategy 2009-10 to 2011-12 as reported to Cabinet on 18th December 2008.

RECOMMENDATIONS:

To agree the draft Housing Revenue Account for 2009-10 to 2011-12 and recommend the 3year financial strategy to Cabinet.

REASON:

The TLCF considers and makes annual recommendations to Cabinet with respect to the Housing Revenue Account [HRA].

SECTION 2 – REPORT

Draft Medium Term Financial Strategy (MTFS) 2009-10 to 2011-12

1. The Council's 30 year HRA business plan was updated and submitted to the Government Office for London (GOL) in July 2006. The plan sets out how the Council intends to manage and maintain its housing stock over the next 30 years. This financial strategy, as set out below, relies on the business plan assumptions, which have been updated where relevant to reflect changing operational needs and priorities.
2. The medium term financial strategy reflects the costs of delivering services at current levels and takes account of areas of identified pressures and savings. It builds on the HRA forecast outturn position at quarter 2 and is subject to changes that may be required to reflect government policy and housing priorities. The key areas of updated assumptions that underpin the strategy and the 3 year revenue budget summary are set out below.

Balances

3. The strategy will deliver an in year deficit of £1.4m in 2009-10 and £0.8m in 2010-11, and a surplus of £0.1m in 2011-12. The accumulated balances are estimated to reduce from £6.2m at the end of 2007-08 to £3m at the end of 2011-12.
4. In line with the business plan, the HRA aims to maintain a minimum balance of £0.75m.

Income

Dwelling Rent

5. The Government intends that by 2016 similar properties in the same area will have similar rents even if owned by different social landlords. The aim is to deliver fairer rents, and greater transparency and choice for tenants. This is generally referred to as rent convergence.
6. In line with Government policy, an average rent increase of 6.19% is recommended in 2009-10 (5.66% in 2008-09). This means an average rent charge of £86.17 per week per tenant (£81.59 in 2008-09) representing an average rent increase of £4.58 (£4.37 in 2008-09). Details of average rents are shown in Appendix 2. This will achieve rent convergence for 83% of Council dwellings by the target date.

7. The strategy assumes a stock level of 5,065 at the start of April 2009 reducing marginally by an estimated five right to buy sales each year thereafter. Rent loss resulting from voids is estimated at 1.44% of the rental income for dwellings and 0.58% for sheltered accommodation. These assumptions are reflected in the estimated rental incomes detailed in the appendix.

Service Charge – Tenant and Leaseholders

8. In line with Government guidance, the Council separated service charge from dwelling rent in April 2007. The costs of delivering estate based communal services are recovered directly from tenants through the service charge. The estimated total cost of depooled services in the current year is £1.9m. (£1.24m in 2007-08).
9. Service charge for tenants is recommended to increase by 5.50% in 2009-10 (3.5% in 2008-09) resulting in an average service charge of £4.39 (£4.13 in 2008-09), representing an average increase of £0.26 (£0.14 in 2008-09) per week per tenant. Details of average service charges are shown in Appendix 2.
10. Service charge for leaseholders is recommended to increase by 10.6% in 2009-10. Recovery of costs for administering the leasehold team is recommended to remain at 20% of the service charge costs. Recovery of the costs of repairs to leasehold blocks is estimated at £53 per leaseholder. Building insurance is to be recovered based on an average of £157 per year per leaseholder. It is estimated there will be 1,172 leaseholders as at 31st March 2009.

Other Rental Income

11. Other rent income from garages, car parking, commercial shops and facilities charges is recommended to increase by 2.5% as detailed in Appendices 3, 4 and 5.

Summary

12. The recommended rent increases will support the delivery of key services to tenants at their present level, to reflect increases to management and borrowing costs to support the delivery of decent homes. The recommended rental increases have been adjusted for voids and right to buy sales where relevant.

HRA subsidy

13. The draft budget includes uplifts to all the allowances and guideline rents in line with draft HRA Subsidy determination. Rental Constraint Allowance, as previously assumed, has not continued beyond 2007-08, with the Government reverting to the Caps and Limits regime from 2008-09.
14. In March 2008 a review of Council Housing Finance was launched by the Communities and Local Government and HM Treasury Departments. The purpose of the review is to develop a sustainable, long term system for financing council housing, and one which is consistent with wider housing policy, including the establishment of a regulator of social housing. The review is due to report to Ministers mid 2009, setting out options for the subsidy system including proposals for changing to rent policy.
15. A formal consultation will follow the review and at this point it should be possible to advise on the impact of the changes on both the HRA and the Business Plan.

Expenditure

16. Five RTB sales are assumed in 2009-10. The marginal reduction in stock levels is reflected in the assumed level of maintenance expenditure. No reduction is assumed for management costs.

Employee Costs

17. The financial strategy is based on estimated outturn and reflects pay increases for staff of 2.75% each year and pension contribution increases of 0.25% each year. It also reflects the proposed changes to the housing structure where confirmed.

Responsive Repairs

18. The strategy assumes contributions to the responsive and cyclical repairs of £4.8m in each of the next three years. This area is subject to further review, with benchmarking being progressed to achieve comparison for budget setting purposes. Discussions are progressing with Kier on a partnership basis to improve service delivery whilst containing and controlling costs.

Energy Costs

19. A 3% increase in energy costs is assumed. These costs are recovered directly from charges to tenants/leaseholders through the service and facilities charges.

Charges for Capital

20. The strategy reflects the HRA share of the Council debt redemption premium across all 3 years. It also reflects discounts due to the HRA from the recent debt restructuring. In calculating the cost of borrowing to support the decent homes programme, detailed in paragraph 21 below, a consolidated rate of interest (CRI) of 5.45% is assumed.
21. Interest on the HRA balances is assumed at an average of 2.1% reflecting the anticipated reduction in interest rates.

Capital Investment and Prudential Borrowing

22. The strategy assumes capital expenditure of £6.9m in 2009-10, £5.9m in 2010-11 and £6.1m in 2011-12 in line with the business plan. Capital expenditure is funded from Major Reserve Allowances (MRA) and capital receipts with the balance being financed through estimated borrowing of £1.9m in 2009-10, £817k in 2010-11 and £1m in 2011-12. This level of borrowing is within the supported borrowing figure of £2.7m included in the subsidy determination.
23. The forecast level of usable capital receipts has reduced from £0.5m to £0.25m. This reduction reflects the lower level of RTB sales.
24. Significant investment has been made in IT services during 2008-09 and will assist in delivering business efficiency during 2009-10. Additional borrowing costs of £195k have been included within capital financing costs, however no provision has been made for ongoing support costs.

Revenue Contribution to Capital Outlay (RCCO)

25. A contribution from the HRA reserves of £1m for each of the 3 yrs is recommended to support housing capital investment on the decent homes programme.

General Contingency

26. The strategy sets aside £200k to cover unforeseen expenditure that may arise in the management and maintenance of the housing stock, with the balance representing the anticipated increases in employee costs as detailed in paragraph 17 above.

Summary

27. The recommended HRA strategy is broadly consistent with the 30 year business plan and reflects current operational needs and priorities. It is expected that the strategy will support the continuing improvement to current service levels in order to meet expectations of tenants and comply with Government requirements.
28. The impact of the current economic climate has been estimated where possible within this three year budget position now being reported. The increase quantified within this budget totals approximately £0.5m and arises from the need to increase the bad debt provision for Council tenants, lower levels of rental income for non-dwelling HRA assets and a reduction in the investment income earned.
29. The draft budget estimates a deficit until 2011-12, when the HRA anticipates a small surplus, resulting in a reduction of balances of £2.5m when compared with the business plan surplus of £5.5m at the end of 2011-12.
30. The impact of the lower level of balances will significantly shorten the period during which the Council has a viable HRA. If income and expenditure assumptions remain in line with the business plan, in year 7 [2013-2014] the balances will fall below the recommended level of £0.75m. By this point, the Council will have considered the options around the future of housing in this respect.

Section 3 - Statutory Officer Clearance

Name: Donna Edwards	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 3 December 2008		
Name: Paresh Mehta	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 19 December 2008		

Section 4 - Contact Details and Background Papers

Contact:

Donna Edwards

Adults & Housing Finance Manager
Telephone: 020-8424-1140

Background Papers:

- 30year HRA Business Plan
- Report to Cabinet in December on the Medium Term Financial Strategy

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Draft Housing Revenue Account 2009-10 to 2011-12

	Budget 2009-10	Budget 2010-11	Budget 2011-12	Comments
Expenditure				
Employee Costs	1,915,245	1,865,245	1,865,245	Pay inflation assumed as 2.75% and held in contingency
Supplies & Services	465,360	485,360	465,360	
Utility cost (Water & Gas)	549,000	565,470	582,434	Inflation assumed at 3%
Estate & Sheltered Services	1,916,390	1,916,390	1,916,390	
Central Recharges	2,000,710	2,050,728	2,101,996	Inflation assumed at 2.5%
Operating Expenditure	6,846,705	6,883,193	6,931,425	
Contingency - general	285,220	372,220	461,220	Provision for unforeseen expenditure & pay inflation
Charges for Capital	6,989,420	7,176,600	7,044,140	Includes £195k HARP costs, CRI @ 5.45%, interest on balances @ average 2.1%
Contribution to Repairs Account	4,800,680	4,800,680	4,800,680	
RCCO	1,000,000	1,000,000	1,000,000	Annual contribution
Bad or Doubtful Debts	250,000	250,000	250,000	
Total Expenditure	20,172,025	20,482,693	20,487,465	
Income				
Rent Income – Dwellings	-22,566,752	-23,991,910	-25,488,070	Average rent increase 2009-10 6.19% in line with rent model
Rent Income – Non Dwellings	-869,840	-881,840	-893,840	Average increase of 2.5% for garages. Commercial premises reflect lease agreements
Service Charges - Tenants	-1,150,426	-1,201,045	-1,253,891	Average rent increase 2009-10 5.5% in line with rent model
Service Charges - Leaseholders	-426,037	-426,037	-426,037	Average rent increase 2009-10 10.6% reflecting leaseholder costs to be recovered

	Revised Budget 2009- 10	Budget 2010-11	Budget 2011- 12	Comments
Facility Charges (Water & Gas)	-487,480	-499,480	-511,480	Average increase of 2.5%
Interest	-17,000	-17,000	-17,000	
Other Income	-8,010	-8,010	-8,010	
Transfer from General Fund	-83,000	-83,000	-83,000	
HRA Subsidy	6,880,274	7,392,910	8,093,462	
Total Income	-18,728,271	-19,715,413	-20,587,866	Based on draft determination issued by CLG
In Year Deficit / (Surplus)	1,443,754	764,010	-103,671	
BALANCE carried forward	-3,626,531	-2,862,521	-2,966,192	
BALANCE Business Plan	-4,764,000	-5,319,000	-5,460,000	

Average Rents & Service Charges

Property Type	No of Beds	No of Properties	Current Average Rent 2008-09	Current Average Service Charge 2008-09	Total of Rent & Service Charge 2008-09	Proposed Average Rent 2009-10	Proposed Average Service Charge 2009-10	Total of Rent & Service Charge 2009-10	Proposed Average Rent Increase 2009-10	Proposed Average Service Charge Increase 2009-10
			£	£	£	£	£	£	£	£
Bedsit flat	0	102	62.26	2.95	65.21	66.06	3.11	69.17	3.80	0.16
Flat	1	1,246	69.74	3.11	72.85	74.02	3.28	77.30	4.29	0.17
Flat	2	827	76.47	3.33	79.79	81.42	3.51	84.93	4.95	0.18
Flat	3	45	80.12	3.50	83.62	85.72	3.69	89.41	5.60	0.19
Bedsit Bungalows	0	21	74.83	3.05	77.88	79.27	3.21	82.48	4.44	0.17
Bungalow	1	116	83.38	3.29	86.67	88.31	3.47	91.78	4.93	0.18
Bungalow	2	25	98.24	3.37	101.60	103.74	3.55	107.29	5.50	0.19
Non-Parlour Bungalows	2	1	95.83	3.37	99.20	100.95	3.55	104.50	5.12	0.19
Non-Parlour Bungalows	3	1	125.17	0.00	125.17	131.73	0.00	131.73	6.56	0.00
Non-Parlour Bungalows	7	1	165.76	3.79	169.55	173.03	4.00	177.03	7.27	0.21
Maisonette	1	6	68.83	3.37	72.20	72.92	3.55	76.47	4.09	0.19
Maisonette	2	96	76.28	3.37	79.66	81.17	3.56	84.74	4.89	0.19
Maisonette	3	61	80.30	3.58	83.88	85.92	3.78	89.70	5.62	0.20
Maisonette	4	1	88.90	0.00	88.90	95.74	0.00	95.74	6.84	0.00

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Property Type	No of Beds	No of Properties	Current Average Rent 2008-09	Current Average Service Charge 2008-09	Total of Rent & Service Charge 2008-09	Proposed Average Rent 2009-10	Proposed Average Service Charge 2009-10	Total of Rent & Service Charge 2009-10	Proposed Average Rent Increase 2009-10	Proposed Average Service Charge Increase 2009-10
			£	£	£	£	£	£	£	£
Non-Parlour House	1	1	48.03	3.37	51.40	52.65	3.55	56.20	4.62	0.19
Non-Parlour House	2	526	88.42	3.52	91.93	93.71	3.71	97.43	5.30	0.19
Non-Parlour House	3	752	94.52	3.70	98.21	100.40	3.90	104.31	5.89	0.20
Non-Parlour House	4	28	105.42	3.49	108.90	111.96	3.68	115.64	6.54	0.19
Non-Parlour House	5	3	112.19	3.79	115.97	119.12	4.00	123.11	6.93	0.21
Parlour House	2	35	92.02	2.43	94.45	97.48	2.56	100.04	5.45	0.13
Parlour House	3	551	100.41	2.92	103.33	106.47	3.08	109.56	6.07	0.16
Parlour House	4	58	108.99	3.32	112.31	115.56	3.51	119.06	6.56	0.18
Parlour House	5	6	117.40	3.44	120.83	124.36	3.63	127.99	6.96	0.19
Parlour House	6	2	129.43	2.73	132.16	137.08	2.89	139.97	7.65	0.15
Sheltered	0	547	67.20	11.26	78.46	71.32	11.88	83.20	4.13	0.62
Sheltered other	1	9	80.60	11.56	92.15	86.22	12.19	98.41	5.62	0.64
		5067								

Garages & parking space charges

	Current Weekly Rental 2008/09	Proposed Weekly Rental 2009/10
	£	£
Garages	13.13	13.50
Car Spaces	8.62	8.80

Facility Charges

Sheltered Block	No of Properties	Current average facility charge (Heating) 2008-09 £	Proposed average facility charge (Heating) 2009-10 £
Cornell House	30	9.91	10.15
Meadfield	29	9.91	10.15
Harrow Weald Park	31	8.13	8.35
Watkins House	43	10.38	10.65
Boothman House	30	9.87	10.10
Durrant Court	28	10.03	10.30
Grahame White House	29	9.89	10.15
Harkett Court	31	10.02	10.30
Sinclair House	27	9.89	10.15
Tapley Court	26	9.86	10.10
Alma Court	30	9.89	10.15
Belmont Lodge	30	9.87	10.10
Edwin Ware Court	30	8.30	8.50
Goddard Court	31	10.03	10.30
Grange Court	31	8.46	8.65
John Lamb Court	32	10.38	10.65
Thomas Hewlett House	30	9.92	10.15
William Allen House	29	8.98	9.20
Resident Warden Accommodation	9	13.15	13.50
Other Non Sheltered	129	9.16	9.40

Community Centres

	Current 2008-09 Charges per 3 hour letting (additional hourly charge)		Proposed 2.5% uplift for 2009-10 Charges per 3 hour letting (additional hourly charge)	
	Evening Rate £	Daytime Rate £	Evening Rate £	Evening Rate £
Methuen Road Fully Let to Flash Musicals				
Augustine Road	72.01	36.27	73.80	37.20
Each Extra Hour	13.69	7.17	14.00	7.30
Marsh Road Hall	36.81	18.08	37.70	18.50
Each Extra Hour	9.31	4.92	9.50	5.00
Stonegrove Gardens Hall	80.78	40.13	82.80	41.10
Each Extra Hour	13.69	7.17	14.00	7.30
Churchill Place Hall	80.78	40.13	82.80	41.10
Each Extra Hour	13.69	7.17	14.00	7.30
Kenmore Park Hall	80.78	40.13	82.80	41.10
Each Extra Hour	13.69	7.17	14.00	7.30
Pinner Hill Hall	80.78	40.13	82.80	41.10
Each Extra Hour	13.69	7.17	14.00	7.30
Northolt Road Hall	80.78	40.13	82.80	41.10
Each Extra Hour	13.69	7.17	14.00	7.30
Brookside Hall	72.01	36.27	73.80	37.20
Each Extra Hour	13.69	7.17	14.00	7.30
Woodlands Hall	36.81	18.08	37.70	18.50
Each Extra Hour	9.31	4.92	9.50	5.00

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