

**BUSINESS SUPPORT
OVERVIEW AND SCRUTINY COMMITTEE**

2 JULY 2009

**HOUSING REVENUE ACCOUNT CAPITAL
PROGRAMME 2009/2010**

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Summary

The purpose of this report is to provide Members with an update on the Housing Revenue Account Capital Programme for 2009/2010.

1 Budget and Policy Framework

- 1.1 The priorities relating to the Housing Revenue Account capital programme form part of Medway's performance plan.
- 1.2 On 17 February 2009 Full Council approved the capital budget of £7,686,150 needed to carry out the Capital Works programme for 2009/2010.

2 Background

- 2.1 The £7,686,150 budget is split into Housing Revenue Account Capital Works and disabled adaptations to council properties with budgets of £7,019,352 and £666,798 respectively.
- 2.2 The programme of works that makes up the £7,019,352 is made up of properties that require a variety of works identified from Codeman (asset management database) as requiring replacement, to ensure that we bring our properties up to the Decent Homes Standard.
- 2.3 The criteria used in the past to determine what work is required to council properties has been based on a Planned Maintenance Programme, which meant that items that needed to be replaced due to their condition or age were replaced on a planned schedule of works.

- 2.4 The 2009/10 Capital Programme of works has been re-evaluated and the criterion used to evaluate the current programme has been based on the Decent Homes Standard. This has resulted in the programme as shown below. This means that the costs have been reduced and less funding is needed from the working balance. The HRA Business Plan will be remodelled accordingly.
- 2.5 In 2007 we carried out a stock condition survey of 25% of our properties. The remaining 75% will be surveyed this year. This will allow us to have a full understanding of the condition and works needed to our properties. This will enable us to plan our capital works and planned maintenance in a more efficient and cost effective way.

3 Delivery of the Programme

- 3.1 A consultant has been employed to project manage this programme and work will commence mid financial year 2009/2010.
- 3.2 As part of this project the council will be tendering its capital works programme. This is split into the areas as shown below in the Decent Homes and Planned Maintenance sections.
- 3.3 The boiler replacements are currently being carried out by Mears, the council's maintenance contractor, under the terms of our contract. We will however tender the boiler replacements that are capital works, to ensure we achieve best value whilst ensuring that appropriate health & safety measures are in place.
- 3.4 The actual method of tendering this work is being evaluated at the moment and a draft procurement paper exploring the various options open to the council will be produced by our consultants week commencing 6 July 2009.

4 Consultation

- 4.1 Officers have consulted with the Medway Residents Group (M.e.R.G.e.) with regards to the detailed Capital Programme for 2009/2010 and the proposals for letting this year's capital works and future years. MeRGe accept the proposals but have asked that tenants who have been waiting longest for work should be prioritised.

5 Risk

- 5.1 It should be noted that the costs outlined in 2.4 and appendix 1 are indicative only and are subject to change. As the letting of this work will be subject to a competitive tendering exercise.
- 5.2 A Quantity Surveyor will also be engaged as part of the contract monitoring processes to ensure that the work undertaken is priced and invoiced for accurately.
- 5.3 Our consultant will also review the council's current arrangements for monitoring work to ensure that inspections, variations and customer satisfaction are effectively managed.

	£	£
Decent Home Standard Works		
Key Elements (external works, boilers, doors)	2,769,035	
Modern Facilities (kitchens and bathrooms)	384,800	
Outstanding kitchens and bathrooms from 2007/2008	284,600	
Decent Home Standard Works Sub-Total		3,438,435
Planned Maintenance		
Kitchens and Bathrooms (poor condition)	1,014,200	
Suffolk Court Refurbishment	350,000	
The Mailyns - Refurbishment, (Doors and Windows)	95,082	
Planned Maintenance Sub-Total		1,459,282
Fees and Preliminaries		200,000
10% Contingency		509,802
HRA Planned Maintenance/Decent Home Standard Works Sub Total		5,607,519
Disabled Adaptations		743,437
HRA Garage Review		18,500
Housing Revenue Account Total		6,369,456

Funding Stream	£
Supported Capital Expenditure (Revenue)	735,000
Housing Right To Buy Capital Receipts	18,500
Major Repairs Allowance 2009 / 2010	2,211,790
Major Repairs Reserve	2,840,473
Contribution from HRA Working Balance	563,693
TOTAL	6,369,456

6 Financial and legal implications

6.1 There are no legal implications associated with this report. Financial implications are as laid out above.

7 Recommendations

7.1 That Members note this report outlining the current position and future proposals for the HRA capital programme.

7.2 Members agree that quarterly progress reports will be presented to the Business Support Overview and Scrutiny Committee.

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Background papers

The Housing Revenue Account Budget 09-10 committee report presented to Business Support Overview & Scrutiny Committee, 3 February 2009.