

Liberal Democrat Draft HRA Budget proposals for consultation.

Our draft budget proposals set out to address the deficit indicated in the Indicative budget report dated December 12th 2001. The proposals also set out the priorities for the various work programmes for day to day repairs, planned maintenance and the MRA.

The indicative deficit on the HRA is £1,506,510 for 2002/3. The primary reason for such a large deficit is a reduction in the subsidy received from the government. This is disappointing since the subsidy itself does not cover the amount we pay out in housing benefit any reduction further increases the burden for tenants.

The government's recent changes in legislation introduced Rent Restructuring, which the Council adopted in 2001. These changes require the Council to look at all the services provided to tenants outside the scope of tenancy management and where appropriate introduce service charges to fund those services. The OAP decoration scheme is such a service and we may need to either end the scheme or make charges for the service. We expect the DTLR to define the range of tenancy management and service charges and their likely impact on housing benefit in the summer.

Budget Proposals

□ Rent Increase

We propose a rent increase in line with government assumptions of 3.5%. This will result in additional income of £1,134,500. We propose that garage rents for disabled persons in receipt of a vehicle through the Motability scheme (higher disability living allowance) will pay £1 per week (plus VAT for private) for their garage.

□ Day to Day Repairs

The creation of the centralised repairs service means that all day to day repair costs are now under the control of the repairs manager. We propose to set a budget for the coming year of £2,058,000. Other work previously charged to the repairs budget is provided for elsewhere under more appropriate budget headings.

We may need to review our repairs policy to ensure that we keep within our budget.

□ Electrical Testing and Repair

We propose to spend £300,000 each year undertaking testing of the electrical installations of our homes. Additionally a further £200,000 will be earmarked from the MRA to undertake any remedial work required. This work is required because of the age of our properties and to ensure compliance with the appropriate regulations.

□ PPJ & painting programme

The window replacement programmes has significantly reduced demand for painting and joinery work. For the coming year a budget of £400,000 is needed to cope with the works required.

□ **Repairs Staffing**

Initial reviews of staffing following the amalgamation of the client & contractor side of Housing Repairs have resulted in economies of scale of £104,000 at this stage.

□ **OAP Decorations**

We want this to be a more responsive service and would propose changes that would allow tenants more choice by providing them with decorating vouchers that would allow them not just to pay for materials but to also pay for a decorator. This would allow the tenant greater flexibility in the choice of materials used and when the work was done. We propose that the budget for this should be £150,000

□ **Cleaning & Caretaking**

We do not intend filling the 2 vacant posts saving £38,000. As tenants and leaseholders are aware this is a service that is likely to fall within any service charge that is introduced. We propose using the existing resources to provide a fortnightly cleaning service and the ability to react and deal with urgent cleaning problems.

□ **Overall Staffing Savings**

Reviewing the way we work has enabled us to identify staff savings totalling £617,000 in 2002/03. In addition to the Repairs & Cleaning & Caretaking savings above we expect the additional savings to come from:

- 1 The introduction of the 2% staff turnover saving
- 2 Continuing of the vacancy freeze
- 3 The loss of permanent staff which is estimated to save £270,000 and will come from:
 - a) Service rationalisation with the creation of dedicated Rent Arrears and Allocations Teams
 - b) Closing the Wood Farm and Northway Local Housing Offices. Note: the Northway Local service Shop would remain open.
 - c) The Housing Service to customers currently in the Wood Farm LHO area will be delivered through surgeries held daily throughout the area in Community Buildings and through Customer Services from the East Oxford Local Service Shop and St. Aldates Chambers
 - d) Reduced staffing within the CANACT team,
 - e) A review of our administration requirements.
 - f) A voluntary redundancy programme.

□ **Other Savings**

Reduce Training	11,510
Reduce Supplies & services Expenditure	56,000
IT budget running costs	10,000
Provision for Bad Debts	25,000
Contingency	25,000

Forum Spending

Last year we advised all forums that any unused budget would be returned to balances. There are issues over whether the spending of the Forums budgets is strictly HRA. In many instances the expenditure benefits the General Fund and should be properly charged there. For the coming year the proposed Forum budget will be £60,000. A major change will be that the budget will be held centrally and OFTA will be asked to prioritise Forum bids with recommendations to the Business Manager for expenditure.

□ Review of Services

Rent restructuring will force social landlords to concentrate on tenancy management only. 2 services are considered outside the direct scope of the HRA. These are: Oxford in Bloom and the Garden Scheme. Neither is essential core housing services. WE do propose to make available £10,000 to develop community schemes like the Woodfarm scheme supported by the council.

□ Programme of Works

Having consulted with the Head of OBS and his team we recommend the following programme of works.

Planned / Service Contracts -	£ 3,064,081
Service Contracts	£ 850,000
Area batched works	£ 420,000
Paint / pre-paint Repairs	£ 400,000
Flats H/L rise, Communal	£ 200,000
Caretaker Facilities	£ 8,000
Electrical Rewires	£ 300,000
Gullies	£ 6,000
Tower Blocks - clean SVP	£ 20,000
Carbon Monox, new/clean	£ 80,000
Garage Repairs	£ 100,000
Vulnerable Persons	£ 10,000
CSDPA	£ 250,000
OAP / Sheltered Decs.	£ 100,000
Fees	£ 150,000
Unallocated	£ 120,000
Contingency	£ 50,081
TOTAL	£ 3,064,081

Major Repairs Allowance	£ 5,037,807
Windows	£ 1,800,000
Sheltered Refurbs.	£ 350,000
Heating - new/upgrades	£ 500,000
Major Void Works	£ 600,000
Unfits / Extensions	£ 312,807
Electrical Rewires	£ 200,000
Plumbing Works	£ 300,000
Aerial Upgrades	£ 25,000
Re-roofing	£ 150,000

Insulation	£ 100,000
Controlled Entry	£ 100,000
Structural Work	£ 150,000
Fire Detection - Towers	£ 100,000
Aids & Adaptations	<u>£ 350,000</u>
TOTAL	£ 5,037,807

In total over £10,000,000 will be spent during the next financial year on our properties.

□ **Other Bids**

Review all Documents & Procedures & Consultation	15,000
LHO equipment	10,000
REMS Scheme	70,000
Target Hardening	25,000
Stock Condition Survey	10,000
Mediation	10,000
Grant to Connection	14,100
Elmore Team Grant	53,500

50
11
r