 Executive - 9th February 2011		Agenda Item No. 5
Title:	Additional funds to deliver immediate priorities contained in the Service Improvement Plan for the Housing and Property Service.	
For further information about this report please contact	Jameel Malik, Head of Housing and Property Services	
Service Area	Housing and Property Services	
Wards of the District directly affected	All	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006	No	
Date and meeting when issue was last considered and relevant minute number	<ul style="list-style-type: none"> 06.01.11 – Executive Minute TBC - Housing Revenue Account Base Estimates Revised 2010/11 and Original 2011/12. 	
Background Papers	<ul style="list-style-type: none"> 20.10.10 Council meeting minute 50 24.11.10 - Executive minute 95 – Outcome of the Audit Commission Report on Aspects of the Housing Landlord Services 23.11.10 - Finance and Audit Scrutiny Committee minute 76 – Audit Commission Report on Housing Services 23.11.10 - Overview and Scrutiny Committee minute 64 – Audit Commission Report on Housing Services. Correspondence to and from the Tenant Service Authority (TSA) and Briefing Notes - September 2010 to December 2010. 	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	Yes
Included within the Forward Plan? (If yes include reference number)	Yes. No. 303

Officer/Councillor Approval

With regard to officer approval all reports <u>must</u> be approved by the report authors relevant director, Finance, Legal Services and the relevant Portfolio Holder(s).		
Officer Approval	Date	Name
Chief Executive	17.01.11	Chris Elliot
Deputy Chief Executive	17.01.11	Bill Hunt
Deputy Chief Executive	17.01.11	Andrew Jones
Head of Finance	17.01.11	Mike Snow
Portfolio Holder for Housing and Property Services	27.01.11	Councillor Moira-Ann Grainger
Consultation Undertaken		
Please insert details of any consultation undertaken with regard to this report.		
Final Decision?		Yes
Suggested next steps (if not final decision please set out below)		

1 SUMMARY

- 1.1 The Audit Commission report on the Housing Landlord Service identified a number of critical areas for improvement and our action plan (the Service Improvement Plan (SIP)) to address these was approved by Executive and the Tenant Service Authority on 24th November 2010 and 13th December 2010, respectively.
- 1.2 This report now requests additional funds to ensure the Service is appropriately resourced to deliver priorities set out in the SIP. It represents an interim resource position; further follow-up requests will be made to the Executive as and when required.
- 1.3 Wherever possible the Service is making improvements within existing resources by strengthening management capacity and improving the service, using systems thinking principles. Examples include improved performance in the areas of gas servicing and empty property management. This interim report requests additional funds for aspects of the SIP which cannot be improved from existing resources in the short to medium term.

2 RECOMMENDATION

- 2.1 That Executive approve the following investment priorities and associated expenditure:
 - 2.1.1 Additional capital expenditure to complete Type 2 Asbestos Management Surveys and associated re-inspections and asbestos removals for

relevant dwellings by 31st March 2011 at an additional capital cost of £605,700 and to continue the re-inspection and asbestos removals for 2011/12 at an additional capital cost of £825,200.

- 2.1.2 Additional capital and revenue expenditure to increase the number of electrical Periodic Inspection Reports (PIRs) for dwellings at an additional cost of £275,000 (£125,000 capital and £150,000 revenue) in 2010/11 and to complete PIRs for all outstanding dwellings by 31st December 2011 at an additional cost of £605,000 in 2011/12 (£275,000 capital and £330,000 revenue)
- 2.1.3 Deliver the required level of kitchen and bathroom replacements in void properties at an additional revenue and capital cost for 2010/11 of £150,000 and £445,000, respectively. To increase the revenue and capital budgets by the same amount in the years 2011/12, 2012/13 and 2013/14.
- 2.1.4 Deliver the required level of central heating replacements at an additional capital cost of £460,000 for 2010/11. To increase the capital central heating replacement capital budget by £400,000 in the years 2011/12, 2012/13, and 2013/14.
- 2.1.5 Deliver a comprehensive refurbishment project at Acorn Court, the sheltered housing scheme for an additional capital cost of £642,000 in 2011/12, which improves the quality of life of tenants and provides the fundamentals to deliver objectives of extra care housing.
- 2.1.6 Reduce both the backlog and waiting times for customers in need of aids and adaptations and at an additional capital cost of £600,000 for 2011/12 and to increase the aids and adaptations budget by an additional £500,000 capital expenditure per annum to meet customer demand for level access showers in the years 2011/12, 2012/13 and 2013/14.

2.2 That Executive approve the following funding arrangements for 3 temporary, fixed term posts to assist in the delivery of the Service Improvement Programme, subject to the Employment Committee approving the amendment of the Council's establishment:

- 2.2.1 Appointment of an 'Asbestos Programme Officer' to manage the asbestos programme at an annual additional cost of £29,000 per year for a fixed term period of 3 years (inclusive of on costs) commencing June 2011.
- 2.2.2 Appointment of a 'Service Improvement Plan Support Officer' to manage the Service Improvement Plan at an annual additional cost of £30,000 per year for a fixed term period of 2 years (inclusive of on costs) commencing June 2011.
- 2.2.3 Appointment of an 'Active H Support Officer' to manage and support the development of quality performance information and improved IT systems at an additional cost of £29,000 per year for a fixed term period of 3 years (inclusive of on costs) commencing June 2011.

- 2.3 That Executive approve the re-investment of additional income generated during 2010/11 to appoint a temporary, 2 year fixed term 'Lettings and Financial Inclusion Officer' as an 'invest to save' initiative to ensure continued generation of additional income by reducing void rent loss and current tenant arrears, subject to Employment Committee approving the revised establishment.
- 2.4 That Executive note that, subject to approval of the above recommendations, a rigorous exercise will be conducted to ensure all existing and new contracts to deliver the additional investment are compliant with the Code of Procurement Practice.
- 2.5 That Executive note that, subject to approval of recommendations 2.1 to 2.3, the additional expenditure is provisionally included in the budget calculations set out in the Housing Rents and Housing Revenue Account 2011/12 paper elsewhere on the agenda. The content of this separate report will, if agreed, require a recommendation to full Council for final approval and Executive should note that this report would require suitable amendment should any of the listed recommendations in this report not be approved.

3 REASONS FOR THE RECOMMENDATION

3.1 *Asbestos Management*

- 3.1.1 The Audit Commission Inspection Report noted that almost 50% of properties had not benefitted from a Type 2 Asbestos Management Survey. It also confirmed that 100% survey information would not be available until 2013. Whilst the Council was legally compliant the Report noted that the Services' approach to asbestos management was under developed.
- 3.1.2 To date the Housing and Property Services' improvement programme in relation to asbestos management has resulted in:
- Completing 100% of asbestos management surveys for communal areas.
 - A marketing campaign to raise asbestos awareness amongst customers.
 - Regular progress meetings with contractors regarding asbestos management.
 - A review of the existing asbestos management policy and drafting of new procedures as a result of undertaking a review of the service.
 - Accredited asbestos awareness training for staff.
 - Transfer of asbestos information onto the Service-wide Asset Management Database.
 - Coordination of repairs orders with asbestos information – flagging mechanism to identify all properties with repairs orders raised (or properties) that have asbestos.
- 3.1.3 To further strengthen our procedures and provide independent challenge we have successfully procured for specialist asbestos advisors to review our policy,

procedures and practice. We continue to develop our existing asbestos policy and management plan and will be in a position to estimate the required final budget on completion of this advisory project.

- 3.1.4 The Health and Safety Executive, (HSE), has produced guidance, Health and Safety Guidance publication 264 (HSG264), which provides best practice requirements to meet the legislative obligations under the Control of Asbestos Regulations 2006, (CAR 2006).
- 3.1.5 Around 2,140 properties require a Type 2 asbestos management survey at a cost of £115.00 per survey – a total additional capital cost of £246,100. We are working closely with our asbestos contractor to complete all surveys by 31st March 2011 ahead of the SIP deadline of 31st December 2011. This ambitious programme to front-load our asbestos surveys will enable the Council to manage any risk of not delivering to the SIP deadline whilst exceeding the Audit Commission expectations.
- 3.1.6 A further 1,460 re-inspections of previously surveyed properties are required by the end of March 2011 at a capital cost of £115 per inspection. The total cost of the re-inspections will be £167,900. These costs are in addition to the ongoing annual budget provision for asbestos surveys and inspections of £69,100.
- 3.1.7 In 2011/12, 3,174 re-inspections will be required at a total additional capital cost of circa £365,100.
- 3.1.8 It is likely that some urgent asbestos removal will be identified by the surveys and inspections. On average the current cost of asbestos removal is £1,917 per property. Whilst it is not possible to quantify the removal costs until the surveys have been completed it is proposed that an additional 100 removals will be undertaken in 2010/11 at a total cost of £191,700. Whereas for the period 2011/12 it is proposed that an additional 240 removals will be carried out at an additional cost of circa £460,100.
- 3.1.9 The total in year cost of completing Type 2 Asbestos Management Surveys and associated re-inspections and asbestos removals by 31st March 2011 will be £605,700. The total capital cost of completing the outstanding re-inspections and asbestos removals for 2011/12 will be £825,200.
- 3.1.10 In order to effectively manage the Asbestos Programme and maintain the Council's obligations under the Asbestos Regulations, a full time officer post is required. The post holder will develop and implement the asbestos procedure and manage the programme. In addition to managing the asbestos programme the post holder would also give advice about asbestos to tenants and leaseholders wishing to make alterations to dwellings and carry-out on-site inspections.

3.1.11 This report therefore requests the resources to appoint an officer to manage the asbestos programme for a fixed term period of 3 years. The annual cost of this additional post will be £29,000 (inclusive of on costs), an average cost of £5.14 per property.

3.1.12 The length of this fixed term contract would mean that employment rights such as entitlement to redundancy would be incurred at the end of the 3 years (employment rights are obtained after 12 months service). This could be mitigated somewhat by a preferred recruitment strategy of offering it firstly to any colleagues on the redeployment register (at risk) thus ensuring continued employment for a further 3 years for the redeployee - although this may increase the cost of redundancy overall as an additional 3 years will have been accrued and Housing would bear the redundancy costs at that point. Secondly, if a redeployment opportunity is not successful, an internal secondment is offered to give a career improvement opportunity and this would not result in a redundancy situation at the end of the 3 years as this employee would return to their substantive post.

3.1.13 The salary level of this post is currently included as an estimate and will be subject to a written job description and Hay evaluation prior to any recruitment taking place.

3.1.14 Nuneaton and Bedworth Council were recently prosecuted by the HSE due to their poor management of asbestos. As a consequence they have now appointed a full-time manager and an assistant at a total annual cost of £57,000, an average cost of £9.50 per property.

3.1.15 Table 1 below summarises the total revenue and capital costs associated with asbestos management:

Table 1: Asbestos Management					
	2010/11 £	2011/12 £	2012/13 £	2013/14 £	2014/15 £
<u>Capital - Funded from HRA Balances (by Revenue Contributions to Capital Outlay)</u>					
Recommendation					
2.1.1 Asbestos Management Surveys	246,100				
2.1.1 Asbestos Re-Inspections	167,900	365,100			
2.1.1 Asbestos Removal	191,700	460,100			
TOTAL Capital - Funded from HRA Balances (by RCCO)	605,700	825,200	0	0	0
<u>REVENUE - HRA</u>					
<u>Revenue - Funded from HRA Balances</u>					
Posts to commence June 2011, subject to the Employment Committee					
Recommendation					
2.2.1 Asbestos Programme Officer	3 Years	24,200	29,000	29,000	4,800
TOTAL Revenue - Funded from HRA Balances	0	24,200	29,000	29,000	4,800

3.2 Electrical Management

3.2.1 The Audit Commission Inspection Report noted that electrical testing was not effectively managed with no database used to record the circa 1,800 electrical

tests that have been completed. Whilst the Council was legally compliant the Report noted that the Services' electrical programme was under developed.

3.2.2 The Housing and Property Services' improvement programme in relation to electrical management has thus far resulted in:

- The management of data relating to electrical tests and its transfer onto the Service-wide Asset Management Database.
- Setting up of performance reports and a new programme to undertake electrical tests.
- A marketing campaign to raise awareness of electrical testing amongst customers.

3.2.3 To further strengthen our procedures we have appointed independent advisors from the National Inspection Council for Electrical Installation Contractors (NICEIC) to begin an evaluation of our system on 2nd February 2011. We continue to develop our existing electrical policy and management plan and will be in a position to estimate the required supplementary budget on completion of this advisory project and the re-tendering of the electrical contract in March 2011.

3.2.4 Up until recently electrical tests known as Periodic Inspection Reports (PIRs) have been carried out on void properties and properties in the kitchen and bathroom programme.

3.2.5 A PIR test and minor remedial works costs, on average, £150 and a further £125 of capital type work will be carried out to install (where required) distribution boards that fully meet the current wiring regulations. Whilst older distribution boards are not dangerous – and can be certified as compliant – greatly enhanced levels of shock-protection are provided to tenants with the installation of a modern distribution board.

3.2.6 We have accelerated the rate at which PIRs are carried out to around 250 per month since December 2010 and thus by 31st March 2011 circa 1,000 additional dwellings will have a valid electrical test in place. The total in year cost of this will be £275,000 (£125,000 capital and £150,000 revenue) for 2010/11. This is compared to our existing budget which can only accommodate up to 400 PIRs per year.

3.2.7 For the financial year 2011/12 we plan to complete PIRs for all outstanding dwellings to deliver 100% compliance. Thus in total an additional circa 2,200 PIR tests will be carried out, over and above what can be accommodated from the existing budget. This will result in an additional cost of £605,000 for 2011/12 (£275,000 capital and £330,000 revenue related expenditure).

3.2.8 Best practice, as recommended by the NICEIC, is to carry-out PIRs every 5 to 10 years. Once all PIRs have been completed the Council's policy will be to carry-out PIRs every 5 years for all dwellings, which will enable us to exceed

best practice guidance. PIRs will continue to be carried-out for all void properties.

3.2.9 Table 2 below summarises the total revenue and capital costs associated with electrical testing.

Table 2: Electrical Testing					
	2010/11 £	2011/12 £	2012/13 £	2013/14 £	2014/15 £
<u>CAPITAL - HIP</u>					
<u>Capital - Funded from HRA Balances (by Revenue Contributions to Capital Outlay)</u>					
Recommendation					
2.1.2 Electrical Periodic Inspection Reports (PIR's) - Capital Works	125,000	275,000			
TOTAL Capital - Funded from HRA Balances (by RCCO)	125,000	275,000	0	0	0
 <u>REVENUE - HRA</u>					
<u>Revenue - Funded from Repairs Account Balances</u>					
Recommendation					
2.1.2 Electrical Periodic Inspection Reports (PIR's) - Revenue	150,000	330,000			
TOTAL Revenue - Funded from Repairs Account	150,000	330,000	0	0	0

3.3 *Kitchen and Bathroom Replacement in Void Properties*

3.3.1 Current year revenue and capital spending on delivering the required levels of kitchen and bathroom replacements in voids properties is likely to overspend by £150,000 and £445,000, respectively for 2010/11. This level of spend will enable the Council to maintain dwellings to the Decent Homes Standard and will be in keeping with the level of expenditure over previous years. As a result it is proposed that in future years (2011/12, 2012/13 and 2013/14) the revenue and capital budgets for kitchen and bathroom replacements in void properties are increased by £150,000 and £445,000 respectively.

3.3.2 The cost of this proposed recommendation is summarised below in Table 3:

Table 3: Kitchen and Bathroom Replacements					
	2010/11 £	2011/12 £	2012/13 £	2013/14 £	2014/15 £
<u>CAPITAL - HIP</u>					
<u>Capital - Funded from Major Repairs Reserve (MRR) Balances</u>					
Recommendation					
2.1.3 Kitchens & Bathrooms	445,000	445,000	445,000	445,000	
TOTAL Capital - Funded from MRR	445,000	445,000	445,000	445,000	0
 <u>REVENUE - HRA</u>					
<u>Revenue - Funded from Repairs Account Balances</u>					
Recommendation					
2.1.3 Void Repairs	150,000	150,000	150,000	150,000	
TOTAL Revenue - Funded from Repairs Account	150,000	150,000	150,000	150,000	0

3.3.3 The Service remains confident that the development of a comprehensive Asset Management Strategy and a single integrated database will result in reductions

in the level of revenue and capital expenditure associated with kitchen and bathroom replacements in void properties. This will have a positive impact on the number and cost of kitchen and bathroom replacements in future years and may result in downward revisions of budget estimates vis-à-vis those proposed in this report.

3.4 *Central Heating Replacements Programme*

3.4.1 For the period April 2009 to October 2009 the Council completed 263 central heating replacements (148 responsive and 115 planned). Whereas for the same period in 2010, 381 replacements were completed (54 responsive and 327 planned). This was due to the disproportionate number of boilers with Asbestos Containing Materials (ACM) that required replacing in 2010/11. These boilers were identified as part of the new annual gas servicing programme and a proportion of the additional funding is now required to replace any remaining ACM boilers by the end of this financial year (2010/11). This in-year increase in the central heating budget will also enable the Council to meet customer demand by replacing inefficient back boilers with more energy efficient units and thereby increasing tenants' disposable incomes, improving health and reducing fuel poverty.

3.4.2 The required additional in year funding increase of £460,000 will assist in delivering circa 625 replacements by 31st March 2011 compared to 318 in 2009/10.

3.4.3 The 2010/11 base budget for central heating replacements was £1,093,400 and the proposed increase of another £400,000 each year for 2011/12, 2012/13 and 2013/14 will enable the Council to replace inefficient back boilers.

3.4.4 The cost of this proposed recommendation is summarised below in Table 4:

Table 4: Central Heating Replacement Programme					
	2010/11 £	2011/12 £	2012/13 £	2013/14 £	2014/15 £
<u>CAPITAL - HIP</u>					
<u>Capital - Funded from Major Repairs Reserve (MRR) Balances</u>					
Recommendation					
2.1.4 Central Heating Replacement	460,000	400,000	400,000	400,000	
TOTAL Capital - Funded from MRR	460,000	400,000	400,000	400,000	0

3.5 *Refurbishment of Acorn Court Sheltered Housing Scheme*

3.5.1 The Acorn Court Sheltered Housing Scheme consists of 44 units and was built in 1979/80 as the centre piece of 100 properties constructed for older people. It was upgraded in 1982 with the addition of a Dining Room and large Kitchen to meet the Green Book Standards set out by Warwickshire County Council for Very Sheltered Housing.

3.5.2 Since construction, apart from installation of new windows, maintenance and decoration of the communal areas, refurbishment of the lift and installation of

emergency stair lifts, Acorn Court has remained in the original form in which it was constructed and now requires extensive refurbishment. This is despite investment having already been undertaken in the council-owned dwellings in close proximity which were built before Acorn Court.

- 3.5.3 The proposed refurbishment scheme will upgrade the communal areas including replacements of the suspended ceiling system, carpets and general redecoration. In addition the investment proposals will renew kitchens, replace baths with level access showers, create a store area for buggies and a Sluice Room.
- 3.5.4 The total cost of this refurbishment proposal will be around £642,000 (including £150,000 for level access showers) for 2011/12, approximately £14,591 per unit.
- 3.5.5 This refurbishment scheme will improve the quality of life of tenants living in Acorn Court. An independent Older Persons Impact Assessment was completed of Acorn Court in January 2011. The purpose of this assessment was to recommend how investment in Acorn Court could best meet customer demand. For instance the need for lever taps, level access showers, and other suitably tailored replacements which will meet the needs of existing and future customers living at Acorn Court. These recommendations alongside data from the recently completed survey of customers living at Acorn Court will also inform the refurbishment standards.
- 3.5.6 In addition to improving the quality of life of tenants the refurbishment proposals would enable future consideration of Acorn Court for extra care housing.
- 3.5.7 Since mid 2006 we have spent approximately £86,300 on responsive and void repairs at Acorn Court. This is approximately £19,100 per year and on average £434 per property. From 1999/2000 our total expenditure to date has been over £200,000 around £4,550 per unit over the last 12 years. The recommended refurbishment scheme in this report (of £642,000) would in the main bring forward investment which was due to take place within the next 12 to 24 months, as per our existing asset plans. These investment proposals would also assist in reducing the cost of responsive repairs in future years.
- 3.5.8 Overall, the proposed refurbishment scheme has been supported by demand data from customers currently living at Acorn Court, their representatives and local elected members.
- 3.5.9 The cost summary of this proposal is set out below in Table 5:

Table 5: Refurbishment of Acorn Court

	2010/11 £	2011/12 £	2012/13 £	2013/14 £	2014/15 £
<u>CAPITAL - HIP</u>					
<u>Capital - Funded from Major Repairs Reserve (MRR) Balances</u>					
Recommendation					
2.1.5 Acorn Court Refurbishment - Other Works		350,000			
TOTAL Capital - Funded from MRR	0	350,000	0	0	0
<u>Capital - Funded from HRA Balances (by Revenue Contributions to Capital Outlay)</u>					
Recommendation					
2.1.5 Acorn Court Refurbishment - Aids & Adaptations		292,000			
TOTAL Capital - Funded from HRA Balances (by RCCO)	0	292,000	0	0	0

3.6 *Supporting the Service Improvement Plan*

- 3.6.1 At its meeting on 24th November 2010, the Executive approved the draft Service Improvement Plan (SIP). The Plan sets out the actions necessary to respond to the main recommendations and areas for improvement identified by the Audit Commission in its Final Report.
- 3.6.2 The SIP was approved by the District-wide Tenant Panel and the TSA on 13th December 2010.
- 3.6.3 The Tenant Standards Advisor of the TSA met with members of the Housing and Property Service Management Team on 7th December 2010 to provide feedback on the progress the Council had made. This meeting was preceded by a TSA letter on 25th November 2010 which confirmed that:

'We recognise that you have made good progress following the inspection and have worked hard with your tenants to develop a good improvement plan. We are also pleased that you have been so responsive and have provided everything we asked for within our target timescales.'

- 3.6.4 On 13th December 2010 the TSA approved the Council's Service Improvement Plan. The management of the Audit Commission inspection and the development of the SIP have been temporarily supported on a part time basis by the Technical Administration Officer in the Property Services Team over the last 6 months. Effective project management support to deliver the SIP is still required for the next 24 months and thus this report requests resources to appoint a Service Improvement Plan Officer at an annual cost of around £30,000 (inclusive of on costs). The recruitment strategy for this post and risks of incurring redundancy costs alongside the estimated salary level are as set out in para 3.1.12 and 3.1.13.

3.7 *IT Support*

- 3.7.1 The Audit Commission made several references to the lack of an effective database and the impact that it had on service improvement. The Report noted:

'Information technology (IT) is not being used to maximise efficiency. We found a range of areas where IT is not maximising the efficiency of the service. This includes the lack of a populated asset management database, insufficient use of handheld technology for repairs operatives and surveyors, and inability of the current gas database to key actions. The lack of shared IT systems with repairs contractors is also making communication and performance more complex. Stand alone spreadsheets have been set up in a number of areas because the module on the housing management system has proved inadequate, such as in void and former tenant arrears monitoring. This reduces the efficiency of the service.'

3.7.2 The Service has set up an IT Project Board which is chaired by the Income and Finance Manager. This is overseeing the development and management of a comprehensive IT Programme which informs service priorities for the Council's IT Support Team. In order to deliver these priorities and those set out in the SIP, it is necessary to appoint an Active H Support Officer for a fixed term period of 3 years. This will increase capacity and the rate of progress to deliver the Services' IT and business support priorities. The annual cost of this post will be £29,000 per annum (inclusive of on costs). The recruitment strategy for this post and risks of incurring redundancy costs alongside the estimated salary level are as set out in para 3.1.12 and 3.1.13.

3.7.3 Active H is the software system used by the Housing and Property Service for managing the Council's social housing rental income, repairs and assets. The primary role of the Support Officer would be to increase business efficiency and:

- Provide first line support to Active H users
- Maximise the use of existing IT systems
- Produce performance reports and data to improve services
- Deliver key priorities contained in the IT Programme

3.8 *Aids and Adaptations*

3.8.1 Although the provision of disabled adaptations is not a statutory requirement, nor a requirement of Decent Homes, weaknesses in the Council's approach to disabled adaptations were noted in the Audit Commission report. In particular the report noted that:

'There are significant delays in delivering major adaptations. Work is only done for customers identified as having 'high' [critical] or 'substantial' need by Occupational Therapists. All 'high' priority work is ordered promptly on receipt of a referral from the Occupational Therapist but there is an estimated three to six month wait for this initial visit and those residents classified as having only 'substantial' need can wait as long as two years for work to be ordered. National guidance on aids and adaptations suggests that the least urgent major adaptations should still not take longer than 52 weeks to complete from initial resident contact. There are currently 74 residents with major adaptations on

hold, most of whom require level access showers. This delay is inevitably having a significant impact on the quality of life of these residents.'

The Council has allocated a £314,000 budget for adaptations in its own housing stock for 2010/11 but this is likely only to cover the fast track minor cases and the high need cases. Council approval is being sought for additional resources to meet demand. These weaknesses, coupled with poor use of re-housing options, means there is not a planned approach to meeting demand which is causing significant delays in meeting tenants' adaptations needs.'

- 3.8.2 Additional funds are requested to reduce the current back-log of adaptations. There is currently a back-log of 32 Critical Need requests from 2009/10, a further 30 requests have been received to October 2010 in the current year. Due to budget constraints a typical waiting time for a Critical Need adaptation is 8 to 12 months. It is estimated the cost of clearing the back-log would be £200,000, in addition to the current year's budget of £314,500.
- 3.8.3 On current budgets there is no funding available to carry out Substantial Need adaptations. Some of these requests have been outstanding since 2008. There is a back-log of 98 Substantial Need requests, it is estimated that the additional cost of clearing this back-log is £400,000.
- 3.8.4 Wherever possible the Council is encouraging tenants in need, to move into suitably adapted properties when these become available. In the year to date we have moved 6 customers in need of an adaptation into existing adapted homes which has delivered savings in the region of £33,000 which we would otherwise have been spent on adaptations.
- 3.8.5 Additional funds are also requested to target adaptations (in the form of Level Access Showers) at older designated properties that are in the kitchen and bathroom replacement programme. The Audit Commission noted:
- 'Adaptations are not well integrated with the major works programme. Positively, lever taps are offered as standard in kitchen and bathroom replacements but other adaptations are not effectively delivered. The adaptations team identifies people on its waiting list who live in properties on forthcoming phases of improvement work but only 'high need' work is done and those with 'substantial' need have to wait for a bathroom replacement until they reach the top of the waiting list for the adaptation. This is despite bathroom contractors having an agreed schedule of rates for adapted bathrooms. Where the need for adaptations is newly identified by surveyors planning decent homes work these are referred for an Occupational Therapist assessment and the absence of a fast track system results in their improvement works being delayed. This means that residents in need of adaptations are generally treated less favourably on improvement schemes than those who require standard work.'*
- 3.8.6 The effective integration of adaptations with the decent homes kitchen and bathrooms programme requires additional funds of £500,000 per year for 3 years commencing 2011/12. This is equivalent to the installation of level

access showers in 120 properties designated for older people per year or 360 properties over the 3 year programme.

3.8.7 This integrated adaptations programme and budget will be further reviewed in 2012/13 alongside our asset management strategy to determine the level residual customer demand for level access showers.

3.8.8 The cost summary of this proposal is set out below in Table 6:

Table 6: Aids and Adaptations Programme					
	2010/11 £	2011/12 £	2012/13 £	2013/14 £	2014/15 £
<u>CAPITAL - HIP</u>					
<u>Capital - Funded from HRA Balances (by Revenue Contributions to Capital Outlay)</u>					
Recommendation					
2.1.6 Aids & Adaptations - Backlog		600,000			
2.1.6 Aids & Adaptations - Level Access Showers		500,000	500,000	500,000	
TOTAL Capital - Funded from HRA Balances (by RCCO)	0	1,100,000	500,000	500,000	0

3.9 *Increasing Income by Letting Properties More Quickly and Reducing Rent Arrears*

3.9.1 The effective management of the empty (void) properties using principles of systems thinking has resulted in the Service reducing the time it takes to relet homes that become vacant and thus reducing void rent loss to 0.69% (financial year to date) compared to 1.08% in 2009/10. As a result the Service was predicting an additional income versus budgeted void loss for 2010/11 of around £95,000.

3.9.2 As a result an opportunity exists to re-invest a proportion of this additional income by appointing a Lettings and Financial Inclusion Officer for a fixed term period of 2 years at a cost of £27,000 per annum.

3.9.3 This post will focus on:

- Using data and principles of system thinking to let homes and garages more quickly.
- Promoting the Tenant Incentive Scheme and the Resettlement Service and address 'difficult to let' properties by making proposals to improve the prospects of quicker re-let times and thus increase income.
- Assisting tenants to maximize income (through getting people back to work, training, increase take-up of benefits and welfare advice), reducing rent arrears and other council debts.

3.9.4 As a result of this re-investment proposal the Service will further increase the amount of income by reducing end to end turnaround times for empty properties and rent arrears.

3.9.5 Recent benchmarking of the Department's costs show for the period 2009/10 letting and income recovery costs were £16.09 and £40.05 per property,

respectively. This ranked both services (lettings and income recovery) as 'very low cost' and in upper quartile amongst peer group of housing providers including housing associations and local authorities, with a maximum stock size of up to 7,500 units. Therefore this recommended proposal to appoint a Lettings and Financial Inclusion Officer will continue to ensure that the Service remains cost competitive vis-à-vis its comparator organizations whilst providing the distinct opportunity to increase the quality of provision and thus deliver services that are value for money.

3.10 *Complying with the Code of Procurement Practice*

3.10.1 If the proposed investment initiatives are agreed they may impact on current contracts and go over the values at which these contracts were tendered. As a result it is proposed that an exercise will be conducted to ensure all existing and new contracts are compliant with the Code of Procurement Practice.

4 ALTERNATIVE OPTIONS CONSIDERED

4.1 *Asbestos Management*

4.1.1 The recommended option in this report at Table 1 shows the cost of 3,700 survey and removals that will be undertaken in 2010/11 and 3,414 in 2011/12.

4.1.2 An alternative option could be to:

- Equally split the required number of asbestos surveys, re-inspections and removals across a greater number of years; and/or
- Not appoint an Asbestos Programme Officer.

4.1.3 As shown in Table 7 below, this alternative option would have the financial benefit of spreading the capital cost of £1,430,900 over a longer period up until 2013/14 as opposed to the recommended option which anticipates all capital expenditure to have been incurred by 2011/12.

4.1.4 As this alternative option includes not appointing an Asbestos Programme Officer it would therefore result in a positive impact (revenue saving) on the Business Plan of £29,000 per year for a period of 3 years.

4.1.5 The cost summary of this proposal is set out below in Table 7:

Table 7: Financial Impact of Alternative Option					
	2010/11	2011/12	2012/13	2013/14	2014/15
	£	£	£	£	£
<u>CAPITAL - HIP</u>					
<u>Capital - Funded from HRA Balances (by Revenue Contributions to Capital Outlay)</u>					
Alternative Option					
Asbestos Management Surveys	123,050	123,050			
Asbestos Re-Inspections	83,950	83,950	182,550	182,550	
Asbestos Removal	95,850	95,850	230,050	230,050	
TOTAL Capital - Funded from HRA Balances (by RCCO)	302,850	302,850	412,600	412,600	0
<u>REVENUE - HRA</u>					
<u>Revenue - Funded from HRA Balances</u>					
Posts to commence June 2011, subject to the Employment Committee					
Alternative Option					
Asbestos Programme Officer	3 Years	0	0	0	0
TOTAL Revenue - Funded from HRA Balances	0	0	0	0	0

- 4.1.6 However the downside of this alternative option is that it would take twice as long to complete the Type 2 asbestos management surveys, re-inspections and removals. Although this would not negatively impact on our legal compliance it would nevertheless delay by 1 full year our ability to gain 100% survey data on the presence of asbestos in our dwellings. Without this data we would be unable to accurately inform our customers (including tenants and contractors) about the location of asbestos in our dwellings and the levels of risk it presents. In addition the delay in carrying out re-inspections and removals by up to 2 years would further increase the risk to our customers and stakeholders of not reviewing/removing the presence of asbestos.
- 4.1.7 From a financial perspective although the alternative option would merely suspend this unavoidable capital expenditure by 1 to 2 years, it would have the benefit of delivering the required works at current rates which may increase (with or without inflation) in future years.
- 4.1.8 Front loading our asbestos surveys to achieve 100% compliance will enable the Council to manage any risk of not delivering to the SIP deadline of 31st December 2011 whilst exceeding the Audit Commission expectations.
- 4.1.9 The option of not to appoint an Asbestos Programme Officer will significantly impact the Services' ability to effectively manage the asbestos programme. This additional support is required for a fixed period of up to 3 years in order to implement an effective departmental programme and system.
- 4.2 *Electrical Management*
- 4.2.1 An alternative option may be to reduce the amount of PIRs from the recommended option of 250 to 125 per month.
- 4.2.2 As shown in Table 8 below, this alternative option would have the financial benefit of spreading the revenue and capital cost of £880,000 over a longer

period up until 2013/14 as opposed to the recommended option which anticipates all capital and revenue expenditure to have been incurred by 2011/12.

Table 8: Financial Impact of Alternative Option

	2010/11 £	2011/12 £	2012/13 £	2013/14 £	2014/15 £
<u>CAPITAL - HIP</u>					
<u>Capital - Funded from HRA Balances (by Revenue Contributions to Capital Outlay)</u>					
Alternative Option					
Electrical Periodic Inspection Reports (PIR's) - Capital Works	62,500	62,500	137,500	137,500	
TOTAL Capital - Funded from HRA Balances (by RCCO)	62,500	62,500	137,500	137,500	0
<u>REVENUE - HRA</u>					
<u>Revenue - Funded from Repairs Account Balances</u>					
Alternative Option					
Electrical Periodic Inspection Reports (PIR's) - Revenue	75,000	75,000	165,000	165,000	
TOTAL Revenue - Funded from Repairs Account	75,000	75,000	165,000	165,000	0

4.2.3 The disadvantage of this alternative option is that it would take twice as long to complete PIRs. Although this would not negatively impact on our legal compliance it will nevertheless delay meeting best practice NICEIC recommendations – to carry out PIRs every 5 to 10 years.

4.2.4 From a financial perspective the alternative option would only suspend this unavoidable capital and revenue expenditure by 1 to 2 years. Whilst ensuring that 100% compliance is achieved ahead of the SIP deadline of 31st December 2011.

4.3 *Refurbishment of Acorn Court Sheltered Housing Scheme*

4.3.1 The alternative to the proposed option of refurbishing Acorn Court (Recommendation 2.1.5) would be either to:

- Redevelop the site for new extra care/specialist housing; or
- Amend/reduce the refurbishment standards

4.3.2 The construction of Acorn Court and its upgrading in 1982 was in accordance with the Warwickshire County Council's Very Sheltered Housing Guidance. The adult social care agenda and its national and local strategic objectives of promoting greater independence has resulted in the need to increase and replace traditional sheltered housing complexes with extra care housing schemes.

4.3.3 The County Council has agreed its strategy to redevelop sites for extra care housing and where possible convert existing schemes to meet the new standards which facilitate greater level of independence. Acorn Court is not currently one of those sites and the lack of immediate availability of public sector owned sites in close proximity to Acorn Court mean that it is not an

immediate priority for redevelopment. This is also reflected in the Local Investment Plan which does not identify Acorn Court as a site for extra care housing. However discussions have commenced with the County Council to ensure any refurbishment proposal for Acorn Court takes into account proposals for conversion to fulfill wider social care objectives that enable greater levels of independent living.

4.3.4 Following a preliminary evaluation in partnership with Warwickshire County Council on 5th January 2011 it appears that Acorn Court has the capacity to deliver objectives of extra care housing.

4.3.5 Extra care housing is the preferred term for integrated housing with care. Whilst there is no universal definition of extra care housing, a publication by the Care Services Improvement Partnership (CSIP) identifies the key ingredients and principles of extra care as:

- Self-contained homes with legal rights to occupy underpinned by housing law,
- Clear distinction from residential care as recognised by the Commission for Social Care Inspection (CSCI).
- Provision of a selected range of facilities on site including restaurant, hairdresser, IT suite, beauty and alternative therapists.
- Housing design which enables people to self care longer, and
- 24 hour access to care and other services to enable residents to retain independence.

4.3.6 Another option may be to reduce the refurbishment standards at Acorn Court for instance by not installing level access showers. Although this would deliver a saving of £150,000 it would result in failing to meet the needs of an increasingly vulnerable group of customers who require immediate adapted provision or will do within the short term.

4.3.7 Proposals to delay the planned investment programme at Acorn Court or to deliver it over a longer period of time would result in maintaining poor customer satisfaction and a housing environment for vulnerable communities which is in need of improvement.

4.3.8 The recommended option to bring forward investment in Acorn Court would also assist in reducing the cost of responsive repairs alongside improving the well being of customers.

4.4 Supporting the Service Improvement Plan and IT Support

4.4.1 Maintaining status quo and managing the SIP through existing informal arrangements via the Technical Support Officer would not be sustainable and will impact both the repairs service and the effective project management of the SIP. Managing services without Service Improvement Plan and Active H Support Officers will significantly increase the risk of not meeting the deadlines

set out in the SIP and wider improvement priorities for the Housing and Property Service.

4.5 Increasing Income by Letting Properties More Quickly and Reducing Rent Arrears

- 4.5.1 Since the start of the financial year the Service has successfully increased the amount of rent it has secured by letting homes more quickly when they become vacant. As a result the Service was predicting an additional income above budget of around £95,000 by the end of 2010/11. Therefore the alternative option of not re-investing the increased rental income through the appointment of a Lettings and Financial Inclusion Officer will reduce the teams' ability to secure/maintain further additional income in future years by letting empty homes more quickly and reducing rent arrears. This therefore becomes an invest to save proposal where the total cost of the fixed term post is fully funded by the additional rental income the team has secured to date. The postholder alongside the wider team will assist to maintain and further reduce void rent loss to within upper quartile of all national housing providers (in accordance with benchmarking data provided by House Mark).

4.6 Kitchen and Bathroom Replacements in Void Properties

- 4.6.1 The alternative option of not increasing the revenue and capital budgets for kitchen and bathroom replacements in void properties for 2010/11 and for the subsequent 3 yrs to 2013/14 will result in maintaining non decent homes and increasing repairs to kitchens and bathrooms when in fact a replacement would be the most appropriate and value for money solution. It would also assist in ensuring the budget is based on data that reduces the chances of repeat overspends.

4.7 Central Heating Replacements Programme

- 4.7.1 The alternative option of not increasing the capital budget for central heating replacements would result in not being able to replace the contractually unserviceable ACM boilers and therefore risk customers not having a certified gas safety checks. In addition without an increased budget a large number of customers will continue to maintain low energy efficient heating systems (back boilers) and continue to remain in fuel poverty.

4.8 Aids and Adaptations

- 4.8.1 The alternative option of not increasing the capital budget for aids and adaptations will result in sustaining disproportionately long customer wait times for delivering adaptations. This could result in customers in Critical Need waiting up to 12 months and those in Substantial Need up to 3 years. This additional funding will also assist in delivering services that are customer focused whereby adaptations are fully integrated within the planned

programme for elemental replacements. The alternative option would also fail to meet the actions identified in the SIP.

5 BUDGETARY FRAMEWORK

5.1 Context

5.1.1 The Housing and Property Service has a low cost base which is evidenced through the recently completed benchmarking exercise undertaken in partnership with House Mark. This showed that the Service was providing a low cost service when compared with a peer group of housing providers, (including housing associations and local authorities), with a maximum stock size of 7,500 units.

5.1.2 The Housing Revenue Account has been managed very prudently since the Stock Options Appraisal in 2003 and, as a result, the drive to deliver cost-efficient services, shows the Business Plan projecting a healthy position with balances on each of the 3 Housing Accounts at the start of the financial year 2010/11 totaling £13.6m:

- Housing Revenue Account (HRA) £8,361,371
- Housing Repairs Account £1,989,130
- Major Repairs Reserve (MRR) £3,217,661

5.1.3 This is as reported to Members as outturn figures within the 'Final Accounts 2009/10' report presented to Executive on 23rd June, 2010.

5.2 Medium Term Financial Impact of the Recommended Proposals

5.2.1 Table 9 below summarises the estimated costs of the proposals set out in the report, for the current year and the following 3 years. As the proposed budgetary increases within the report form a mixture of both Revenue and Capital requirements, the table has been presented to differentiate between these different types of expenditure.

Table 9: Estimated Additional Investment Need Above Based Budget

	2010/11 £	2011/12 £	2012/13 £	2013/14 £	2014/15 £
<u>CAPITAL - HIP</u>					
<u>Capital - Funded from Major Repairs Reserve (MRR) Balances</u>					
Recommendation					
2.1.3 Kitchens & Bathrooms	445,000	445,000	445,000	445,000	
2.1.4 Central Heating Replacement	460,000	400,000	400,000	400,000	
2.1.5 Acorn Court Refurbishment - Other Works		350,000			
TOTAL Capital - Funded from MRR	905,000	1,195,000	845,000	845,000	0
<u>Capital - Funded from HRA Balances (by Revenue Contributions to Capital Outlay)</u>					
Recommendation					
2.1.1 Asbestos Management Surveys	246,100				
2.1.1 Asbestos Re-Inspections	167,900	365,100			
2.1.1 Asbestos Removal	191,700	460,100			
2.1.2 Electrical Periodic Inspection Reports (PIR's) - Capital Works	125,000	275,000			
2.1.5 Acorn Court Refurbishment - Aids & Adaptations		292,000			
2.1.6 Aids & Adaptations - Backlog		600,000			
2.1.6 Aids & Adaptations - Level Access Showers		500,000	500,000	500,000	
TOTAL Capital - Funded from HRA Balances (by RCCO)	730,700	2,492,200	500,000	500,000	0
<u>REVENUE - HRA</u>					
<u>Revenue - Funded from Repairs Account Balances</u>					
Recommendation					
2.1.2 Electrical Periodic Inspection Reports (PIR's) - Revenue	150,000	330,000			
2.1.3 Void Repairs	150,000	150,000	150,000	150,000	
TOTAL Revenue - Funded from Repairs Account	300,000	480,000	150,000	150,000	0
<u>Revenue - Funded from HRA Balances</u>					
Posts to commence June 2011, subject to the Employment Committee					
Recommendation					
2.2.1 Asbestos Programme Officer	3 Years	24,200	29,000	29,000	4,800
2.2.2 Senior Tenant Participation Officer (Existing Budgets)	Ongoing	0	0	0	0
2.2.3 Service Improvement Plan Support Officer (Part Time)	2 Years	25,000	30,000	5,000	
2.2.4 ActiveH Support Officer	3 Years	24,200	29,000	29,000	4,800
2.2.5 Lettings & Financial Inclusion Officer	2 Years	22,500	27,000	4,500	
TOTAL Revenue - Funded from HRA Balances		0	95,900	115,000	9,600
GRAND TOTAL Additional Expenditure	1,935,700	4,263,100	1,610,000	1,562,500	9,600

5.3 Table 10 below shows the effects on the balances the additional expenditure will make:

Table 10: Additional Expenditure And Its Impact On Original Balances				
<u>2010/11</u>	HRA	Repairs Account	Major Repairs Reserve (MRR)	TOTAL 2010/11
	£	£	£	£
Capital - Funded from Major Repairs Reserve (MRR) Balances			905,000	905,000
Capital - Funded from HRA Balances (by RCCO)	730,700			730,700
Revenue - Funded from Repairs Account Balances		300,000		300,000
Revenue - Funded from HRA Balances	0			0
Additional 2010/11 Exp. (requested in this report)	730,700	300,000	905,000	1,935,700
Est. 2010/11 (Surplus)/Deficit per HRA Estimates Report to Executive 6th January 2010	(914,000)	696,700	342,600	125,300
Proposed 2010/11 (Surplus)/Deficit including all recommendations in this report	(183,300)	996,700	1,247,600	2,061,000
Actual Balances b/f 1-Apr-2010	(8,361,371)	(1,989,130)	(3,217,661)	(13,568,162)
Proposed Balances c/f 31-Mar-2011 including all recommendations in this report	(8,544,671)	(992,430)	(1,970,061)	(11,507,162)
<u>2011/12</u>	HRA	Repairs Account	Major Repairs Reserve (MRR)	TOTAL 2011/12
	£	£	£	£
Capital - Funded from Major Repairs Reserve (MRR) Balances			1,195,000	1,195,000
Capital - Funded from HRA Balances (by RCCO)	2,492,200			2,492,200
Revenue - Funded from Repairs Account Balances		480,000		480,000
Revenue - Funded from HRA Balances	95,900			95,900
Additional 2011/12 Exp. (requested in this report)	2,588,100	480,000	1,195,000	4,263,100
Est. 2011/12 (Surplus)/Deficit per HRA Estimates Report to Executive 6th January 2010	(1,325,900)	590,800	126,100	(609,000)
Proposed 2011/12 (Surplus)/Deficit including all recommendations in this report	1,262,200	1,070,800	1,321,100	3,654,100
Proposed Balances b/f 1-Apr-2011 (as above)	(8,544,671)	(992,430)	(1,970,061)	(11,507,162)
Proposed Balances c/f 31-Mar-2012 including all recommendations in this report	(7,282,471)	78,370	(648,961)	(7,853,062)

5.3.1 The above table shows that the proposed recommendations will reduce total balances from £13.6m to £11.5m by the end of 2010/11 and to £7.9m by the end of 2011/12.

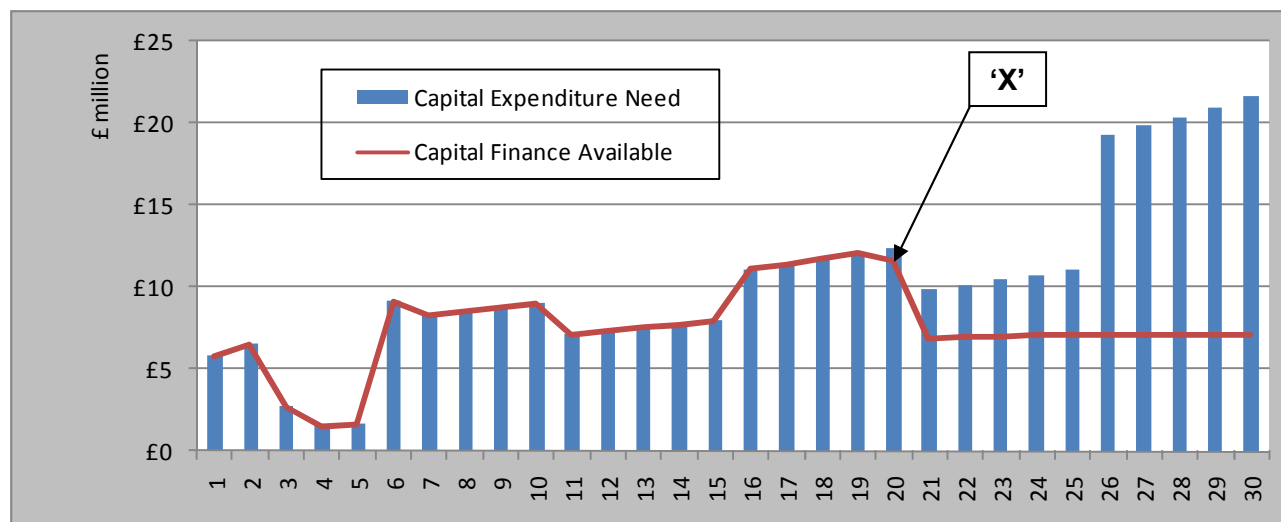
5.3.2 The investment priorities recommended in this report for the financial year 2011/12 will also be set out as part of the final budget report to Executive in February 2011.

5.4 *Financial Impact of the Recommended Proposals on the 30 Year HRA Business Plan*

5.4.1 For the purposes of this report, 2 Business Plan scenarios have been modeled for the HRA to demonstrate the differences between remaining within the subsidy system and self-financing.

5.5 Base HRA Business Plan Position **Before** Adding in the Proposed Additional Expenditure in this Report – Within the Current Subsidy System

5.5.1 Graph 1 below represents the projected in-year capital expenditure and the resources available from the HRA based on the recently completed stock condition survey (September 2010) at the minimum decent homes standard:

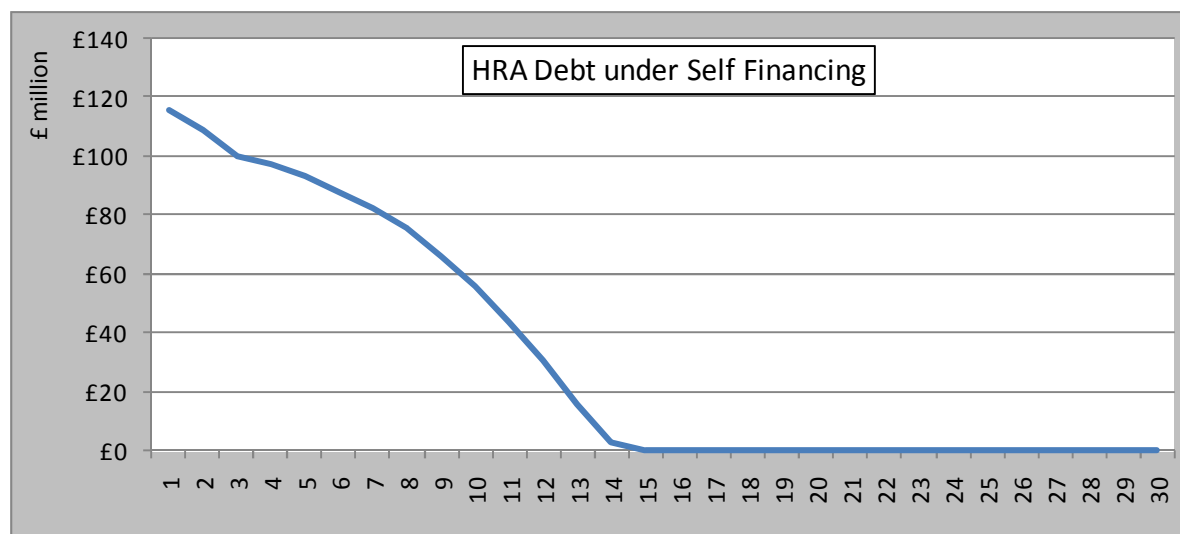


Graph 1: Capital Need and Availability (Within the Subsidy System – before additional expenditure proposed in this report)

5.5.2 Point 'x' on the above graph shows that if the Council was to remain In Subsidy then there are sufficient resources to fund the required capital expenditure to meet and maintain decent homes until year 20 (2029/30) of the current HRA Business Plan.

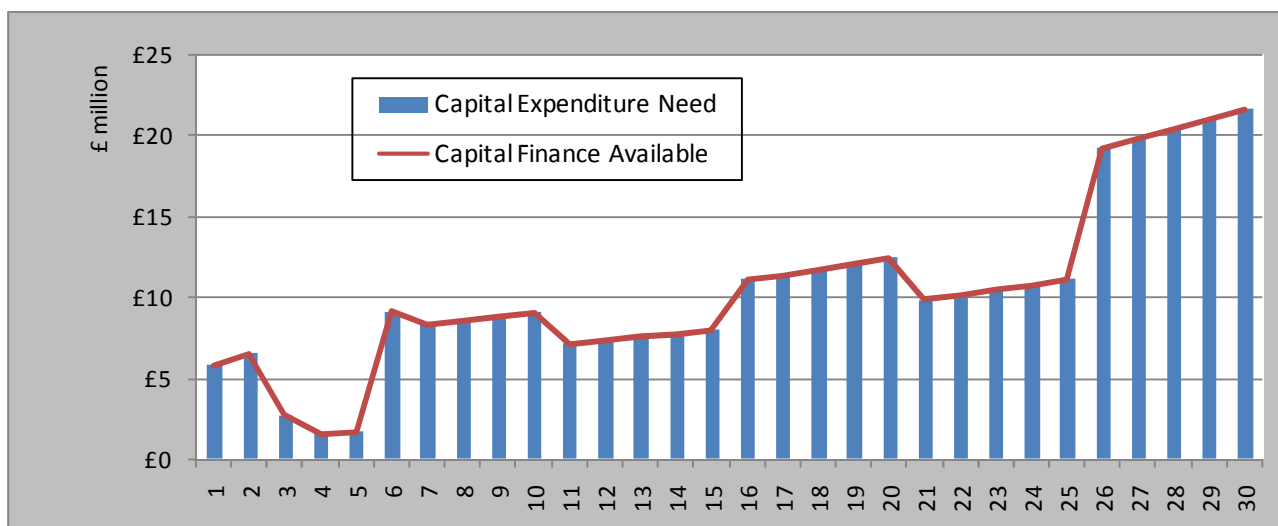
5.6 Base HRA Business Plan Position **Before** Adding in the Proposed Additional Expenditure in this Report – Self Financing

5.6.1 Graph 2 best demonstrates the viability of the Plan under self financing from its initial position of debt take-on of £134.5m, year 1 being 2012/13:



Graph 2: HRA Debt under Self Financing – before additional expenditure proposed in this report

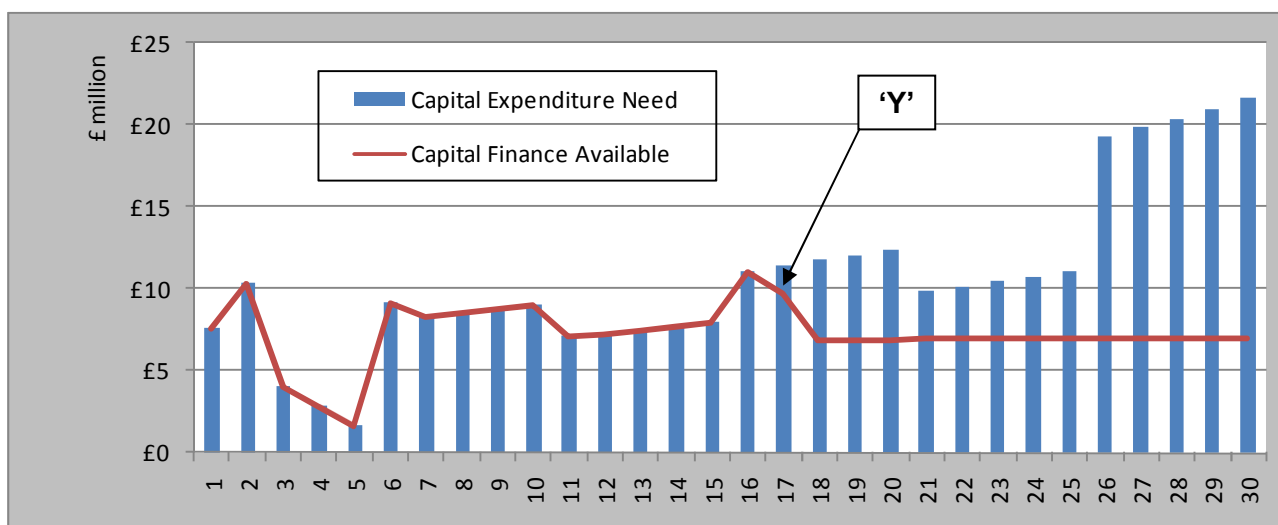
- 5.6.2 The above graph demonstrates that the debt could be repaid as early as Year 15 if all uncommitted HRA resources were used to repay the loan.
- 5.6.3 The plan projects a healthy position for the HRA account under self-financing, given that the balances do not fall below a pre-set minimum balance of £0.5m. After year 15 the balances start accumulating to £286m in year 30 within the plan.
- 5.6.4 Graph 3 below shows that all capital expenditure identified in the stock condition survey is met



Graph 3: Capital Need and Availability Under Self Financing – before additional expenditure proposed in this report

5.7 HRA Business Plan Position **After** Adding in the Proposed Additional Expenditure in this Report – Within the Current Subsidy System

- 5.7.1 Graph 4 below represents the projected in-year capital expenditure and the resources available from the HRA In Subsidy which includes the expenditure proposed in this report.

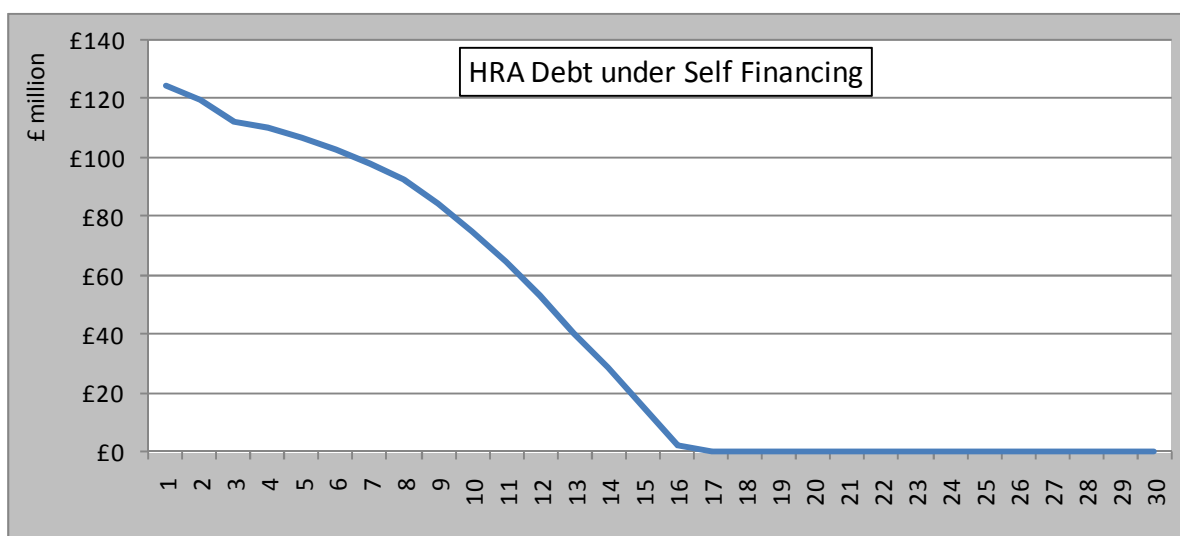


Graph 4: Capital Need and Availability (Within the Subsidy System – after additional expenditure proposed in this report)

5.7.2 Point 'y' on the above graph shows that if the Council was to remain In Subsidy then the impact of this additional expenditure will mean that there would be sufficient funds to meet the required capital expenditure and maintain decent homes until year 17 (2026/27) as opposed to year 20 (2029/30).

5.8 *HRA Business Plan Position **After** Adding in the Proposed Additional Expenditure in this Report – Self Financing*

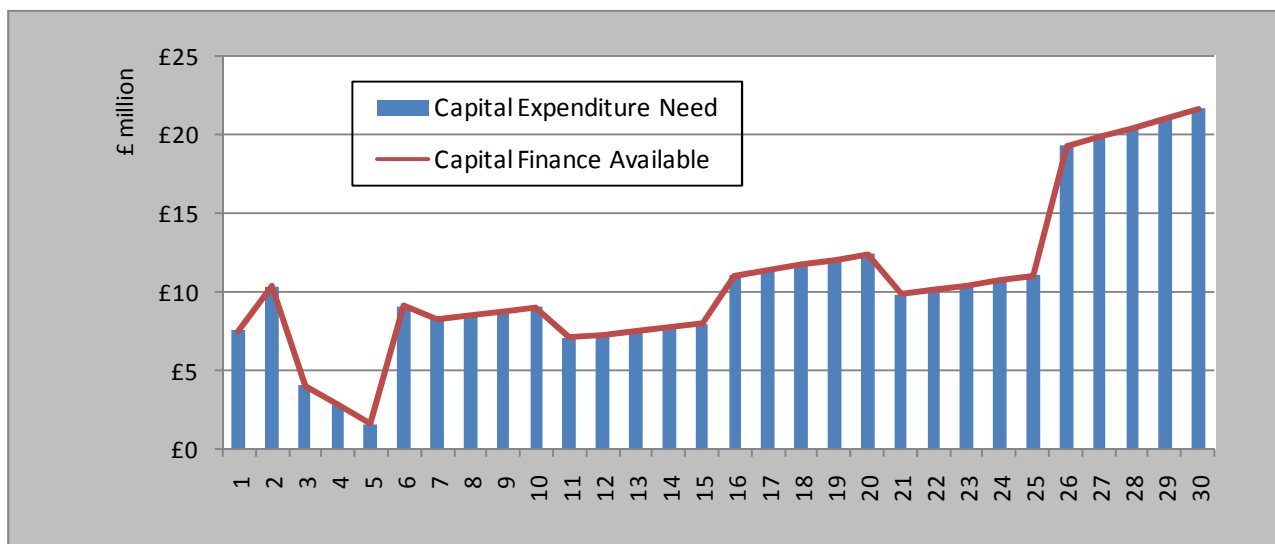
5.8.1 Graph 5 demonstrates the viability of the Plan under self financing from its initial position of debt take-on of £134.5m, Year 1 being 2012/13. This is after adding in the proposed expenditure in this report.



Graph 5: HRA Debt under Self Financing – after additional expenditure proposed in this report

5.8.2 The above graph demonstrates that with the additional expenditure proposed in this report, the debt would be repaid 2 years later in year 17 as opposed to year 15. After year 17 the balances would accumulate to £245m as opposed to £286m in year 30 as per the base position.

5.8.3 Graph 6 below shows that all capital expenditure identified in the stock condition survey would be met under self financing even if the additional expenditure in this report was agreed.



Graph 6: Capital Need and Availability Under Self Financing – after additional expenditure proposed in this report

5.9 Summary

- 5.9.1 The impact of the investment proposals in this report on the 30 year HRA Business Plan if we were to remain In Subsidy show that the Council would have sufficient resources to deliver the required expenditure until year 17 as opposed to year 20 if the expenditure was not approved. Although the proposed expenditure in this report is in part front loading investment, the Business Plan expenditure forecasts (in the modeling above) in future years has not been reduced to take into account this upfront investment.
- 5.9.2 Although the In Subsidy scenario shows capital expenditure could only be funded up to year 17 as opposed to year 20, nevertheless the Business Plan remains fairly resilient in the medium term even if the Council was to continue in the subsidy system. Similar to other in-subsidy Local Authorities it will not be possible to fully fund all required capital investment to maintain the minimum decent homes standard over 30 years under the existing subsidy system.
- 5.9.3 Delivering the priorities set out in the SIP provides the foundations for the Services' improvement journey and ensuring it is Fit For the Future. Under the self financing scenario if the expenditure in this report was approved it would result in the debt being repaid 2 years later in year 17 as opposed to 15. This would still enable balances to accumulate to £245m in year 30 within the Plan.

6 POLICY FRAMEWORK

- 6.1 The service priorities and recommendations in this report will ensure we continue to maintain a robust HRA whilst delivering priorities set out in the:
- Service Improvement Plan,
 - Service Area Plan,
 - Portfolio Holder Statement, and ultimately
 - Fit For the Future.

- 6.2 These investments will also enable us to achieve priorities set out in the Warwick Integrated Delivery Plan to reduce fuel poverty, improve health and housing outcomes.