

## **Meeting of the Council – 28<sup>th</sup> February, 2011**

### **Report of the Cabinet**

### **Deployment of Resources: Housing Revenue Account and Public Sector Housing Capital**

#### **Purpose of Report**

1. The purpose of this report is:
  - To set the Housing Revenue Account (HRA) budget for 2011/12 in the light of the latest Government determinations for housing finance and our latest spending and resource assumptions.
  - To set a capital expenditure budget for the improvement and programmed maintenance of the Council's housing stock for 2011/12 and a provisional programme for 2012/13 to 2015/16.

#### **Background**

2. The HRA is a "ring-fenced" revenue account and deals with landlord functions associated with public sector housing. The costs of improvement and programmed maintenance of the Council's housing stock are treated as capital expenditure and are accounted for separately.

#### **Rent increase**

3. In December 2000 the Government issued a new *Guide to Social Rent Reforms*. This guidance set out a method of restructuring to remove differences between Council rents and the rents of registered social landlords (RSLs) over a period of some years. Our last nine years' rent increases have been calculated using the formula in the guidance and were as follows:
  - October 2002, average increase £1.65 (3.4%).
  - October 2003, average increase £1.58 (3.2%).
  - October 2004, average increase £2.00 (3.9%).
  - November 2005, average increase £2.11 (3.9%).
  - August 2006, average increase £2.71 (4.9%).
  - June 2007, average increase £2.91 (5.0%).
  - April 2008, average increase £3.34 (5.5%).
  - April 2009, original average increase £3.91 (6.1%) reduced to

- April 2009, revised average increase £1.92 (3.0%)
  - April 2010, average increase £1.31 (2.0%)
4. Rent restructuring is supported by the Government's subsidy system which assumes that the additional income is available to pay into a national pool. The Cabinet, at its meeting held on 9<sup>th</sup> February, 2011, determined that the next increase be on 4th April, 2011. Applying the Government's rent formula to the next increase would generate an average increase of 6.7%, equivalent to £4.52 per week. The range of actual rent increases is as follows:

#### **RANGE OF RENT INCREASES**

<b>Range of weekly rent increase</b>	<b>Proportion of properties affected</b>
£3.50 or less	4.74%
£3.51 to £4.00	19.99%
£4.01 to £4.50	24.08%
£4.51 to £5.00	27.18%
£5.01 to £5.50	16.41%
£5.51 or more	7.60%

5. A letter was sent to the Dudley Federation of Tenants' and Residents' Associations (DFTRA) on 31 January, 2011 outlining the Government's guidance and the effects in terms of the rent increase. The views of DFTRA were reported orally at the meeting of the Cabinet on 9<sup>th</sup> February, 2011.
6. In addition to the rents discussed above, we currently apply service charges in certain properties in respect of items such as furniture, overnight support or the use of a communal aerial. The Cabinet, at its meeting held on 9<sup>th</sup> February, 2011, determined that all of these charges be increased by 4.6% in line with the inflation factor used in determining general rents, and that the charge made to some tenants for communal aerials (currently 7p per week) be discontinued as this is administratively cumbersome.
7. We also apply service charges to 344 properties in sheltered housing schemes in respect of heating and lighting. These charges vary according to the scheme and the size of the properties and may be offset against the winter fuel payment received by tenants, plus any cold weather payments. Housing Benefit will also cover these charges where applicable. In previous years, inflationary increases in these charges had not kept pace with the level of increase in fuel prices, and the Cabinet agreed in February 2009 to implement a 25% increase with further increases in future years to achieve a gradual return to cost recovery. The Cabinet, at its meeting held on 9<sup>th</sup> February, 2011, determined that charges be increased by 10%, from a current average weekly charge of £8.89 to a new average weekly charge of £9.78.

8. The Council currently provides, within its general housing stock, a number of units of furnished accommodation for which a charge of £21.42 per week is made. It also provides six units of accommodation for homeless people in Lye for which management charges and service charges are applied (a two-bedroom flat and five one-bedroom flats). There are three houses for which garden maintenance charges are made. The Cabinet, at its meeting held on 9<sup>th</sup> February, 2011, determined that all of these charges be increased by 4.6% in line with the inflation factor used in determining general rents.
9. The Council offers laundry tokens for sale for the use of tenants at five high rise blocks (two in Brierley Hill and three in Dudley). The Cabinet, at its meeting held on 9<sup>th</sup> February, 2011, determined that charges be increased to £1.90 per token.
10. The Cabinet, at its meeting held on 9<sup>th</sup> February, 2011, determined that pitch licences at Oak Lane be increased by 6.7%, in line with the increase in dwelling rents and that weekly charging for water be introduced initially at a rate of £6 per week, to be reviewed as actual usage is monitored.
11. The Council currently charges an administration fee of £2 per week to its leaseholders, to cover the costs of managing the properties. The Cabinet, at its meeting held on 9<sup>th</sup> February, 2011, determined to make no increase in the overall level of the fee as this currently covers the cost of the service.
12. The Council currently charges private residents who are in receipt of Telecare services £11 per month, and also charges Housing Association tenants varying amounts for this service. The Cabinet, at its meeting held on 9<sup>th</sup> February, 2011, determined to increase these charges by £1 per month from 1<sup>st</sup> April, 2011. The additional income generated will be used to increase investment in and development of the service.

#### Garage rents, garage plots and access agreements

13. It was agreed by Cabinet in February 2008 that inflationary increases for garages, garage plots and access agreements be made every three years, with the next increase to take effect from 2011/12.
14. Annual rents for garage plots and access agreements were last increased from April 2008. The Cabinet, at its meeting on 9<sup>th</sup> February, 2011, increased these rents with effect from 1<sup>st</sup> April, 2011 by 8.3% to take into effect inflation from April 2008.
15. Garages have been categorised as Red, Amber or Green, based on their condition, with rent increases being considered every three years. This approach was agreed by the Cabinet following consultation with Area Housing Panels. The last general inflationary increase of garage rents took place in November 2004, with further increases in 2007 to fund a programme of repair and improvement work. In view of these increases, Cabinet agreed that there would be no general uplift in garage rents in

2008/09. The Cabinet, at its meeting held on 9<sup>th</sup> February, 2011, determined that rents be increased from 4<sup>th</sup> April, 2011 by up to 30p per week, depending on category and area, as shown in the table below.

	Red	Amber	Green
Current weekly rent	£2.27	£3.50 to £5.00 *	£3.50 to £5.25 *
Proposed weekly rent	£2.27	£3.80 to £5.00 *	£3.80 to £5.25 *
Increase	0	Up to 30p	Up to 30p
* depending on area			

16. The Cabinet, at its meeting held on 9<sup>th</sup> February, 2011, determined that, in view of the small weekly sums involved and the administrative cost of implementing rent increases, general inflationary increases for garages, garage plots and access agreements continue to be considered every three years, with the next increase due from April 2014.

#### Proposed HRA budget 2011/12

17. The proposed HRA budget for 2011/12 (together with a proposed revised budget for 2010/11) is attached as Appendix 1. This budget is based on recent trends and our latest assessment of Government policy on housing finance. It should be noted that 2011/12 is likely to be the last year in which the current HRA subsidy system operates. Government proposals to reform HRA funding are set out in the Localism Bill and include the abolition of the current system and its replacement with a self-financing model under which housing authorities will retain all rental income in return for taking on a share of national housing debt. The Government has undertaken to provide to all housing authorities an indication of the individual financial impact of these proposals, and we currently await this information. No meaningful forecast can therefore be produced beyond 2011/12. The Cabinet, at its meeting held on 9<sup>th</sup> February, 2011, agreed to receive a further report outlining the impact of HRA funding reform, when this information is available.
18. The current budget for 2010/11 (approved by Cabinet in June 2010) shows a surplus on the HRA of £0.172m at 31<sup>st</sup> March, 2011. The proposed revised budget for 2010/11 shows a surplus at the same date of £0.517m. Variances arise mainly from higher interest payments (partly offset by lower negative subsidy payments), savings made in management costs and a reallocation of costs relating to work on void properties from revenue to capital.

19. The proposed HRA budget for 2011/12 takes account of the proposed average rent increase of £4.52 on the 4<sup>th</sup> April, 2011 (paragraph 4).
20. The proposed HRA budget for 2010/11 includes a budget for housing management of £14.3m. This covers the day to day management of properties including income collection, tenancy enforcement, support for vulnerable tenants and lettings and void management.
21. The proposed HRA budget for 2011/12 includes a budget for repairs and maintenance of £21.7m. This reflects:
  - Maintaining the current responsive repairs service standard;
  - Maintaining the current level of cyclical maintenance such as painting of communal areas;
  - Undertaking all required cyclical statutory responsibilities such as annual servicing of gas appliances, warden call equipment and alarms and periodic testing of water hygiene, lift servicing and inspections.

#### Public-sector housing capital budget 2011/12 to 2015/16

22. A proposed public sector capital budget for 2011/12, a provisional programme for 2012/13 to 2015/16 and a revised budget for 2010/11 are attached as Appendix 2. Explanations of the budgets are attached as Appendix 3. As outlined in paragraph 17, the Government proposes to abolish the current HRA subsidy system with effect from 2012/13, and to replace it with a new system of HRA funding. No meaningful forecast can be made of capital resources beyond this point until the impact of these proposed changes becomes clear and, as such, the provisional programme from 2012/13 onwards should be treated with caution.
23. Recent capital programmes have targeted investment into achieving Government targets to meet the Decent Homes Standard and energy efficiency measures aimed at meeting Government targets under the Home Energy Conservation Act (HECA).
24. The proposed and provisional capital programmes follow the principles approved in the current programme that reflect the priorities of the Council Plan and the views of Area Housing Panels. The backlog of decency has been delivered by December 2010 and the programme addresses the following priorities:
  - Improving energy efficiency, combating climate change and reducing fuel poverty;
  - Continuing the investment to target maintaining decent homes;
  - Maintaining investment, at affordable levels, in community safety, environmental and social programmes such as Adaptations for persons with disabilities;
  - Providing additional new housing for larger families and persons with special needs.

25. Whilst the detail of the proposed and provisional programmes is included within Appendix 3 notable projects over the five year period from 2011/12 to 2015/16 that aim to continue maintaining standards of decency are as follows:

- Continue investment in Adaptations for persons with disabilities, with an additional £700,000 added to the existing approved annual budgets to provide an investment of over £13m over the next five years. This will deal with around 8,750 minor adaptations such as handrails and grab rails, and around 1,500 major adaptations such as level access showers and ramps. This will maintain waiting times for major adaptations during 2011/12;
- Continue investment in central heating with over £8m funding around:
  - 775 electric storage heating systems replaced with new, modern efficient gas heating systems;
  - 500 new heating installations in unheated properties [sufficient to install heating to every unheated home where tenants want central heating provided, and to every unheated home that becomes empty];
  - 600 replacement central heating boilers or system upgrades;
  - 1,500 replacement gas fires that cannot be serviced or repaired.
- Continue with a programme of periodic electrical inspections and undertake required electrical works, complete the communal digital TV aerial replacement programme and continue with a programme to improve lifts in high rise blocks;
- Undertake around £1m of re-roofing works to ensure roofs remain sound and watertight;
- Deliver over £7m of improvements in kitchen and bathroom replacements over 5 years. 2011/12 will complete around 300 kitchens and 420 bathrooms with around £1.3m investment each year thereafter to complete around 500 kitchens or bathroom replacements;
- Undertake £46m of improvements in empty properties over 5 years to ensure that they can be re-let to the current void standard.
- Complete the programme of new build council housing constructing 107 new build homes on 6 sites incorporating 31 homes suitable for persons with special needs, as well as converting the former Holly Hall housing estate office and Woodside library into eight apartments for rent with the adjacent DUE garage area being utilised for car parking.

26. Approval is sought to continue discussions with Energy Service Providers and similar organisations and to enter into negotiations and/or seek tenders as appropriate to progress power generating and/or carbon saving schemes around the Government's Community Green Deal. Examples include:

- the Government's CERT programme [Carbon Emission Reduction Target];
- CESP funding [Community Energy Saving Programme] which is a funding programme placing an obligation on energy suppliers and electricity generators to meet a Carbon Dioxide (CO<sub>2</sub>) reduction target by providing 'whole house' energy efficiency measures to domestic homes in areas with high levels of low incomes;
- FIT [Feed In Tariffs] and RHI [Renewable Heat Incentives]

which may include renewable technologies such as photovoltaic [PV] panels on roofs, air source heat pumps and other electric and heat generating technology.

27. It is proposed that any additional resources obtained be added to the Capital Programme accordingly and the Director of Corporate Resources be authorised to enter into any such grant or funding agreements necessary to deliver the schemes.
28. To ensure effective utilisation of all resources that become available, the Council is requested to authorise the Director of Adult, Community and Housing Services, in consultation with the Cabinet Member for Housing, Libraries and Adult Learning, to manage the five year programme so as to use all the resources that become available and commit expenditure to that amount and to report progress and actions to the Cabinet. In doing this, approval is requested to confirm that all capital receipts arising from the sale of HRA assets (other than those specifically committed to support private sector housing grants) should continue to be used for the improvement of council homes.
29. To facilitate implementation of the programme, the Council is requested to authorise the Director of Adult, Community and Housing Services to prepare specifications, select tenderers, invite tenders and accept the most economically advantageous tender. These actions will be carried out in accordance with Standing Orders and Financial Regulations. The Council is also asked to agree that the Director of Adult, Community and Housing Services be authorised to accept tenders on its behalf.

#### Medium Term Financial Strategy for Landlord Housing

30. As part of the Housing Stock Options Appraisal (approved by Council in April 2005) we prepared a financial forecast up to 2010. It was based on financial trends and Government policy (including rent restructuring) and showed that, on the basis of delivering a minimum programme of repairs and improvements, it would be possible to deliver the Decent Homes Standard by 2010. This has now been achieved.
31. As stated before, considerable uncertainty remains around HRA funding after 2011/12 as we await details of proposed reforms. No meaningful forecasts can be produced beyond this point. The Cabinet, at its meeting held on 9<sup>th</sup> February, 2011, therefore agreed to the submission of a report comprising a revised Medium Term Financial Strategy, when this information is available.
32. In addition to determining the charges to be levied, as set out in paragraphs 3 to 16 (inclusive) above, and to the submission of the information referred to in paragraphs 17 and 31, on consideration of the information contained in paragraphs 17 to 31 (inclusive) above, the Cabinet resolved to recommend the Council as set out in paragraph 36 below.

## **Finance**

33. Section 76 of the Local Government and Housing Act 1989 places a duty on the Council to ensure that no action will be taken to cause a deficit to arise on the HRA at 31<sup>st</sup> March, 2012. There is also a duty placed on the Council to review the financial prospects of the HRA from time to time. Reviews carried out can confirm that the HRA will be in surplus at 31<sup>st</sup> March, 2012 and therefore complies with the requirements of the Act.

## **Law**

34. HRA finances are governed by Section 74-88 in Part IV of the Local Government and Housing Act 1989.

## **Equality Impact**

35. This is primarily a financial report concerned with forecasting of income and application of resources. Some areas of proposed expenditure (e.g. capital expenditure on adaptations) are intended to promote independence and improve quality of life for disadvantaged groups.

## **Recommendations**

36. That the Council:
- a) approve the revised HRA budget for 2010/11 and the HRA budget for 2011/12 outlined in Appendix 1;
  - b) approve the public sector housing revised capital budget for 2010/11 and the capital budget for 2011/12 and note the provisional programme for 2012/13 to 2015/16 attached as Appendix 2;
  - c) authorise the Director of Adult, Community and Housing Services and the Director of Corporate Resources to bid for and enter into funding arrangements for additional resources to supplement investment in the public sector housing stock as referred to in paragraphs 26 and 27;
  - d) authorise the Director of Adult, Community and Housing Services, in consultation with the Cabinet Member for Housing, Libraries and Adult Learning, to manage and allocate resources to the capital programme as referred to in paragraph 28;
  - e) confirm that all capital receipts arising from the sale of HRA assets (other than those specifically committed to support private sector housing) continue to be used for the improvement of council homes, as referred to in paragraph 28;



- f) authorise the Director of Adult, Community and Housing Services to procure and enter into contracts for the delivery of the capital programme, as referred to in paragraph 29;
- g) agree that a revised Medium Term Financial Strategy be submitted to the Cabinet, when this information is available, as referred to in paragraph 31.



.....  
**Leader of the Council**

## Appendix 1

### Proposed HRA Budget

	<b>2010/11 current budget June 2010 £000</b>	<b>2010/11 proposed revised budget £000</b>	<b>2011/12 proposed original budget £000</b>
<u>Income</u>			
Dwelling rents	-76,025	-75,998	-81,104
Non-dwelling rents	-666	-695	-720
Charges for services and facilities	-158	-173	-173
Contributions towards expenditure	-1,139	-1,079	-1,169
Interest on balances	-6	-19	-5
<b>Total income</b>	<b>-77,994</b>	<b>-77,964</b>	<b>-83,171</b>
<u>Expenditure</u>			
Responsive and cyclical repairs	25,397	22,877	21,667
Management	15,867	15,667	14,321
Negative Subsidy	27,546	27,324	22,330
Transfer to Major Repairs Reserve	5,474	5,474	14,525
Interest payable	5,509	5,884	6,890
Revenue contribution to capital expenditure	0	2,192	2,329
Other expenditure	1,321	1,321	1,053
<b>Total expenditure</b>	<b>81,114</b>	<b>80,739</b>	<b>83,115</b>
<b>Surplus/deficit for the year</b>	<b>3,120</b>	<b>2,775</b>	<b>-56</b>
<b>Surplus brought forward</b>	<b>-3,292</b>	<b>-3,292</b>	<b>-517</b>
<b>Surplus carried forward</b>	<b>-172</b>	<b>-517</b>	<b>-573</b>

## Appendix 2

### Proposed capital programme 2010/11 to 2011/12 and provisional programme 2012/13 to 2014/15

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000
Adaptations	2,708	2,596	2,654	2,725	2,818	2,881
Central heating	1,591	2,104	1,465	1,495	1,537	1,571
Community Safety and Environmental Improvements	726	560	287	294	304	311
Electrical Installations	3,607	1,127	1,325	1,354	1,109	1,134
External Improvement Programme	6,726	5,034	5,424	4,430	4,276	4,371
Insulation	131	144	144	85	87	89
Minor Works	4,500	3,680	3,587	3,683	3,778	3,862
Modernity and Decent Homes	2,814	2,221	1,237	1,273	1,317	1,347
New Council Housing	1,745	11,276	420	254	229	0
North Priory	16	0	0	0	0	0
Tenants Association	91	105	86	88	91	93
Void Property Improvements (Decency)	10,200	9,537	9,797	10,068	8,343	8,529
Brierley Hill Library Housing Office	80	0	0	0	0	0
<b>Grand Total</b>	<b>34,935</b>	<b>38,384</b>	<b>26,426</b>	<b>25,749</b>	<b>23,889</b>	<b>24,188</b>

The capital programme above represents a continuation of the existing programme to maintain current standards and improvements following the achievement of the Decent Homes standard. It should be noted that continuation of the programme is dependent on the specific outcomes and timing of the proposed reforms to HRA funding and therefore it is expected that significant revision will be required to the provisional programme for 2012/13 onwards.

**Detail of the proposed housing capital programme for 2011/12 and provisional programme for 2012/13 to 2015/16**

**Adaptations**

The programme continues to deliver improvements and adaptations to the Council owned homes of persons with disabilities, following referral from occupational therapists.

This budgetary provision includes an additional £700,000 investment each year from previously approved budgets which, at current levels of referrals, would maintain existing waiting times.

The budget will deal with around 300 larger adaptations (level access showers, ramps and a limited numbers of conversions) in each year. In addition the budget will provide for around 1,750 minor adaptations per annum for grab rails, handrails and the like.

The budget for adaptations to void properties is maintained at around £100,000 per annum and will also assist in reducing waiting times and make best use of adapting suitable available properties.

Total budget: £2.6m in 2011/12 with an estimated £11m over the following 4 years

**Central Heating**

Addressing climate change/energy efficiency and environmental issues, in excess of the Decent Homes Standard, over the five years the electric night storage heating replacement programme will continue replacing electric night storage heating with modern, efficient gas heating. With additional investment as a one off in 2011/12 around 250 homes will benefit, 775 homes over the five years – 125 more than initially planned.

The programme delivers new central heating to unheated Council owned homes, and replacement systems that are beyond economic repair. There are currently some 865 unheated homes in the Borough, all of which where the tenants have been offered central heating on more than one occasion. Budgetary provision has been made to provide heating for all tenants in unheated homes who wish to receive heating and installing heating in all unheated properties when they become empty, an estimated 500 homes in total. It is estimated that around 365 homes will remain unheated at the end of the five year programme.

Around 600 homes will have a replacement boiler or system upgrade to deal with those gas boilers and systems that fail the decent homes standard. These

will be replaced with modern energy efficient boilers to ensure heating is made as affordable as possible for tenants.

Around 1,500 homes will also have a modern gas fire where the existing fire cannot be repaired or maintained.

Total budget: £2.1m in 2011/12 with an estimated £6m over the following 4 years

### **Community Safety & Environmental Improvements Programme**

This programme continues the work commenced in previous years dealing with local environmental schemes and community issues such as improvements and refurbishment of Housing (HRA) assets e.g. improving property security, providing external lights, fencing, defensible space areas and landscaping works such as resurfacing paths, footpaths and roads. However, a reduction in budget of £250,000 per annum is required with monies moved to the Minor Works programme to continue funding environmental improvements to communal areas.

The works are prioritised in each area and agreed in consultation with the Area Panels and target issues aimed at reducing void levels and provide safer, sustainable communities in line with Government Sustainable Communities objectives. This is expected to fund around 60 local projects each year.

Total budget: £0.6m in 2011/12 with an estimated £1.2m over the following 4 years

### **Electrical Installations**

The budget will continue to address electrical works. The programme of periodic electrical inspections will continue with subsequent electrical works being undertaken to maintain Decent Homes. A budget of around £500,000 per year will deal with full rewires where required but the majority of homes, including empty properties, will only require partial electrical upgrade works.

The remainder of the programme budget also targets investment in the planned replacement of specialist electrical systems that are beyond economic repair, specifically:

- To provide for warden call equipment purchase compatible with new Telecare technology to allow wardens to provide the essential Homecall service for vulnerable residents of the community;
- To complete the upgrading of communal TV aerials with digital aerials in preparation for Government's predicted switching off of analogue transmission in 2011;
- Provision is also made to deal with any potential remedial repairs to lifts in flatted developments.
- Limited budgetary provision is also made to deal with any potential required replacement door entry and high rise fire alarm systems.

Total budget: £1.1m in 2011/12 with an estimated £4.9m over the following 4 years

### **External Improvement Programme**

The programme continues to address Decent Homes investment and deals with necessary planned maintenance to the external façade of Council owned homes.

In 2011/12 this budget will fund almost £3.5m in double glazing and external doors that are in significant need of replacement and pose a health and safety danger. Thereafter there will be around £2.5m investment pa for 4 years.

Arising investment need is currently around £1-1.5m and the waiting time from inspection to providing a replacement window is currently exceeding 16 – 18 months.

Around £1m pa will be invested in re-roofing homes to ensure that they remain sound and watertight to the Government's Decent Homes Standard, with around £500,000 each year spent on planned improvement works associated with roofing such as fascias and soffits. This works is either replacement of roof coverings such as tiles or slates and/or replacement and/or upgrade of the structural timbers as necessary. The budget will also continue work on a planned programme to replace flat roof coverings on flatted developments with modern energy efficient materials.

Where additional resources are successfully agreed in line with Government 'Green Deal' initiatives the programme will also continue where possible with such schemes as Community Energy Savings Programme [CESP] where Energy Companies will contribute towards funding external wall insulation, loft top ups and replacement of G-rated heating boilers in the lowest 10% of Lower Super Output Areas. The budget will also be used to commence preliminary works around Community Green Deal such as Feed in Tariffs [FIT] and Renewable Heat Incentives [RHIs].

The budget will be used to match fund the Energy Companies' contribution and fund ancillary works such as double glazing, canopies, gates and fencing. It is proposed to seek to secure funding from Energy Service Providers to contribute towards energy efficient carbon, reducing schemes to benefit residents.

Total budget: £5m in 2011/12 with an estimated £18.5m over the following 4 years plus any additional resources received from Energy Service Providers or generated through 'Green Deal'.

### **Insulation**

Following receipt of match funding for insulation works through Energy Company funding such as Carbon Emission Reduction Target [CERT] or

CESP, this programme has now offered the installation of cavity wall insulation to all tenants whose homes can benefit from cavity wall insulation.

The nominal programme from 2011 onwards will deal with any dwellings where previous tenants have refused the insulation and over the five years the cavity wall insulation programme will be complete.

The budget also provides for approved resources to supplement any further available match funding for additional measures of draught stripping, increased levels of loft insulation and other targeted carbon emission and energy efficiency programmes to:

- Allow properties to be insulated to meet the Decent Homes Standard
- Improve the SAP (Standard Assessment Procedure) rating of the housing stock (which measures how energy efficient the housing stock is);
- Contribute towards addressing climate change by reducing carbon emissions.

A nominal provision is made for funding renewable technology such as Photo Voltaic [PV] panels, to pilot green technology self-funded by Feed In Tariffs [FITs] whereby the capital cost of the installation is funded by an ongoing revenue stream flowing from electricity generation.

Total budget: £0.14m in 2011/12 with an estimated £0.4m over the following 4 years plus any additional 'green deal' resources received from Energy Service Providers or generated through 'Green Deal'.

### **Minor Works**

This budget is used to deal with urgent repairs and health and safety issues that arise throughout the year.

Works already identified include dealing with high cost structural, subsidence and demolition etc works for which there is an investment need of around £1.5m and works that are required as a result of fire risk assessment surveys to flatted developments.

Current arising investment need is also around £1m for health and safety issues, communal paved areas, paths and un-adopted roads and other environmental type works, which will be part funded by the redistribution of funds from the Community Safety and Environmental Improvement programme.

The budget also funds larger repair improvements costing over £1,000 each, to the value of around £1.7m each year.

Total budget: £3.7m in 2011/12 with an estimated £14.9m over the following 4 years

## **Modernity and Decent Homes**

This budget is proposed to continue the programme of kitchen and bathroom improvements to target maintaining the Decent Homes Standard with over £7m of improvements over 5 years.

Current arising investment need is around £1.8m, and waiting times from inspection to commencement are approaching 2 years.

2011/12 will complete around 300 kitchens and 420 bathrooms with around £1.2m investment each year after to complete around 500 kitchens or bathroom replacements. The programme will predominantly target maintaining the decent homes standard and will therefore prioritise those properties where the kitchen and bathrooms fall into non-decency, largely due to age, where they are also in poor condition.

Total budget: £2.2m in 2011/12 with an estimated £5.2m over the following 4 years

## **Tenants' Association**

The budget is allocated in each of the five years to schemes identified by Tenants' and Residents' Associations, and prioritised by the Dudley Federation of Tenants' and Residents' Associations. Budgets are maintained at current levels which based on previous years is expected to fund around 40 projects each year.

Total budget: £0.1m in 2011/12 with an estimated £0.36m over the following 4 years

## **Void Property Improvements**

This budget is used to fund improvement works to empty properties where the work is of a capital nature to ensure that they are re-let in a reasonable state of repair and have modern facilities for kitchens and bathrooms in accordance with the Decent Homes Standard.

Around £6m each year is required to fund necessary improvements [dealing with asbestos, rewiring, kitchens, bathrooms, plastering and major re-plumbing] in homes awaiting re-let.

A further £3.5m each year deals with high cost voids in excess of £10,000 at an average cost of around £25,000 each. There are currently around 93 high cost voids that cannot be funded from the 2010/11 budget at an estimated cost of £3.2m [which is above the current average cost] and work is currently ongoing through the Select Committee for the Environment to address this issue.

Total budget: £9.5m in 2011/12 with an estimated £36.7m over the following 4 years



## **New Council Housing**

The programme will complete the current approved new housing schemes, which all self-fund over a 30 year period. Demolition works have commenced on site on the first scheme at Blackthorn Road and works on the remaining schemes will all commence by March 2011, with completion of the new build programme completed in 2012.

- Blackthorn Road, Brierley Hill – 20 new homes
- Norwood Road, Brierley Hill – 22 new homes
- Wood Road, Lower Gornal – 19 new homes
- Woodland Avenue, Quarry Bank – 13 new homes
- Tenacre Lane, Upper Gornal - 6 new homes
- Orchard St, Brierley Hill - 27 homes at in a scheme initially intended to be undertaken by Black Country Housing Group.
- Holly Hall housing office and Woodside Library – 8 new homes

Total Budget: £12.2m over the next 4 years

## **Revenue [Responsive Repairs, Voids and Cyclical Maintenance]**

Revenue budgets to fund ongoing responsive repairs, statutory servicing and testing, cyclical maintenance [such as communal painting] and the routine element of voids [statutory testing, cleaning, minor repairs etc] are set at £21.7m for 2011/12, which will maintain current service standards for responsive works.