

CHANGES TO HRA BUDGETS 2012/13
REPORT OF CHIEF OFFICER- BUSINESS, CONTRACT & STREET
SCENE SERVICES



Hinckley & Bosworth
Borough Council

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WARDS AFFECTED: ALL WARDS

1. **PURPOSE OF REPORT**

To seek approval for the re-alignment of Housing Revenue Account (HRA) Budgets for various council house improvement schemes and funding of housing surveys from the Housing Revenue Account balances.

2. **RECOMMENDATION**

That Council approve:

1) The 2012/13 allocation of the 'earmarked' service improvement expenditure as follows:

- i. £75,000 for electrical testing and upgrades
- ii. £50,000 for Boiler Replacements
- iii. £25,000 for new Kitchens

2) The permanent transfer of £150,000 for service improvement expenditure from Housing Revenue Account General Fund budget to the HRA Capital Budget.

3) The future allocation (from 2013/14) of the £150,000 capital service improvement expenditure is delegated to the Chief Officer – Business, Contract and Street Scene Services and Executive Member for Housing in accordance with agreed Tenant Priorities.

4) The movement of £120,000 from the existing Major Voids Enhancements Housing Revenue Account Capital Budget to the Kitchen Upgrades Housing Revenue Account Capital Budget

5) The movement of £11,000 from the existing Windows: Single to Double Glazing Capital Budget to a newly created Sheltered Accommodation Improvements Capital Budget

6) The movement of £10,000 from the Environment Works Housing Revenue Account Revenue Budget to a newly created Neighbourhood Improvement Fund Housing Revenue Account Revenue Budget.

7) A supplementary estimate of £96,628 for the stock condition surveys and stock profile surveys from the Housing Revenue Account balances.

3. **BACKGROUND TO THE REPORT**

Service Improvement Expenditure

3.1 The Responsive Repairs Business Case agreed by Council on 7 December 2010 identified that an additional £150,000 could be spent on Council House repairs and improvements whilst still achieving substantial savings on the previous contract arrangement. For this year, whilst a consultation to determine our Tenants future

requirements is being finalised, the following improvement areas have been identified:

- A. Electrical testing and upgrades – An Electrical Periodic Inspection (PIR) was carried out at each Council property on a 15 year cycle, this inspection highlights any non compliance in accordance with current regulation. The regulation has recently been revised. One of the main changes is that, in most properties, a new consumer unit now has to be installed, thereby substantially increasing the cost of remedial works. It is also a new requirement that the cycle of testing be reduced from a 15 year to a 10 year cycle. This funding will assist in meeting the new requirements for this year whilst additional funding is identified for future years.
- B. Boiler Replacements – The boiler servicing the Castle Court Complex, which was installed in 1977 is due to be replaced. A new energy efficient 'green' heating system incorporating condensing boilers, solar thermal, improved controls and photovoltaic cells will be installed as a replacement.
- C. Additional kitchen refurbishment projects – Kitchens are replaced in order of priority from the Kitchen Refurbishment Waiting List. At present budget levels, any new requests to this Waiting List are scheduled to be carried out in the financial year 2019/20. The additional funds will assist with reducing waiting time.

The above schemes will assist in improving the overall fabric of the housing stock and ensure compliance with our decent homes aspirations as a responsible Landlord. Future year allocations will be determined based on decent homes requirements and tenant views.

Movement of Existing Budgets

- 3.2 Over the last three years, the Council has increased the number of new kitchen units that it has installed whilst a property is empty. This change has been introduced for several reasons:

- 1) Increase the overall standard for void properties;
- 2) Reduce the number of properties that require a new kitchen (see Paragraph 3.1 C above); and
- 3) Improve the new tenants overall experience of the property.

To reflect the change in standard within the Council's budgets, an amount of £120,000 will be moved from the Major Void Enhancements Budget to the Kitchen Upgrades Budget.

- 3.3 Every year, a number of requests are made by, and behalf of local communities to improve the overall quality of the neighbourhood. Examples of these requests include clearance of garage sites, landscaping of unkempt areas etc. To formalise and regulate the arrangement, whilst ensuring adequate funds are available to accommodate requests an amount of £10,000 will be re-allocated from Environment Works Revenue Budget to a newly created Neighbourhood Improvement Transfer Revenue Budget.
- 3.4 The entire allocated budget for installing double glazed windows is not required this year. As such some of the budget for 2012/13 is requested to be used for the replacement of timber main entrance doors at identified Warden Assisted Complexes with low maintenance automatic opening and closing doors, thereby facilitating greater security of these complexes, improved thermal comfort and ease of use for the residents. The remainder of the budget will be used to replace any identified existing defective double glazed uPVC windows will also be replaced using this budget

- 3.5 The movement of budgets described will increase the amount of expenditure and works carried out on the Council's housing stock.
Request for supplementary to cover the costs associated with Externally commissioned stock condition survey and Costs of carrying out stock validation exercise as requested by Government
- 3.6 To assist with the further development of the Council's 30 Year HRA Business Plan, a stock condition survey was commissioned to provide up to date information on the condition of our Housing Stock and the repair and maintenance requirements for the next 30 years. The work commissioned was carried out by the External Consultant Savills. The commission carried out a stock condition survey for 20% of the Council's Housing Stock (686 properties).
- 3.7 External Auditors highlighted a need to review the profile of the current Council Housing Stock. To provide an independent and up to date profile of the various council housing archetypes a stock profile survey has been carried out to provide further detail to the Department for Communities and Local Government.
- 3.8 The finding of both surveys will be incorporated into the HRA Business Plan, 30 Year Financial Model and Asset Management Strategy.

4. FINANCIAL IMPLICATIONS [KB]

In line with financial regulations, Council approval is required for virements of this level. All movements from Revenue to Capital will be reforecast within the capital programme to indicate fund sources. Following approval all relevant cost centres will be updated to reflect the revised budgets.

5. LEGAL IMPLICATIONS (AB)

None raised specifically by this report

6. CORPORATE PLAN IMPLICATIONS

The issues covered in this report relate to, and support the achievement of the Council's:

- Council's Strategic Aims: Decent, well managed and affordable homes; and
- Corporate Plan Strategic Outcome: Improve the quality of residents homes.

7. CONSULTATION

A consultation to determine our Tenants future requirements is being finalised.

8. RISK IMPLICATIONS

It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

There are no significant risks associated with this report.

9. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

The report identifies schemes that will assist in improving the overall fabric of the housing stock and ensure compliance with our decent homes aspirations as a responsible Landlord. The ‘knock on’ effect from delivering the proposals will be an improved home and local area for our Tenants.

10. CORPORATE IMPLICATIONS

By submitting this report, the report author has taken the following into account:

- Community Safety implications – None
- Environmental implications – Contained in the report
- ICT implications – None
- Asset Management implications – Council House asset maintenance
- Human Resources implications – None
- Planning Implications – None
- Voluntary Sector – None

Background papers: Responsive Repairs Business Case – December 2010

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