

Cabinet/Committee:	Tenants & Leaseholder Consultative Forum
Date:	11 November 2008
Subject:	INFORMATION REPORT – Update on the Housing Repairs budget
Responsible Officer:	Eddie Collier Head of Property and Infrastructure
Portfolio Holder:	Cllr Macleod-Cullinane. Portfolio Holder for Housing.
Exempt:	No

SECTION 1 – SUMMARY

This report updates TLCF on the budgetary challenges faced by the Housing repairs service and the measures identified to reduce a potentially significant budgetary overspend.

FOR INFORMATION

SECTION 2 – REPORT

Background

For several years Harrow residents have benefited from relatively high levels of spend on response repairs. Over the last 5 years Harrow's response repairs expenditure has averaged over £1121 per property per annum - above average for all London Boroughs and significantly above average amongst its nearest neighbours.

The budget available for the response repairs service for 2008/9 totals £4.752m in line with the approved HRA Business Plan. Quarter 2 projections indicate significant budgetary pressure. This report tables the factors contributing to the current budgetary position, the operational control measures being taken to address the situation and considers the impact on future resourcing of the repairs budget.

There are number of factors which contribute towards the pressures in the current financial year, such as increased statutory and legislative requirements and external market conditions.

Budgetary Control Measures

In response to these pressures the Council, together with its partner, has reviewed the basis of upon which the service is to be delivered during the remainder of the current year.

The scope of the service to be delivered will comprise essential health and safety repairs and works which the Authority has a statutory duty to provide as landlord under Right to Repair legislation.

This will mean that non urgent orders (repair within 28 days) will not be undertaken in the current financial year and will be placed in abeyance, subject to future reassessment by Property Services. These repairs account for approx. 24% of the overall cost of landlord repairs and it is expected that deferral will considerably reduce the pressure on the budget by the end of the financial year.

Typical repairs falling within these categories include:

- guttering
- plastering
- part replacements of kitchen units
- window and doors
- garages
- brickwork repairs
- communal repairs such fencing and door repairs and
- internal decorations for sheltered blocks.

Repairs to empty properties will be managed to the Council's lettable standards within an average cost target. Responsive repairs will also be managed against average cost targets for each category of repair based on current repair volumes.

A review of the service has also identified a core number of tenants who have been responsible for disproportionate and unwarranted demands on the service. Repair requests from such properties will be subject to rigorous pre-inspection by Property Services' technical staff before any works are authorised.

The Council's partnering contractor Kier has expressed its commitment to assisting the Council in minimising repairs expenditure. Kier will undertake a review of its supply chain and subcontractor management processes to ensure value for money services are delivered.

A Rechargeable Policy will also be implemented requiring residents to pay for repairs that have been caused following acts of non-reportable crimes, accidental damage or loss or negligence. It is expected that the policy will come into affect in January 2009 and details will be published in the revised Tenants Handbook.

Expenditure on repairs will be more closely scrutinised and repair validation and quality control processes enhanced to ensure limited funds are targeted to properties where repairs are genuinely urgent and essential.

The packaging of deferred non-urgent repairs will be reviewed as part of the programme for both the planned and response maintenance service for 2009-10 and it is expected that this will yield savings. In addition, this would improve the Council's performance in terms of the ratio of planned to responsive repairs.

Communications

Residents will be advised at the point of service whether their repairs are of an urgent or non-urgent nature. If the repairs qualify as a non-urgent repair they will be notified both verbally and in writing that the works will be subject to review.

Residents will also be briefed on the budgetary situation via a mail shot and via the 'Homing In' magazine.

Financial Implications

The HRA business plan assumes a surplus carried forward in 2009-2010 of £5,685k. The forecast outturn position anticipates this

surplus being £5,382k – a shortfall of £303k which will shorten the period during which the Council has a viable HRA.

The budget continues to be closely monitored to ensure that the measures being taken, minimise repairs expenditure, thereby reducing the risk of a significant overspend on the HRA. Further corrective action will be taken as necessary.

The budget for 2009-10 is currently being reviewed, enabling the factors referred in this report to be considered as part of the budget setting process. The scrutiny and management of costs established during 2008-09 will continue into 2009-10.

SECTION 3 - STATUTORY OFFICER CLEARANCE

Name: Donna Edwards.	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 31 October 2008		
Name: Rachel Jones	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 31 October 2008		

SECTION 4 - CONTACT DETAILS AND BACKGROUND PAPERS

Contacts:

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Background Papers:

None