

TITLE:	Decent Homes Works
FOR CONSIDERATION BY	Corporate Services Overview and Scrutiny on Tuesday 10 March 2015
WARD	None Specific
DIRECTOR	Stuart Rowbotham, Director of Health and wellbeing

OUTCOME / BENEFITS TO THE COMMUNITY

The completion of the Decent Homes works programme will see all Council owned properties meeting the government's Decent Homes requirement which will improve the standard of accommodation for around 1300 of the Council 2600 households occupying Council owned dwellings. The works are 100% funded by the Homes and Communities Agency (HCA) up to the value of the grant which is £5,117,757 over the two years 2013/14 and 2014/15.

Works undertaken under the works programme will also improve the assets owned by the Council and ensure the ongoing value of the assets.

Many of the works will improve the thermal insulation and efficiency of heating within the properties which will reduce the carbon footprint of the individual households and assist in maintaining affordable heating for tenants.

Delivery of the programme to meet the government's requirements will also help maintain the reputation of the authority with the HCA and may assist in favourable consideration for future funding opportunities.

Within the wider regional area the programme of works has provided employment opportunities and business for a number of small and medium sized enterprises.

RECOMMENDATION

That the report be noted.

SUMMARY OF REPORT

The Council has undertaken a survey of its social housing stock and identified 1050 properties requiring works to meet the government's Decent Homes standard. Grant of £2,940,939 is available from the HCA to fund works to 629 properties in the current financial year.

At 13th February 2015 the expenditure in 2014/15 was £1,826,610 with 472 properties delivered as decent leaving £1,517,555 (of which £403,226 is to be funded by the Council) and 157 properties to be completed to meet the HCA requirement (but with a total of 575 properties to be delivered to meet full decency – excluding the South Gorse Ride properties).

There is confidence that the required expenditure will be achieved by the end of March and the required number of decent homes will be delivered to allow the full grant to be claimed.

	2014/15	2013/14
Description	Properties (Nr)	Properties (Nr)
Boiler replacements	341	359
Lift upgrades	125	27
Electrical upgrades	123	112
Flat roof repairs	59	0
Cornish render repairs	49	0
Chimney repairs	39	0
Bathroom upgrades	39	93
Orlit render repairs	39	0
Kitchen upgrades	38	90
Pitched roof repairs	17	0
Window repair/replacements	11	0
Zinc roof replacement The Courts	10	0
Door replacement	8	0
Flat roof replacement Clements Close	0	49
Wall repairs	0	95
Air source heat pumps	0	9
Dickens Court roof recovering	0	29
	898	863

Background

The government introduced the Decent Home Standard in 2004 for all social landlords; the standard was revised in 2006. The standard revised the minimum standard for housing; required properties to be in a reasonable state of repair; to have reasonably modern facilities and services and provide a reasonable degree of thermal comfort. The requirements are fully defined in the Department for Communities and Local Government publication 'A Decent Home: Definition and guidance for implementation June 2006 – Update'.

Initially a target for compliance with the programme was set as April 2010, however due to lack of funding a large number of social landlords, particularly local authorities, were unable to meet this target and in 2011 the government provided £1.6 billion to address shortcomings in 217,000 properties with an expectation that following changes to the Housing Revenue Account (self-funding) system local authorities should have the resources to maintain their social housing at a decent level.

At Wokingham a partial stock condition survey (20% sample survey) was undertaken in 2011 and based upon the findings a bid for £5,117,757 was made to deal with requirements at an estimated 920 properties.

Grant over two years was agreed comprising £2,990,113 in 2013/14 to address needs in 620 properties and £2,127,644 in 2014/15 to address needs in a further 300 properties.

A full stock condition survey was commissioned in 2012 (which actually achieved 93% access) and based upon the findings in this survey the number of properties requiring

work was recalculated and at April 2014 the number of properties requiring works was 1050. A revised target of 1000 to be made decent in 2014/15 was initially agreed with the HCA; this allowed for 50 properties where access may be delayed beyond the year end and provided a degree of comfort in achieving the target.

Analysis of Issues

The original targets agreed with the HCA did not fully take into account the impact of properties that required multiple works to achieve the decency standard. In addition the specialist nature of some of the works made procurement of suitable contracts protracted.

In 2013/14 £2,176,818 was spent and 291 decent properties were delivered. The HCA instructed that the full year allocation should be claimed thus resulting in a 'credit' of £818,295 that was to be applied to expenditure in 2014/15.

In 2014/15 grant provision of £2,940,939 (including the underspend from 2013/14) is available to meet the cost of works to achieve decency. The HCA has reversed its decision to require 1000 properties to be delivered in 2014/15 and the original target of 920 properties over the two years has been adopted, thus leaving 629 to be delivered in the current financial year.

The programme of works to address the decency standard across the whole stock (excepting those properties being considered for redevelopment at South Gorse Ride) has an estimated cost of £3,344,165, leaving £403,226 to be funded by the Council. At 13th February 2015 the expenditure in 2014/15 was £1,826,610 with 472 properties delivered as decent leaving £1,517,555 (of which £403,226 is to be funded by the Council) and 157 properties to be completed to meet the HCA requirement (but with a total of 575 properties to be delivered to meet full decency – excluding the South Gorse Ride properties).

With just six weeks to go until the end of the financial year this may appear to be a long way short of the required expenditure and delivery figures, however there were 536 properties requiring just one work item to be completed.

Two key contracts are underway with completion dates planned before the end of March, these being the replacement roofs at The Courts, a contract with costs of £949,773 outstanding and delivering 70 properties and a contract for repairs to render properties of non-traditional construction, a contract with costs of £152,975 outstanding and delivering 349 properties. A smaller number of kitchen and bathroom and electrical works are also continuing.

Failure to incur expenditure by 31st March to allow the claim of the full grant allocation will result in costs to the Council equal to the full value of unclaimed grant. The HCA's reduction of the number of decent properties to be delivered is welcomed as this reduced the risk of funding being withheld due to any minor slippage in the number of properties to be delivered.

There is confidence that the required expenditure will be achieved and the required number of decent homes will be delivered to allow the full grant to be claimed.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be required to make budget reductions in excess of £20m over the next three years and all Executive decisions should be made in this context.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	Incoming grant of £2,940,939 to be achieved with potential cost of £403,226	There is sufficient funding	Capital
Next Financial Year (Year 2)	No implications		
Following Financial Year (Year 3)	No implications		

Other financial information relevant to the Recommendation/Decision

This programme of works will assist in maintaining the value of the Council's housing stock.

Cross-Council Implications (how does this decision impact on other Council services, including properties and priorities?)

The programme of works will ensure that the Council meets the required standard for Decent Homes and the minimum standard requirements and remains compliant. It will also maintain the Council's reputation with the HCA.

Reasons for considering the report in Part 2

List of Background Papers

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