



Report of the Director of Environment and Neighbourhoods

Council Meeting

Date: 14th July 2010

Subject: HRA Subsidy Refund

Electoral Wards Affected:

Ward Members consulted
(referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

EXECUTIVE SUMMARY

1. Executive Board on February 12th received the Housing Revenue Account (HRA) budget for 2011/12. As outlined by the Director of Resources at this meeting, the final determination in respect of the Housing Revenue Account subsidy was at variance with the figures contained in the papers submitted to the Board which were based on the draft determination. The variance is £4.6m. This paper sets out the principle that the use of this resource must provide added value to the Council over and above planned works. The detailed schemes include enhanced funding to adaptations, fire safety and security work at multi storey blocks, supporting group repair schemes, tackling non traditional housing, energy efficiency work and support for the Council's key regeneration schemes.

1.0 Purpose Of This Report

- 1.1 The purpose of this report is to set out proposals for the use of £4.6m HRA subsidy refund.

2.0 Background Information

- 2.1 Executive Board on February 12th received the Housing Revenue Account (HRA) budget for 2011/12. As outlined by the Director of Resources at this meeting, the final determination in respect of the Housing Revenue Account subsidy was at variance with the figures contained in the papers submitted to the Board which were based on the draft determination.
- 2.2 Executive Board resolved that the estimates for the Housing Revenue Account be amended for submission to Council to reflect the final determination with a subsequent increase in the contribution to HRA reserves.

2.3 It was also agreed that a further report be submitted to Board with proposals on the use of these additional resources of £4.6m.

3.0 Main Issues

3.1 It is proposed that the £4.6m is allocated across the three ALMOs, BITMO and the Strategic Housing Function but that it is specifically targeted to work additional to mainstream decency work.

3.2 Areas at which the funding will be targeted include:

- **Adaptations** - Adaptations provide solutions to housing needs that can lead to improvements in well being, reduced risk of danger in the home, increased independence and prevention of unnecessary admission to higher support or residential care for customers. However there is greater demand for the service than can be satisfied by available resources. The Council sees this provision as a priority. £1m will be allocated to this service
- **Fire risk** – Following the fire at Lakanal House in London the ALMOs and BITMO completed fire risk assessments(FRAs) of all the multi storey blocks. A programme of improvements has been agreed with the Fire Service that totals around £6m. A concordat has been entered into with West Yorkshire Fire and Rescue Service and agreement reached that defects identified through FRAs will be remedied within a five year time frame.
- **Non Traditional Housing** – The ALMOs and BITMO will complete their decent homes programme this financial year. This will still leave a number of non traditional build properties that require bringing up to the decent homes standard. The cost of this work was not included in decent homes funding.
- **Regeneration Schemes** – The ALMOs are being asked to support the Council's key regeneration schemes. Key pieces of work at present are clearance of stock within the Beeston Hill area, linking ALMO properties in to a major group repair scheme in Cross Green and continued support for the Easel scheme.
- **Strategic Housing** – The Council owns 350 miscellaneous properties that are leased. When leases end and the properties are returned to the Council funding is required to make them decent so that they can be returned to council housing.

3.3 Given the above it is proposed to allocate the £4.6m as follows:

West North West Homes

£1.5m to be targeted at additional adaptations work, improvements to non traditional housing and fire safety work within multi storey blocks and sheltered housing complexes. Specifically

- £400k will be used to upgrade alarm systems, security locks and electronic release doors to assist access for wheelchair users to sheltered complexes. Of this £175k will be for upgrading existing fire alarm/ emergency lighting systems to 175 sheltered flats to bring them in line with current fire safety regulations. A

further £175k will be used for installing magnetic lock releases to communal doors in our sheltered complexes. This will benefit 500 sheltered properties allowing better mobility for wheel chair users in complexes and ease of opening should there be a fire. Finally, £50k will be used to replace 100 high priority flat doors onto communal areas in sheltered complexes and high rise blocks – these have been identified as a priority requirement following the completion of fire safety risk assessments on sheltered and MSF communal areas.

- £400k will be added to the adaptations budget to increase the spend on adaptations to properties. It is estimated that between 135 and 160 customers will benefit from this additional funding and have their adaptations delivered within quicker timescales.
- £700k will be set aside to provide property improvements to non traditional housing. This will enable delivery of structural and external remedial works to be carried out to between 28 and 35 properties, dependant on property size and construction. WNWhL would also be able to use part of this funding as match funding to external funding available under the government's carbon emissions reduction target scheme (CERT) and community energy saving programme (CESP). This would maximise resources available to invest in our system type properties and make these more energy efficient, therefore reducing the incidents of fuel poverty within the Woodbridge, Stonecliffe and Waterloo estates.

Aire Valley Homes

£1.2m to be targeted at providing additional adaptations work, supporting the Council's PFI regeneration scheme in Beeston Hill and Little London and fire safety work. Specifically

- £850k will be used to support the re housing costs on the phase three clearance programme of the Beeston Hill and Little London housing PFI scheme. This will allow around 116 properties in the Bismarks and Fairfaxes to be emptied and the tenants re housed
- £200k will be used to reduce the backlog of adaptations.
- £150k will be used to provide fire safety works in multi storey blocks. This will include upgrading communal fire doors and replacement of individual flat doors with self closing fire resistant doors.

East North East Homes

£1.2m to be targeted at providing additional adaptations work, fire safety work within multi storey blocks and supporting a group repair scheme in Cross Green. Specifically

- £670k to support the group repair scheme in Cross Green. There are 21 Council owned properties within a predominantly private owned/rented part of Cross Green where regional funding has been obtained for a group repair

scheme. The scheme is mainly external enveloping work but the funding allocation does not cover Council owned stock and match funding is expected for the scheme to proceed. Works required to Council properties have been costed at £672K but all ENEHL capital resources for 2010/11 are committed to Decent Homes works and this allocation will allow the regional funding to be accessed and the scheme to be completed.

- £400k to reduce the backlog of adaptations
- £130k to commence a programme of fire safety and security upgrades to multi storey blocks. FRAs have been completed on all 60 blocks managed by ENEHL. The FRAs have identified substantial remedial work required to ensure the blocks meet current fire safety standards. These include installation of emergency lighting, provision of individual flat door closers and remediation of compartmentalization breaks. This funding will enable ENEHL to bring forward the more urgent works required and reduce risk significantly.

Belle Isle TMO

£0.3m to be targeted at additional energy efficiency work and programmed replacement schemes to maintain decency. Specifically

- £60k to finish the loft and cavity insulation work on the estate which will improve energy efficiency and help fuel poverty issues on the estate. A large proportion of properties in Belle Isle do not have the recommended 300mm of loft insulation and have no form of cavity wall insulation. As a consequence, the tenants of these properties struggle to pay higher average heating costs to maintain a comfortable temperature in their home. It is anticipated that the additional £60k of capital will provide funding to commence works to approximately 200 homes as part of a targeted planned program of improvement works.
- £94k for a re roofing scheme in Belle Isle South. The roof coverings, rainwater goods and associated fascia/soffit boarding to a number of early post war constructed homes have now reached the end of their designed life expectancy. A complete refurbishment is required to reduce increasing reactive maintenance costs and avoid failing decency. It is anticipated that the additional £94k of capital will provide funding to commence works to approximately 14 blocks as part of a targeted planned program of improvement works.
- £84k to replace single glazed windows to improve condensation and SAP rating issues. A significant number of properties in Belle Isle are single glazed even though they meet the decency standard. As a consequence, the tenants of these properties struggle to pay higher average heating costs to maintain a comfortable temperature in their home and suffer from condensation problems. It is proposed to invest in replacement upvc double glazed windows. It is anticipated that the additional £84k of capital will provide funding to commence works to at least 80 homes as part of an on going targeted planned program of improvement works.

- £60k on a boiler replacement scheme. BITMO needs to consider a rolling programme of planned boiler and heating system replacements which could effectively update the stock of boilers every 10 to 15 years. This would reduce the cost of renewing boilers on a reactive basis. There are potentially 180 boilers at present which are now reaching the end of their life expectancy and are inefficient and expensive to run. The additional £60k would provide funding to commence the replacement of approximately 32 outdated boilers with ones which are up to date and more efficient and therefore less costly to run for tenants.

Strategic Housing

£420k to be targeted at decency works for miscellaneous properties, regeneration plans and Affordable Housing. Specifically:

- £80k to invest in decency works for 10 miscellaneous properties previously leased to support agencies and now returned to the Authority so that they can be released for family housing. The money will also allow for the refurbishment of 7 estate shops with living accommodation to be returned for rent. The total budget needed for this work is £310k, £230k of this has been identified from existing resources, leaving £80k, which is being requested as part of this report. This equates to a spend of approximately £18k per property.

This injection of funds will allow for a continuation of work begun in 2008/9 that to date has seen 32 family sized houses and 17 shops within estates returned to Council stock.

In the mid 1990s, when demand for council housing in certain areas of the city was not strong, the Council leased some miscellaneous stock to RSLs and third sector organisations. When the leases have expired the Council has had these properties returned. The condition of the returned properties does not meet decent homes standards or the letting standards operated by the ALMOs.

Consideration has been given as to the best option for these returned properties. It is felt that given the nature of the properties, which are in the main family sized accommodation, that it is best to refurbish them and bring them into the council housing stock. Consideration has been given to selling the properties. However, this is likely to result in purchases by individual private landlords rather than private family ownership.

Those properties still out on lease are having the original leases re-negotiated so that there are greater controls exerted by the Council.

- £240k for acquisition and demolition of properties on the Beckhill Estate to open up the space and complement the proposals for the round 6 PFI bid. Previous Executive Board approvals, from 2005 to date have ensured that the Council continue to work in partnership with East North East Homes on

the acquisition, re-housing and clearance of the following parts of the Beckhill estate.

- 1-67 Beckhill Grove.
- 17-141 Beckhill Avenue
- 2-46 Beckhill Garth
- 1-59 Beckhill Garth
- 139-199 Beckhill Approach

Approximately 30 tenants and 3 leaseholders remain to be re-housed from the properties at Beckhill Grove, Garth and Approach with resources identified in 2009 for a programme which is anticipated to complete by 2011.

The 240k requested now is to complete re-housing of remaining tenants from the properties at Beckhill Avenue; after which the block can be cleared and demolished. This work commenced in 2005-06, however, had temporarily ceased, pending the re-scoping of the wider regeneration of the estate, which can now be taken forward as part of the plans for the land needed for round 6 PFI and complementary re-development.

Ward members and other key stakeholders will continue to be consulted as these plans develop.

- £100k for the demolition of the garages at Mistress Lane. The Mistress Lane development site is located at the heart of the Leeds Bradford Corridor and is identified as a gateway site within the West Leeds Gateway regeneration programme. The site is on the periphery of Armley town centre and is highly visible from the A647, Armley Road. Redevelopment of the site will help to portray a more positive image of the area and has the potential to encourage further investment and development of other nearby sites by the private sector. Proposals are currently being drawn up for the site to develop older people's accommodation as part of the Round 6 PFI programme. Subject to approval of the Outline Business Case which will be submitted to the HCA over the coming months, it is proposed that a comprehensive scheme will be developed with bidders with work commencing on site around 2013/14.'

4.0 Implications For Council Policy And Governance

4.1 None

5.0 Legal And Resource Implications

5.1 The variation in housing subsidy determination between the draft and final position, £4.6m, will resource these proposals.

6.0 Conclusions

- 6.1 The £4.6m is an additional resource to the Council. The proposals set out in this report will provide funding for essential asset management work, strategic housing initiatives and support to regeneration schemes that would otherwise be unfunded.

7.0 Recommendations

- 7.1 Council is recommended to approve the allocation of an additional £4.6m to the Housing Revenue Account to be spent in accordance with the proposals as set out in this report.

BACKGROUND PAPERS

Executive Report, February 2010

