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15 January 2008

S U M M O N S

MEETING: Housing Board
DATE: 23 January 2008
TIME: 6.00pm
PLACE: Committee Room 1, Town Hall, Gosport
Democratic Services contact: Lindsey Holloway

BOROUGH SOLICITOR

MEMBERS OF THE BOARD

Councillor Mrs Wright (Chairman)
Councillor Mrs Cully (Vice Chairman)

Councillor Allen	Councillor Foster
Councillor Ms Ballard	Councillor Foster-Reed
Councillor Burgess	Councillor Mrs Mudie
Councillor Champion	Councillor Rigg

The Mayor (Councillor Gill) (ex officio)
Chairman of Policy and Organisation Board (Councillor Cully) (ex-officio)

FIRE PRECAUTIONS

(To be read from the Chair if members of the public are present)

**In the event of the fire alarm (continuous ringing) or controlled evacuation alarm (intermittent ringing) sounding, please leave the room immediately.
Proceed downstairs by way of the main stairs or as directed by GBC staff, follow any of the emergency exit signs. People with disability or mobility issues please identify yourself to GBC staff who will assist in your evacuation of the building.**

IMPORTANT NOTICE:

- If you are in a wheelchair or have difficulty in walking and require access to the Committee Room on the First Floor of the Town Hall for this meeting, assistance can be provided by Town Hall staff on request

If you require any of the services detailed above please ring the Direct Line for the Democratic Services Officer listed on the Summons (first page).

NOTE:

- i. Members are requested to note that if any member wishes to speak at the Board meeting then the Borough Solicitor is required to receive not less than 24 hours prior notice in writing or electronically and such notice shall indicate the agenda item or items on which the member wishes to speak.
- ii. Please note that mobile phones should be switched off for the duration of the meeting.

AGENDA

RECOMMENDED
MINUTE
FORMAT

PART A ITEMS

1 APOLOGIES FOR NON-ATTENDANCE

2 DECLARATIONS OF INTEREST

All Members present are required to declare, at this point in the meeting or as soon as possible thereafter, any personal or personal and prejudicial interest in any item(s) being considered at this meeting.

3 MINUTES OF THE MEETING OF THE BOARD HELD ON
7 NOVEMBER 2007 [Copy herewith].

4 DEPUTATIONS – STANDING ORDER 3.5

(NOTE: The Board is required to receive a deputation(s) on a matter which is before the meeting of the Board provided that notice of the intended deputation and its object shall have been received by the Borough Solicitor by 12 noon on Monday 21 January 2008. The total time for deputations in favour and against a proposal shall not exceed 10 minutes).

5 PUBLIC QUESTIONS – STANDING ORDER 3.6

(NOTE: The Board is required to allow a total of 15 minutes for questions from Members of the public on matters within the terms of reference of the Board provided that notice of such Question(s) shall have been submitted to the Borough Solicitor by 12 noon on Monday 21 January 2008).

6 HOUSING NEEDS ASSESSMENT 2007

To inform Members of the key findings of the 2007 Housing Needs Assessment and to note the issues in this assessment which are presented for the development of housing policy. (report attached)

PART II
Contact Officer:
Oona Hickson
Extension 5292

7 PARTNERING ARRANGEMENT (REACTIVE REPAIRS) PROGRESS
REPORT

To report progress to Members of the Partnering Arrangement for the delivery of day to day and voids service. (report attached)

PART II
Contact Officer:
Charles Harman
Extension 5287

Continued next page...

Housing Board
23 January 2008

8 COUNCIL DWELLING RENTS 2008/09

(report to follow)

PART I
Contact Officers:
Julian Bowcher
Extension 5551 /
Tim Hoskins
Extension 5322

9 GENERAL FUND BUDGET 2008/09

(report to follow)

PART II
Contact Officers:
Julian Bowcher
Extension 5551 /
Tim Hoskins
Extension 5322

10 ANY OTHER ITEMS

- which, in the opinion of the Chairman should be considered as a matter of urgency by reason of special circumstances.

**A MEETING OF THE HOUSING BOARD
WAS HELD ON 7 NOVEMBER 2007**

The Mayor (Councillor Gill)(ex-officio), Chairman of Policy and Organisation Board (Councillor Cully)(ex-officio) (P), Councillors Allen (P), Ms Ballard (P), Burgess, Champion (P), Mrs Cully (Vice Chairman) (P), Foster, Foster-Reed, Mrs Mudie (P), Rigg (P) and Mrs Wright (Chairman) (P).

Also in attendance: Tenant Representative – Mrs Janne Carter

It was reported that, in accordance with Standing Orders, notice had been received that Councillors Carter, Hicks and Hook would replace Councillors Foster, Foster-Reed and Burgess for this meeting.

25 APOLOGIES

Apologies for inability to attend the meeting were submitted on behalf of The Mayor (Councillor Gill) and Councillors Burgess, Foster and Foster-Reed.

26 DECLARATIONS OF INTEREST

There were no declarations of interest.

27 MINUTES

RESOLVED: That the Minutes of the meeting held on 12 September 2007 be approved and signed by the Chairman as a true and correct record.

28 DEPUTATIONS

There were no deputations.

29 PUBLIC QUESTIONS

There were no public questions.

PART II

30 REDEVELOPMENT PROPOSALS FOR THE LEISURE

The Board considered the report of the Housing Services Manager (a copy of which is attached in the Minute Book as Appendix 'A') giving an outline of progress that had been made in relation to the redevelopment of The Leisure at Cunningham Drive, Bridgemary. The report included consultations that had taken place with a number of parties in relation to the realisation of a new scheme for the site. Details of the proposed management options, as requested by Members at the previous meeting of the Housing Board, were in the report. The report sought a decision to transfer the land to Hermitage Housing Association who would carry out the redevelopment of The Leisure.

It was requested by a Member that, with a scheme of this magnitude, Group Housing Spokespersons should be involved in the work on the detailed proposals for the redevelopment of the Leisure Sheltered Housing Scheme and this was accepted.

RESOLVED: That the Housing Board recommends the following to the Policy and Organisation Board:

- (a) the land at The Leisure, excluding that occupied by the bungalows, be transferred to Hermitage Housing Association for no financial consideration, and authority be delegated to the Housing Services Manager in consultation with the Borough Solicitor to finalise the terms of the transfer;
- (b) the Housing Services Manager, in liaison with Ward Councillors and Group Housing Spokespersons continue to work on the detailed proposals, including financial, management and development discussions, for the redevelopment of the Leisure Sheltered Housing Scheme; and
- (c) future management arrangements for the new scheme will be as follows:
 - the establishment of a local management panel to monitor and review performance of both the management and care of the new scheme. The management panel would consist of representatives of all partners to the scheme including local residents' representatives, a local Ward Councillor and representatives from the voluntary sector.
 - the establishment of a nominations panel to assess applications for the scheme and to ensure that both the housing and care needs are assessed jointly. This would consist of representatives from Gosport Borough Council (GBC), Hampshire County Council and Hermitage Housing Association. Vacancies to the scheme would be advertised through the Gosport Choice Based Lettings Scheme with agreed housing and care criteria attached.
 - access in perpetuity for residents of 26-45 Cunningham Drive to the new facilities at the redeveloped Leisure scheme, with costs pegged to GBC prices for guest rooms etc, for a period of five years from the opening of the new scheme.

31 HOUSING REVENUE ACCOUNT – PLAN TO RESTORE BALANCES

The Board considered a joint report of the Housing Services Manager and the Financial Services Manager (a copy of which is attached in the Minute Book as Appendix 'B'), the purpose of which was to provide information to Members explaining the significant reduction in the Housing Revenue Account (HRA) balances during 2006/07 and the actions being taken to restore the balances to a level required by the Medium Term Financial Strategy.

It was explained to Members that the report set out the variances from expenditure to budget in the financial year from 1st April 2006 to 31 March 2007. Variances were normally expected but in this instance they had been downward variances but despite this, plans had been put in place to restore balances.

Members were advised that further repairs' expenditure for the financial year 2006/2007 had been identified by officers several weeks after the year-end. These expenses had to be included in the previous financial year thus bringing the balance of reserves to a low level; this was at the time when officers were developing a monthly monitoring system. However, Members were assured that measures had since been put in place to closely monitor and control expenditure on a monthly basis in conjunction with Connaught.

Members expressed their disappointment at this set of accounts but welcomed officers' efforts to restore balances in 2007/2008 and requested that the HRA account 2008/2009 be brought up to a good working balance. The Financial Services Manager confirmed that the 2008/2009 budget was currently being prepared and would include further proposals to help restore the balances to the target level indicated within the Council's Medium Term Strategy by 31 March 2009. In addition, assurances had been given by Connaught that expenditure was reducing and this had been borne out by recent monthly monitoring figures.

It was confirmed by officers that a further report(s) would be submitted to the Housing Board regarding any budget difficulties so that any remedial action could be considered by Members at an early stage.

RESOLVED: That the following actions to restore the Housing Revenue Account balances in 2007/08 be approved:

- (i) a reduction is made in the 2007/08 Capital Programme, enabling a reduction of £300,000 in the Revenue Contribution to Capital within the Housing Revenue Account 2007/08;
- (ii) to support the principle that the HRA Budget 2008/09 is prepared with a view to further restoring the HRA balance to the minimum acceptable as detailed in the Medium Term Financial Strategy;
- (iii) the improved monitoring and management procedures be noted in relation to the Connaught partnering arrangement.

32 VOID PROPERTIES

By reason of special circumstances, the Chairman determined that this item be considered at this meeting notwithstanding the fact that it had not been available for public inspection in accordance with the provisions of Section 100B(4)(a) of the Local Government Act 1985.

The special circumstances were created by the need to urgently discuss a plan for dealing with high cost void properties in the Borough.

Members expressed concern about the length of time three properties in the housing stock were to be left vacant in the Borough, one of these properties had proceedings issued against it so Members concentrated on the two remaining void properties. Officers explained that approximately four void properties a year on average in the last couple of years required substantial investment estimated at between £20,000 and £25,000 each and included major structural repairs and rising damp.

Officers were concerned about the current budget position and suggested postponing a decision on these particular void properties until the commitments for the year were fully realised. Officers were also mindful of unexpected expenditure, for example, the possibility of storm damage to housing stock and the budget implications of any such event. It was noted that 'void turnaround' performance had improved in the previous 18 months.

Members were concerned that they had not previously been made aware that these properties were vacant for extended periods. They considered that this could be damaging to the Council and that a long term solution should be found as soon as possible to reduce the length of time these two properties were vacant, to re-house those living in cramped conditions and to avoid any piecemeal solutions as many properties of a similar age were likely to have similar defects.

Members then discussed the options that might be available to prevent any need for any void properties to remain empty for a prolonged period while finding alternative funding; these included investigating disposal of a small number of properties, replacement with prefabricated properties and borrowing under the Prudential Code.

It was suggested that it might be advantageous for Members and Officers to work together to formulate a plan for dealing with high cost void properties and to delegate authority to a Void Properties Sub-Board consisting of the three Group Housing Spokespersons. It was noted that disposal of any property would need to be referred to the higher Board. It was recognised that following production of the plan any decision to, for example, sell any property would require approval by Housing Board and other Boards/Council.

RESOLVED: To establish a Voids Sub-Board comprising the Group Housing Spokespersons with delegated authority to produce a plan for dealing with vacant properties with large scale structural works.

The meeting commenced at 6pm and concluded at 6.40pm.

CHAIRMAN

AGENDA ITEM NO. 6

Board/Committee:	Housing Board
Date of Meeting:	23 rd January 2008
Title:	Housing Needs Assessment 2007
Author:	Oona Hickson
Status:	FOR DECISION/ FOR RECOMMENDATION TO

Purpose

To inform Members of the Key findings of the 2007 Housing Needs assessment and to note the issues that are presented for the development of Housing Policy by this Assessment.

Recommendation

That Members note the key findings and recommendations of the 2007 Housing Needs Assessment, which will be used to develop Policy on future Housing Strategy.

1 Background

An accurate assessment of Housing needs is a vital tool in the development of Housing and Planning Policy, and it is prudent for Local authorities to update their understanding of local housing markets which inform the development of policy in these areas. The Local Housing market has altered radically since 2003 when the last survey was done and the development of the Local development framework (LDF) necessitated a new Housing needs assessment.

2 Report

- 2.1 It is a requirement that as a Housing Authority we have an up to date picture of Housing Needs in the Borough for our own planning purposes and to inform other key strategies of the Council. Because of the need to have accurate information particularly in relation to the development of the Local Development Framework (LDF) it was agreed that the 2003 Housing Needs Survey needed to be updated to reflect the changes in the Local Housing Market that have occurred since then and to provide a forecasting tool for The Council for the next decade in order that the provision and type of new housing can be planned.
- 2.2 If robust policies in areas such as the requirement by a local authority for a certain level and tenure type of affordable housing are developed it is important that evidence of Housing need supports such policies, as they are subject to challenge and change.

2.3 The Housing Needs Assessment was carried out during 2007 by David Couttie Associates (DCA) who had previously carried out the 2003 Housing needs survey.

2.4 In order to carry out the assessment a study was undertaken through:-

- A postal questionnaire to 3,500 households across 4 wards grouped sub areas.
- A Housing market survey utilising the Land registry and Halifax House Price databases of areas within the Borough, together with a telephone survey of private rented housing in the Borough carried out via local Estate Agents
- Secondary data analysis using a range of housing, census and other Recognised population data.

2.5 An executive summary of the Housing needs assessment is attached to this report and contains key findings. These include:-

- An out migration of younger economically active households
- An ageing population with increasing care and support needs
- An average 23% increase in house prices between 2003 and 2006 has excluded many 'first time buyers' from the owner occupied market.
- A contrast in savings and incomes, including 18% of owner occupiers surveyed without a mortgage having an equity stake holding of over £25,000.
- 53% of all households having less than £5,000 in savings.
- 33.6% were in receipt of financial support of which 39.1% were in receipt of housing benefit.
- Of concealed households (i.e. those households living with family and friends who would like to form their own household) 89.4% had an income of below £27,500 with 44.2% below £15,000
- An income of at least £27,000 is required to buy a one bedroom flat in Elson / Hardway/Forton /Brockhurst.

- Income levels of around 39% of new households forming during the last year are below the level necessary to be able to buy and 36% of these households are also unable to afford to access the private rented sector in the Borough.
- There is a requirement for more smaller units across the stock to create a more balanced housing stock.
- The total level of outstanding affordable need is 852 units per annum.
- More specialist accommodation for older people in both the affordable and private sector is required.
- A need for 85 units of extra care accommodation for elderly people.
- There is a need for 167 units of independent accommodation with external support over the next three years.

2.6 The recommendations of the Housing needs Assessment summarised on page 13 of the Housing needs assessment executive summary, suggest some of the measures that the Local Authority in Housing and Planning policy may adopt to meet some of the needs identified in the Housing needs assessment.

2.7 As this process is a dynamic one it should be noted that in some of these areas policy is already developed, or has been developed notably in relation to the development of Older persons Housing since the commission of this survey.

2.8 The full report is available to Members in the Members room or via email as requested.

3 Risk Assessment

3.1 There are no major risks foreseen in relation to the Housing Needs Assessment

4 Conclusion

4.1 The Housing Needs Assessment carried out to update information in this important strategic area contains key findings in a number of areas and recommendations which are important to the development of Housing and Planning Policy.

Financial Services comments:	There are no direct financial implications.
Legal Services comments:	None
Service Improvement Plan implications:	SIP target met.
Corporate Plan:	Meets Corporate Plan objectives or access to decent housing.
Risk Assessment:	
Background papers:	
Appendices/Enclosures:	
Appendix 'A'	Executive Summary from Housing Needs Assessment 2007.
Appendix 'B'	None
Report author/ Lead Officer:	Oona Hickson

GOSPORT BOROUGH

**HOUSING NEEDS
ASSESSMENT**

**EXECUTIVE SUMMARY
2007**



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1 EXECUTIVE SUMMARY

1.1 Local Housing Survey

1.1.1 Gosport Borough Council formally commissioned DCA in February 2007 to carry out a Borough-wide Local Housing Needs Assessment Study.

1.1.2 In this summary you will find the main findings from a study undertaken through:-

- A postal questionnaire to 3,500 households across 4 ward grouped sub-areas;
- A housing market survey utilising the Land Registry and Halifax House Price databases of areas within the Borough. A telephone survey of estate agents on the supply and cost of private rented housing in the Borough was also undertaken;
- Secondary data analysis drawing upon HSSA and Housing Register data on the need and flow of social stock, the 2001 Census, household and population projections and other national research.

1.2 Population Change

1.2.1 An important feature in measuring housing needs is to forecast what is likely to happen over the next decade or so in order that provision for new housing can be planned. Population change in an area results from a range of factors, the numbers of births and deaths, how the population is ageing and migration into and out of the area.

1.2.2 What about the future?

1.2.3 The population forecasts to 2026 have been provided by Hampshire County Council. The 2001 Census data has been taken into consideration in the production of these population projections.

1.2.4 The forecast data produces a pattern which is generally common in the majority of local authority Boroughs nationally e.g. a fall in the number of people aged up to 45, a growth in the middle aged group and more significantly a rise in people over the age of 65. This pattern will only be changed by a level of in-migration to the Borough from younger households, broadly people aged 20-45 years of age.

1.2.5 The population of the Borough is projected to increase between 2001 and 2026, 76,400 in 2001 to 77,050 in 2026, increasing by 0.9%; a total of 650 people.

1.2.6 Numbers reduce in the 25-44 years of age group and this will have an impact on the housing market, reducing numbers in this moving group within the population.

1.2.7 Growth in the population is concentrated in the older age groups, with the 45-64 age group (+1,040) and the 65+ age group (+6,090) showing the biggest increase. The retired population will increase by 49.3% by 2026. There is an inextricable link between ageing and disability and 38.7% of those with a disability are over the age of 60.

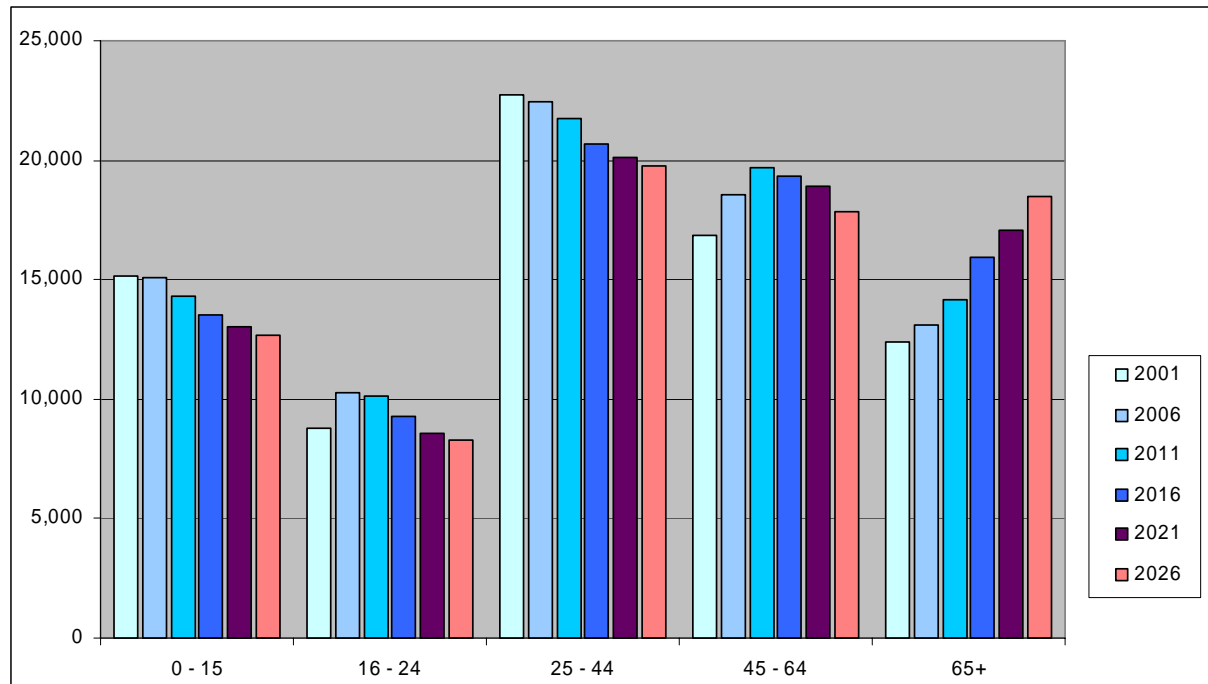
1.2.8 Migration within the housing market has an impact on population balance. 43.1% (4,046 implied) of households who had moved in the last 3 years were in-migrants from outside the Borough.

1.2.9 36.1% (2,390 implied) of existing households who had plans to move in the next 3 years were planning to move out of the Borough. In addition 561 (8.6%) new forming households were planning to leave the Borough. Of those 61.5% were leaving for employment reasons.

1.2.10 The key features of population change impacting on the housing market are:

- Out-migration of younger and economically active households;
- An ageing population with increasing care and support needs.

Figure 1-1 Population Age Band Forecast, Gosport Borough, 2001 – 2026



1.3 The Economic Climate

1.3.1 The economic climate, changes in national and regional economic policy, alongside labour market trends and local income trends sets the context in which households make decisions about their housing needs and preferences.

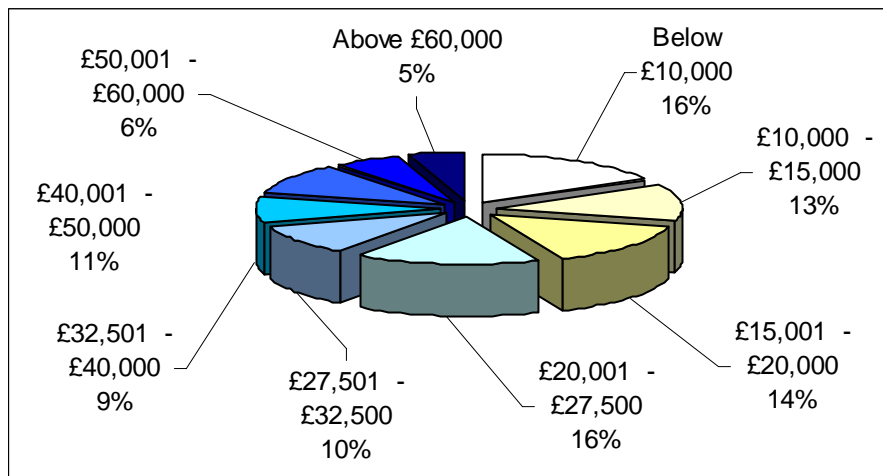
1.3.2 House prices in the fourth quarter of 2006 have increased by 4.2% according to Land Registry data, compared to the third quarter where a change of 5.7% was reported. The overall sound UK economic background and the lowest mortgage rates since the 1950s have boosted housing demand for a sustained period but turnover has reduced substantially. Prices stabilised during 2004 and some property types reduced but have again continued a pattern of increase since January 2005.

1.3.3 At a local level, educational attainment, employment and income trends will influence housing choices:-

- 50.9% of those in employment are in managerial / technical or professional occupations; 10.5% are unskilled. 43.6% of those in employment work within Gosport Borough;
- 30.2% of the population are retired;

- 57.3% of all households had less than £5,000 savings and a further 13.0% had less than £10,000. 16.1% had savings of over £30,000. Of the homeowners responding to the question, 18.0% of owner occupiers without a mortgage had an equity holding of over £250,000 as compared with 3.5% of owner occupiers with a mortgage;
- 16.9% of households had incomes below £10,000 (excluding benefits / allowances); below the corresponding UK figure (20.3%). 59.8% of households in the Borough had incomes below £27,500, below the national figure (62.3%); a further 19.0% had incomes below £40,000. 2.9% of households had an income of over £75,000;

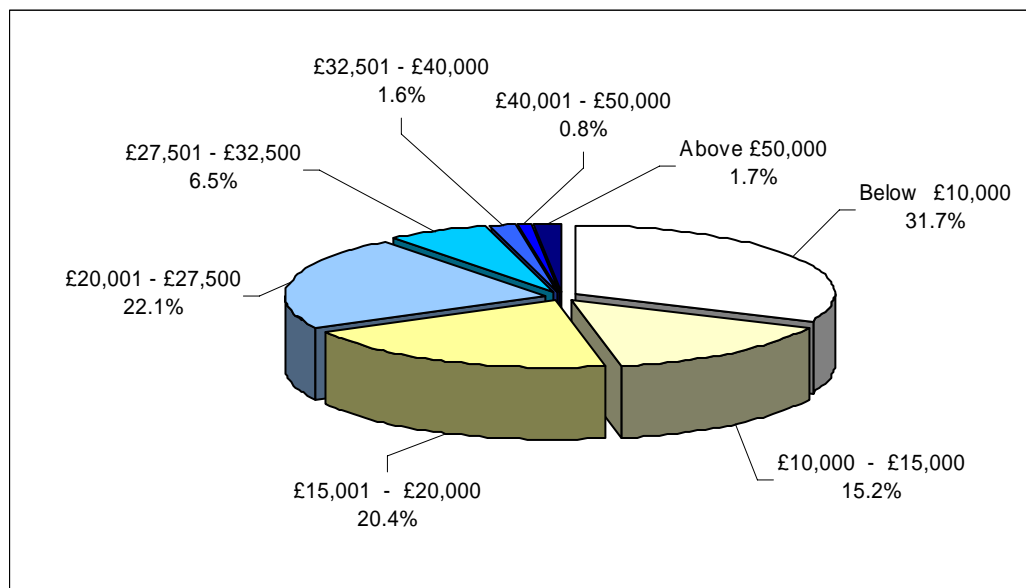
Figure 1-2 Income Distribution of Existing Households



- 33.6% of households were in receipt of financial support (12,126 implied), of whom 39.1% (4,736 implied) were in receipt of Housing Benefit.

1.3.4 Key factors relating to concealed households' ability to meet housing costs are that:-

- A total of 55.7% had less than £1,000 savings. A further 16.0% had less than £5,000. 28.3% had savings of over £5,000;
- 31.7% had household incomes below £10,000 per annum, 15.2% earned between £10,000 and £15,000, 20.4% between £15,001 and £20,000 and a further 22.1% earned between £20,001 and £27,500, giving a total of 89.4% with an income below £27,500;
- Only 10.6% of concealed households earned above the national average income of £27,500.

Figure 1-3 Income Distribution of Concealed Households

1.3.5 Black and Minority Ethnic Households (BME)

1.3.6 Incomes of BME households are similar income levels compared to the all households' income in the sample. 18.0% of BME households had incomes below £10,000, compared to 16.9% in the whole population. 39.4% of BME households had incomes above £27,500, compared to 40.2% in the whole population.

1.4 Current Housing in the Borough

1.4.1 The key features of the existing housing stock are that:-

- The property type profile is skewed towards flats and terraced houses;
- Based on a calculation of occupants to bedroom numbers, under-occupation affects approximately 32.5% of all households and over-occupation affects 1.7% of all existing households, similar to the national average of 2.1%. Over-occupation levels were low and similar across the owner occupied with a mortgage sector and the main rented tenures;
- 90.3% of respondents to the household survey said their home was adequate for their needs; 9.7% considered their home inadequate. Levels of adequacy were lowest in the HA rented sector stock.

1.4.2 The Cost of Accessing the Housing Market

1.4.3 The housing market is the context against which all the housing needs of the area are set. In particular, house price information is the basis on which the "affordability" of housing is measured for low-income households. In essence, analysis of the data seeks to establish who cannot afford to enter into the market. This data is then related to the problems faced by the "concealed households" in the area, i.e. households living with friends and relatives seeking to gain access to the housing market.

- 1.4.4 The evaluation of the market in Gosport Borough is based on specially prepared information taken directly from the Land Registry database for the year ending 31st December 2006 and an analysis of local estate agency sales looking at entry level properties, i.e. the lowest quartile stock.
- 1.4.5 The Land Registry recorded the average price for all dwellings in the Borough at £166,820. Terraced properties and flat prices have risen by 22.5% and 28.5% respectively between 2003 (the timing of the previous Housing Needs Survey) and 2006. Access to owner occupation is restricted by high and rising prices, with house price increases exceeding local income inflation.
- 1.4.6 The data indicates strongly that there is an affordability problem arising from the relationship between local incomes and the realistic supply of the cheapest stock available. Incomes needed to buy in locations across the Borough are shown in Table 1-1 below.
- 1.4.7 The following table shows the annual household income needed to buy entry-level stock by area in the Borough, based on a 95% mortgage availability and a 3.5 times gross income to lending ratio, the 2000 Good Practice Guidance recommended levels.
- 1.4.8 An income of £27,000 is required to buy a one bedroom flat in Elson / Hardway / Forton / Brockhurst. A two bedroom flat requires an income of £30,200 in Bridgemary / Peel Common / Rowner & Holbrook and up to £45,900 in Lee. Terraced properties require an income of £36,200 in Privett / Alverstoke / Anglesey and £45,900 in Lee.

Table 1-1 Annual Household Income Required to Purchase by Area

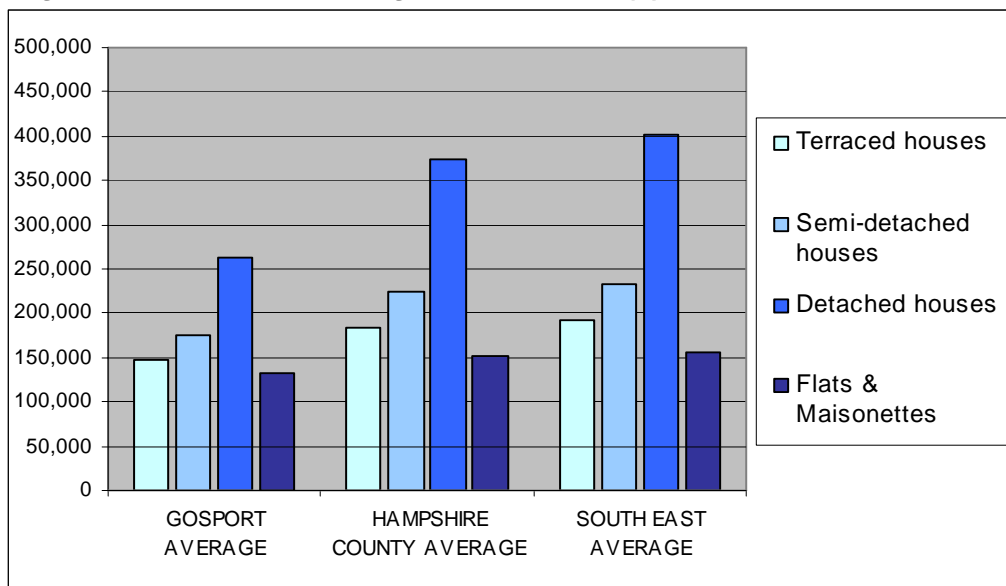
Sub-Area	Income Thresholds (£)		
	1 bed Flat	2 bed Flat	2 bed Terraced
Bridgemary / Peel Common / Rowner and Holbrook	27,800	30,200	37,500
Lee	27,700	45,900	45,900*
Grange	-nd-	-nd-	-nd-
Elson / Hardway / Forton / Brockhurst	27,000	31,400	37,900
Leesland / Christchurch / Gosport Town	29,100	33,600	38,200
Privett / Alverstoke / Anglesey	-nd-	-nd-	36,200

* Low volume of data nd – No data available

- 1.4.9 Although the average price of terraced properties in Gosport according to the Land Registry survey is £147,310, the entry sales levels data obtained from the estate agency search showed that prices vary cross the Borough with the lowest entry prices, starting at around £114,333 in Privett / Alverstoke and Anglesey, rising to £145,000 in Lee for a 2-bed terraced property, as can be seen in the table above. 3-bed terraced properties start at £114,995 in Privett / Alverstoke and Anglesey rising to £152,648 in Lee for a 3-bed terraced property.

- 1.4.10 The survey findings indicate that income levels of around 39% of the new households who formed in the past year are below the level necessary to be able to buy, and 36% are unable to access the private rented sector in the Borough. These income levels are higher than those of concealed households about to form this year but are those used in the Assessment Model calculations.
- 1.4.11 Terraced properties are assessed to be the main entry level for first time buyers in view of their relatively lower cost and volume of sales. The ability of concealed households to access the market is very limited. Only 10.6% of newly formed households have incomes above £27,500, the national average. The cheapest 1 bed flat / maisonettes in the Borough require an income of £27,000 and 67% of newly formed households earn below this level.

Figure 1-4 2006 Average House Prices (£)



- 1.4.12 Access to the owner occupied and private rented sector is restricted by cost. 80.6% could afford a weekly rent of no more than £100 (£430 pcm); 96.7% no more than £150 (£650 pcm). Access rents for one bed flats are £400 per calendar month and £495 for terraced houses.

1.5 Balanced Housing Stock

1.5.1 Small Housing Units

- 1.5.2 Important differences exist between the levels of preference expressed for property types and their stock supply levels, especially the higher need and preference for flats / maisonettes at 22.9%, nearly three times the sales level and even compared to terraced houses where demand is less than half the sales level.

- 1.5.3 Small units, flats and terraced houses are only 26.9% of existing stock for market housing, a very low level in urban and national average terms (45%). All site briefs and regeneration projects should promote the house types which are under represented in the stock in line with the principles in PPS3 and future demographic and household formation change. In the medium to long term there is a requirement for more small units to create a more balanced housing stock

Table 1-2 All Households Market Demand by Type v. Stock and Turnover

Type	Existing Households		Concealed Households		All Moving Households		Market Housing Stock	Sales
	%	Nos.	%	Nos.	%	Nos.	%	%
Flat	10.3	497	46.7	1,194	22.9	1,691	14.6	24.3
Terraced	12.6	609	18.6	476	14.7	1,085	39.0	38.7
Semi-detached	46.4	2,241	28.0	716	40.0	2,957	25.6	22.4

1.5.4 There is a much higher level of preference at all life stages, from new forming singles and couples to retired people for two bedroom rather than one bedroom units. The total demand for one and two bedroom properties however is 52.8% of all demand, double the current stock level of 26.5%.

1.5.5 Although the turnover of 3 bedroom units is normally slower the total demand is only half of the supply level suggesting that the existing stock is more capable of meeting future demand from turnover.

Table 1-3 All Households Market Demand by Size v. Current Stock

Type	Existing Households		Concealed Households		Total Households		Stock of Market Housing
	%	Nos.	%	Nos.	%	Nos.	%
One bed	3.7	179	32.9	841	13.8	1,020	5.3
Two bed	31.8	1,536	52.6	1,345	39.0	2,881	21.2
Three bed	39.5	1,908	10.0	256	29.3	2,164	59.9

1.6 The Private Rented Sector

1.6.1 An effective and good quality private rented sector is important to an efficient overall housing market. This is also important in determining the need for affordable housing. The test of eligibility is that a household cannot afford to buy or rent in the private market, which because of lower monthly cost, is almost always based on ability to rent privately. Growth in the buy-to-let sector is needed to improve market access locally.

1.6.2 The private rented sector has a significant supply shortfall to meet demand from existing, in-migrant and new forming households. In practice it does not address any of the need from new households trying to enter the private market and strategy should promote the growth of this sector.

1.6.3 There is expected to be a continuing growth in the buy to let market which should provide higher quality properties in this sector. There is also clearly an ongoing need to improve the quality of existing older stock in this sector and to achieve long term improvement through an Accredited Landlords Scheme.

1.7 The Need for Affordable Housing

- 1.7.1 The total annual level of outstanding affordable need is 852 units, after allowing for current re-let and new unit supply assumed at 138 units a year. Total annual affordable need before new unit delivery is 990 units. Despite the evidence of the scale of need from existing and concealed households, there are wider issues to consider when setting targets for delivery of affordable housing from new developments. Primarily there is a need to build viable, sustainable developments.
- 1.7.2 Based on the evidence found in this assessment, the Local Development Framework should consider an overall affordable housing target of 40% of new units from the total of all suitable sites.
- 1.7.3 This overall target includes both housing for social rent (65%) and intermediate housing (35%) to meet the needs of low income households and those on average incomes unable to purchase, provided it is delivered at a cost below the cheapest entry level costs in the general market and would be available on a similar basis to subsequent purchasers.
- 1.7.4 The social rented stock in the Borough at 14.1% is below the national but equal to the regional average and provides 328 units annually from the flow of the existing stock.
- 1.7.5 In view of the scale of need, subsidised affordable units should be negotiated on all suitable sites, the target for each site taking into account existing supply, survey demand and other regeneration, planning, sustainability and economic factors. Targets may vary above and below this level both in total and by tenure on a site by site basis.
- 1.7.6 The average increases in entry-level house prices since 2003, 28.5% for terraced houses and 22.5% for flats, have excluded many 'first-time buyers' from the owner occupied market.
- 1.7.7 The tenure balance recommended is only in terms of the total delivery and will need to be assessed for individual sites to take account of the existing flow of re-lets from the rental stock and other area / neighbourhood priorities.
- 1.7.8 Housing strategy also needs to consider the needs of both new forming and existing households for social housing. This need must be assessed in the context of a market which is increasingly beyond the reach of low income existing and new forming households.
- 1.7.9 In addition to the scale of affordable housing to meet general household requirements, there are specific needs which should also be addressed. These are highlighted in the following sections.

1.8 Sheltered Housing

- 1.8.1 Over the next 3 years the data suggests a combined requirement for sheltered accommodation from older people currently living in the Borough (329 households) and those who may in-migrate to be beside their family (289 households) of 618 units, 438 in the affordable sector and 180 in the private sector.
- 1.8.2 Some of this requirement will be addressed by flow of the existing sheltered stock, but acceptability of existing stock to meet today's standards will need to be assessed in calculating the scale of new delivery.

- 1.8.3 The significantly higher level of elderly accommodation for people moving into the Borough is common to other DCA surveys and is a new factor in the housing market. Generally, the forecast is being made by their children who assist in the moving process. Conversely the indigenous older population prefer to continue in the area / surroundings they know and within their own home as long as possible and actual migration should be monitored annually.

1.9 Extra Care Housing

- 1.9.1 The significant levels of growth in the older population in future will have a direct impact on the nature of specialist accommodation requirements for older people.
- 1.9.2 Extra Care accommodation is housing which offers self-contained accommodation together with communal facilities and where care, as well as support services, is provided from a team based on a site.
- 1.9.3 This survey identified a need for 85 units of extra care accommodation over the next three years. The need is likely to be greater than this level and an audit of existing sheltered housing schemes should be undertaken as part of the development of an Older Persons Housing Strategy.

1.10 Supported Housing and Support Issues

- 1.10.1 The Survey identified a need over the next three years for: -
- 167 units of independent general accommodation with external support;
 - 329 units of Council / HA sheltered housing units.
- 1.10.2 19.2% of households in the Borough contain somebody with a disability (6,588 households implied), of which 16.2% had two members affected. 69.0% of all household members were over 60, including 38.7% over 75.
- 1.10.3 The largest group affected by a named disability were those with a walking difficulty, representing 51.4% of those with a support need.
- 1.10.4 7.4% of these households contained someone who was a wheelchair user, suggesting around 511 in Gosport as a whole.
- 1.10.5 Some 19.9% (567 implied of household members with support needs) felt they needed care or support which is not currently provided.
- 1.10.6 9.7% of all dwellings have been adapted to meet the needs of a disabled person. 50.9% have access to property adaptations, 56.6% have handrails / grabrails and 38.2% have a ground floor toilet.

1.11 Housing Stock Balance Analysis

- 1.11.1 The nature and turnover of the existing housing stock is vitally important in meeting current and future housing demand in all tenures. The information gained from a separate detailed stock flow analysis will be of major benefit to the development of site development briefs for the delivery of both private sector and affordable sectors, in balancing housing markets and in longer-term business planning.
- 1.11.2 This report is titled the Balancing Housing Markets survey, and is a separate report from the main Housing Market and Needs Survey.

1.12 Recommendations

1.12.1 Balancing the Housing Market

- Provide a mix of house types in both market and social sectors, but mainly flats and terraced housing, to meet the needs for smaller units from new and existing households, address stock imbalance and the impact of demographic change.
- Continue to negotiate with prospective developers towards achieving affordable homes from all the suitable sites coming forward for planning consent over the period of the Local Development Framework.
- Based on the evidence in this assessment the LDF Core Strategy should maintain an overall affordable housing target of 40% of the total of all suitable private sector sites.
- The rise in house prices in excess of inflation is resulting in greater difficulty in entering the local housing market. Within the overall target a broad balance of 65% for social rent and 35% as intermediate housing should be considered, provided it is delivered at a cost below the cheapest entry level costs in the general market and would be available on a similar basis to subsequent purchasers.
- Both the affordable housing target and the tenure balance within it may vary on a site by site basis.
- The Development Plan should promote the lowest threshold considered viable and which will deliver additional affordable units from smaller sites.

1.12.2 Older Persons Housing Needs

- Complete the development of the Older Persons Housing Strategy to address the current and future growth in older people and frail older households across all tenures, and their related care and support needs to:-
 - ◆ assess and prioritise the need for support services and adaptation required to keep people in their own home;
 - ◆ re-assess existing sheltered stock in meeting today's housing standards and preferences;
 - ◆ assess the need for 'extra care' accommodation for the growing frail elderly population.

1.12.3 Disabled Persons Housing Needs

- Continue to promote disabled adaptations in order to improve the ratio of suitably adapted properties for disabled people.
- Continue to develop a register of adapted property and disabled people needing adapted accommodation in order to facilitate better matching.
- Consider strengthening Policy RH9 to deliver Lifetime Homes standards for all new housing.

AGENDA ITEM NO. 7

Board/Committee:	Housing Board
Date of Meeting:	23 rd January 2008
Title:	Partnering Arrangement (Reactive Repairs) Progress Report
Author:	Housing Services Manager/CH
Status:	FOR CONSIDERATION

Purpose

To report progress to Members of the Partnering Arrangement for the delivery of Day to Day and Voids Service

Recommendation

That Members note the key findings of the review.

1 Background

- 1.1 In March 2006 the Housing Service entered into a bespoke partnering contract with Connaught Ltd for the provision of the response repairs, voids and associated works for 5 years. The Contract is worth approximately £1.7M comprising of £1.2M for response repairs and £0.5M for void works per annum.
- 1.2 The responsive repairs service covers the day-to-day maintenance of the Council's housing stock. It is provided 365 days a year, 24 hours a day. As a front line service, it is a focal point for contact among the Council's tenants. It is perceived by many tenants as the most important service we provide (See Appendix 1) and in this respect it is highly influential in shaping tenants' views about the quality of the landlord services they receive in general from Gosport Borough Council.
- 1.3 This report looks at performance in 2006-07, the first full year of the partnering arrangement for day to day repairs and the voids work.

2 REACTIVE: DAY TO DAY REPAIRS

Completion Rates within Specified Times

- 2.1 The effectiveness of the partnering arrangement at responding to repair requests within set timescales was monitored. The maximum allowed response times under the partnership for each category of repair is highlighted in table 2.1:

Category	Time Scale
1	Emergency (within 24 hours)
2	Urgent: Within 3 working days
3	Within 7 working days
4	Routine: Within 20 working days
5/6	Non standard jobs outside of contractual/statutory obligations eg OAP decorations scheme

Table 2.1

- 2.2 Speed of response to repair requests is a local performance indicator. The target for 2006-07 was for 97.5% of jobs to be completed “in time”. The actual performance for the period was 93% completed “in time”. The number of repairs completed within priority time for April 2006 to March 2007 are outlined in table 2.2 below.

Completions on Time*		
	Previous Contractor 2005-06	Connaught 2006-07
1	99%	96%
2	89%	97%
3	89%	98%
4	95%	99%
totals	94%	99%
Other categories	n/avail	100%

Table 2.2

- 2.3 For comparison the performance in the previous years is outlined in table 2.3 below

Completions on Time*			
Category	2004/2005	2003/04	2002/03
1	99.74%	99.23%	99.03%
2	96.06%	77.44%	94.11%
3	94.59%	72.38%	95.64%
4	96.54%	79.50%	93.22%
totals	97.34%	88.02%	95.69%

*Or legitimate reason for late completion

Table 2.3

- 2.4 The percentage of completion rates within specified times have exceeded past performance, and are particularly encouraging given that 2006-07 was the first year of the partnering arrangement.

2.5 *Number of Day to Day Jobs Completed*

It should be noted that there has also been a significant trend away from Category 1 emergency repairs towards more programmed repair work (see table 2.4) in category 4. In 2005-06 over 39% of all day to day repair work undertaken was on a Category 1 emergency repairs. In 2006-07 this proportion fell significantly, to just 6%. This is generally seen as good practice, allowing work to be programmed, rather than being purely reactive.

Number of Day to Day Jobs Completed			
Priority	Previous Contractor 2005-06	Connaught 2006-07	Diff
1	1944	251	-1693
2	1463	293	-1170
3	365	198	-167
4	1253	3129	+1876
	5025	3871	
5/6	53	455	+402
external contractors	2044	2383	+339

Table 2.4

- 2.6 The total number of day to day jobs undertaken by Connaught is down on previous years. When the number jobs undertaken outside the main categories (402 more in 06-07) and

jobs undertaken by other contractors (329 more in 06-07) are taken into account there has still been a fall of 5.8% in jobs ordered between 2005-06 and 2006-07. This fall is consistent with existing trends; there was a fall of 6% between 2003-04 & 2004-05 and a further fall of 12% between 2004-05 and 2005-06. This has previously been attributable to:

- Better administration with the IBS Housing Management Information system resulting for example in fewer duplicate jobs.
- The impact of recent capital programmes reducing day to day expenditure

2.7 Historically the “fanfare” around the appointment of a new contractor has contributed to an initial increase in demand at the start of a new contract, which subsequently tails off. This does *not appear* to be the case here, and further contributory factors may be:

- More effective “gate keeping” of jobs being raised, so that jobs for which there is no contractual or statutory requirement to do are not undertaken
- the use of multi-trades on one order

There may also be more effective “packaging” of a number of jobs for a location under one order rather than one job/one order. This is indicated by the higher average cost per job (see 2.8 below). The latter being administratively more efficient. It may however serve to prevent direct comparisons between different contractors.

2.8 Speed of response to repair requests

The time taken to undertake work shows a marked reduction for non urgent jobs (13 days to 7 on average while the remainder of priorities remains relatively consistent with the previous years performance, as demonstrated in table 2.5 below.

	Previous Contractor 2005-06	Connaught 2006-07
	Average time (days)	Average time (days)
emergency (24 hrs)	0.16	0.39
urgent (3 days)	3.07	1.15
within 7 days	7.91	3.26
routine (20 days)	15.03	7.15
Non emergency: govt timescales (Priority 2,3,4)	8.60	6.17
average time to complete jobs (all categories 1-4)	5.33	6.06
average time to complete non urgent jobs (Priority 3,4)	13.43	6.92

Table 2.5

Average cost of Reactive with Connaught = £131.87

Average cost of Reactive of previous contractor = £101.56 (inflation adjusted)

3 EMERGENCY JOBS

3.1 The difference between time taken to complete an emergency repair is likely to be down to recording systems. Connaught operate a more sophisticated tracking system monitoring hours taken before completion. The “clock stops” on a job when complete whereas previously it was taken from the day the operative completed.

The ratio has moved (approximately) from 1:3 jobs being an emergency in 2005-06 to 1:15 in 2006-07. This is consistent with profiling elsewhere for other housing providers.

4 CALL OUTS (OUT OF HOURS SERVICE)

- 4.1 The out of hours service is provided to deal with the true emergencies that occur when the normal services are not available. It is a valuable service for residents particularly in dealing with floods and electrical problems where it would not be appropriate to wait until the next working day. It is a more expensive service (cost per job) as a result of operative pay supplements for unsociable hours.
- 4.2 Although popular with residents it is known that there was a degree of “flexibility” in the previous use of the service where residents found it more convenient to call the out of hours service and have an evening repair done, rather than make arrangement during the working day to provide access for operatives. The details are as follows:

Contractor	No of call outs	Cost of call outs
Connaught call outs 06/07	417	£11,354
Previous Contractor call outs 05/06	511	£46,687

- 4.3 The average cost of jobs under the call out service has fallen from £91.36 to £27.23 although the proportion of the call outs in relation to the total number of jobs ordered under the partnership has remained consistent between 2005-06 and 2006-07 at 9.2% and 9.8% of all jobs respectively.

5 APPOINTMENTS

- 5.1 The making of specific appointments with residents for work to be carried out is seen as good practise as it gives assurance to the resident and maximises possibility of the operative gaining access to carry out the work and minimises wasted travelling time.
- 5.2 In 2005-06 742 jobs out of 2124 eligible repairs (category 4 jobs) were carried out on appointment. That represents 35% of eligible repairs. Under the new partnering arrangement in 2006-07, 3693 appointments were made out of the 3871 eligible jobs. This represents 95% of eligible repairs, a significant improvement over past performance (see table 5.1).

Appointments as a % of jobs raised that were made & kept by main contractor for routine jobs (formerly BVPI 185)	2006-07	2005-06	2004-05	2003-04	2002-03
	95%	35%	38%	20%	16%

Table 5.1

6 EMPTY PROPERTIES [VOIDS]

Costs

- 6.1 Costs per void fell in 2006-7 by 11% on average (£274 per property). This is even better when adjustments are made for inflation. The cost of the void depend on the work that is required and this does vary from one property to another and can vary from one year to the next depending on voids standard policy, statutory requirements and Decent Homes strategy. Although there have been no changes between 2005-06 and the review period there may be unknown variables, other than cost, that have impacted on the average price. Nevertheless it is encouraging to note the reduction of the average cost of bringing a

standard void back into use.

Year	Average cost of standard voids	Total No of Voids let in period
03-04	£1,742	290
04-05	£2,675	279
05-06	£2,434	255
06-07	£2,160	272

6.2 Speed of "Turnaround"

The result is that we have managed 272 voids in the reporting period and reduced the average void turn around for "time keys with the contractor" from 17 days to 11 days. This has had an impact on the overall "turnaround" performance on empty properties. The (best value) performance indicator information provided to central government has shown a significant improvement (see table 6.1 below). A *contributory* factor has been the speed of Connaught in repairing the properties prior to re-let.

BVPI 212: Empty Property Re-let turnaround times		
Year	No. of days from void to re-let	No of empty properties in year
2005/06: Previous Contractor	47 days	256
2006-07: Connaught	32 days	272

7 CUSTOMER SATISFACTION

7.1 Customer satisfaction was recorded in three ways in 2006-07:

- The standard satisfaction slips issued with each job that tenants complete and return.
- Telephone survey conducted by GBC staff of selected tenants after individual work completed
- In addition this year, the triennial General Status survey of residents (under BVPI 74 & 75) which in 2006-07 Housing Services included non standard questions relating to the repairs service.

7.2 Standard Satisfaction Slip Returns & Telephone survey

The recorded satisfaction levels recorded are as detailed below:

2005-06 (Previous Contractor)

Total no surveyed: 948 – 368 card returns & 580 telephone surveys

	Yes	No	No answer
How easy to report repair?	88.19%	1.16%	10.65%
How helpful/polite were staff?	88.29%	0.42%	11.29%
How clean & tidy was home left?	87.13%	0.53%	11.92%
Satisfaction with level of work?	89.77%	5.06%	5.17%

2005-06	Satisfied customers	Dissatisfied customers
	855	22
	97.49%	2.51%

2006-07 (Connaught)

	<i>Excellent</i>	<i>Good</i>	<i>Satisfactory</i>	<i>Poor</i>	<i>Very Poor</i>
<i>How easy to report repair?</i>	75%	19%	4%	1%	0%
<i>How helpful/polite were staff?</i>	86%	13%	1%	0%	0%
<i>How clean & tidy was home left?</i>	83%	15%	1%	0%	0%
<i>Satisfaction with level of work?</i>	92%	7%	0%	0%	0%
<i>Appointment time kept?</i>	Yes: 97%				
	No: 1%				
	N/A: 2%				

Total no of surveyed: **835**

7.3 Satisfaction of Overall Service (triennial General Status survey of residents)

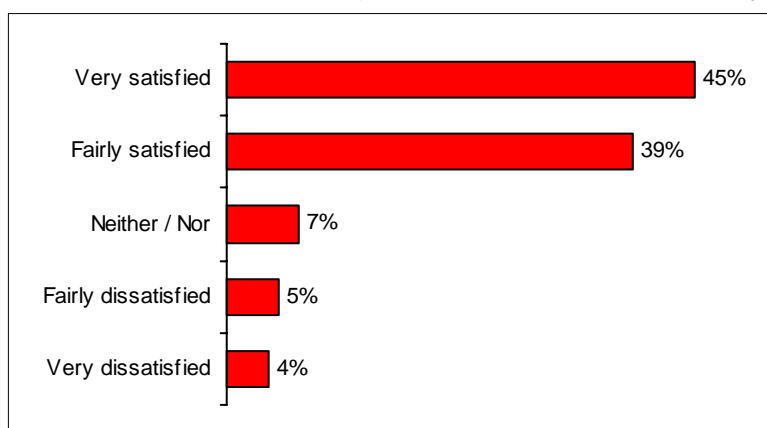


Figure 1: satisfaction with the way landlord deals with repairs and maintenance

Base = 867 respondents

7.3.1 Tenants were asked what they thought about the repairs and maintenance service they received.

- 84% of tenants were satisfied with the service overall (45% very satisfied and 39% fairly satisfied)
- A further 9% were overall dissatisfied (5% fairly dissatisfied and 4% very dissatisfied)
- Consistent with other survey findings, pensioner households were most likely to be satisfied with the service overall (94% were satisfied).

7.3.2 Tenants who had a repair completed in the last 12 months were then asked a series of questions about the service they received.

- Nine out of ten people or better rated all aspects of the repair service, except time taken before work started, as good.
- Operatives attitudes were rated most highly at 93%. Nine in ten tenants stated that the overall quality of work was good and the same number were happy with the speed with which work was completed (once job started).
- Compared with other household types, pensioner households were the most positive.

- 7.3.3 The surveys support the contention that resident satisfaction with the service has continued to improve since the new partnering arrangement has come into force. The MRUK survey conclusion was that *“satisfaction with the way Gosport deals with repairs and maintenance was rated highly, as were all aspects of the repairs services. Tenants prioritised the repair and maintenance service as the most important housing service delivered by the Council.”*

8 BENCHMARKING

8.1 Costs

A selection of high use jobs have been compared for costs. The typical costs for these jobs have been detailed below:

Description	Previous Contractor	Connaught	National Costs Comparisons
Replace WHB taps with lever	£157.16	£86.00	£93.51
Renew toilet cistern	£109.58	£82.00	£154.87
Replace internal door	£84.98	£57.00	£131.33
Renew garage door	£341.27	£322.00	£416.98
Patch repair small area plaster	£28.69	£76.00	£28.91
Renew vinyl floor tiles (sq.m.)	£13.79	£76.00	£32.14
Replace kitchen base unit (double)	£257.39	£210.00	£198.33
Replace kitchen wall unit (double)	£156.76	£174.00	£133.2
Type A electrical test	£94.28	£33.00	£84.9
Paint hall, stairs, landing (inc.ceiling)	£454.87	£228.00	£624.15
totals	£1698.77	£1344.00	£1898.32

This random selection of “typical” jobs indicates favourable comparisons in costs (previous contractor figures not inflation adjusted) per job between the previous contractor in 2005-06 and Connaught under the new partnering arrangement in 2006-07. As expected there will be areas where the previous contractor was cheaper but overall the current service is more cost effective. The national comparisons are calculated by averaging a number of costs for jobs in different regions. In comparison to both the overall picture (as indicated by comparisons of the totals) is good.

8.2 Performance

- 8.2.1 Completion Rates within Specified Times: Compared to data held by the benchmarking club “Housemark” the current performance, when compared to other providers in the region, is a top quartile (top 25%) performance (5th out of 66 in the sample).
- 8.2.2 Speed of response to repair requests: Compared to data held by the benchmarking club “Housemark” the current performance, when compared to other providers in the region, is a top quartile (top 25%) performance.
- 8.2.3 Appointments: Compared to data held by the benchmarking club “Housemark” the current performance, when compared to other providers in the region, is a top quartile (top 25%) performance.
- 8.2.4 Voids: When compared to all other district councils through the national performance tables (as submitted to the Communities and Local Government [CLG]) this moves the Housing Service from a 3rd quartile performance to a 2nd quartile performance.

9 FINANCIAL

9.1 General

Partnering arrangements, particularly for reactive repairs, are at the forefront of service delivery initiatives within the public sector. Protocols, guidance and established good practice for the delivery and control of such arrangements are still being developed nationally. Housing Services, in consultation with Internal Audit and Corporate Finance have developed effective arrangements to ensure tight monitoring processes. These arrangements were submitted to Housing Board in November 2007 and duly approved.

9.2 Open Booking Accounting

Open Book Accounting does not have a precise meaning in accountancy terms. It is a process by which both contractor and client have access to the financial information of each other. There are differing degrees to the extent that the financial information can be revealed. The Connaught GBC arrangement is wider – enabling GBC to scrutinize operating costs, returns, material costs and labour costs. The arrangement is subject to audited twice a year.

- 9.3 To reduce administration costs we agreed for payment to be made in 12 equal monthly payments based on last years spend. This equated to £142,000 per month. Actual costs were reconciled periodically and any balancing payments made. – Whilst this is a recognisable reduction in administration and invoice processing, it is important that reconciliation is done at least quarterly so that the projected cost can be monitored.

10 WIDER INITIATIVES

- 10.1 Any element of Partnering is the development of initiatives that are not necessarily directly linked to performance. The idea is that both partnered organisations work to achieve a wider impact than solely the repair of homes.
- 10.2 Local Recruitment initiatives have resulted in (currently) all 100% front line operatives live within the Gosport boundary (postcodes PO12 & PO13). There is also the Connaught Academy Apprentice Scheme that local operatives are benefiting from with an electrician and carpenter being trained for CSCS (Construction Skills Cert Scheme).
- 10.3 Furthermore, as Connaught has been able to incorporate other clients into the Reactive Maintenance delivery run from Gosport, there will be inevitable savings made on the preliminary costs with Year 2 of the arrangement. These savings will include a proportion of both staff and the depot costs.

11 FUTURE INITIATIVES

- 11.1 There can be more to a partnership than the delivery of a repairs service. Other initiatives currently being explored within the partnership with Connaught are:
- Carbon footprint strategy: delivery & property emissions, recycling initiatives
 - Community Investment: 1% of volume donation to community work that could which could range from playground upgrades “One in a Million” 08-09 could amount to £50k.
 - Wolseley Group (nationally preferred contractor) to take over supply of materials. Cheaper and eliminates supply chain queries.

12 CONCLUSIONS

12.1 A review of the first year of the Partnering arrangement has established:

- The team has improved the management of priorities to better identify true emergencies and make a major impact on achieving GBC objective of completing more planned and fewer reactive repairs.
- On the evidence of resident surveys undertaken there has been an increase in satisfaction of tenants relating to the repairs service since partnering was introduced.
- The appointments system has been greatly extended providing efficiency savings and, in all likelihood, contributing to the increased levels of tenant satisfaction
- Initial considerations indicate that on a range of high demand jobs the costs are better than the previous contractor although this is not the case across the whole range of jobs, and this needs to be monitored with further research.
- Void turnaround times have improved and average costs per void have decreased, although it is possible that the reduction of costs may not be associated with the new arrangement but the nature and type of work being undertaken.
- Completion rates within specified times have improved significantly on previous years performance although performance in 2007-08 indicated that the “ironing out” technical anomalies, the recorded performance will be enhanced still further.
- Speed of response to repair requests of day to day repairs has improved considerable for priority 3 and 4 jobs while remaining similar to the previous years performance in priority 1 and 2 work.

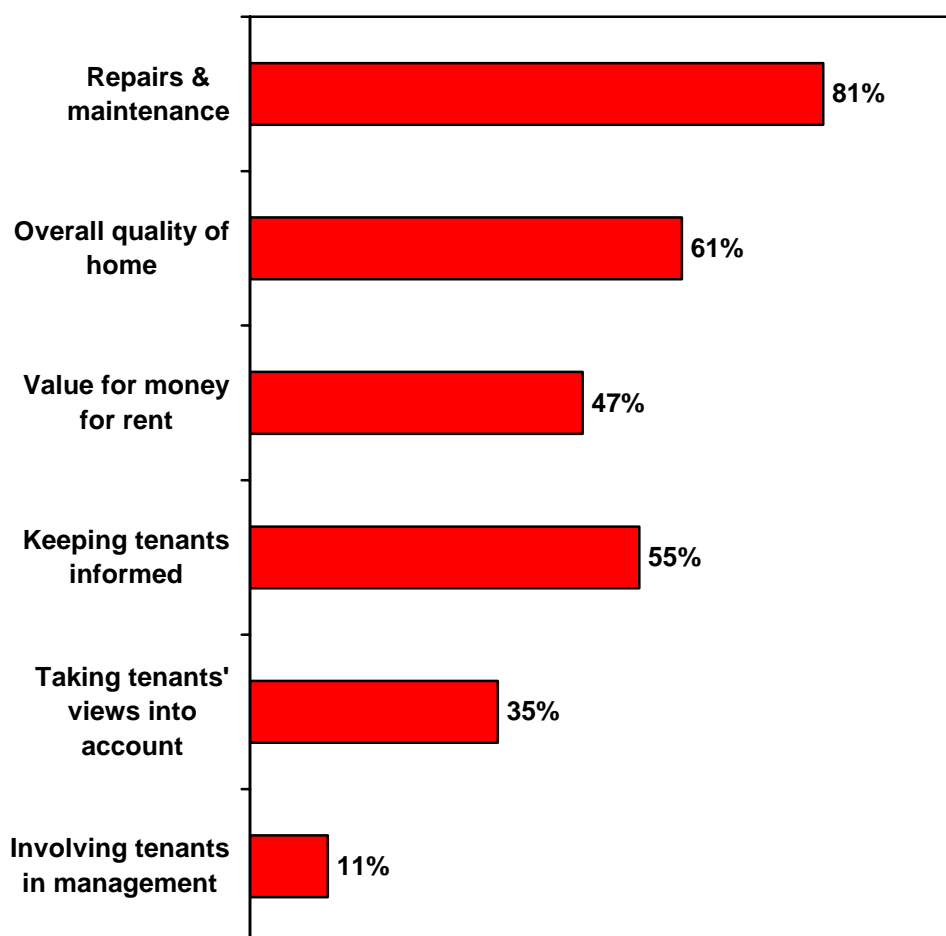
Financial Services comments:	The monitoring and management procedures relating to the Connaught partnering contract have been reviewed and improved in the current year as detailed in the report to Housing Board 7 November 2007.
Legal Services comments:	None
Service Improvement Plan implications:	The establishment of a R&M Partner was a Housing Service SIP action for 2005-06
Corporate Plan:	None
Risk Assessment:	No risks associated with this report
Background papers:	None
Appendices/Enclosures: Appendix 'A'	Extract from TENANT SATISFACTION STATUS SURVEY EXECUTIVE SUMMARY
Report author/ Lead Officer:	Charles Harman/Kim Carron & Oona Hickson

Extract from **GOSPORT BOROUGH COUNCIL**
TENANT SATISFACTION STATUS SURVEY
EXECUTIVE SUMMARY
JANUARY 2007
[Carried out by MRUK Research in Nov 07]

SERVICE PRIORITIES

We asked residents which three services they saw as the most important, and Figure E7.1 shows the ranking of these, with the percentage of tenants stating which they saw as important. Repairs and maintenance emerges as the most important service for tenants (81% of residents saw this as important), followed by 61% who selected the overall quality of the home. More than half (55%) thought that keeping residents informed was most important, and 47% saw rent and value for money as one of the most important services. About one in three people thought that it was important to take tenants' views into account.

Figure E7.1: Ranking of Services as Important



Base : All residents, excluding 'Not stated' responses

Agenda item no. 8

Board/Committee:	Housing Board
Date of Meeting:	23 January 2008
Title:	Council Dwelling Rents 2008/2009
Author:	Financial Services Manager and Housing Services Manager
Status:	For Decision

Purpose

This report considers the Board's revised 2007/2008 budget and the 2008/2009 budget for the Housing Revenue Account and makes recommendations on rent levels for next year.

Recommendations

It is recommended that with effect from 7th April 2008.

- 1.1 The average weekly Council Dwelling rents to increase by 5.37%
- 1.2 Garage, carports and parking lot rents to increase by 5.00%.

1.0 Background

- 1.1 This report considers the revised budget for 2007/2008 and the budget for 2008/2009 for the Housing Revenue Account (Appendix 1).
- 1.2 The report makes recommendations on rent levels for next year. A schedule detailing proposed rent levels is attached at (Appendix 2).

2.0 Housing Revenue Account (HRA)

- 2.1 The HRA revised council house maintenance budget for 2007/2008 is £2.741M, a decrease of £0.186M on the Original budget. The principle cause of this is a need to restore the balance of the HRA reserve to a level in line with the medium term financial strategy. The council house maintenance budget for 2008/2009 is £2.524M representing a £0.217M reduction on the 2007/2008 revised estimate.
- 2.2 It is anticipated that HRA balance level will increase to £583,000 from the current balance of £168,000 by the end of the financial year 2007/08. This is primarily due to a reduction in revenue contributions to the capital programme and a reduction in management costs. It is predicted that the HRA balance will remain the same at £583,000 at the end of the financial year 2008/09. This will be achieved by once again reducing revenue

contributions to the capital programme and by making significant cuts to housing management costs.

- 2.3 The draft housing subsidy settlement for this authority is particularly disappointing and an increase of £1,080,000 payable to the Government is budgeted for 2008/09. This is primarily due to guideline rents increasing by 5.37% and management and maintenance allowances by only 0.66%. Last year showed similar differentials between the guideline rent and the management and maintenance allowances but this was offset by the rental constraint allowance. This has been removed from the subsidy formula for this year. A 5.37% rent increase is assumed within the formula which, if approved, will reduce the subsidy deficit to approximately £650,000 but in order to retain an adequate level of reserve significant savings have needed to be found.

3.0 HRA Capital Programme

- 3.1 The Capital Programme for 2007/2008 to 2012/2013 is shown on page 46 of the draft budget book. The HRA Capital Programme totalling approximately £4.366M in the revised budget for 2007/08 is funded from the Major Repairs Allowance (MRA) £2.165M and capital receipts and borrowing of £2.202M. The Capital Programme for 2008/09 is £3.676M as we work to achieve the Decent Homes Standard by December 2010.
- 3.2 The expenditure for 2008/09 of £3.676M is to be financed from MRA £2.161M and the remainder of £1.515M would be funded by capital receipts and prudential borrowing.

4.0 HRA Subsidy

- 4.1 There has been a slight increase in the formula for Management and Maintenance allowances, but the overall allowance for this authority has actually decreased. This is due to the anticipated reduction in stock numbers as a result of Right to Buy. The allowance will drop from £5.141M to £5.124M. This represents a decrease of around 0.33%.
- 4.2 The Major Repairs Allowance (MRA) has increased from £660 per property in 2007/08 to £663 in 2008/09, an increase of 0.45%. The MRA provides the Council with the resources to maintain the condition of our housing stock over the long term and keep on track to achieve the Decent Homes Standard to 2010.
- 4.3 There are further changes in the methodology for calculating formula rents as some of the larger authorities have struggled to reduce their rents to meet the deadline for rent restructuring which was originally set for 2012. Authorities have now been given flexibility with regard to rental convergence with the date now pushed out to 2016/17 to enable those authorities to have a greater chance of achieving it.

- 4.4 The HRA subsidy settlement is a one year settlement for 2008/09 as opposed to the two year settlement that was expected. A new settlement will be released for 2009/10 as wider reforms of the HRA subsidy system are explored.
- 4.5 Although the DCLG have decided to remove the Rental Constraint Allowance for 2008/09 they have indicated that they will compensate authorities in 2009/10 through caps and limits calculations. This would be an allowance calculated on an individual property basis. It would be based on the difference between a rent that could have been charged if an authority had increased its rents purely on the basis of guideline rents and not taken into consideration the additional constraints recommended in the relevant years determination. There is a possibility that this allowance will be able to be accrued back at the end of 2008/09, although confirmation has not been received to date.

5.0 2008/2009 Rent Level Proposals

- 5.1 The Government policy of rent restructuring came into effect in 2002/03 and a review of the policy took place during the summer of 2004. This was discussed in detail in the HRA Council dwellings report for 06/07.
- 5.2 In order to maintain the move towards target rents in equal annual steps, a national average increase of 7% would be needed. However the DCLG has estimated by using the RPI+0.5%+£2 rule this will limit the increases to an average of 5.5% nationally, if necessary by using the tolerances within the system. The guideline rent is a major factor in determining the level of subsidy an authority receives. The guideline rent, set by the DCLG, for this authority has increased by 5.37% in 2008/09 and the impact of this when input in subsidy calculation is a net loss of subsidy to this Council of £1,060,000 for 2008/09.
- 5.3 The introduction of the new proposals have meant target rents have increased significantly and actual rents will have to increase by £3.32 (5.37%) on average in order for Gosport to achieve rent convergence by 2012 for the majority of its properties. It was a Government requirement that we achieved rent convergence by 2012, but as mentioned in paragraph 4.4 this has now been rebased and the legislation gives authorities the choice of either 2012 or 2017 as its target date for rent convergence.
- 5.4 In 2001 changes were made to the way that the Government subsidised the Housing Revenue Account (HRA), by introducing Rent Restructuring. Under a process know as 'convergence', the rents of Gosport Borough Council properties will be increased incrementally each year, so as to reach the restructured levels by 20011/12.

- 5.5 This process requires Local Authorities and housing associations to set their rents based upon a range of factors, including average wages, property size and location and condition.
- 5.6 The Governments reasons for Rent Restructuring are:
- To ensure social rents should remain affordable and well below those in the private sector
 - To ensure social rents should be fairer and less confusing for tenants
 - To provide a closer link between rents and the qualities which tenants value in properties
- 5.7 This process is intended to achieve a 'harmonisation' of rents, so that similar properties in the same area should have similar rents. Rent restructuring is also about clarity and transparency. It aims to bring some coherence to the rather haphazard picture across the social rented sector.
- 5.8 This Council has made excellent progress towards compliance with a valuation of stock consisting of a number of beacon valuations further divided into variants where necessary.
- 5.9 This Authority has applied property specific rent restructuring from 2003/04 and using the Government's prescribed formula it is calculated that an average increase of 5.37% is required this year. In addition to helping achieve rent convergence this increase is required to at least partly offset the loss in subsidy as a result of the rental constraint allowance no longer being granted. The proposed 5.37% increase is equal to the 5.37% guideline rent increase imposed through the subsidy mechanism.
- 5.10 It is proposed to increase rent levels for garages, carports and parking lots by 5.00% from April 2007.

6.0 HRA Balance Levels

- 6.1 A report was taken to Housing Board 7 November 2007 concerning the restoration of HRA balances which estimated that a balance of £507,000 would be achieved by 31.3.07. The current revised estimate indicates this will be exceeded and a balance level of £583,000 will be achieved.
- 6.2 It was also recommended that the HRA budget for 2008/09 be prepared with a view of achieving the minimum acceptable level as detailed in the Medium Term Financial Strategy (currently £650,000) which is equivalent to £200 per property. Although this may decrease by 31.03.09 due to falling stock numbers it is not considered feasible as a result of the subsidy loss to increase the balance further during 2008/09.

- 6.3 Should it be possible to accrue for further subsidy as a result of the Caps and Limits adjustment (paragraph 4.5) and additional funds are available the objective of restoring the balances will be treated as a priority.

7.0 Other Properties

- 7.1 There are a small number of other committee properties where the rent levels are assessed in line with HRA properties. The proposal is to also increase these by 5.37%.

8.0 Comparisons with the Private Sector

- 8.1 The Local Government and Housing Act 1989 requires local housing authorities to 'have regard in particular to the principle that the rents of houses of any class or description should bear broadly the same proportion to private sector rents as the rents of houses of any other class or description'. The Government's policy for social rents that are fair, affordable and less confusing for tenants was set out in the Dec 2000 policy statement, "The way forward for Housing". Further details were given in "A Guide to Social Rent Reforms" which was issued at the same time.

9.0 Conclusions

- 9.1 The Government's rent restructuring policy came into effect in 2002/03 although Authorities had been given the option not to implement the restructuring on an individual property basis until 2003/04. This authority agreed to the implementation of rent restructuring for 2003/04. In order for rent convergence to be achieved by 2012 and an effective service can continue for the tenants of Gosport it is necessary that the proposed average rental increase of 5.37% is approved.

Financial Implications:	As set out in the report
Legal Implications:	The council is under a duty to set a budget which prevents a debit balance arising on the Housing Revenue Account
Service Improvement Plan Implications:	The meeting of the Decent Homes Standard by 2010 is a key Service Improvement Plan (SIP) objective of the Housing Service
Corporate Plan:	More effective performance management, which includes making the best use of our assets, is a strategic priority in the Corporate Plan.
Risk Assessment:	As set out in the report

Background Papers:	Draft Budget Book and Fees & Charges
Appendices/Enclosures:	Appendix 1: HRA 2007/08 Revised budget & HRA 2008/09. Appendix 2: A schedule detailing proposed rent levels
Report Author/Lead Officer:	Tim Hoskins & Julian Bowcher

	ORIGINAL 2007/2008 £000	REVISED 2007/2008 £000	ESTIMATE 2008/2009 £000
Income			
Dwelling Rents	9,570	9,719	10,002
Shops & Garages	223	225	236
Service Charges	484	383	399
	<u>10,277</u>	<u>10,327</u>	<u>10,637</u>
Expenditure			
Management	2,775	2,764	2,608
Maintenance	2,927	2,741	2,524
Rents, Rates, Taxes, Other Charges	99	73	77
Cost Of Capital/Impairment/Deferred Charges	6,118	0	0
Depreciation	2,163	2,165	2,161
Transitional Contribution for Rent Rebates	0	0	0
HRA Subsidy(including MRA)	2,039	2,111	3,172
	<u>16,121</u>	<u>9,854</u>	<u>10,542</u>
Net Cost Of Services	<u>5,844</u>	<u>(473)</u>	<u>(95)</u>
TFR AMRA (Difference between cost of capital and impairment/ deferred charges and HRA interest costs)	(6,108)	0	0
Item 8 debit	0	110	130
HRA Investment income/mortgage interest	(49)	(53)	(35)
	<u>(6,157)</u>	<u>57</u>	<u>95</u>
Net Operating Expenditure	<u>(313)</u>	<u>(416)</u>	<u>0</u>
Appropriations			
Revenue Contributions to Capital	400	0	0
Housing Revenue Account Balance			
Surplus/(-)Deficit at beginning of Year	901	168	584
Surplus/(-)Deficit for Year	(87)	416	0
Surplus(-)/Deficit at end of Year	814	584	584

Appendix 2

TYPE	Bedroom	Count	Weekly Total Rent Income	Weekly Average Rent	Maximum Rent Charge	Minimum Rent Charge
Bedsit	1	12	525	43.71	49.99	42.56
Bungalow	1	316	18573	58.78	70.03	51.56
Bungalow	2	63	4402	69.87	73.54	57.54
Bungalow	3	11	886	80.54	83.05	72.58
Flat	1	953	55356	58.09	67.05	46.33
Flat	2	59	4274	72.44	75.73	61.55
Flat	3	17	1306	76.85	82.78	69.62
House	1	10	616	61.56	63.86	61.30
House	2	305	20278	66.49	74.81	57.28
House	3	921	68794	74.70	83.80	49.47
House	4	83	6713	80.88	90.42	69.27
House	5	1	78	77.60	77.60	77.60
Maisonette	1	24	1575	65.63	72.81	60.53
Maisonette	2	109	7265	66.65	83.80	59.16
Maisonette	3	58	3933	67.80	76.64	62.28
Maisonette	4	2	170	84.98	84.98	84.98
Sheltered Bedsit	1	13	586	45.05	46.16	44.85
Sheltered Bungalow	1	50	2810	56.21	61.84	41.71
Sheltered Flat	1	126	7070	56.11	72.46	46.61
Sheltered Flat	2	2	144.85	72.425	80.15	64.7

Please Note: The above average weekly rental charge includes the service charge element

Rental Increase By Amount

89	Properties will have a nil increase
1025	Properties will have an increase of between £2-£3
1961	Properties will have an increase of £3 and over
60	Properties will have an increase of £4 and over

Agenda item no. 9

Board/Committee:	Housing Board
Date Of Meeting:	23rd January 2008
Title:	Housing General Fund Budget 2008/2009
Author:	Financial Services Manager and Housing Services Manager
Status:	For Recommendation to Policy & Organisation Board

Purpose

The purpose of this report is to consider the Board's revised 2007/08 and 2008/09 budgets, including the Board's fees and charges for 2008/09 and capital programme, and recommend thereon to the Policy and Organisation Board for inclusion in the Council's overall budget proposals.

Recommendation

The Board is requested to recommend to P&O Board its requirements for

- the revenue budget (revised 2007/08 and estimate 2008/09)
- the fees and charges for 2008/09
- the capital programme 2007/08 to 2012/13

1.0 BACKGROUND

- 1.1 The Board is required to consider and recommend to P&O Board its requirements for the 2007/08 and 2008/09 financial years.
- 1.2 P&O Board will consider its own and other Board requirements on 29th January, and make recommendations to Council regarding the overall Council budget.
- 1.3 Members have been circulated with drafts of both the Budget and Fees and Charges Books for 2008/09. The draft figures have been compiled in line with the guidance contained in the Council's budget strategy (P&O Board 27th June 2007).
- 1.4 This Boards budgets are contained on the following pages:
 - Revenue budgets pages 15 to 17
 - Revenue variances appendix 1, page 3
 - Capital programme page 46

1.5 The Budget Book continues to be presented in the revised format that was first used last year (2007/08) that is aimed at providing a presentation that more readily aligns with the Council's service unit structure.

1.6 There are several general points regarding the reported figures:

- Administration Recharges

Administration recharges represent the cost of the Council's service units – both frontline and support – that are incurred in providing the Council's services. They are a recharge of the total service unit costs which are overseen by the Personnel Sub and P&O Boards. They can vary between both services and boards, as well as between the General Fund, Housing Revenue Account and the Capital Programme and reflect the complexity of the Council's structure and services provided.

- Variance Analysis

The variance analysis shows the major budgetary variations from (i) the original budget to the revised budget and, (ii) the revised budget to the estimated budget.

In practice, at the lowest level, there will always be many budgetary variations – both positive and negative - as officers manage budgets and provide for service delivery under delegated authority. These will also include virements in line with financial regulations. The variance analysis in the budget book includes the major variations only.

2.0 REVISED BUDGET 2007/2008

2.1 The revised budget for 2007/2008 for this Board is £531,890 a decrease of £640 (0.12%) on the original budget for 2007/2008 of £532,530.

3.0 BUDGET 2008/2009

3.1 The budget for 2008/2009 for this board is £531,130, a decrease of £1,400 (0.26%) on the original budget for 2007/2008 of £532,530 and a decrease of £760 (0.14%) on the revised budget for 2007/2008 of £531,890.

3.2 The major variations are listed in an appendix at the front of the draft budget book.

4.0 HOMELESSNESS

4.1 The Housing General Fund Budget consists of three service areas, namely Home Improvement Grants (HIG), Private Sector Housing and

Homelessness. There has been very little variation in the budgets for Home Improvement Grants and Private Sector Housing.

- 4.2 The overall Homelessness budget has remained at a similar level between the 2007/08 Original (£405,080) 2007/08 Revised (408,900) and 2008/09 Estimate (403,750). There has however been a continuing trend away from commercial bed and breakfast to other categories of temporary accommodation including Rented Accommodation in the Private Sector (RAPS), GBC lodgings and hostel accommodation.

5.0 FEES AND CHARGES 2008/09

- 5.1 The recommended fees and charges are included within the draft Fees and Charges book (page 18).

6.0 CAPITAL PROGRAMME

- 6.1 The draft capital programme is contained within the draft budget book (page 46) for approval. Policy and Organisation Board will consider the overall programme in the light of available financing resources.

7.0 RISK ASSESSMENT

- 7.1 Generally, Council budgeting processes include an element of risk in respect of the many variables involved. These include:
- New statutory responsibilities
 - Government led or notified activities
 - Demand led activities which may result in the Council have to react to external factors
 - Contractual obligations
 - Market & economic factors including interest rates
- 7.2 To counter these risks and uncertainties, the Council aims to be proactive in monitoring and controlling its services and budgets and taking prompt corrective action when necessary.
- 7.3 The primary risks to the Housing (General Fund) Budget relate to Homelessness and cover such risk areas as a shortage of private sector lets, an over reliance on commercial Bed and Breakfast accommodation and complying with external grant funding conditions including Housing Benefit grant.
- 7.4 Budget risks are considered further in the Council Budget report to P&O Board due to their potential impact on the robustness of the Council budget and reserve levels.

8.0 CONCLUSION

- 8.1 This report summarises the Housing Board (General Fund) revenue and capital budgets for 2007/08 and 2008/09 together with its fees and charges and seeks a recommendation of the Board's requirements to P&O Board.

Financial Implications:	As set out in the report
Legal Implications:	The Council has to set a balanced and robust budget and has an obligation to discharge its function effectively, efficiently and economically.
Service Improvement Plan implications:	The delivery of a comprehensive homelessness service is a key element of the Service Improvement Plan (SIP) for the Housing Service
Corporate Plan:	Better access to decent housing is a key Strategic Priority (Prosperity) for the Council.
Risk Assessment:	See Section 6.0
Background papers:	Draft Budget Book and Fees and Charges
Appendices/Enclosures:	None
Report Author/Lead Officer	Tim Hoskins/Julian Bowcher