

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:

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Background Papers:

None