

Committee: Scrutiny

Agenda Item

Date: 10 February 2015

14

Title: Housing Revenue Account 2015/16 Budget and 5 year Business Plan Strategy

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Item for decision
Yes

Summary

1. This report sets out the following:
 - a) A proposed Housing Revenue Account(HRA) budget and reserves position for 2015/16
 - b) A proposed 5 year financial forecast for the period from 2015/16 to 2019/20
 - c) HRA rents are increased in line with the new government guidelines of CPI + 1%, an average rent increase of 2.2%
 - d) Garage rents are increased by RPI of 2.3%.
 - e) Heating, Service and Sewerage charges are increased in line with actual costs.
 - f) Service charges for common services in sheltered schemes continue to be subsidised for tenants at 31st March 2012 who are not in receipt of housing benefit. Subsidy reducing by 25% annually.
 - g) Charge for Sheltered support services is increased by RPI of 2.3%
 - h) Sheltered support services for tenants as at 31st March 2003, who are not eligible for supporting people grant, continue to receive transitional relief protection
 - i) Lifeline basic charge is increased by RPI of 2.3%
2. The Housing Board and the Tenants Forum have reviewed the Housing Rent options and service charge increases and recommended the proposals for approval by Cabinet and Full Council.
3. The Housing Board has reviewed the Housing Revenue Budget and 5 year financial strategy and recommended the reports for approval by Cabinet and Full Council.
4. There is an opportunity for the Scrutiny Committee to review the report and provide comments in support of the recommendations, or to propose alternatives. Examples of the questions scrutiny may wish to consider are:
 - a) Do the proposals have the support of the Council Tenants?
 - b) Is the rationale for proposed rent and service charge increases clearly explained and justifiable?
 - c) Are there clear plans for the use of the financials headroom that deliver useful outcomes within reasonable timescales?

Recommendations

5. The Scrutiny Committee is requested to endorse the following recommendations to Cabinet or suggest alternatives.
6. The Cabinet is request to approve, for recommendation to Full Council the HRA Revenue Budget and 5 Year Financial Strategy.

Financial Implications

7. These are included in the body of the report

Background Papers

8. None

Impact

Communication/Consultation	None
Community Safety	None
Equalities	None
Health and Safety	None
Human Rights/Legal Implications	None
Sustainability	Affordable rent levels and appropriate housing supply are an important factor in the sustainability of local communities and in particular rural communities
Ward-specific impacts	None
Workforce/Workplace	None

Background

9. The HRA budget for 2015/16 reflects the service arrangements and investments in relation to the council's housing services for the fourth year under 'Self Financing'.
10. The new financial arrangements enable the service to stand alone financially and take 'local' decisions for housing services.
11. The Council's overall aims and objectives for housing services over a 30 year period is reflected in the HRA Business Plan which was approved by Housing Board in January 2012. The HRA Business Plan is reflected in these budget proposals.
12. The Business Plan has been framed in the light of:
 - Estimated rental income in line with the Government's guidance at the time
 - Appropriate capital investment in maintaining the quality of the housing stock through planned maintenance and replacement works
 - The new build programme
 - One for one replacement of Right to Buy sales

- Servicing and repaying debt so that new borrowing is available for future maintenance works or investment in further new build schemes
- Remodelling and modernising sheltered housing schemes.

13. The dwelling rental income has been included in this report based on the Central Government Guidelines issued on HRA dwelling rental increases at CPI + 1%. This gives an average rental increase of 2.2%.

14. Income and expenditure is budgeted on an incremental and inflationary basis to reflect the financial and operational needs of the housing service, using 2014/15 as a base.

15. The HRA budget is detailed in Appendix A.

Housing Revenue Account Budget 2015/16

16. The budget identifies a net operating surplus of £3,498,000 made up of total income of £15,715,000 and total expenditure of £12,217,000. The surplus has been allocated to fund agreed projects as detailed in the Business Plan.

17. The supporting people grant is currently under review by Essex County Council and if this grant funding ceased this would put an added burden on the HRA revenue costs. The loss of this funding equates to approximately £185k and it would need to be considered as to whether this would be funded by the HRA in future years or the cost transferred to the tenants in receipt of this support.

The tables below give a breakdown of the budget and associated variances.

Budget Summary

	2014/15 Restated Budget £' 000	2015/16 Original Budget £' 000	Increase / Decrease (-) £' 000
Dwelling Rents	(14,390)	(14,672)	(282)
Other income	(1,000)	(1,043)	(43)
Income	(15,390)	(15,715)	(325)
Housing Finance & Business Management	503	414	(89)
Housing Maintenance & Repairs Service	2,872	3,109	237
Housing Management & Homelessness*	865	919	54
Expenditure Direct Services	4,240	4,442	202
Capital Repairs	3,261	3,455	194
Interest on HRA Loan	2,625	2,625	0
Pension Cost	85	20	(65)
General Fund Recharge	1,464	1,372	(92)
Bad Debt Provision	150	250	100
Supporting People	53	53	0
Pay Award	20	0	(20)
Other Costs	7,658	7,775	117
Total Expenditure	11,898	12,217	319
Operating (Surplus)	(3,492)	(3,498)	(6)
Working Balance	0	0	0
Allocation of Headroom	3,492	3,498	(6)
Total	0	0	0

**This is the management cost of the service rather than the actual service cost for homelessness which is funded from the General Fund Account.*

Dwelling Rents

Further details of the rent calculation can be found on the UDC website for the Housing Board meeting agenda item 4 on the link below.

<https://uttlesford.cmis.uk.com/uttlesford/CalendarofMeetings/tabid/174/ctl/ViewMeetingPublic/mid/679/Meeting/6134/Committee/1890/Default.aspx>

Average weekly rent 2014/15	Average weekly rent 2015/16	Average weekly increase	Average weekly % increase
£98.65	£100.60	£1.95	2.2%

Budget Movements

	Inflation £' 000	Service Investment £' 000	Efficiencies £' 000	Adjustments £' 000
Rates and Property charges	(275)			
Business & Performance			(43)	
Estate Maintenance				150
Common Services Flats				(34)
Housing Services		44		
Property Services		30		(176)
Housing Repairs	(26)	225		26
Sheltered Housing	(13)			(17)
Other Costs				117
Other Minor Variances (net)				(14)
Total Budget movements	(314)	299	(43)	52

Variances (Greater than £10,000)

	Variance £'000	Reason for variance
Dwelling Rents income	(282)	Increased income due to inflationary uplift
Property Services	(157)	Post transferred to Housing Repairs as part of the staffing restructure (contra variance below)
	(20)	Feasibility study costs now capitalised
Service Charges and Facilities	(19)	Additional income is being received from the new Welfare Garden Schemes
	(39)	Additional income relates to the inflationary increase in housing repairs charges
Business and Performance Staffing	(43)	Post transferred to CSC, this will be reflected in the recharge calculation to General Fund
Common Services Flats	(34)	Budget realigned to reflect current usage
Housing Repairs	182	Increase in staffing costs due to restructure of the repairs team
	60	Increase in planned works and ad-hoc repairs
Estate Maintenance	150	Increase in expenditure for works on estate access roads
Housing Services	44	0.5fte ASBO post moved from General Fund to HRA
Property Services	30	Consultancy costs due to increase workload for new build schemes
Garage Rents	26	Income reduction due to redevelopment of sites
Bad debt provision	100	The introduction of Universal Credit in 2015/16 increases the

		risk to the council of tenants falling into rent arrears. Bad debt provision has been increased in anticipation of this
Depreciation	73 21	This is the proxy charge as set out in the business plan Increased due to IT asset investment in 2014/15
Impairment	100	Market value of the Council's garages has fallen below the original purchase price
Recharge from General Fund	(92)	Net effect of apportionment of central services cost
Pension Cost	(66)	Deficit 3 year payment deal offered discounts for upfront payment and so no payment in 15/16 or 16/17
Pay award	(20)	This is now incorporated into the salary budget as per the 2015/16 pay award agreed in January 2015

Movement in Reserves

Reserve	2014/15				2015/16		
	Opening Balance	Use of Reserves	Additions to Reserves	Closing Balance	Use of Reserves	Additions to Reserves	Closing Balance
Working Balance	680	(192)	42	530			530
Major Repairs (note 1)	91	(3,227)	3,261	125	(3,334)	3,355	146
Change Mgt.	200	(200)		0			0
Transformation	0		147	147		42	189
Revenue Projects	60			60			60
Sheltered Housing (note 2)	318		268	586	(221)		365
Potential Projects (note 3)	800			800	(620)		180
Capital Projects (note 4)	1,223	(425)		798	(514)		284
Additional Resource	0		1,047	1,047	(61)		986
Total	3,372	(4,044)	4,765	4,093	(4,750)	3,397	2,740

Notes to the reserves:

Note1 – The major repairs reserve is used for planned repair works

Note 2 – The Sheltered Housing reserve shows the anticipated drawdown for Reynolds Court and Hatherley Court.

Note 3 – The Potential Projects reserve is being used for the development of 6 new social houses

Note 4 – The Capital Projects reserve is for general schemes

More details of the HRA projects/schemes; the expenditure and financing over the next 5 years can be found in the Capital Programme (Appendix B) and Capital Financing (Appendix C)

HRA Business Plan and 5 Year Strategy

18. The Housing Service prepared a 30 year HRA Business Plan in line with the Self-Financing Agreement; from this business plan a 5 year working plan has been extracted detailing specific priorities/projects up until 2018/19. This is a rolling programme and is continuously updated.

- Appendix B – details all planned projects for the 5 year period 2015/16 – 2019/20
- Appendix C – identifies the capital financing for the period 2015/16 – 2019/20

19. The capital programme shows in 2016/17 that we no longer have any reserves or external funds to finance the current capital programme. The shortfall in financing of £737,000 will be met by internal borrowing and is within the restrictions of the HRA debt cap. The capital programme will continue to be monitored carefully to ensure that any opportunities or efficiencies are explored and implemented as appropriate.

20. The planned transfer of 8 designated temporary accommodation units (4 Mead Court, Stansted and 4 Burnt Villas, Takeley) from the HRA to the General Fund has been planned in 2014/15. The release of funds for this transaction has been built into the capital financing programme and will help support the planned programme of works.

21. A 5 year budget forecast summary table, Appendix D, shows that the HRA budgets over the medium term and the HRA is fully able to meet loan payments and manage the projects in the business plan along with providing a consistent level of services to residents.

22. The authority is continuing to deliver a significant programme of investment in the first five years of the HRA business plan - the largest investment in the stock, new development and the service for many years. To date the Council has made around £19 million of investment since the introduction of self-financing to improve the standard and availability of council housing. Progress with the priorities identified in the HRA business plan is attached in Appendix E. In summary as a landlord the council has delivered the following:

- a) Developed a housing asset management and development strategy
 - Improved the information on the housing stock
 - Decent homes – all housing stock now meets this national standard
 - Completed 8 new build Council houses at Holloway Crescent
 - Mead Court development on site and progressing well
 - Catons Lane, Saffron Walden – redevelopment of a garage site with 6 houses. Planning permission secured. Start on site anticipated for March 2015
 - Hatherley Court, Saffron Walden – Remodelling of existing sheltered scheme. Planning application submitted. Start on site programmed for November 2015

- o Reynolds Court, Newport – new build redevelopment of existing sheltered scheme. Planning application submitted December 2014. Start on site programmed for July 2015
- o Successful delivery of the investment programme including the delivery of environmental improvements
- b) Implemented and improved integrated monitoring, response and maintenance service for sheltered schemes and Lifeline users
- c) Reviewed Housing Allocations Scheme to prioritise those with a local connection
- d) Developed a new Anti-social Behaviour Policy
- e) Introduced fixed term tenancies
- f) Developed a Housing Regulation Panel to scrutinise the performance of the Housing Service and to undertake service reviews
- g) Re-launched the tenant participation service under the ‘Get Involved’ banner

Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
Changes in legislation may alter the assumptions contained in the proposed 2015/16 Budget and HRA Business Plan	2	2	Prudent budget management and assumptions are built into the budget predictions. This is supported by the minimum operational balance and earmarked reserves to provide a short term contingency
Rent arrears increase	2	2	The introduction of Universal Credit in 2015/16 increases the risk of arrears. Increased officer support to tenants was put in place in 2013/14 and this resource will be used to help support tenants in difficulty
Cut in Supporting People (SP) Grant	3 – ECC are proposing that tenants self-fund	3 – tenants in receipt of SP will need to fund their support services	Increased officer support for those tenants affected - will need help with their finances
Failure to deliver major housing and development projects	2 – the council has an ambitious development programme	3 – schemes do not progress	Robust project planning and resources aligned to deliver projects
Increase in interest rates	1 – not anticipated that rates will increase in the next year	3 – increase in loan repayment	Prudent budget management. To closely manage the situation with the support of our Financial Consultants, Arlingclose and consider fixed rate alternatives

Increases in Right to Buy discounts present a risk as the Council may be unable to replace stock at the same rate as sales	2 – Sales are already higher than estimated in the business plan	2 – Repayment of capital receipt to government	Continuous review of the Business Plan and possible options for new build housing
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1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.

Appendices

Appendix A – 2015/16 Summary Budget

Appendix B – Capital Programme (5 year)

Appendix C – Capital Financing Requirement (5 year)

Appendix D – 5 year Budget Summary (2015/16 – 2019/20)

Appendix E – Action Plan/Progress/Priorities

APPENDIX A

HRA Budget Summary 2015/16

£'000	2014/15 Original Budget	2014/15 Restated Budget	2015/16 Original Budget	Increase / (Decrease)
Housing Revenue Income				
Dwelling Rents	-14,390	-14,390	-14,672	-282
Garage Rents	-210	-210	-184	26
Other Rents etc	-3	-3	-3	0
Charges for Services & Facilities	-777	-777	-835	-58
Contributions towards Expenditure	0	0	0	0
Investment Income	-10	-10	-21	-11
TOTAL INCOME	-15,390	-15,390	-15,715	-325
Housing Finance & Business Management				
Business & Performance Management	467	467	378	-89
Rents, Rates & Other Property Charges	36	36	36	0
	503	503	414	-89
Housing Maintenance & Repairs Service				
Common Service Flats	275	275	241	-34
Estate Maintenance	141	141	293	152
Housing Repairs	1,935	1,935	2,190	255
Housing Sewerage	49	49	54	5
Newport Depot	12	12	11	-1
Property Services	460	460	320	-140
	2,872	2,872	3,109	237
Housing Management & Homelessness				
Housing Services	253	253	324	71
Sheltered Housing Services	612	612	595	-17
	865	865	919	54
Total Service Expenditure	4,240	4,240	4,442	202
Other Costs				
Depreciation - Council Dwellings (transfer to MRR)	3,136	3,136	3,209	73
Depreciation - Other Assets (transfer to MRR)	125	125	146	21
Impairment - Other Assets	0	0	100	100
Bad Debt Provision	150	150	250	100
Supporting People	53	53	53	0
Recharge from General Fund	1,211	1,211	1,138	-73
HRA Share of Corporate Core	253	253	234	-19
Interest/Costs re HRA Loan	2,625	2,625	2,625	0
Pension Costs - Added Years	19	19	20	1
Pension Costs - Deficit	198	66	0	-66
Pay Award	20	20	0	-20
Total Non-Service Expenditure	7,790	7,658	7,775	117
TOTAL EXPENDITURE	12,030	11,898	12,217	319
OPERATING (SURPLUS)/DEFICIT	-3,360	-3,492	-3,498	-6
Funding of Capital Programme from HRA				
Funding of Action Plan Capital Items	1,597	2,147	4,811	2,664
Funding of Capital from Revenue	1,097	1,097	0	-1,097
	2,694	3,244	4,811	1,567
Transfers to/from(-) Reserves				
Capital Projects	0	-550	-514	36
Change Management Reserve	0	0	0	0
Potential Developments	0	0	-620	-620
Sheltered Housing Reserve	798	798	-221	-1,019
Transformation Reserve	0	0	42	42
Working Balance	-132	0	0	0
	666	248	-1,313	-1,561
Total Use of Reserves/Funding	3,360	3,492	3,498	6
(SURPLUS)/DEFICIT	0	0	0	0

APPENDIX B

HRA Capital Programme – 5 Year Forecast

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	
HRA FUND	Current Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Total
	£	£	£	£	£	£	£
HRA Capital Repairs	3,968,000	3,260,000	3,060,000	3,255,000	3,345,000	3,295,000	20,093,000
UPVC Fascia's and Guttering	500,000	140,000	100,000	100,000	100,000	100,000	1,040,000
Cash Incentive Scheme Grants	50,000	150,000	50,000	50,000	50,000	50,000	400,000
Light Vans Replacement programme	0	0	0	102,500	96,400	0	218,900
Holloway Crescent Final costs	0	0	0	0	0	0	30,000
New builds							
Unidentified Sites	295,000	0	586,000	900,000	600,000	600,000	2,898,000
Catons Lane	30,000	827,000	0	0			930,000
Mead Court - New Build/Redevelopment	3,741,000	0	0	0	0	0	3,741,000
Reynolds Court	205,000	2,350,000	4,200,000	620,000	0	0	7,375,000
Hatherley Court	60,000	864,500	897,500	0	0	0	1,822,000
Walden Place	10,000	0	0	0	0	0	20,000
Unidentified Sheltered Schemes	0	0	0	0	1,500,000	1,500,000	3,000,000
Other schemes							
Sheltered Hsg Alarm equip	100,000	0	0	0	0	0	10,000
Energy Efficiency improvement schemes	606,000	280,000	280,000	0	0	0	960,000
Supported unit for people with learning disabilities	100,000	0	0	0	0	0	100,000
Review of potential internet cafes in sheltered schemes	40,000	25,000	0	0	0	0	65,000
ICT							
Service charges planned repair system	92,000	0	0	0	0	0	101,000
Housing contractors portal & SAM	0	55,000	0	0	0	0	55,000
HRA Housing Total	9,797,000	9,773,500	9,173,500	5,027,500	5,691,400	5,545,000	42,858,900

APPENDIX C

HRA Capital Financing – 5 year forecast

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Financing - Housing Revenue Account	Current Budget	Forecast Budget +	Budget	Budget	Budget	Budget
	£	£	£	£	£	£
Business Plan Schemes						
Funded from reserves	-835,000	-1,313,000	-419,000	0	-417,000	-335,000
S106 - Housing Partnership Funding - HRA	0	-434,000	0	0	0	0
HCA grant funding	0	-800,000	0	0	0	0
Capital Receipts - RTB	-724,000	-334,000	-176,000	-270,000	-180,000	-180,000
Release of prior years funding	0	-61,000	-986,000	0	0	0
Energy Efficiency Grant Funding	0	0	0	0	0	0
HRA Financial Headroom - Specific Schemes	-3,720,000	-2,431,500	-2,802,126	-1,046,334	-719,360	-1,439,000
	-5,279,000	-5,373,500	-4,383,126	-1,316,334	-1,316,360	-1,954,000
Other Schemes						
Major Repairs Reserve Contribution	-3,136,412	-3,208,960	-3,281,126	-3,355,945	-3,432,400	-3,395,000
Other MRR reserve cont	-91,000	-125,000	-146,000	-146,000	-146,000	-146,000
HRA Revenue Funding	-1,290,588	-1,066,040	-626,874	-209,221	-796,640	-50,000
Sub total	-4,518,000	-4,400,000	-4,054,000	-3,711,166	-4,375,040	-3,591,000
TOTAL FINANCING	-9,797,000	-9,773,500	-8,437,126	-5,027,500	-5,691,400	-5,545,000
Funding deficit (Borrowing outside of HRA required)	0	0	736,374	0	0	0

APPENDIX D

HRA Summary – 5 Year Forecast 2015/16 – 2019/20

£'000	2015/16 Original Budget	2016/17 Original Budget	2017/18 Original Budget	2018/19 Original Budget	2019/20 Original Budget
Dwelling Rents	(14,672)	(14,974)	(15,277)	(15,585)	(15,900)
Garage Rents	(184)	(190)	(196)	(202)	(207)
Other Rents etc	(3)	(3)	(3)	(3)	(3)
Charges for Services & Facilities	(835)	(841)	(868)	(896)	(918)
Investment Income	(21)	(11)	(11)	(11)	(12)
Total Income	(15,715)	(16,019)	(16,355)	(16,698)	(17,041)
<u>Housing Finance & Business Management</u>					
Business & Performance Management	378	390	403	415	426
Rents, Rates & Other Property Charges	36	37	38	40	41
	414	427	441	455	466
<u>Housing Maintenance & Repairs Service</u>					
Common Service Flats	241	249	257	265	272
Estate Maintenance	293	302	312	322	330
Housing Repairs	2,190	2,260	2,332	2,407	2,467
Housing Sewerage	54	56	58	59	61
Newport Depot	11	11	12	12	12
Property Services	320	330	341	352	361
	3,109	3,208	3,311	3,417	3,503
<u>Housing Management & Homelessness</u>					
Housing Services	324	334	345	356	365
Sheltered Housing Services	595	614	634	654	670
	919	948	979	1,010	1,035
<u>Other Costs</u>					
Depreciation - Council Dwellings	3,209	3,281	3,356	3,432	3,518
Depreciation - Other Assets	146	146	146	146	146
Impairment - Other Assets	100	0	0	0	0
Bad Debt Provision	250	300	300	300	300
Supporting People	53	53	53	53	54
Recharge from General Fund	1,138	1,290	1,331	1,374	1,408
HRA Share of Corporate Core	234	269	278	287	294
Interest/Costs re HRA Loan	2,625	2,625	2,625	2,625	2,691
HRA Loan Repayments	0	0	2,000	2,000	2,050
Pension Costs	20	20	100	100	103
Pay Award	0	21	22	22	23
Minimum revenue provision	0	0	113	113	113
	7,775	8,005	10,324	10,452	10,699
Total Expenditure	12,217	12,589	15,055	15,334	15,704
OPERATING (SURPLUS)/DEFICIT	(3,498)	(3,429)	(1,301)	(1,364)	(1,337)
Transfer to(+)/from(-) the Change Management Reserve	0	0	0	0	0
Transfer to(+)/from(-) the Transformation Reserve	42	0	0	0	0
Transfer to(+)/from(-) reserves for Revenue Action Plan Slippage	0	0	0	0	0
Transfer to(+)/from(-) HRA Working Balance	0	0	0	0	0
Transfer to(+)/from(-) Capital receipts	0	0	(1,748)	(152)	(152)
Revenue balance available for capital financing	(3,456)	(3,429)	(3,049)	(1,516)	(1,489)
<u>CAPITAL and RESERVES</u>					
Capital Spend	9,774	9,174	5,028	5,691	5,545
Potential funding from HCA	(800)	0	0	0	0
Potential S106 contribution	0	0	0	0	0
Financing from transfer of assets to General Fund	(61)	(986)	0	0	0
Transfer to(+)/from(-) Capital receipts (1-4-1)	(334)	(176)	(270)	(180)	(180)
Transfer to(+)/from(-) reserves grants/contributions	(434)	0	0	0	0
Transfer to(+)/from(-) reserves for Major Repairs	(3,334)	(3,427)	(3,502)	(3,578)	(3,541)
Transfer to(+)/from(-) reserves for Capital Schemes	(514)	0	904	(70)	(107)
Transfer to(+)/from(-) reserves for Potential Developments	(620)	(180)	0	0	0
Transfer to(+)/from(-) reserves for Sheltered Housing Projects	(221)	(239)	889	(347)	(228)
Capital spend financed from reserves and contributions	3,456	4,166	3,049	1,516	1,489
(SURPLUS)/DEFICIT	(0)	737	0	0	(0)

HRA BUSINESS PLAN - PRIORITIES FOR ACTION PROGRESS TO DATE - JANUARY 2015

Priority	Action	By When	Resources	Progress to Date
1. Resident Involvement and Empowerment	Develop Housing Regulation Panel to scrutinise the performance of the Housing Service and to undertake service reviews	Ongoing	5k pa - training for members	Panel now fully established and commencing their 2nd project - review of the Sheltered Housing Service Standards. Panel continue to be supported and developed by external consultant. Officers progressing action plan from the voids review and reporting progress to the Panel, Tenant Forum and Housing Board
	Collect evidence from surveys, questionnaires, estate walkabouts and mystery shoppers	Ongoing	Within existing resources	Ongoing - held a number of successful 'get involved' events held around the district - these have been successful in encouraging residents to engage with Council services; new residents group formed in Coltsfield Stansted. Estate walkabouts completed. Working with partners such as the Fire Brigade to provide advice and support to the community; further events planned to encourage tenant participation and feedback
	Link tenant participation with opportunities for skill development	Ongoing	Within existing resources	Ongoing - both Tenant Forum and Tenant Regulatory Panel members are encouraged to attend training, seminars and conferences that will build their knowledge base
	Consult leaseholders on views of current service and participation arrangements	Ongoing	Within existing resources	Ongoing - Leaseholders included in STAR survey
	Undertake new Tenant Satisfaction Survey	Ongoing	£5k - every 2 years	Ongoing - repeat of STAR survey planned for 2015 when re-structure and process changes at the Newport Depot have been completed. All feedback to be managed through an action plan
	Develop action plan to respond to issues in the Tenant Satisfaction Survey	Aug-12	Within existing resources	Complete - High level analysis identified key areas for improvement which have been managed in day-to-day activities
	Develop and Implement new Tenant Involvement Strategy	Apr-13	Within existing resources	Complete - strategy adopted December 2013. In 2014 relaunched the tenant participation service under the 'Get Involved' banner
	Publish annual tenants report	Ongoing	£3k pa	Ongoing - report for 2014 due to be distributed during January 2015
	Benchmark service with other landlords through Housemark	Ongoing	Within existing resources	Ongoing - working with corporate performance team to produce PI performance reports from both Covalent (UDC Performance Management System) and HouseMark. Currently developing 'user friendly' benchmarking reports for regular review by Tenant Regulatory Panel, Tenant Forum and Housing Board. Core benchmarking data also being uploaded to Housemark for full organisational review as well as performance data

**HRA BUSINESS PLAN - PRIORITIES FOR ACTION
PROGRESS TO DATE - JANUARY 2015**

Priority	Action	By When	Resources	Progress to Date
2. Home	Develop a housing asset management strategy	Apr-13	Within existing resources	Complete - Housing Asset Management and Development Strategy approved by Cabinet - established a clear policy on the use of HRA assets, regeneration and development
	Carry out development appraisals of identified sites and review business plan capacity to develop	Mar-16	£10k pa - architect/planning fees	Ongoing - sites to be identified and submitted to planning department for initial feedback. Capacity identified in the business plan to develop further sites. Schemes presented to Housing Board for prioritisation in April 2015. Catons Lane which has now received planning permission targeted to start on site in April 2015
	Respond to changing housing need by making the best use of the Housing Stock to meet local need (Mead Court redevelopment etc)	Jan-16	£4.25m - commencing Jan-14	Mead Court phase 1 commenced January 2014 and due to complete in February 2015. Phase 2 to commence on site in March 2015 with completion in November 2015.
	Review the potential for undertaking new build schemes on identified garden sites	Apr-17	Approx £600k per annum plus revenue cost of £50k pa for in-house surveyor to co-ordinate works	Our Council housing development programme is now established. A number of garage and infill sites, and excess garden land are being assessed for development viability, or for the opportunity to sell in order to cross-subsidise the development programme.
	Improve the information on the housing stock	Apr-13	£50k - one off 2012	Complete - investigated and concluded that this would be better carried out in house. Stock Condition Surveyor appointed and work is progressing on collecting stock data - it is anticipated that a 100% stock condition survey will be achieved on a rolling 5 year basis
	Implement planned maintenance/service charge module of Housing System	Apr-14	£100k - one off 2013	Work in progress - planned maintenance module delayed due to re-structure of housing repairs and maintenance teams. Services Charges module installed - due to go-live for April 2015
	Review and implement new Schedule of Rates	Apr-13	£20k - one off 2012	Complete - new schedule of rates tested and implemented (NHF)
	Continue to manage and maintain the housing stock effectively and efficiently ensuring that properties meet, as a minimum, the decent homes standard	Ongoing	within existing resources - approx £2.9m pa	Ongoing - planned works programmes are progressing well - the authority is continuing to deliver a significant programme of investment in the first five years of the HRA business plan - the largest annual capital investment in the stock for many years
	Improve average energy efficiency and reduce fuel costs for residents	Apr-17	£300k pa	Work in progress - Phase I and II air source heat pumps contracts now complete, Phase III commenced October 2013 External wall insulation contract for solid wall properties underway but progressing slowly due to electric cabling issues - further properties identified for contracts during the next financial year
	Analyse performance of eco-house in Wendens Ambo	Ongoing	Within existing resources	Ongoing monitoring: experience of the family and how they have adapted to the changes ie living with low water use appliances and airtight requirements; electricity consumption monitoring; water consumption monitoring. Results reported to housing board in July 2014
Progress the outcomes of the sheltered housing asset management review	Mar-16	£6.6 mill for Reynolds Court.	Work in progress - residents consulted at sheltered schemes where site appraisals have been carried out (Alexia House, Reynolds Court, Hatherley Court, Parkside and Walden Place). Report presented to the Housing Board and Cabinet giving options for these schemes. Reynolds Court Planning application submitted to redevelop the scheme with 41 new apartments. Subject to planning, this should start on site in October 2015 and take 18 months to complete. Hatherley Court has received planning permission to be remodelled to provide a higher standard of accommodation with a start on site anticipated 2016/17. Parkside, Walden Place and Alexia House will continue to have the options assessed, including detailed tenant consultation.	

HRA BUSINESS PLAN - PRIORITIES FOR ACTION PROGRESS TO DATE - JANUARY 2015

Priority	Action	By When	Resources	Progress to Date
3. Tenancy	Establish a strategic tenancy strategy that ensures that local housing need is met and assets are used effectively, utilising all available flexibilities	Jan-13	£3k - one off 2012	Complete - over-arching tenancy strategy reviewed by housing board and approved by Cabinet Jan 2013
	Consider whether the Council should use the new fixed term tenancies and, if so, formulate a Tenancy Policy setting out the proposed operation of the scheme	Apr-13	Within existing resources	Complete - over-arching tenancy strategy established; options for fixed term tenancies examined by Housing Board; tenancy policy approved by Cabinet and implemented from April 2013: 1 + 9yr fixed term tenancies for 3+ bedroom houses
	Continue to fund disabled adaptations and disabled facilities grants for HRA tenants and private owners and improve the delivery process	Ongoing	within existing resources - approx £280k per year	Ongoing - increase in DFG applications and adaptation work has continued in 2014/15 and budgets are fully committed already
	Investigate and implement a better integrated monitoring, response and maintenance service for sheltered schemes and Lifeline users	Oct-12	£42k pa	Complete - Monitoring contract tendered for and awarded to Careline. Contract commenced October 2012 - all equipment has now been re-programmed Maintenance contract tendered and awarded to Cirrus - contract commenced October 2013
	Update the remaining sheltered housing schemes with Piper Haven alarm equipment with the latest Communicall equipment	Mar-14	£100k pa capital; £10k pa revenue	Complete - Equipment/Maintenance contract tendered and awarded to Cirrus for the upgrade of alarm/call out systems at all schemes. Work on all schemes completed by March 2014 - replacement programme meets the new BS on fire/smoke detecting
	Undertake fundamental review of policies and procedures to ensure service is 'Fit for Purpose'	Apr-13	Within existing resources	Ongoing - the following policies have been written and reviewed by Housing Board and approved by Cabinet: allocations policy - November 2014; void management policy and void letting standard - Jan 2013; rent and service charge setting policy - Apr 2013; downsizing and de-cant policy - Apr 2013; asset management and development strategy - Jun 2013; tenancy policy - Apr 2013; bed and breakfast charging policy - Nov 2013; welfare garden and redecoration policy - Jan 2014; anti-social behaviour policy and procedures - Nov 2014
	Carry out an under occupation survey and establish what incentives would encourage tenants to move to more appropriate accommodation	Apr-13	Within existing resources	Complete - underoccupation survey carried out in Dec 2013 and data used to inform new downsizing and decanting policy

APPENDIX E continued...

HRA BUSINESS PLAN - PRIORITIES FOR ACTION PROGRESS TO DATE - JANUARY 2015

Priority	Action	By When	Resources	Progress to Date
4. Neighbourhood and Community	Review Housing Strategy	Apr-13	Within existing resources	Complete - new housing and homelessness strategy 2012 -2015 approved by Cabinet and published. Currently consulting on new Housing Strategy
	Review Homelessness Strategy	Apr-13	Within existing resources	Complete - new housing and homelessness strategy 2012 -2015 approved by Cabinet and published. Currently consulting on new homelessness strategy
	Establish an older persons strategy that addresses needs of elderly people in the district	Sep-12	Within existing resources	Complete - included within the new housing and homelessness strategy 2012 - 2015 approved by Cabinet and published
	Work with planning policy to identify future provision for the gypsy and traveller community	Sep-12	Within existing resources	Currently consulting on an Issues and Options consultation which forms part of the Gypsy and Traveller Local Plan
	Continue to work with Partners to deliver affordable housing through use of the Stansted Area Housing Partnership and Growth Area Funding	Apr-13	£2.2 million and £725,000	Stansted Area Housing Partnership funding has been allocated and the project is now complete. Growth Area funding has been spent at Broomfields, Hatfield Heath to deliver 14 affordable units. Further funding has been allocated towards our Council new build programme and a rural scheme in Newport
	Investigate re-provision of temporary accommodation following demolition on Mead Court	Apr-13	Within existing resources	complete - 4 houses converted into 8 units of furnished temporary accommodation. A further 4 units of new build accommodation in Stansted due to complete in January 2015. Entered into a SLA with Supportworks to provide nightly let accommodation in Harlow as alternative to bed and breakfast which should reduce reliance on this type of accommodation
	Work with partners on the delivery of a supported unit for people with learning disabilities	Apr-13	£100k - one off 2013	Work in progress - we have been working for a number of years to provide a scheme for young adults with learning disabilities in Saffron Walden to live independently. A scheme has now been drawn up that will provide 6 x 1 bedroom flats along with communal space and sleepover/office for carers; Meetings held with care provider and parents to progress this scheme; a planning application is ready to submit with work due to commence in June 2015; £100,000 HRA funds will enable this to be delivered. A further scheme is being investigated in Stansted to enable service users to live more independently
	Investigate the provision of additional supported accommodation in the district for vulnerable adults (currently only one facility - Bromfield House)	Apr-13	Within existing resources	A scheme is required in Great Dunmow similar to Bromfield House in Saffron Walden, providing support to vulnerable adults who are homeless. Discussion ongoing with Genesis and/or East Thames about funding /support costs
	Investigate the provision of a supported unit in the district for those fleeing domestic violence	Apr-14	Within existing resources	Work in progress - discussions held with Women's Aid as to size and preferred location and suitable site identified; Cabinet have approved transfer of land to Safer Places for delivery of a refuge; architects have been appointed and scheme designs drawn. Bid for additional government grant funding made in January 2015
	Investigate the reprovision of a new mental health facility	Sep-12	Within existing resources	We remain keen to undertake a reprovision of the mental health scheme in Station Street, Saffron Walden with Granta Housing. It would need to be within the town – on the outskirts would be ok provided it is on a bus route. This is to ensure clients can maximise their opportunities for social inclusion etc. Supporting People and Adult Social Care/Mental Health both provide revenue funding into the existing service and are aware of our aspiration to reprove our service. Preferred size would be 12 self contained units
	Review anti social behaviour policy and procedures	Apr-13	Within existing resources	Complete - new policy and procedures written and adopted in Nov 2014 to reflect government bill on changes to ASB legislation
	Provide 'internet cafes' in sheltered schemes for silver surfers	Oct-17	20k pa	Work in progress - project tendered for as 'design competition'. Alan Hasler House in Great Dunmow completed July 2012; The Close Hatfield Heath completed December 2013. Priors Wood Court completed in January 2015. Normans Court - work in progress
	Review future contracts to include clauses to require contractor to take action to tackle climate change relevant to work to be carried out	Ongoing	Within existing resources	Ongoing - all contracts contain clauses

APPENDIX E continued...

HRA BUSINESS PLAN - PRIORITIES FOR ACTION PROGRESS TO DATE - JANUARY 2015

Priority	Action	By When	Resources	Progress to Date
5. Value for Money	Continue to develop business plan financial model to inform investment and service planning	Ongoing	Within existing resources	Ongoing - model updated in October 2014
	Prepare for supporting people funding reductions	Aug-12	Within existing resources	Complete - service reviewed - Sheltered Housing Officers(SHOs) now working more generically - to include work in sheltered schemes and in the community (lifeline users). Further reductions in SP funding is being proposed by ECC - to be announced in Feb 2015
	Improve performance management and financial planning systems in housing services	Aug-13	£20k in 2012	Complete - PI targets based on a combination of performance of peer LA's in HouseMark benchmarking group and historic UDC performance data. Regular review of PI performance and budget performance at Housing Section Heads meetings. PI's continually monitored through Housing Performance Management process. 2015/16 Service Plan actions and PI's currently being identified and agreed. Budget monitoring completed on a monthly basis with all relevant budget managers. Budget awareness/control refresher training session planned for April 2015
	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	Ongoing - rent arrears process reviewed and timescales amended to ensure action taken at an earlier stage to prevent arrears from escalating. Service charge process and garage management to be implemented on the Northgate IT system from April 2015. Current invoice process being reviewed to ensure accuracy of budget allocation and improvements in the time taken to process invoices. Tenant and internal re-charge processes currently being reviewed. Focus remains on reducing arrears levels by having dedicated officer providing debt support and signposting to tenants who are struggling. Rents team working closely with Housing Management and Home Options team to ensure join-up with individual cases. Regular meetings completed to ensure awareness of Universal Credit implementation timeframes and impact it may have on services. DWP providing direct support and information as and when required
	Ensure rent arrears are kept to a minimum	Ongoing	Within existing resources	Ongoing - additional funding provided to CAB for debt counselling; Rent arrears policy has been reviewed; allocations policy has been changed to reflect welfare reforms (bedroom criteria); all reviews completed and implemented
	Implement service charges for common services for flats	Apr-12	Within existing resources	Complete - service charges calculated and charged for common services
	Access external funding where available to reduce carbon emissions and improve energy efficiency	Ongoing	Within existing resources	Ongoing - bids for funding for the financial year 2014-2015 now in application stage
	Ensure the void turnaround figure does not exceed 28 days	Ongoing	£30k pa	Ongoing - new repairs surveyor appointed; new offices created at the depot to bring all the asset management team together; representatives from all areas of the service continue to work together to improve the void process. Dedicated voids operatives introduced and Void-Co-ordinator role appointed. Weekly void meetings to discuss and agree actions continue. Void turnaround for GN properties as at end December 2014 = 12 days