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2nd March 2012

S U M M O N S

MEETING: Community Board
DATE: 12 March 2012
TIME: 6.00pm
PLACE: Council Chamber, Town Hall, Gosport
Democratic Services contact: Carly Walters

LINDA EDWARDS
BOROUGH SOLICITOR

MEMBERS OF THE BOARD

The Mayor (Councillor Carter CR) (ex-officio)
Chairman of the Policy and Organisation Board (Councillor Hook) (ex – officio)

Councillor Burgess (Chairman)
Councillor Kimber (Vice – Chairman)

| | |
|-----------------------|---------------------|
| Councillor Mrs Bailey | Councillor Henshaw |
| Councillor Carter C K | Councillor Hylands |
| Councillor Mrs Cully | Councillor Mrs Hook |
| Councillor Edgar | Councillor Jessop |
| Councillor Forder | Councillor Murphy |

FIRE PRECAUTIONS

(To be read from the Chair if members of the public are present)

In the event of the fire alarm sounding, please leave the room immediately. Proceed downstairs by way of the main stairs or as directed by GBC staff, follow any of the emergency exit signs. People with disability or mobility issues please identify yourself to GBC staff who will assist in your evacuation of the building.

IMPORTANT NOTICE:

- If you are in a wheelchair or have difficulty in walking and require access to the Committee Room on the First Floor of the Town Hall for this meeting, assistance can be provided by Town Hall staff on request

If you require any of the services detailed above please ring the Direct Line for the Democratic Services Officer listed on the Summons (first page).

NOTE:

- i. Councillors are requested to note that, if any Councillor who is not a Member of the Board wishes to speak at the Board meeting, then the Borough Solicitor is required to receive not less than 24 hours prior notice in writing or electronically and such notice shall indicate the agenda item or items on which the member wishes to speak.
- ii. Please note that mobile phones should be switched off for the duration of the meeting.

AGENDA

RECOMMENDED
MINUTE FORMAT

1. APOLOGIES FOR NON-ATTENDANCE

2. MINUTES OF THE MEETING OF THE COMMUNITY BOARD
HELD ON 30 JANUARY 2012

3. DECLARATIONS OF INTEREST

All Members present are required to declare, at this point in the meeting or as soon as possible thereafter, any personal or personal and prejudicial interest in any item(s) being considered at this meeting.

4. DEPUTATIONS – STANDING ORDER 3.5

(NOTE: The Board is required to receive a deputation(s) on a matter which is before the meeting of the Board provided that notice of the intended deputation and its object shall have been received by the Borough Solicitor by 12 noon on Thursday, 8 March 2012. The total time for deputations in favour and against a proposal shall not exceed 10 minutes).

5. PUBLIC QUESTIONS – STANDING ORDER 3.6

(NOTE: The Board is required to allow a total of 15 minutes for questions from Members of the public on matters within the terms of reference of the Board provided that notice of such Question(s) shall have been submitted to the Borough Solicitor by 12 noon on Thursday, 8 March 2012).

PART II

6. ASSET MANAGEMENT STRATEGY & HOUSING REPAIRS
PROGRAMME 2012-13

The report sets out the proposed 2012/13 Housing Repairs Programme and seeks the Board's approval for that programme and associated Asset Management Strategy.

Charles Harman
x5287

7. ANY OTHER ITEMS

-which the Chairman determines should be considered, by reason of special circumstances, as a matter of urgency.

| | |
|-------------------------|---|
| Board/Committee: | Community Board |
| Date of Meeting: | Monday 12 March 2012 |
| Title: | Asset Management Strategy & Housing Repairs Programme 2012-13 |
| Author: | Housing Services Manager/CH |
| Status: | For Decision |

Purpose

The report sets out the proposed 2012/13 Housing Repairs Programme and seeks the Board's approval for that programme and associated Asset Management Strategy.

Recommendation

That Board approve;

- a. The proposed 2012/13 Housing Repairs Programme and note the impact on the Asset Management Strategy.
- b. That the Housing Services Manager follow the principles as detailed below:
 - i. To seek Board approval to vary the Housing Repairs Programme where work within an identified element of the approved Housing Repairs Programme cannot take place
 - ii. That where urgent works are identified (after approval of the Housing Repairs Programme) for which there is no identified provision, the Housing Services Manager in consultation with the Chairman be permitted to vary the programme for works up to £100,000
 - iii. That the Housing Services Manager be required to seek Board approval where work within an identified element of the approved Housing Repairs Programme is going to over-spend by more than £100,000

1.0 Background

- 1.1 This is an annual report on the proposed budget allocations for the delivery of day-to-day and planned repairs and maintenance works for the forthcoming financial year. It updates the asset management strategy guiding the priorities and the delivery of those programmes.
- 1.2 As reported to the Community Board (January 2012) self financing begins on 1 April 2012 and under this new housing finance regime funding for capital investment on the housing stock will increase in 2012/13 (see 1.3). It is predicted that this and subsequent years will facilitate much needed investment in the stock. Further work will be undertaken in 2012/13 on the Asset Management Plan to identify the specific types of work required, and when to be undertaken, to both maintain and improve the housing stock. Asset Management has an increasingly important role to play in

the future of the housing stock.

- 1.3 In 2012/13 capital investment is budgeted to move from £2.324m to £2.994m. An increase of £670,000 on the revised 2011/12 budget. It is to be financed from revenue as the Housing Service moves into the realm of self financing.
- 1.4 The Council housing revenue maintenance budget for 2012/13 when staffing and other on-costs are deducted is £2.443m and represents a 5.3% increase on the 2011/12 budget.
- 1.5 The total sum available for revenue and capital investment for 2012/13 is £5.437m, an increase of £793,000 on the 2011/12 revised estimates (excl. prudential borrowing)
- 1.6 On 1 April 2011, the Council commenced a partnering contract with Kier Building Maintenance for both asset management services and gas and electrical services.

2.0 Report

- 2.1 With the Decent Homes Programme complete there only remains the properties that will be picked up in sweep-up programmes (normally where a tenant has previously refused work), through the voids process or where particular elements, for example a kitchen or central heating system become “non decent” as a consequence of age.
- 2.2 In March 2011 Housing Board approved what is effectively Decent Homes Plus. It approved investment required over and above the limiting goals of the Decent Home Standard. Those were broadly identified as;
 - Modernisation of facilities within properties; including a 10-year bathroom and electrical upgrade programmes
 - Programmes to address structural deficiencies identified from the stock condition survey; including replace worn/tired roofs and where feasible replace flat roofs with pitched roofs
 - Upgrading sheltered housing scheme provision & improved accessibility standards for elderly & disabled.
 - Improvements to the communal environment; including a rolling communal redecoration programme and the garage investment plan
 - Energy Efficiency and thermal comfort criteria
- 2.3 The bulk of the capital investment in stock for 2012/13 (see Appendix A) retains these investment themes. A newly purchased Asset Management IT Module (Capita/IBS Open Housing) will become fully operational in 2012/13 and this new management tool will now inform the Asset Management Strategy. It is now the intention that a revised local Decent Homes Plus programme and an updated Asset Management Strategy will be ready for 2013/14 onwards. The module will highlight with greater accuracy the investment that is needed and in what element of the stock; supporting the Business Plan as approved by the Community Board on 30th January 2012.

Variations From 2011/12 Budget Allocation For 2012/13

2.4 *Empty Properties Repairs*

2.4.1 Board was advised in March 2011 that due to a number of larger social housing developments coming on-line during the following year, there would be a knock on effect on turnover within Council housing stock. An increase in funding was approved but despite that increase in 2011/12 (of £200,000 on 2010-11) this was insufficient to cover the work required to the increased number of void properties in 2011/12. Not dissimilar pressures are believed to exist for 2012/13 and there is also a desire to upgrade the empty property standard and therefore it is not proposed that there is a reduction on the 2011/12 allocation.

2.5 *Decent Homes & Associated Decent Homes Plus works*

2.5.1 The budget allocations overall have increased from £1.45m in 2011/12 to £1.85m in 2012/13. The principle increases are in the bathroom renewal programme where expenditure is programmed to increase from £100,000 to £400,000 in year two of what will be a long period of investment. The other significant change is an increase from £200,000 to £400,000 for external wall insulation with the objective of significantly improving energy efficiency.

2.6 *Other Works*

2.6.1 Additional funding has been proposed to disabled aids and adaptations, increasing from £180,000 to £230,000 to deal with additional demand in recent years. Further funding has also been identified for sheltered scheme improvements, up from £200,000 to £250,000.

2.6.2 The only notable reductions are in planned roof renewal work of £100,000 for 2012/13 and the delivery of the garage plan, which requires £150,000 in 2012/13 to fund this years programme (down from £206,000).

2.6.3 The Environmental Improvement Panel budget is set at £15,000 for 2012/13 and will continue to deliver the projects identified in 2011/12.

3.0 Implications for Asset Management

3.1 The Asset Management Strategy details the priorities and investment required to maintain the stock to an acceptable standard and to comply with statutory and contractual obligations. It is a realistic assessment of the investment required in the housing stock based on the latest stock condition information. The Strategy also sets out priorities for that investment and the potential impact of failure to invest.

3.2 The first priority was to achieve the Decent Homes Standard for all of the Councils housing stock and this has achieved, and as noted above (2.1) the task is to maintain the Decent Homes standard.

3.3 The Housing Health and Safety Rating System (HHSRS) audit has been completed within target and the highest priority repairs resulting from the audit will be carried out using Health and Safety budgets, with further HHSRS obligations covered under Infrastructure and Structural repairs budget headings.

- 3.4 Priority Two as set out in the Asset Management Strategy is to carry out legislative and regulatory obligations. This will include the continuation of an electrical re-wiring programme that commencing in 2010/11, a programme that is based on electrical surveys carried out during 2008-10. The Asset Management Strategy estimates a required investment of £220,000 for 2012/13 and that amount has been included in the budget.
- 3.5 There is currently no legal requirement to remove asbestos from residential property however the Asset Management Strategy has pledged that all licensed asbestos will be removed from housing communal areas by 2015, and all licensed asbestos removed from the housing stock by 2020. An allocation of £100,000 (the same as in 2011/12) for 2012/13 will fund asbestos removal from void properties, programmed communal area removals and ad hoc removal in let properties, and is sufficient, if maintained in future years, to fund programmes of asbestos removal to meet the longer term objectives.
- 3.6 The upgrade programme for sheltered schemes will continue in 2012/13 as set out to Board in the Best Value Sheltered Review in 2008.
- 3.7 In September 2010 GBC developed an Affordable Warmth initiative; this insulation scheme attracts grant funding from the Government's Carbon Emissions Reduction Target (CERT) and is delivered by British Gas. It is estimated that by the end of December 2012 that there will be 1000 council properties that received loft insulation (or top-up insulation) under the scheme. Each resident has also received energy saving tips, a real time energy monitor, energy saving devices and a 'shower-smart' attachment (where applicable).
- 3.8 The investment gap is the difference between what the Asset Management Strategy states should be invested in the stock and what is actually invested has built up over a number of years. The increase in spend proposed for 2012/13 not only meets the annual investment recommended in the Asset Management Strategy for 2012/13 it reduces the investment gap by just over £300,000 to £2.2m. It is encouraging to be in a position to invest at the level believed to sustain the condition of the stock and the Business Plan would indicate the position will improve still further in forthcoming years.

| | Recommended under the Asset Management Strategy (AMS) for 2012-13 | Funding allocated in 2012-13 in the key AMS areas | Work type arising from |
|--|--|--|--|
| Undertaking of Decent Homes & DH+ work incl. bathroom installation | £1,000,000 | £1,000,000 | Decent Homes & Modernisation of facilities |
| Replace worn/tired roofs and structural repairs | £120,000 | £100,000 | AMS priority |
| Electrical re-wiring work | £250,000 | £220,000 | Modernisation of facilities |
| Central Heating installations | £200,000 | £300,000 | Decent Homes & repair history |
| Garage action plan | £80,000 | £150,000 | Updated Garage Action Plan |
| Energy Efficiency Initiatives | £20,000 | £50,000 | Energy Efficiency |

| | | | |
|--------------------------------|-------------------|-------------------|-----------------------|
| | | | Strategy |
| External and Communal Painting | £270,000 | £300,000 | AMS Programme |
| Capitalising Voids | £300,000 | £350,000 | AMS against budget |
| Sheltered improvements | £276,000 | £300,000 | BV Review |
| Asbestos removal | £50,000 | £100,000 | Communal/HHSRS Survey |
| | £2,566,000 | £2,870,000 | |

Table 3.a

4.0 Risk Assessment

- 4.1 The allocation of funding for 2012/13 meets the annual funding requirements of the stock as outlined in the Asset Management Strategy, and the Business Plan indicates that under self financing there will not be an investment gap between what is required and what is undertaken. This, combined with a predicted increase in reserves has reduced the overall risk both of annual budget overspends as a result of unplanned emergency expenditure and the longer term risks associated with lack of investment in stock.
- 4.2 The overall risks associated with the investment programme has therefore reduced from medium to low because of the increasing investment in the stock, increases in reserves and sufficient individual budget provisions to provide for contingencies.

5.0 Summary

- 5.1 The new financial regime has provided funding for 2012/13 meeting the funding needs set out in Asset Management Strategy for 2012/13. The investment gap of the past years will fall as a result of the additional investment.
- 5.2 The proposals focus on the priorities identified for investment in 2012/13 now that the Decent Homes standard has been met. These priorities are based in the main upon the idea of Decent Homes Plus and have previously been subject to discussions at Housing Board.

| | |
|---|--|
| Financial Services comments: | Housing repairs expenditure covered by this report is included in the Council's budget for 2012/13. |
| Legal Services comments: | The Council must ensure that it complies with both its statutory duties relating to the condition of properties and facilities, such as gas installations and their obligations under the Tenancy Agreement. |
| Service Improvement Plan implications: | The meeting of the Decent Homes Standard by the end of 2010/11 was a Service Improvement Plan objective. |
| Corporate Plan: | The maintaining of the Council housing stock is a strategic priority for 'Prosperity'. |
| Risk Assessment: | See 4.1 & 4.2. The potential risk over individual budget over/under spends is medium, due to unforeseen circumstances: weather conditions, higher estimates, higher demand for services etc. Rigorous controls in place reduce the likelihood and impact of those over/underspends. In addition the overall risk rating for total budget over/under spend is therefore assessed as low. The overall risks associated with the investment programme has reduced from medium to low |
| Section 17 Crime & Disorder Act 1998 | Included in the day-to-day repairs programme are specific works for security and target hardening. |
| Background papers: | <ul style="list-style-type: none"> • Housing Board Report (Nov 2006) "<i>Delivering Decent Homes 2010 And Beyond</i>" • Housing Board Report (Jan 2009) "<i>Asset Management Strategy</i>" • Community Board Report (Jan 2012) "<i>Council Dwelling Rents 2012/2013</i>" • Community Board Report (Jan 2012) "<i>HRA Business Plan 2012-2042</i>" |
| Appendices/Enclosures: | Appendix A: Budget allocations 2012/13 |
| Report author/ Lead Officer: | Charles Harman, Head of Operational Services |

APPENDIX A

| BUDGET HEADING | | 2012/13 |
|---|----------------------------|------------------|
| Day-to-day repairs | | 1,155,000 |
| Including; | | |
| Repairs service | 1,000,000 | |
| Infrastructure | 100,000 | |
| Minor Fencing Works | 20,000 | |
| O.A.P. Decorations | 20,000 | |
| Security and Communal Safety | 5,000 | |
| Door entry repairs | 10,000 | |
| Repairs to void properties | 450,000 | 470,000 |
| (also see capital void investment below under Decent Homes work) incl. Decoration Allowances | 20,000 | |
| Decent Homes & Associated DH Plus works; | | 1,950,000 |
| External Painting/Communal decoration | 300,000 | |
| Central Heating (installs) | 300,000 | |
| External Wall Insulation | 400,000 | |
| Kitchen Installs | 100,000 | |
| Capital Voids | 350,000 | |
| Bathroom Renewal | 400,000 | |
| UPVC Windows | 100,000 | |
| Barclay/Burney/Agnew health and safety | | 10,000 |
| Barclay/Burney/Agnew Day to Day | | 30,000 |
| Barclay/Burney/Agnew House Voids | | 20,000 |
| Environmental Improvements Panel | | 15,000 |
| Gas servicing | | 300,000 |
| Lift service and repairs | | 65,000 |
| Door entry systems (installs) | | 25,000 |
| Health and safety management (HHSRS) | | 92,000 |
| Estate Warden team | | 5,000 |
| Disabled Aids | £50,000 GF contribution | 180,000 |
| Electrical rewiring and testing | | 220,000 |
| Asbestos removal | | 100,000 |
| Energy efficiency | | 50,000 |
| Tenant-led improvements (kitchen and fencing scheme) | | 30,000 |
| Transfer Incentive Scheme | | 10,000 |
| Professional fees | | 10,000 |
| Sheltered scheme improvements | | 250,000 |
| Sheltered schemes general health and safety | | 50,000 |
| Structural repairs | | 100,000 |
| Roof Renewals (incl. flat to pitch conversions & asphaltting) | | 100,000 |
| Bulk waste Management | | 50,000 |
| Garages (Year 4) | | 150,000 |
| TOTAL | | 5,437,000 |