

# **UTTLESFORD DISTRICT COUNCIL**

## **Housing Revenue Account Business Plan**

**2016 – 2046**

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## Foreword from Housing Portfolio Holder

I am delighted to introduce this business plan, which sets out our ambitions for the future of council housing in Uttlesford. The plan sets out our scope for investment in new and improved homes; benefitting local people and the local economy.

This is the first revision of our five-year plan since the replacement, in 2012, of the housing subsidy system with 'self-financing' arrangements for local authorities with retained housing stock.

Despite borrowing more than £88 million, the council is now in a much stronger position than under the previous arrangements and, as this plan describes, we can look forward to significant investment in new and improved housing to help meet the current and anticipated future needs of the district.

We have already successfully delivered 21 new council homes for rent. These new homes, which complement the communities in which they sit, are a taste of things to come: they are attractive, well designed and constructed.

In scaling up the investment in our housing and new homes we are carefully considering our options: how best to improve our existing stock; what to build and where. These deliberations are intended to ensure that the best possible outcomes are achieved from our investments.

The future of council housing in Uttlesford is looking a good deal better and will play a continuing and important role in meeting the needs of local people; now and for generations to come.

Cllr Julie Redfern  
Housing Portfolio Holder Uttlesford District Council

## Executive Summary

This Housing Revenue Account (HRA) Business Plan demonstrates how investment in housing assets will be utilised to deliver Uttlesford District Council's overall Corporate Plan and strategic housing priorities and the significant contribution that this investment will make to support the delivery of wider economic and environmental priorities.

Since self-financing was introduced in 2012 the council has been able to retain its rental income in full, creating new opportunities that are contributing to the economic vitality of the district and improving the health and wellbeing of communities.

A number of financial assumptions, including interest rates, rent setting, void rates, bad debt levels and repair costs have been used in the Business Plan financial model. These and other assumptions will be kept under review to ensure that the Business Plan remains a robust tool in the delivery of the council's priorities.

An HRA investment programme has been developed based on these financial assumptions. Alongside investment in existing stock and new housing, a range of actions are planned to deliver value for money service improvements.

This review of the HRA Business Plan demonstrates that it remains viable over the 30 years even with the latest rent policy modelled. Viability is judged in that the capital expenditure can be maintained, the HRA does not fall into deficit and that the debt cap is not breached.

## Introduction

The first Business Plan for the Council's Housing Revenue Account (HRA) under self-financing was published in April 2012. The Business Plan set out how the Council intended to manage, maintain and invest in its housing and deliver services to its tenants and leaseholders. The document has been reviewed annually and where necessary future projections amended in the light of changing circumstances.

Major changes have occurred since 2012 in relation to assumptions within the original Business Plan, including the impact of changes to rent calculations, the level of Right to Buy (RTB) sales, welfare reforms and trends in inflation. These have potential to impact the Council's major investment plans, particularly the development of new homes, improvement of its sheltered housing and other planned maintenance programmes. It was originally proposed to update the Business Plan in 2017 however in September 2014 the Housing Board agreed that the document should be updated in 2015 to address these major changes.

This updated Business Plan covers the 30-year period 2016 to 2046. The plan contains an investment programme, formulated on a 5 year and a 30 year basis, reflecting the Government's requirement for a longer term planning cycle. The 30 year projections are based on the most up to date information available. Current stock condition data has been built into the model on which the projections have

been based. With the comprehensive information available, the 2016 Business Plan will be a key element in informing the future direction of the Housing Service by:

- examining the current position and the Council's performance as landlord
- estimating the money that that will be needed over the next 30 years to manage the housing stock and ensure that it is properly maintained
- setting out a 5 year plan for capital investment and maintenance
- setting out a 5 year plan for service development and improvements
- identifying options for additional investment as resources become available immediately and throughout the lifetime of the plan

This Business Plan also reports on achievements since the 2012 Business Plan was adopted and sets updated key priorities. It is primarily concerned with the Authority's landlord role and should be read in conjunction with the Council's Housing Strategy which has a wider cross tenure strategic purpose and establishes objectives for meeting housing need in Uttlesford in the coming years.

## **Progress with implementing the key objectives from the 2012 HRA Business Plan**

The 2012 HRA Business Plan included key objectives and an action plan to achieve them. Significant progress has been made in a number of areas, while in others implementation is still in progress.

Key achievements include:

- Successfully delivered 21 new council homes for rent through the following schemes:
  - Holloway Crescent
  - Mead Court (Phase I)
- Reviewed opportunities for delivery of further regeneration and new build including exploration of alternative delivery models
  - Mead Court (Phase II) - construction of 16 properties. On site and progressing well
  - Catons Lane, Saffron Walden - construction of 6 properties. On site and progressing well
  - Hatherley Court, Saffron Walden – planning permission for construction of 4 new flats and remodelling of existing sheltered scheme. Start on site programmed for January 2016

- Reynolds Court, Newport – planning permission for redevelopment of sheltered scheme to provide 41 flats. Start on site programmed for January 2016
- Delivered one of the largest stock investment programmes in the council's history. Since April 2012 capital investment of £15m has been delivered which includes expenditure on:
  - 296 new kitchens
  - 210 new bathrooms
  - 905 replacement boilers
  - 1542 electrical rewires
- Agreed a revised lettable standard for the council's housing to ensure consistent standards are achieved for all maintenance contracts, including works to vacant homes
- Obtained significant external funding (£½ million) towards the costs of energy efficiency measures to council properties, work included:
  - Installing external wall insulation to 158 properties
  - Installing 845 new front doors
  - Installing new energy efficient communal boilers at all sheltered schemes
- Upgraded 6 sheltered housing schemes with the provision of 'internet lounges'
- Delivered service improvements including:
  - Re-structured housing property services department - 98% of repair request now dealt with as 'first time fix'
  - Produced new tenants handbook
  - Produced repairs booklet for tenants
  - Implemented annual tenancy inspections
  - Procured housing repairs contractor
- Completed a comprehensive review of the Allocations Policy which resulted in a number of changes including increasing the time that housing applicants have to be living in the District to go on the Housing Register
- Reviewed and updated the council's Anti-Social Behaviour Policy and Procedures that established a corporate approach to implementing the Anti-Social Behaviour, Crime and Policing Act 2014
- Developed a downsizing / decant policy that explains the level of compensation that will be paid to tenants when they are decanted. The policy also details the payments that will be made to tenants who decide to downsize from a property that is larger than their needs to one of a more suitable size as defined in the Council's Allocation Policy

- Developed a Void Management Policy. This policy outlines how the council intends to provide high quality homes and sustainable lettings by delivering a cost efficient void management service
- Developed a Tenancy Strategy that enabled fixed term tenancies to be offered to meet an identified need and make better use of the asset
- Introduced an in-house Rent Deposit Guarantee Scheme
- Converted 8 extra temporary accommodation units from within council stock
- Set up a tenant regulatory panel and delivered a comprehensive co-regulatory framework. Supported the Panel to complete its first review of the void property process which resulted in a number of recommendations being implemented, including a proposal to create a new role of Voids Administrator to co-ordinate the void process. Continuing to support the panel's ongoing programme of reviews
- Re-launched the tenant participation service under the 'Get Involved' banner

## Background Information

### The Housing Service

The Housing Service provides management and maintenance for just under 3,000 homes, within the HRA. Equally it performs the statutory duties in relation to advice and homelessness. There is around 80 staff delivering the housing service. The roles are diverse and include sheltered housing officers and maintenance operatives as well as office based staff and staff with technical roles. There are few problems with recruitment and retention, although there can be difficulties in recruiting to specialist roles such as development officers.

Housing staff attend courses to ensure their knowledge in the housing field is current and that best practice is always used. Staff are also encouraged to study for professional qualifications, including both day release and distant learning.

UPerform, the Council's appraisal scheme, identifies the training needs of staff and the division has its own training budget to meet identified needs. In addition all staff have access to 'Learning Pool' an interactive learning system.

### Self-financing

In April 2012, the Localism Act 2011 introduced a new financial regime for local authority housing. A new self-financing system replaced the previous subsidy system, giving Council's more freedom to borrow money and spend the income they receive from rents.

The new system required local authorities to take on a one off debt. Uttlesford District Council made a substantial single payment of £88.407 million to the Government, which it financed with loans from the Public Works Loans Board.

An effective Business Plan has become crucial since the introduction of the self-financing system.

## **Housing Revenue Account**

The Council manages its properties and landlord services through its business plan and Housing Asset Management and Development Strategy. The finances for both are managed through the HRA.

The HRA is a 'ring-fenced' account. As such, it cannot receive any financial assistance from the General Fund or the Council Tax payer. It is imperative, therefore, that the HRA can fully meet its statutory and Business Plan ambitions from the rental income it receives from the housing stock and from other qualifying income, such as capital receipts arising from the sale of HRA assets.

Self-financing introduced new opportunities for the Council's housing service but also increased its exposure to risks. It is therefore critical that the HRA continues to be managed on sound business principles

## **Debt Cap**

The government has imposed a limit on the amount of money the Council can borrow, and reserves the right to reopen the settlement in the event of major changes in housing policy. The borrowing limit constrains the ability of the Council to consider major regeneration and new build projects financed from this HRA business plan. If the borrowing limit is relaxed, as a result of government decisions in future spending reviews, this would increase borrowing capacity and enable a wider range of options to be considered.

## **Housing Reform**

As well as self-financing the Government also introduced a range of reforms to the way social housing is delivered. These include giving greater flexibility to social landlords to determine the types of tenancies they grant to new tenants. The council has implemented a new Tenancy Policy which enables lifetime tenancies to be offered where this is needed, but also gives the flexibility to set shorter tenancy periods where that makes more sense. The rights of existing secure and assured tenants are protected.

Councils have become the housing provider for those who are most vulnerable and judged to be in greatest need. As a result of this changing profile of council tenants the council has to recognise and react to the implications this has for service provision.

## **Consultation**

The Council will continue to monitor, review and develop the business plan in consultation with all stakeholders.



To ensure that the Business Plan is developed in an effective and inclusive way regular reviews and updates are taken to the Housing Board. This group is made up of tenant representatives, members and key officers from the Housing, Planning and Finance Departments. The board plays an important part in the development of the plan and will continue to play an important part in monitoring progress of the action plan.

Tenants and leaseholders are able to comment on and suggest changes to the Council's strategic ambitions through regular consultations. They are also encouraged to submit ideas and priorities for the housing service.

## Strategic Priorities

### Links to other documents

The business plan links in and draws upon wider regional and national priorities as well as the key priorities within the council's Corporate Plan and the council's key strategies.

### Corporate Plan

The business plan priorities will be closely aligned with the Council's corporate priorities. As the major provider of social housing in the area the Council has a key role to play in supporting the Council's strategic objectives and priorities which are:

- Remain a **low tax** Council
- Continue to listen and respond to our communities so we stay focused on our customers' needs and the delivery of **high quality** key services that matter
- We will have shared the benefits of growth with our communities in a **responsible** way that protects and enhances our environment
- Delivering **thriving communities**

### Housing Strategy

The council's Housing Strategy 2016 – 2021 sets out how the council wants to improve both the quality of accommodation and lives of people who live in the district by:

1. Increasing housing supply across all tenures
2. Helping people to live independently
3. Ensuring decent, safe and healthy homes
4. Creating sustainable communities

The Housing Strategy is complemented by the council's Tenancy Strategy and Housing Allocation scheme which ensure that the council meets housing need, appropriately allocates tenancies, provides tenancy options and promotes mobility.

## **Homelessness Strategy**

The Homelessness Strategy sets out how the council will try to prevent and tackle homelessness in the district by:

1. Preventing homelessness by providing a first class housing advice service to clients in all housing tenures and by sustaining tenancies
2. Providing good quality suitable temporary accommodation and work towards the ending the use of bed and breakfast even in an emergency
3. Engaging with the private rented sector to improve access to accommodation for people who are homeless or threatened with homelessness
4. Improving the Health and Wellbeing of homeless people

## **Housing Asset Management and Development Strategy**

Key priorities of the Housing Asset Management and Development Strategy are to ensure that:

1. Existing housing stock meets needs and achieves decent homes standards
2. The housing stock and other housing assets continue to generate an acceptable level of income
3. The council creates sustainable affordable housing both now and into the future

This Business Plan aims to detail what needs to be done to realise these overall objectives and identify how the council can maintain its housing assets to an agreed standard and continuously improve people's living environment.

## **HRA Business Plan Key Priorities**

The purpose of the business plan is to demonstrate that the council can maintain its housing assets, and deliver the levels of service, home and neighbourhood improvements. It is first and foremost a financial document, which determines how the council will meet the needs of present and future tenants, demonstrating that Government and local targets can be achieved and ensuring the long-term viability of the stock.

The keys priorities of the Business Plan have been developed having regard to the council's Corporate Plan and strategic documents mentioned above, and are as follows:

1. Operate a sound and viable housing business in a professional and cost effective manner

2. Ensure that all the council's tenants live in a decent home in settled communities for as long as needed, consistent with the council's Tenant Strategy
3. Help tenants and leaseholders get involved with decisions about their housing regenerate the stock and build new affordable rented council housing in an efficient and effective manner

The above priorities were drawn up following consultation with tenants and leaseholders.

### **Action Plan**

An action plan has been drawn up focusing on the key priorities above. A copy of the action plan can be found in Appendix 2.

### **Monitoring the Action Plan**

The Council will continue to work with tenants, members and partners to monitor the Council's performance against priorities via the action plan and will provide regular progress reports to the Tenant Forum and Housing Board.

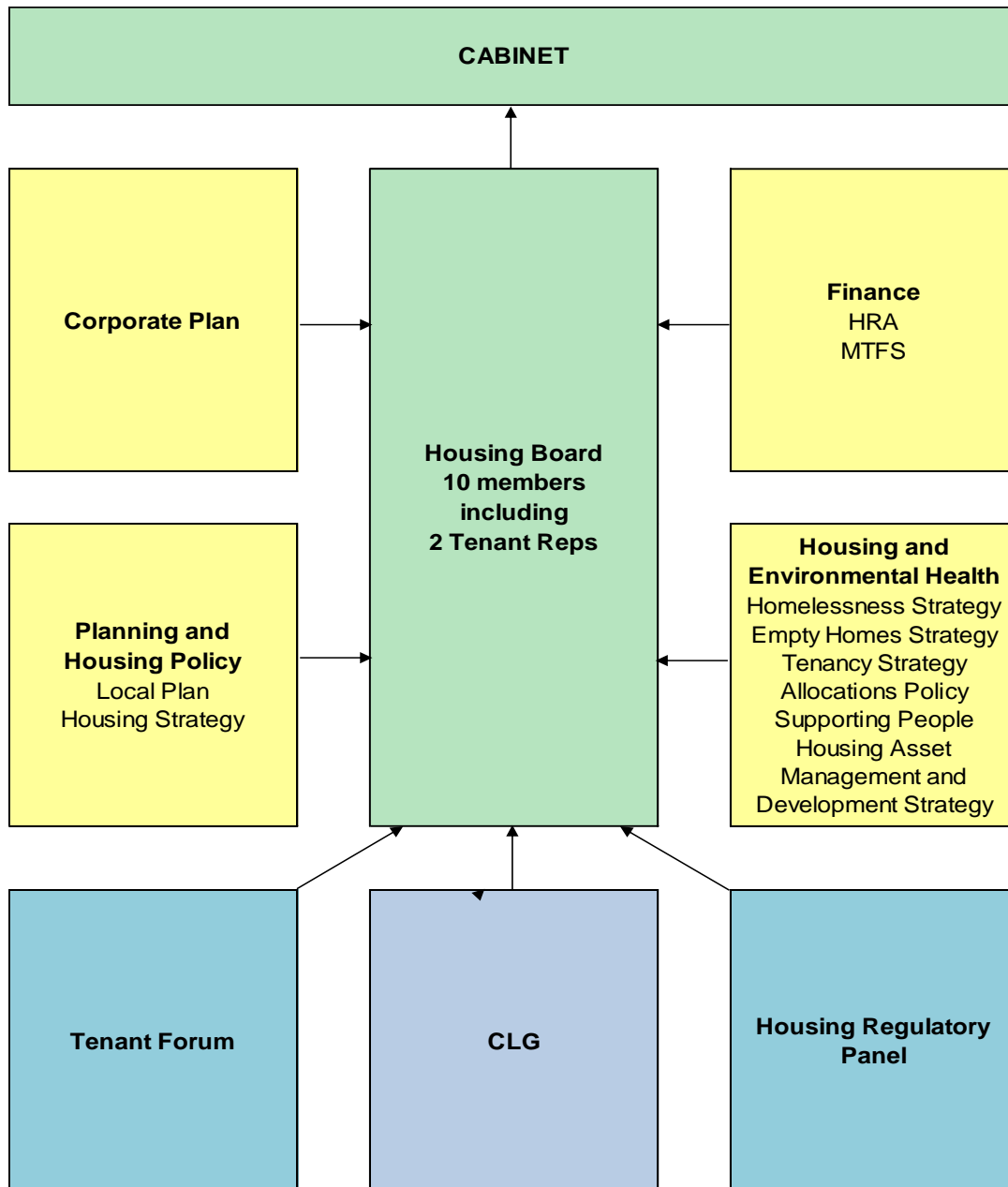
## **Decision Making**

### **The Housing Board**

The Housing Board, consisting of members and tenants, monitors and reviews all matters relating to the council's housing strategic role and housing management function. The Housing Board will assist with influencing policy development and budget setting. The following terms of reference have been agreed for the Housing Board:

Inform on and monitor the performance and delivery of all Council housing related strategies and policies

- Monitor housing related performance indicators
- Inform on and monitor the Council's Housing Revenue Account Business Plan
- Monitor the Council's Housing Revenue Account
- Monitor and inform on the delivery of affordable housing units in the District
- Consider the use of existing housing stock and other housing assets



Reports from the tenant forum and housing regulatory panel feed into the board for discussion and action. Recommendations from the Board are taken to the Cabinet.

The Cabinet consists of senior elected councillors who make most of the Council's important decisions. They are guided by the Housing Portfolio Holder, who is a member of the Cabinet with special responsibility for housing matters. The Housing Portfolio Holder also sits on the Housing Board. The Full Council, however, retains the responsibility for the policy framework, which includes this Business Plan.

### Monitoring Performance

Since the last business plan the Council has developed a stronger and more coherent Housing Service Divisional Plan and monitoring framework. Corporate Objectives, Strategic Priorities, and options identified in the Council's Housing

Strategy and Business Plan are drawn together in the Housing Divisional Plan to produce team targets for each team within Housing and Environmental Services. These targets then link directly to Performance Indicators and targets.

The Housing and Environmental Service Divisional Plan works in two ways. It allows Members and senior management to gauge progress against agreed targets. Also front line employees can connect their day to day tasks with the Council's corporate ambitions.

The Divisional Plan is monitored at monthly meetings with Service Heads so that progress against priorities, objectives and targets is constantly under review. Performance is monitored by recording and analysing statistical information and progress is shown graphically using 'traffic light indicators' (where green shows work on target or ahead of schedule and red shows that there is a risk of not delivering).

Performance since the last business plan has been strong in the following areas:

- Rent collection
- Tenant satisfaction with repairs
- Decent Homes delivery
- Gas servicing

This same monitoring identified the following area where performance could be improved:

- The time taken to re-let voids (major works)

A full list of the most recent performance indicators relating to the service is set out in the Appendix 3.

Where performance does not meet targets, an action plan is developed, implemented and monitored, with tenant input where appropriate. For example in 2014 the Tenant Regulatory Panel carried out a review of the void re-let process. The focus of the review was to improve performance in relation to how quickly voids are re-let and therefore to reduce the amount of rent lost from void periods. As part of the review tenants visited other local landlords to understand and learn from best practice elsewhere. As a result of the review an action plan was developed.

The implementation of the action plan has been reviewed. This has shown the following results:

- Improvements in the management of voids, including weekly void meetings, clear responsibilities, improved record keeping
- Changes in operational processes including pre void inspections to improve the condition in which properties are left

- Improved void turnaround times, and improved proportion of homes accepted on first offer

In all service areas performance targets are set to achieve continuous improvement and to aim for performance to be in the top quartile when compared with other similar social landlords.

The Council also compares its performance regularly with other landlords through the Chartered Institute of Housing and National Housing Federation's benchmarking service, Housemark.

Performance management information is regularly monitored by the Housing Regulatory Panel, the Housing Board and the Council's Corporate Management Team (CMT).

### **Budget Monitoring**

Budgets are monitored on a monthly basis by relevant staff as a minimum and problems, if identified, are addressed at an early stage. Close ongoing monitoring of the housing revenue and capital programme budgets has enabled the Council to ensure that available resources are used efficiently.

Officers re-assess the programmes to ensure that the resources resulting in any savings are used fully and effectively. For example savings from extremely competitive tenders received last year enabled the Council to re-direct money towards other major projects.

An analysis of spend on responsive repairs identified areas that could be addressed much more effectively by larger planned capital schemes. This has resulted in a more cost effective use of limited resources.

### **Asset Management**

The Council's housing stock is a valuable asset. As a major provider of social housing the Council makes a significant contribution to meeting the need for affordable housing in the district. The stock has been well maintained, with an investment strategy targeted at bringing all homes up to the decent homes standard.

### **Profile of the Housing Stock**

The Council's stock consists of traditionally constructed houses, flats, and bungalows. The stock is mostly low rise, although varied in archetype. There are no high-rise flats. All non-traditional build properties, such as Airey and PRC houses, have been re-built.

The council owns the following properties as of 1 April 2015:

Dwelling Type	Rented	Shared Ownership	Leasehold
Bedsit	66		
Flat	673		128
House	1,349	16	
Bungalow	745		
<b>DWELLINGS TOTAL</b>	<b>2,833</b>	<b>16</b>	<b>128</b>
Garages	586		

470 Council homes are in ‘sheltered housing’, where tenants receive a support and intensive housing management service. The council leases 128 flats and maisonettes that have previously been sold under the Right to Buy. The council has retained certain responsibility for these homes, including regular repairs maintenance, which the leaseholders pay for through their annual service charges.

The business plan draws upon the stock condition information and data analysis used in the formulation of the Housing Asset Management and Development Strategy, which sets out priorities for the physical care and improvement of the housing stock and related housing assets. It recognises the natural tension between competing investment needs, for example investment in the existing housing stock, investment in new affordable housing and investment in housing management services.

The overall objectives of the Housing Asset Management and Development Strategy are to ensure that:

- existing housing stock meets needs and achieves decent homes standards
- the housing stock and other housing assets continue to generate an acceptable level of income
- the council creates sustainable affordable housing both now and into the future



To maximise new housing delivery the Council is considering options for the structuring and funding of new homes outside the HRA.

## **Sheltered Housing**

In the previous business plan the Council outlined its ambition to improve housing options for older people in the district.

The council owns 16 sheltered housing schemes consisting of 451 properties. Some of the properties in these schemes currently fall below the desired standard for older people's accommodation. The Council has explored opportunities for the refurbishment or redevelopment of this type of housing. Since 2012 six schemes have been re-furbished. Plans to re-model Hatherley Court and re-develop Reynolds Court are progressing well and work is due to commence in January 2016.

When developing the improvement programme for sheltered housing, it will be essential to plan for the long term requirements of an ageing population to ensure the sheltered housing stock will meet the demand for this type of accommodation in the future, as well as the changing needs and aspirations of older people.

It is hoped that the work carried on the schemes will improve housing mobility of older people who are under-occupying family-sized accommodation by offering desirable and accessible homes that are fit for the future.

## **Disposals**

Disposals are considered on a case by case basis and would only be included if they are assessed as not being financially viable, i.e. investment will not generate sufficient return. Any income from disposals or conversions will be re-invested back into the Council's housing stock, both to increase supply and improve its quality.

## **Greener Housing**

The council is developing an Environmental Strategy that will sit alongside the Asset Management Strategy. This has the objectives of reducing climate emissions through the stock, alleviating fuel poverty, and improving the health and wellbeing of residents.

There are a number of homes with solid walls that have poor thermal efficiency. 150 of these have recently been upgraded and their thermal efficiency is being reassessed. Others will be prioritised for investment programmes in the short term. The council is also in the process of installing solar panels on the housing stock.

## **Disabled Adaptations**

Funding for disabled adaptations of £250k per annum has been included within the 30 year Planned Maintenance Programme, which is assessed as being adequate to meet anticipated demand for adaptations from council tenants.



## Decent Homes

Based on survey information 100% of the stock complies with the Decent Home Standard. However approximately 10% of the stock annually would become non-decent without investment. The investment requirements in the business plan include all costs required to maintain the properties at the decent homes standard identified in the current stock condition database. It also includes costs for works that improve the stock beyond the basic decent homes standard including:

£5.9m over 30 years on sustainable energy projects to provide affordable warmth and improve the energy efficiency of homes

£3.1m over 30 years for environmental improvements to fund works outside the home including improved parking provision.

### **Decent Homes is a minimum standard that requires that the home:**

- Meets the current statutory minimum standard for housing
- Is in a reasonable state of repair
- Has reasonably modern facilities and services and
- Provides a reasonable degree of thermal comfort

## Estate Improvement/Regeneration

Estate regeneration provides the opportunity to enhance estates, address issues of health inequalities and deprivation. The council will continue to work with communities to develop and implement initiatives for improving estates.

## Stock Options

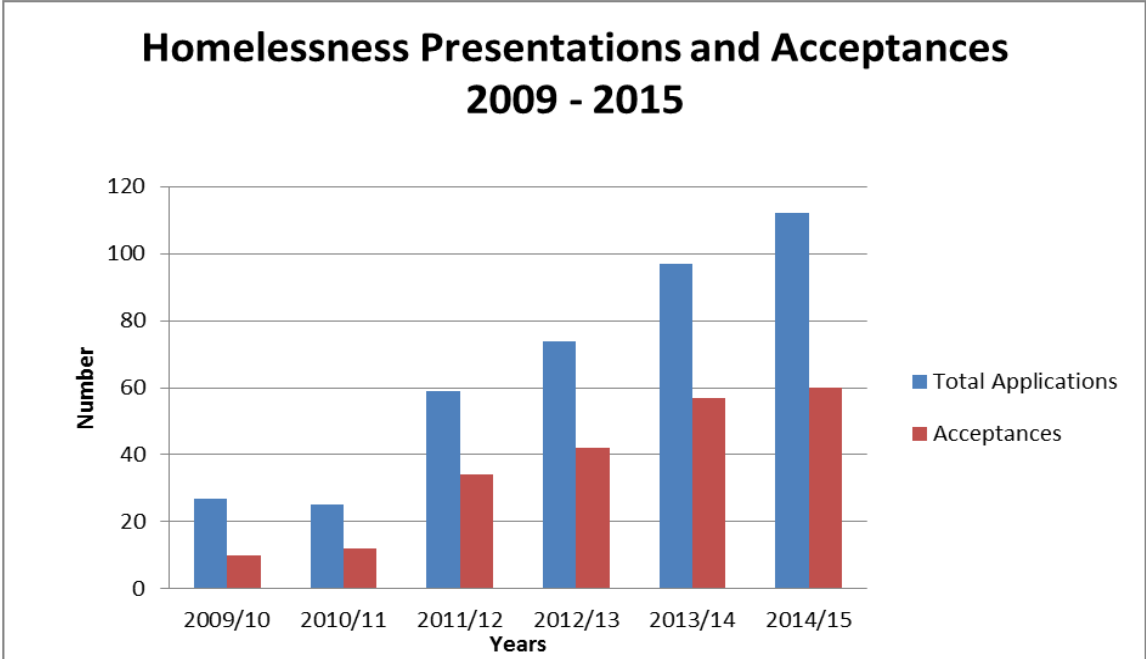
Detailed analysis work has begun to consider the financial contribution that particular categories of housing stock and assets such as garages and land make to the business plan. The Council will need to consider the best options for individual properties, or groups of properties that are a drain on the business model, and identify whether they require significant investment, redevelopment, strategic disposal, demolition or alternative use.

Any investment decisions in housing assets will need to be carefully balanced with both the financial impact on the business plan and social impact on tenants and leaseholders.

## Housing Options and Homelessness

It is important that the HRA Business Plan reflects the known housing need in Uttlesford and predictions of how this might change in the future. Uttlesford has seen a steep increase in homelessness presentations in the past 6 years as demonstrated in the graph below.

This is a trend being reported by most local authorities. Figures collated by Crisis show that there has been a 26% increase in homelessness presentations in England from 2010 to 2014. Research shows that there will continue to be a rise in the number of homeless households even as the economic downturn is reversed.



Whilst this area of the service is strictly a General Fund function rather than that of the HRA there is a direct impact on the housing stock. More of the stock is being used for temporary accommodation and therefore can restrict transfers or movement within the stock for tenants to ensure families are living in appropriate sized accommodation.

The council works closely with the Uttlesford Citizens Advice Bureau to prevent homelessness and refers to them cases requiring financial advice or support through the court eviction processes. The bureau has also experienced in recent years an increase in demand for their services.

The council has built 4 new purpose built units of accommodation on its Mead Court redevelopment site to use as temporary accommodation. These will add to the 8 units that have been developed by converting 4 existing council properties. In total the council currently now has access to 18 units of temporary accommodation which has resulted in a decreasing need to place homeless families in bed and breakfast accommodation.

**Choice Based Lettings**

Housing applicants are given choice about which home is let to them using HomeOption a “choice based lettings” (CBL) scheme. The council works with five neighbouring councils and the housing associations that work in the district to operate the scheme jointly. This reduces the costs of the scheme.

CBL schemes can enhance mobility between areas and tenures and provide a balance between the needs of prospective tenants and choice and so may contribute to sustainable neighbourhoods.



Between April 2012 and March 2015 a total of 950 properties were let via the HomeOption system, 551 of these properties were Council owned. Where properties become empty the Council have set re-let targets from the date the key is returned to the date the next tenant gets the key to their new home to ensure that rent loss is minimalised.

Uttlesford is an area of high property values and intense demand for social housing. This means that the council has not experienced significant difficulty when letting vacant property. There is however a need to maintain housing to a standard which is attractive to potential tenants, meets the changing nature of household formation and responds to other demographic or cultural issues.

The Council needs to ensure that with an increase in demand for social housing that its own stock is used in the most effective way. In some cases an increase in the void period may be because possible tenants did either not bid or did not wish to take up the offer of that property. This has been a particularly an issue for some of the Council's sheltered housing schemes where average re-let times far greater than general need properties.

## **Tenure**

The tenancy agreement sets out the rights and responsibilities of tenants and the Council. The Council provides support and assistance to tenants who need it to sustain their tenancy. The tenancy agreement includes grounds for possession in the case of breach of tenancy. Eviction through a court order is used as a last resort in the case of continuous tenancy breach.

New tenants are offered an introductory tenancy which is converted to a secure/fixed term tenancy following a period of 12 months providing there have been no major breaches in the tenancy agreement in that time.

The Localism Act provided for a new form of tenancy for local authority tenants. It included a new statutory requirement for all social landlords “to offer and issue the most secure form of tenancy compatible with the purpose of the housing and the sustainability of the community”. This meant that Councils were no longer required automatically to let all new tenancies on long term secure tenancies (with or without an introductory or probationary period) but had the option to issue fixed term tenancies in some cases.

The Council responded to these changes to the law and introduced a new tenancy policy that enables fixed term tenancies to be offered to meet an identified need, and make better use of the asset.

### **Tenancy Sustainment**

The success or failure of a tenancy, particularly of a vulnerable person, can often be heavily influenced by the property they live in and the support that the landlord can give. This was recognised by the Council and it is proposed to create a tenancy sustainment team mainly from existing resources pulled from other teams.

This will allow a relatively small number of tenants to receive intense work from the housing team in order to successfully sustain their tenancy. A failed tenancy costs the Council several thousands of pounds so the success of this team will ultimately save money for re-investment in the housing stock.

### **Supported Housing - Young People and Vulnerable Adults**

Uttlesford currently only has one scheme of general needs supported housing. Bromfield House in Saffron Walden provides 17 units of shared supported housing for people, predominately but not exclusively young, who need support to develop life skills before they are ready to live independently.

Whilst this scheme can assist clients with mental health, drug and alcohol issues, it can only do this for those at the lower level of support needs. The scheme is also often at full capacity leaving clients with support needs being housed in unsuitable accommodation. There is also, within the District, a lack of supported housing for those with higher and multiple support needs. Housing people in inappropriate accommodation causes management issues and tenancy failure.

### **Specialist Refuges - Victims of Domestic Violence**

Domestic violence is one of the most complex issues requiring the co-operation of numerous statutory and voluntary agencies at a national as well as regional and local level. It is not a popular issue or one that easily attracts funding. It is however an issue that has been under resourced within Uttlesford where there has never been refuge provision within the district for victims of domestic abuse.

It is recommended that Local authorities provide 1 refuge space per 10,000 of population, depending on local needs. This would indicate that Uttlesford should consider providing a refuge of between 7 – 8 spaces. Currently Uttlesford victims of

domestic abuse are referred out of area when they require a refuge, which may be appropriate; however Uttlesford is not providing any reciprocal services.

The council is currently working with Safer Places and have identified a site for a potential specialist housing facility in the district.

## **Financial Modelling of the HRA Business Plan**

An updated version of the HRA business plan model has been prepared taking into account all assumed investment, repairs and management costs required over the next 30 years, assuming compliance with national rent policy, and taking account of a continued high level of sales under the Right to Buy scheme.

### **Rental Income**

Following the Summer Budget on 8 July 2015 it was announced to the social housing sector that all rents within social housing would have to be reduced by 1%, rather than the previous guidance of annual increases of CPI plus 1%. The rent reduction is to be applied over a four year period. So for example a tenant currently paying £100.00 per week will see it reduced to £99.00 next April and then £98.01 the following year and so on until April 2020 when rents are proposed to increase by CPI plus 1% again.

The 2012 business plan was predicated on annual income rises of CPI + 1% so this shift could have a potentially large impact on rental income and therefore the ability of the council to continue to invest in stock and projects identified in the business plan. The assumed reduction of 1% on rents for this period will result in a rental base that will be in the region of at least 12% lower in 2019-20 than anticipated. If the reduction was applied on all current rents this could have a cumulative impact of at least £1.8m by 2018/19 compared with existing business plan assumptions. Over the life of the business plan losses will amount to £14.9m.

### **Capital Programme Priorities**

Using the principles established in the Asset Management and Development strategy, the council has developed an investment plan that sets out the programme priorities over the next 30 years.

The investment plan will be reviewed on an annual basis to take into account changing levels of resources, any planned regeneration works, updated survey information and feedback from resident consultation on where investment priorities should be made.

The plan is based around creating sensible geographic concentrations of work for internal refurbishments, so that programmes can be efficiently managed and delivered from local site set ups. External works have been planned around the 5-6 year cyclical decorations programme, with the intention that where scaffolding is

erected for external decorations other key components that require work are also replaced. This will prevent repeated costs of erecting scaffolding.

Surveys will be completed on an ongoing basis so that stock condition information is up to date and planned programmes can be adjusted accordingly.

The council is also developing ways of communicating the planned programme with residents. Estates that have been identified as being part of the 2016/17 programme will be visited as part of the 'get involved' roadshows. At these events officers will present what work is being considered and asks for residents' feedback on what their priorities are. These will then be factored into the programme planning.

The major investment in kitchens and bathroom replacement, as well as rewires and heating improvements will continue. Replacements of roofs and other external elements continue and will be those prioritised in accordance with the Asset Management and Development Strategy. In addition a programme of window replacements will begin, focusing on those areas where existing UPVC windows have reached the end of their useful life.

The total spending requirement on capital programmed works over the five year period is estimated to be £16.2m.

In total the average expenditure costs per unit are in the region of £45,500 per unit which are higher than benchmarked costs though this reflects the age and profile of the stock.

**New Build**

Demand for social housing remains high and therefore the business plan model sets out the Council's aspiration to build new council housing of the types required.

The mode includes 4 current new build schemes and provisional schemes which cover years 2 to 5 for unidentified sites. The current schemes will deliver 21 homes from 2015/16 and the provisional schemes a further 30. All the expenditure for this is included within the budget capital costs. The model also provides for future new build beyond year 5 at an average of 6 units per year.



**Revenue Maintenance Budgets**

There is a close link between revenue maintenance budgets and the Capital Programme. Spending on revenue through planned and reactive maintenance programmes will extend the life of a property, thus minimising the capital spend on major works. The tables in Appendix 1 set out the revenue and capital requirements/potential schemes for the next 5/30 years.

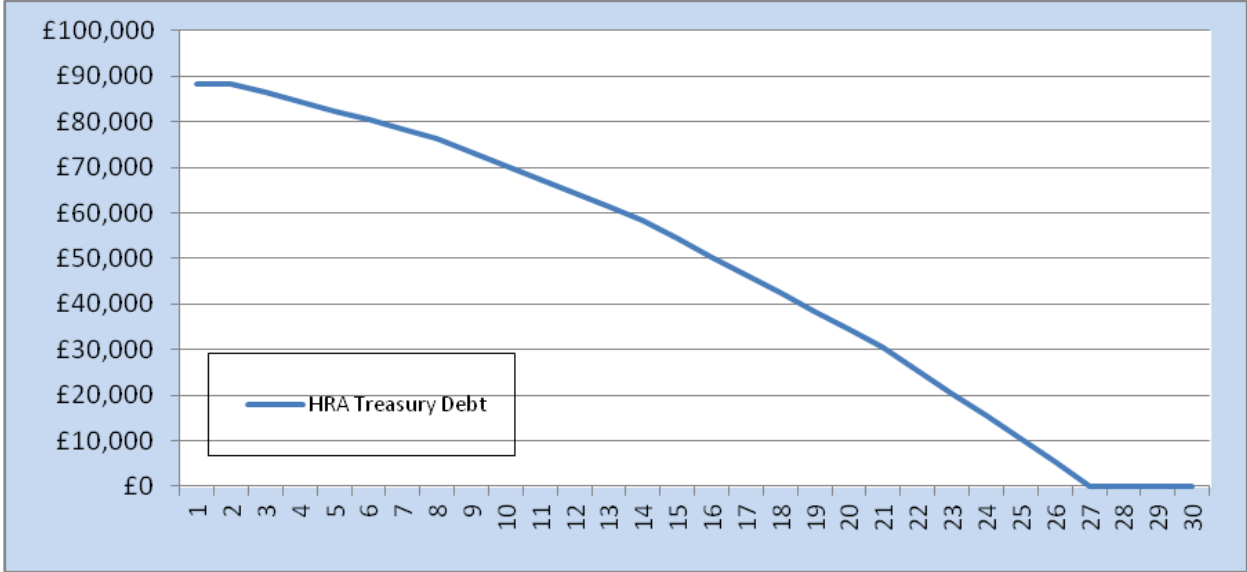
**Treasury Management**

The loan portfolio that was established to finance the self-financing transactions consists of 25 loans totalling £88.407million. There is no ‘internal’ borrowing from the Council’s General Fund.

The interest on these loans (which vary from 0.7% to 3.5% depending on duration) are charged directly to the HRA, and the vast majority being fixed rates the forecast interest projections will be accurate. Should internal borrowing be required in the medium to long-term it is estimated that this will be charged at 5%.

The graph below shows the current financing position of the HRA before applying any future income and cost projections:

*HRA Financing Position £’000 – Prior to Forecasting Adjustments*



The graph shows the actual HRA loan portfolio starting at £88.407million and reducing gradually over 27 years until all loans are repaid. Prior to any adjustments no additional borrowing would be required during this period.

**Sensitivities**

The plan is viable and resilient to changes in key assumptions. The three key variable factors are interest rates, inflation and right to buy sales.

If interest rates increase above expected levels assumed in the business plan this would reduce the revenue headroom over 30 years.

Income will not increase by more than the rate of inflation over the next 4 years, following the government's announcement to reduce rents, so an increase in inflation could impact the viability of the plan.

If right to buy sales exceed the assumed levels then available income would reduce and could potentially affect the viability of the plan. The mitigation is to ensure that monies are invested to ensure that void levels in existing stock are minimised and to ensure that new build is delivered to replace dwellings lost through RTB.

### **Right to Buy Receipts**

With the reinvigoration of the right to buy policy the council has seen sales in the past three years exceed those in the immediate prior years (and those assumed within the self-financing settlement).

The result of the increased volume of sales affects the business plan model not only with loss of income but also introduces the ability to retain the balance of the receipts (after some initial deductions) known as '1-4-1' receipts.

After all eligible deductions the council currently has £1.219million in balances at the end of June 2015. Regulations state that this can be used for up to 30% of new build or acquisitions within 36 months of the receipt arising. These receipts can be reclaimed by DCLG if they are not utilised within 36 months with compounded interest. Therefore £4.065million needs to be spent on total in providing new affordable homes.

Up to and including 2014/15 £2.202 million has been spent and a further £1.112 million in 2015/16 and £0.586million (projected) in 2016/17 as part of the '1-4-1' scheme. This totals £3.9 million, which virtually meets the spend requirements.

Given that right to buy levels are expected to continue at current levels '1-4-1' receipts will continue to accrue and the model has assumed that new build levels are maintained at rate that utilises these receipts with the HRA providing the 70% match funding through a mix of borrowing and future surpluses. With the projected levels of right to buys within the plan it is estimated that receipts will cease to accrue from year 6 (2020/2021).

### **Extension of RTB to Housing Associations – Forced Sale of Council Stock**

The recent Queens Speech highlighted the Government's wish to expand the eligibility of right to buy to HA properties. In order to fund this there are proposals that Councils should sell a percentage of their high value stock when they become void. Proposed regional values on which to identify which stock could be at risk were published in the Conservative party manifesto but these have not been formalised.

The sale of Council stock on the open market will fund the compensation to HAs for the difference between the receipt they will receive from each sale and the value of



their home. At the same time the money from the sale of the Council home will also have to support a new fund for building on brownfield sites. It is not clear as yet, whether it will also support the building of a much needed replacement home for the Council.

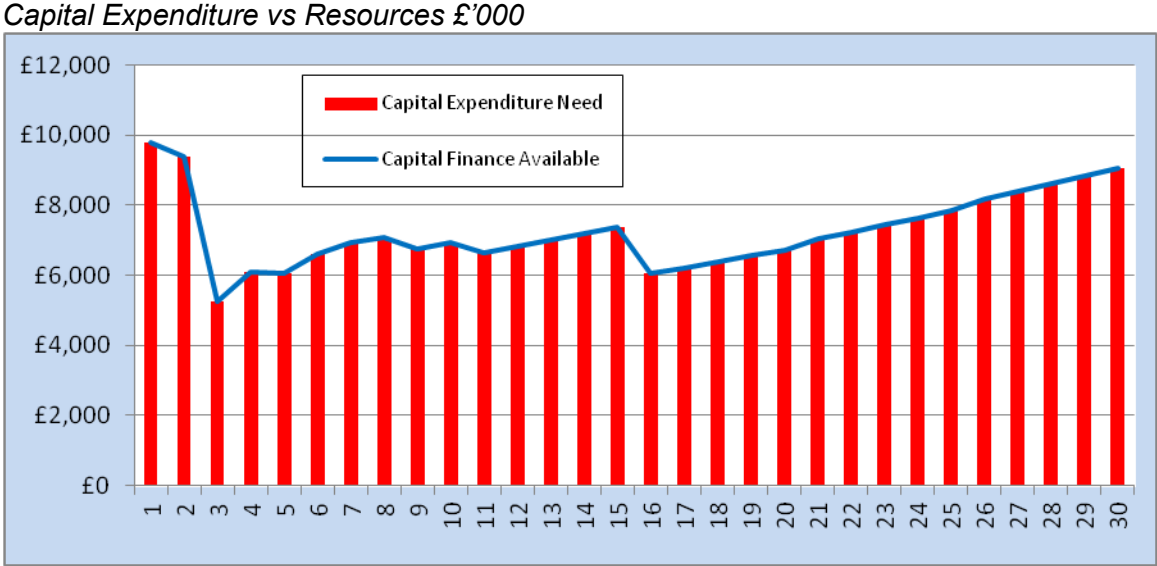
Modelling, based on the proposed regional values, show that the council would be expected to have to sell around 45% of all voids. The proposal to force the council to sell such a large number of its 'high value' stock will undermine the 30 year 'business plan' which was based on an assessment of the level of RTB sales which obviously did not include this proposal.

The introduction of 'self-financing' in 2012 included a 'debt settlement' which was based on a revenue stream which will be less than expected if the Housing Bill with this proposal is passed by the House of Commons. This will undermine the financial stability of the Housing Revenue Account. The business plan model cannot factor in any potential impact of this policy until there is clarity on what constitutes a high value council property, the formula to be used and whether Councils will be allowed to retain part of the receipt to pay off debt associated with the properties sold.

**Funding the Capital Projections**

Projections have been amended to reflect the change in rent policy and include the affordable levels of new build.

The graph below demonstrates the capital expenditure (in the thick red vertical bars) for each year including inflation. The available resources are shown (using the thin blue horizontal line).

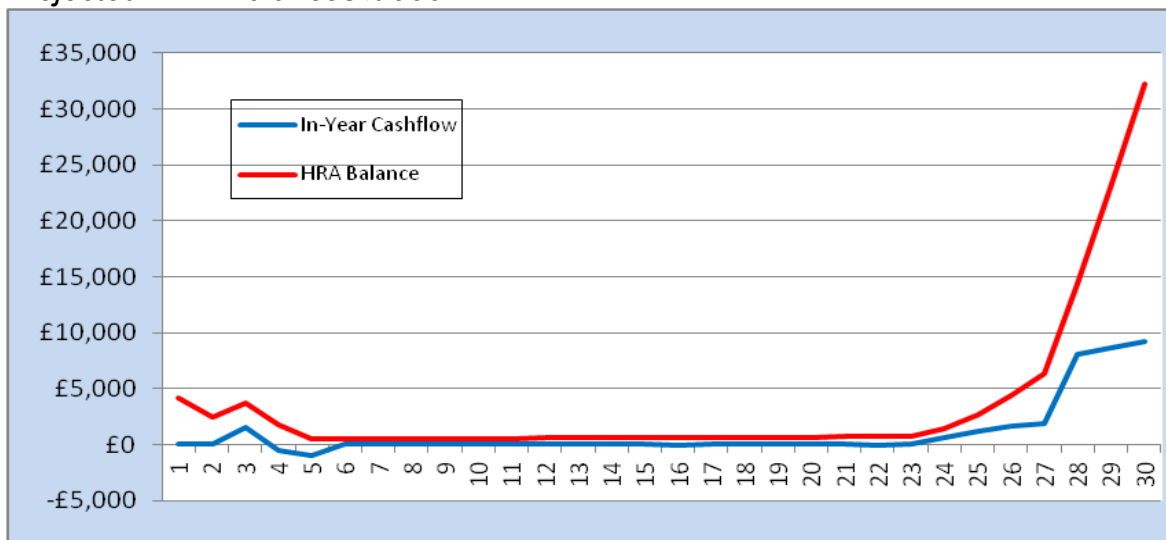


The plan demonstrates that the new build programme and provision for future investment works is affordable.

**HRA Revenue Balance Projections**

The projected balances for the HRA are as follows:

**Projected HRA Balances £'000**



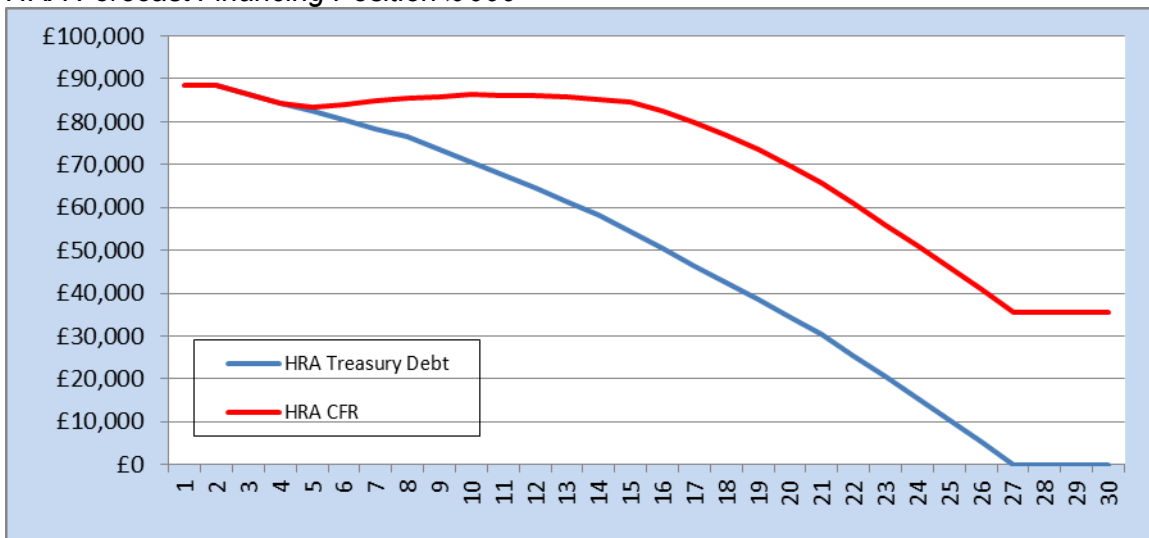
The HRA is set not to let balances to go below £0.5million (plus inflation) and is set to attempt loan repayments where possible according to the treasury loan repayment strategy. The balances held in other reserves with are fully utilised by year 4.

Only after year 24 do balances start to accrue in the HRA above the minimum balance due to the loan repayments. The balances are then projected to increase to a forecast £32.2million in year 30.

**HRA Debt Projections**

The chart below shows the revised borrowing position for the Council.

**HRA Forecast Financing Position £'000**



The above graph shows that additional borrowing is in fact required with the gap between the HRA CFR and Treasury debt increasing. The HRA CFR is set to reduce in line with the Treasury debt but is unable to during years 5 to 22. The gap is

financed within the model as 'internal borrowing' at an interest rate which peaks at 5%, but can be replaced with assumed treasury loans.

As the 'internal borrowing' is without a specified repayment, the projected HRA CFR is £35.597million in year 30. This could be virtually repaid through the balance projected within the HRA.

If the council wished to see an earlier debt repayment then the programme for new build at any stage of the plan could simply be reduced to accommodate this.

## **Review of the Business Plan**

The Business Plan will be monitored on an annual basis to identify emerging risks and developing issues which may impact on the delivery of the planned actions or long term viability of the plan. The plan will be formally reviewed before 2021, to ensure that resources available remain capable of delivering the planned actions and that the actions can be amended accordingly.

## **Conclusion**

This review of the HRA Business Plan demonstrates that it remains viable over the 30 years even with the latest rent policy modelled. Viability is judged in that the capital expenditure can be maintained, the HRA does not fall into deficit and that the debt cap is not breached. For the council all of the above apply although the debt cannot be fully repaid without adjustments to the assumed new build programme throughout the thirty years.

The plan assumes for a modest development programme of 5 units a year. If RTB sales continue to escalate beyond those estimated additional finances will be required to ensure the 1 for 1 replacement programme can be achieved. No allowance has been made in the business plan for larger building or re-furbishing projects beyond year 5 (2017/2018). If members wish to see a continuation of the 1 for 1 replacement programme and progression of re-development projects, for example proposals for Walden Place, options to re-finance the loans will need to be explored.

The Council will need to manage the HRA Business Plan robustly and proactively. Income will need to be maximised and costs kept under close review. Provided this is achieved, this Business Plan enables the council to make a genuine step change improvement in the quality and delivery of social housing in Uttlesford.

# **APPENDICES**

HOUSING REVENUE AND CAPITAL EXPENDITURE ON STOCK - 2016/2017 TO 2046/2047														
	Budget Code	Description of Works	CURRENT	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YRS 6-10	YRS 11-15	YRS 16-20	YRS 21-25	YRS 26-30	
			15 / 16	16 / 17	17 / 18	18 / 19	19 / 20	20 / 21	£	£	£	£	£	£
			£	£	£	£	£	£	£	£	£	£	£	
A. HOUSING REVENUE EXPENDITURE	Ad Hoc	HRE001/2013	Ad-hoc Repairs	885,400	830,000	830,000	830,000	830,000	830,000	4,205,400	4,205,400	4,205,400	4,205,400	4,205,400
	Cyclical	HRE001/2041	External and Internal Decorations	230,000	280,000	280,000	280,000	280,000	280,000	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000
		HRE001/2014	Pre-paint Repairs	100,000	80,000	80,000	80,000	80,000	80,000	420,000	420,000	420,000	420,000	420,000
	Routine Maintenance - Service Maintenance Contracts	HRE001/2011	Estate Maintenance planned repairs	250,000	100,000	100,000	100,000	100,000	100,000	650,000	650,000	650,000	650,000	650,000
		HRE001/2042	Servicing/Maintenance of Central Heating Boilers	350,000	350,000	350,000	350,000	350,000	350,000	1,750,000	1,750,000	1,750,000	1,750,000	1,750,000
		HRE001/2043	Servicing/Maintenance of Communal Boilers	45,500	44,500	44,500	44,500	44,500	44,500	223,500	223,500	223,500	223,500	223,500
		HRE001/2044	Asbestos Management	130,000	130,000	130,000	130,000	130,000	130,000	650,000	650,000	650,000	650,000	650,000
		HRE001/2045	Legionella Management	56,300	55,000	55,000	55,000	55,000	55,000	276,300	276,300	276,300	276,300	276,300
		HRE001/4005	Electric Testing	72,000	72,000	72,000	72,000	72,000	72,000	360,000	360,000	360,000	360,000	360,000
		HSH001/2012	Servicing/Maintenance of Communal & Disabled Lifts	22,000	30,000	30,000	30,000	30,000	30,000	142,000	142,000	142,000	142,000	142,000
		HSH001/4012	Sheltered Furniture	28,000	17,500	17,500	17,500	17,500	17,500	98,000	98,000	98,000	98,000	98,000
	HSH001/4001	Sheltered Equipment	14,000	17,500	17,500	17,500	17,500	17,500	84,000	84,000	84,000	84,000	84,000	
	<b>SUB TOTAL A: HOUSING REVENUE EXPENDITURE</b>			<b>2,183,200</b>	<b>2,006,500</b>	<b>2,006,500</b>	<b>2,006,500</b>	<b>2,006,500</b>	<b>2,006,500</b>	<b>10,209,200</b>	<b>10,209,200</b>	<b>10,209,200</b>	<b>10,209,200</b>	<b>10,209,200</b>
B. HOUSING CAPITAL EXPENDITURE	Planned Works	CHR200/6812	Central Heating Boiler Replacement	570,000	570,000	570,000	570,000	570,000	570,000	2,850,000	2,850,000	2,850,000	2,850,000	2,850,000
		CHR201/6811	Sheltered Scheme Improvements	15,000	15,000	15,000	15,000	15,000	15,000	25,000	75,000	25,000	75,000	25,000
		CHR212/6812	Adaptations for Disabled (Major)	260,000	260,000	260,000	260,000	210,000	210,000	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000
		CHR202/6812	Adaptations for Disabled (Minor)	10,000	10,000	10,000	10,000	10,000	10,000	50,000	50,000	50,000	50,000	50,000
		CHR203/6812	Environmental Improvements	130,000	100,000	150,000	100,000	100,000	100,000	500,000	500,000	500,000	500,000	500,000
		CHR204/6811	Chimneys	50,000	20,000	60,000	60,000	60,000	60,000	400,000	600,000	600,000	300,000	300,000
		CHR205/6811	Energy Conservation/Plant Replacement	250,000	10,000	50,000	100,000	100,000	100,000	75,000	250,000	250,000	75,000	250,000
		CHR206/6812	Security Programme	20,000	10,000	30,000	30,000	30,000	30,000	150,000	150,000	150,000	150,000	150,000
		CHR207/6811	Structural Works	150,000	150,000	150,000	150,000	150,000	150,000	750,000	750,000	750,000	750,000	750,000
		CHR208/6811	Sewage Plant Replacement Works	10,000	70,000	10,000	10,000	10,000	10,000	50,000	100,000	50,000	100,000	50,000
		CHR209/6811	Roof works	70,000	160,000	120,000	250,000	250,000	300,000	2,250,000	1,250,000	1,250,000	500,000	500,000
		CHR210/6812	Doors	70,000	50,000	50,000	50,000	50,000	50,000	250,000	250,000	250,000	250,000	250,000
		CHR211/6812	Re-wiring	500,000	500,000	500,000	500,000	500,000	490,000	1,000,000	1,000,000	1,000,000	2,500,000	2,500,000
		CHR213/6811	Major Work - Voids	600,000	700,000	600,000	600,000	600,000	700,000	3,000,000	3,500,000	3,500,000	3,500,000	3,500,000
		CHR214/6812	Bathroom/Kitchen Upgrade	500,000	500,000	625,000	500,000	500,000	500,000	2,500,000	2,250,000	2,250,000	2,250,000	2,250,000
		CHR215/6812	Re-windowing	35,000	35,000	35,000	120,000	120,000	120,000	600,000	1,500,000	1,500,000	1,500,000	1,500,000
		CHR217/6801	Insulation Works	20,000	20,000	20,000	20,000	20,000	20,000	100,000	100,000	100,000	100,000	100,000
		<b>PLANNED WORKS PROGRAMME</b>			<b>3,260,000</b>	<b>3,180,000</b>	<b>3,255,000</b>	<b>3,345,000</b>	<b>3,295,000</b>	<b>3,435,000</b>	<b>15,600,000</b>	<b>16,225,000</b>	<b>16,125,000</b>	<b>16,500,000</b>
		CHR223/6812	UPVC fascias/downpipes	263,000	100,000	100,000	100,000	100,000	100,000	500,000	500,000	500,000	500,000	500,000
		CHR500/6841	Cash Incentive to move grant	50,000	50,000	50,000	50,000	50,000	50,000	250,000	250,000	250,000	250,000	250,000
		CHR401/6824	IT - Planned Repairs/Service Charge Module etc	65,000	0	0	0	0	0	350,000	100,000	350,000	100,000	350,000
		CHR402/6824	Housing Contractors Portal & SAM	55,000	0	0	0	0	0	0	0	0	0	0
		CHR301/6822	Energy Efficiency Works	380,000	150,000	0	0	0	0	1,600,000	1,600,000	200,000	200,000	200,000
			Resurfacing trunk/access roads	0	150,000	0	0	0	0	0	0	0	0	0
		CHR501/6841	Learning Difficulties Support Unit	100,000	0	0	0	0	0	0	0	0	0	0
		CHR104/6801	Mead Court Development	1,768,000	0	0	0	0	0	0	0	0	0	0
		CHR219/6812	Sheltered Housing Alarms Equipment	0	0	0	0	0	0	0	0	0	0	0
		CHR221/6801	Internet Cafes	25,000	0	0	0	0	0	0	0	0	0	0
		CHR600/6823	Vehicle purchase programme	0	0	87,000	96,400	0	0	100,000	100,000	100,000	100,000	100,000
		CHR105/6801	New Build Development Sites	212,000	586,000	1,200,000	1,300,000	2,100,000	600,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
		CHR106/6801	Catons Lane	900,000	0	0	0	0	0	0	0	0	0	0
		CHR107/6801	Reynolds Court	2,450,000	4,200,000	620,000	0	0	0	0	0	0	0	0
		CHR108/6801	Hatherley Court	865,000	898,000	0	0	0	0	0	0	0	0	0
CHR109/6801	Walden Place	10,000	400,000	400,000	0	0	0	0	0	0	0	0		
<b>BUSINESS PLAN/ADDITIONAL WORKS TOTAL</b>			<b>7,143,000</b>	<b>6,534,000</b>	<b>2,457,000</b>	<b>1,546,400</b>	<b>2,250,000</b>	<b>750,000</b>	<b>7,300,000</b>	<b>7,050,000</b>	<b>5,900,000</b>	<b>5,650,000</b>	<b>5,900,000</b>	
<b>SUB TOTAL B : CAPITAL WORKS PROGRAMME</b>			<b>10,403,000</b>	<b>9,714,000</b>	<b>5,712,000</b>	<b>4,891,400</b>	<b>5,545,000</b>	<b>4,185,000</b>	<b>22,900,000</b>	<b>23,275,000</b>	<b>22,025,000</b>	<b>22,150,000</b>	<b>22,475,000</b>	
<b>TOTAL REVENUE AND CAPITAL EXPENDITURE ON HOUSING PROJECTS UNDER SELF FINANCING: A + B</b>			<b>12,586,200</b>	<b>11,720,500</b>	<b>7,718,500</b>	<b>6,897,900</b>	<b>7,551,500</b>	<b>6,191,500</b>	<b>33,109,200</b>	<b>33,484,200</b>	<b>32,234,200</b>	<b>32,359,200</b>	<b>32,684,200</b>	

# HRA projection – 2015/16 – 2020/21

# APPENDIX 2

YEARS	4	5	6	7	8	9
<b>Overall impact on rents received</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
	<b>Original</b>	<b>Original</b>	<b>Original</b>	<b>Original</b>	<b>Original</b>	<b>Original</b>
	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
Projected rents for 5 year strategy, based on CPI +1%	(14,672)	(14,974)	(15,277)	(15,585)	(15,900)	(16,218)
Rents with new 1% decrease	(14,672)	(14,302)	(14,159)	(14,017)	(13,877)	(14,085)
Loss of rent					(5,380)	
<b>Total loss of rent</b>	<b>0</b>	<b>(672)</b>	<b>(1,118)</b>	<b>(1,568)</b>	<b>(2,023)</b>	<b>(2,133)</b>
<b>£'000</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
	<b>Forecast</b>	<b>Original</b>	<b>Original</b>	<b>Original</b>	<b>Original</b>	<b>Original</b>
	<b>Actuals</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
Dwelling Rents	(14,672)	(14,302)	(14,159)	(14,017)	(13,877)	(14,016)
Garage Rents	(184)	(208)	(196)	(202)	(207)	(209)
Other Rents etc	(4)	(3)	(3)	(3)	(3)	(4)
Charges for Services & Facilities	(826)	(908)	(868)	(896)	(918)	(927)
Contribution towards expenditure	(41)	0	0	0	0	0
<b>Total Income</b>	<b>(15,727)</b>	<b>(15,421)</b>	<b>(15,226)</b>	<b>(15,119)</b>	<b>(15,006)</b>	<b>(15,156)</b>
<u>Housing Finance &amp; Business Management</u>						
Business & Performance Management	307	103	105	106	108	109
Rents, Rates & Other Property Charges	41	76	77	78	79	81
	348	179	182	184	187	190
<u>Housing Maintenance &amp; Repairs Service</u>						
Common Service Flats	248	226	229	233	236	240
Estate Maintenance	293	145	147	149	152	154
Housing Repairs	2,207	2,324	2,359	2,394	2,430	2,467
Housing Sewerage	57	53	54	55	55	56
Newport Depot	11	11	11	11	12	12
Property Services	282	273	277	281	285	290
	3,098	3,032	3,077	3,124	3,170	3,218
<u>Housing Management &amp; Homelessness</u>						
Housing Services	323	394	400	406	412	418
Sheltered Housing Services	611	635	645	654	664	674
Supporting people	53	0	0	0	0	0
	987	1,029	1,044	1,060	1,076	1,092
<u>Other Costs</u>						
Depreciation - Council Dwellings	3,209	3,281	3,356	3,432	3,518	3,606
Depreciation - Other Assets	146	146	150	150	150	154
Impairment	100	0	0	0	0	0
Bad Debt Provision	50	50	50	50	50	50
Recharge from General Fund	1,138	1,330	1,350	1,370	1,391	1,412
HRA Share of Corporate Core	340	335	340	345	350	356
Interest/Costs re HRA Loan	2,625	2,625	2,625	2,625	2,625	2,625
Investment Income	(39)	(52)	(20)	(11)	(11)	(11)
HRA Loan Repayments	0	0	2,000	2,000	2,000	2,000
Pension Costs	20	19	0	0	0	0
Right to Buy admin allowance	(10)	(10)	(10)	(10)	(10)	(10)
Minimum revenue provision	0	0	(0)	(0)	(0)	0
	7,579	7,724	9,841	9,951	10,063	10,181
<b>Total Expenditure</b>	<b>12,012</b>	<b>11,964</b>	<b>14,145</b>	<b>14,319</b>	<b>14,496</b>	<b>14,681</b>
<b>OPERATING (SURPLUS)/DEFICIT</b>	<b>(3,715)</b>	<b>(3,457)</b>	<b>(1,082)</b>	<b>(800)</b>	<b>(510)</b>	<b>(475)</b>
Transfer to(+)/from(-) the Change Management Reserve	0	0	0	0	0	0
Transfer to(+)/from(-) the Transformation Reserve	42	0	0	0	0	0
Transfer to(+)/from(-) HRA Working Balance	0	0	0	0	0	0
Transfer to(+)/from(-) Capital receipts	0	0	(1,793)	(152)	(152)	(376)
Release of CAA funds	0	0	0	0	0	0
<b>Revenue balance available for capital financing</b>	<b>(3,673)</b>	<b>(3,457)</b>	<b>(2,875)</b>	<b>(952)</b>	<b>(662)</b>	<b>(851)</b>
<u>CAPITAL and RESERVES</u>						
<b>Capital Spend</b>	<b>7,371</b>	<b>12,520</b>	<b>5,712</b>	<b>4,891</b>	<b>5,545</b>	<b>4,185</b>
<i>Potential S106 contribution</i>	0	0	0	0	0	0
Transfer to(+)/from(-) Capital receipts (1-4-1 and other)	(304)	(221)	(360)	(390)	(630)	(180)
Transfer to(+)/from(-) reserves grants/contributions	0	(902)	0	0	0	0
Transfer to(+)/from(-) reserves for Major Repairs	(3,334)	(3,426)	(3,502)	(3,578)	(3,541)	(3,683)
Transfer to(+)/from(-) reserves for Capital Schemes	648	(4,104)	1,025	29	(712)	529
Release of funds from TA unit sale	0	0	0	0	0	0
Transfer to(+)/from(-) reserves for Potential Developments	(708)	(92)	0	0	0	0
Transfer to(+)/from(-) reserves for Sheltered Housing Projects	0	(318)	0	0	0	0
Surplus Transfer	0	0	0	0	0	0
<b>Capital spend financed by RCCO</b>	<b>3,673</b>	<b>3,457</b>	<b>2,875</b>	<b>952</b>	<b>662</b>	<b>851</b>
<b>(SURPLUS)/DEFICIT</b>	<b>0</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(0)</b>

**Housing Revenue Account 2015/16 – 2020/21 funding for capital schemes year totals**

The extract below from the Business Plan Model shows the next 5 years of the HRA capital projections. It should be noted that these figures are forecasts based on current best estimates, and are subject to change as time progresses and more information becomes available.

Housing Revenue Account Capital Schemes	2015-16 Current Budget £	2015-16 Forecast Spend £	2016-17 Forecast Budget + Slippage £	2017-18 Budget £	2018-19 Budget £	2019-20 Budget £	2020-21 Budget £	TOTAL £
Total programme spend	10,403,000	7,371,000	12,520,000	5,712,000	4,891,000	5,545,000	4,185,000	40,224,000
Financing - Housing Revenue Account	2015-16 Current Budget £	2015-16 Forecast Spend £	2016-17 Forecast Budget + Slippage £	2017-18 Budget £	2018-19 Budget £	2019-20 Budget £	2020-21 Budget £	Total Financing £
<b>Business Plan Schemes</b>								
Funded from reserves	(2,864,000)	(708,000)	(4,514,000)	0	0	(712,000)	0	(5,934,000)
S106 - Housing Partnership Funding - HRA	0	0	0	0	0	0	0	0
HCA grant funding	0	0	(902,000)	0	0	0	0	(902,000)
Capital Receipts - RTB	(334,000)	(304,000)	(221,000)	(360,000)	(390,000)	(630,000)	(180,000)	(2,085,000)
HRA Financial Headroom - Specific Schemes	(3,632,000)	(2,947,000)	(3,457,000)	(1,850,000)	(910,000)	(662,000)	(322,000)	(10,148,000)
Other MRR reserve cont	0	0	(96,000)	(9,000)	0	(96,000)	(98,000)	(299,000)
Internal Borrowing	0	0	0	0	0	0	0	0
	(6,830,000)	(3,959,000)	(9,190,000)	(2,219,000)	(1,300,000)	(2,100,000)	(600,000)	(19,368,000)
<b>Other Schemes</b>								
Major Repairs Reserve Contribution	(3,208,960)	(3,209,000)	(3,280,000)	(3,356,000)	(3,432,000)	(3,395,000)	(3,537,000)	(20,209,000)
Other MRR reserve cont	(125,000)	(125,000)	(50,000)	(137,000)	(146,000)	(50,000)	(48,000)	(556,000)
HRA Revenue Funding	(239,040)	(78,000)	0	0	(13,000)	0	0	(91,000)
Sub total	(3,573,000)	(3,412,000)	(3,330,000)	(3,493,000)	(3,591,000)	(3,445,000)	(3,585,000)	(20,856,000)
<b>TOTAL FINANCING</b>	<b>(10,403,000)</b>	<b>(7,371,000)</b>	<b>(12,520,000)</b>	<b>(5,712,000)</b>	<b>(4,891,000)</b>	<b>(5,545,000)</b>	<b>(4,185,000)</b>	<b>(40,224,000)</b>
Funding deficit (Borrowing outside of HRA required internal from cash or external)	0	0	0	0	0	0	0	0

	Action	By When	Resources	Outcome
<b>1. Operate a sound and viable housing business in a professional and cost effective manner</b>	Continue to develop business plan financial model to inform investment and service planning	Ongoing	Within existing resources	HRA that continues to be managed on sound business principles
	Prepare for supporting people funding reductions	Mar-17	Within existing resources	Options identified to enable key services to continue to be delivered
	Improve performance management systems in housing services	Mar-17	Within existing resources	PI targets based on a combination of performance of peer LA's in HouseMark benchmarking group and historic UDC performance data
	Maximise income to the HRA by achieving high collection rates for rents, service charges, sewage charges, garage rents and miscellaneous invoices	Ongoing	Within existing resources	Rent arrears action taken at an earlier stage to prevent arrears from escalating. Providing debt support and signposting to tenants/leaseholders who are struggling. Corporate approach to rent collection to ensure join-up with individual cases
	Implement re-chargeable repairs policy	Apr-16	Within existing resources	Improve recovery of costs of repairs which are tenants' responsibility
	Evaluate the alternative options available for the delivery of housing services through strategic and /or operational partnerships	Apr-17	Within existing resources	Options identified for step change improvement in value for money
	Review the arrangements for the management of non-housing assets	Oct-16	Within existing resources	Rationalisation of management responsibilities and clarification of development potential
	Ensure the void turnaround figures do not exceed targets to minimise rent losses	Ongoing	Within existing resources	Rent loss through voids minimalised






<b>2. Ensure that all the council's tenants live in a decent home in settled communities for as long as needed, consistent with the council's Tenant Strategy</b>	Review tenant strategy to ensure that local housing need is met and assets are used effectively, utilising all available flexibilities	Apr-17	Within existing resources	Updated strategy
	Create a tenancy sustainment team	Aug-16	Within existing resources	Increased support for vulnerable tenants. A failed tenancy costs the Council several thousands of pounds so the success of this team will ultimately save money for re-investment in the housing stock
	Improve the information on the housing stock	Apr-17	Within existing resources	Accessible up to date stock data
	Continue to manage and maintain the housing stock effectively and efficiently ensuring that properties meet, as a minimum, the decent homes standard	Ongoing	Within identified resources - approximately £5.3m pa	Well maintained homes and assets to minimum decent homes standard
	Deliver an improved repairs and maintenance service through: 1. Enhancement of mobile technology for repairs and voids teams; 2. Electronic van stocking of operatives' vehicles 3. Online reporting of repairs	Aug-16	£120k	Homes well maintained Improved tenant satisfaction More efficient and responsive deployment of personnel
	Improve average energy efficiency for council properties	Apr-17	£530k	Reduced fuel costs for residents
	Continue to fund disabled adaptations for tenants and improve the delivery process	Ongoing	£260k pa	Reduction in the time people have to wait for adaptations
	Undertake fundamental review of	Ongoing	Within existing	Policies in place that reflect best practice/current

	policies and procedures to ensure service is 'Fit for Purpose'		resources	legislation
<b>3. Help tenants and leaseholders get involved with decisions about their housing</b>	Continue to develop Housing Regulatory Panel to scrutinise the performance of the Housing Service and to undertake service reviews	Ongoing	5k pa - training for members	A Housing Regulatory Panel that deliver in-depth challenging inspections - achieving improvements that really matter to tenants
	Review the approach to gathering tenant feedback and satisfaction	Mar-17	Within existing resources	Refreshed approach to assessing tenant satisfaction to inform service improvement planning
	Link tenant participation with opportunities for skill development	Ongoing	Within existing resources	Skilled Tenant Forum and Tenant Regulatory Panel members
	Publish annual tenants report	Ongoing	£3k pa	Annual report published
	Benchmark service with other landlords through HouseMark	Ongoing	Within existing resources	Core benchmarking data uploaded to HouseMark for full organisational review
<b>4. Regenerate the stock/estates and build new affordable rented council housing in an efficient and effective manner</b>	Deliver the new homes programme	Mar-21	£6.898m	New homes to replace those lost through RTB sales - approximately 6 -10 per year
	Deliver Sheltered scheme re-development programme	Mar-18	£11.5m	Fit for purpose accommodation for the elderly
	Review housing asset management strategy	Apr-18	Within existing resources	Established a clear policy on the use of HRA assets, regeneration and development
	Develop and implement initiatives for improving estates	Ongoing	Within existing resources	Delivery of new estate improvement/ regeneration initiatives as part of the housing asset management strategy. Delivery of resident led improvements






















	Carry out development appraisals of identified sites and review business plan capacity to develop	Apr-17	Revenue cost of £50k pa for surveyor to co-ordinate works	Established housing development programme
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## 2014/15 Housing KPI & PI Outturn Report

PI Status	
	This PI is more than 10% below target.
	This PI is between 0.01 and 10% below target.
	This PI is on target.





























\* Cumulatively monitored

# Quarterly targets for these indicators have been profiled

PI Code & Short Name	Q4 201 3/1 4	Q1 2014 /15	Q2 2014 /15	Q3 2014 /15	Q4 2014 /15	2013/14	2014/1 5	Latest Note
<b>HSG 4 (H4)</b> New tenants visits completed within 4 weeks	57%	54.3%	64%	68.2%	80%	96.5%	<b>65.1%</b>	<b>Q4 2014/15</b> Number of new tenant visits to be completed 35. Completed within 4 weeks = 28, completed within 5 weeks = 4, completed within 6 weeks = 1, completed within 7+weeks =1.
								
	100%	100%	100%	100%	100%	100%	100%	
<b>HSG 5</b> % of rent lost through dwellings being vacant (GN & HfOP)	1.75%	1.80%	1.85%	1.87%	2.28%	1.54%	<b>1.96%</b>	<b>Q4 2014/15 Numerator:</b> £91,461.35 <b>Denominator:</b> £4,012,225.92 = 2.28%. This indicator is slightly under target due to a higher than expected void rate in final quarter. <b>2014/15 Numerator:</b> £295,243.78 <b>Denominator:</b> £15,089,582.03 = 1.96%.
								
	1.95%	1.90%	1.90%	1.90%	1.90%	1.95%	1.90%	
<b>HSG 9</b> % of BME applicants on the housing register	10.5%	10.2%	10.7%	11.8%	10.9%	10.2%	<b>10.9%</b>	<b>Q4 2014/15</b> Total applicants = 892 of which % BME applicants = 10.9%. This figure is consistent with previous quarters. BME figures have decreased slightly from last month possibly due to the review of the housing register in line with the new policy.
								
	7.4%	7.4%	7.4%	7.4%	7.4%	7.4%	7.4%	

PI Code & Short Name	Q4 201 3/1 4	Q1 2014 /15	Q2 2014 /15	Q3 2014 /15	Q4 2014 /15	2013/14	2014/1 5	Latest Note	
<b>HSG 10</b>	28.6	23.5	16.5	29	24.5	21.2	<b>23.3</b>	<b>Q4 2014/15</b> 22 Decisions made totalling 539/22 = 24.5 days on average. The average has gone down from last quarter and shows a consistent high performance.	
Average time taken (days) to process homeless applications									
	33	33	33	33	33	33	33		
<b>HSG 14</b> (HMGH 60) % of dwellings that are vacant and available to let (GN & HfOP)	Annual LPI						0.70%	<b>0.50%</b>	<b>2014/15 Numerator:</b> 12 (Total no. of properties void for less than 28 days) <b>Denominator:</b> 2,408 (Total Housing Stock as @ 31.03.15) = 0.50%. Turnaround of voids continues to improve this year with Voids Surveyors, Voids Operatives team and Housing Management Team working closely on all cases.
							0.80%	0.75%	
<b>HSG 20</b> (HMPI220) Current tenant rent arrears as a percentage of the annual rent debit (excluding HB adjustment)	2.88%	3.18%	3.20%	3.24%	3.11%	2.88%	<b>3.11%</b>	<b>Q4 2014/15 Numerator:</b> -£21,495.15 <b>Denominator:</b> £4,012,225.92 (-0.54%). <b>2014/15 Numerator:</b> £469,028.40 <b>Denominator:</b> £15,089,582.03 = 3.11%.  This PI is on target. Continued specific focus on rent collection activities within the Rents team has supported the performance of this PI.	
	3.30%	3.29%	3.29%	3.29%	3.29%	3.30%	3.29%		
<b>HSG 21</b> Homelessness: Number of people accepted as homeless (Minimise)	7	14	19	14	13	57	<b>60</b>	<b>Q4 2014/15</b> 13 homeless applicants accepted. Acceptances are slightly down from last quarter and better than previous quarters. Finding private rentals as an alternative has been very challenging.	
	15	15	15	15	15	35	60		
<b>HSG 22</b> Average length of stay in bed and breakfast accommodation for accepted priority needs families (weeks) (Minimise)	1.71	0	0.9	2.9	3.3	3.71	<b>1.7</b>	<b>Q4 2014/15:</b> Total number accepted cases in nightly paid accommodation = 4. Total length of stay = 93 days; 93/4 = 23.2 23.2/7= (days in a week) = 3.3 weeks. 4 families only in B&B and they were moved to more suitable UDC accommodation as soon as it was available. UDC TA has been at a premium during this period owing to damp issues and the upcoming demolition of Mead Court.	
	1	0	0	0	0	1	0		

PI Code & Short Name	Q4 201 3/1 4	Q1 2014 /15	Q2 2014 /15	Q3 2014 /15	Q4 2014 /15	2013/14	2014/1 5	Latest Note	
<b>HSG 23</b> Average length of stay in bed and breakfast accommodation for accepted priority needs others (weeks) (Minimise)	0	5.9	3.07	0	0	5.9	<b>2.2</b>	<b>Q4 2014/15</b> There were no cases in this category in Q4	
	4	4	4	4	4	4	4		
<b>HSG 24</b> Average length of stay in bed and breakfast accommodation for rejected (all groups) (weeks) (Minimise)	0.2	0.1	1.8	9.1	3.9	0.24	<b>0.7</b>	<b>Q4 2014/15</b> Total number cases in nightly paid accommodation = 3. Total length of stay = 83 nights 83/3 = 27.6. 27.6/7 (days in a week) = 3.9 weeks. One of the cases was a couple who were temporarily housed by us for 3 days and returned to East Herts. The other 2 cases were complex single men who were not suitable for family or shared accommodation.	
	5	4	4	4	4	5	4		
<b>HSG 28</b> Average energy efficiency rating of dwellings (based on SAP 2005)	Annual LPI						69	<b>65</b>	<b>2014/15</b> Some of the energy efficiency programmes have conversely affected energy efficiency. Future programmes intend to rectify the issue and raise thermal efficiency in the forthcoming years.
							69	70	
<b>HSG 32</b> (GNPI 19) % of urgent repairs completed within target time	92.0%	95.2%	94.7%	95.1%	96.7%	95.0%	<b>95.4%</b>	<b>Q4 2014/15 Numerator:</b> 1,044 <b>Denominator:</b> 1,080 96.7%. Performance further improved as Restructure bringing benefits.	
	100.0%	97.5%	97.5%	97.5%	97.5%	100.0%	97.5%		
<b>HSG 34</b> % of lets to all properties allocated through the allocation scheme to BME applicants	7.15%	5.97%	5.7%	4.5%	8%	8.9%	<b>6.04%</b>	<b>Q4 2014/15</b> 75 total lets, 6 to BME groups = 8 %. An increase from last quarter.	
	7.4%	7.4%	7.4%	7.4%	7.4%	7.4%	7.4%		

PI Code & Short Name	Q4 2013/14	Q1 2014/15	Q2 2014/15	Q3 2014/15	Q4 2014/15	2013/14	2014/15	Latest Note
<b>HSG 35</b> % of Pre-Void Inspections completed on all voids that can be pre-inspected for the period	92%	69%	75%	96%	83.3%	48%	<b>80%</b>	<b>Q4 2014/15</b> 60 voids of which 18 could have been inspected. Of the 18 properties that could have been inspected 15 inspections were completed. <b>2014/15</b> 201 voids of which 92 could be inspected. 74 Inspections completed = 80%.
								
	100%	100%	100%	100%	100%	100%	100%	
<b>HSG 37</b> (GNPI 18) % of emergency repairs completed within target time (24hrs)	94.0%	94.9%	96.6%	96.4%	95.7%	96.0%	<b>95.9%</b>	<b>Q4 2014/15 Numerator:</b> 687 <b>Denominator:</b> 718 = 95.7%. Slight reduction in performance during period where Responsive Contract being tendered and renewed.
								
	100.0%	97.5%	97.5%	97.5%	97.5%	97.0%	97.5%	
<b>HSG 42</b> (GI5C0) Percentage of dwellings with a valid gas safety certificate	99.90%	99.43%	99.62%	99.81%	100.00%	99.90%	<b>99.86%</b>	<b>Q4 2014/15</b> Due to Q1 percentage being so low this lowered our overall percentage for the year.
								
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
<b>HSG 43</b> Rent collected as a percentage of rent owed (excluding arrears b/f) (HMPI 210)	100.57%	100.32%	98.56%	99.23%	99.30%	100.57%	<b>99.30%</b>	<b>Q4 2014/15 Numerator:</b> £3,992,627.68 <b>Denominator:</b> £4,012,225.92 = 99.51%. <b>2014/15 Numerator:</b> £14,984,554.29 <b>Denominator:</b> £15,089,582.03 = 99.30%. This PI remains on target due to continued priority focus on rent and rent arrears collection processes.
								
	99.10%	98.15%	98.65%	98.90%	99.15%	99.10%	99.15%	