

**Appendix 1 to Committee item 12 of
Housing and Community Services agenda
6th October 2005.**

**South
Derbyshire
District Council**

**Housing Revenue
Account Business Plan**

Draft Narrative

**as at
30th September 2005**

***This is not the final version for submission.
It is draft narrative for Committee approval.***

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Executive Summary

The business plan is a long-term plan for managing the authority's housing assets and financing the necessary investments. It is the key element in ensuring the effective long-term management and maintenance of the council housing stock.

The overall aim of the business plan is:

- To set out a medium to long term plan in the Council's housing stock
- Ensure adequate financial planning is in place
- Evidence how we will manage our housing stock revenue, demand and stock condition
- Help us meet Government's Decent Homes standard.

This plan is at the centre of the management and delivery of the authority's landlord role. Responsibility for production and development of the plan rests with senior management officers although appropriate support has been sought from other services within the council as well as external consultants. The plan is consistent with the housing strategy, which received the government's "fit for purpose" status in May 2005.

What have we done since the last Business Plan.

In the past three years, we have carried out a substantial amount of research on the options and the future of social housing of South Derbyshire.

This research has included

- Stock options appraisal
- Housing needs survey
- An external audit inspection of the repairs and maintenance service
- An external audit inspection of the sheltered housing service

Our performance has steadily improved over recent years and we currently estimate that 73% of BVPI's are forecasted to achieve top quartile performance at year end.

Where do want to go now

In 2004 the Council adopted a draft Vision Statement along with key themes for the Housing Service. The tenant body as a whole were then consulted upon the vision and themes and later that year the following were formally adopted.

The Vision is:

"Through High Quality Services, delivered in partnership with customers, the provision of well maintained affordable homes that meet the requirements and aspirations of the people of South Derbyshire."

We want to deliver this vision to all of our tenants and to achieve this the Service has identified three key themes:

- Constant performance Improvement
- Listening to and putting customers first
- Valuing staff commitment

In commenting upon the Housing Management team the Audit Commission in a recent report stated that " managers at the Council are suitably skilled and experienced to enable delivery of improvements", coupled with increasing participation in the Service by tenants and a strong performance culture these are the key driving elements for the housing service for South Derbyshire.

We are on target to achieve the Decent Homes standard by 2009 and we are proud to report high levels of customer satisfaction throughout the services housing delivers.

Our resources

The HRA is viable over the short to medium term and is projected to stay in the black until 2015. However the effect of 24% of total current annual expenditure being contributed to the national pot through negative subsidy means that the account and therefore the service will not be viable in the longer term.

What have we decided to do

The Council took the decision in November 2004 to

- Retain it's housing stock
- Undertake an annual review of this decision

Given the current situation of the HRA account and the annual review, we are aware of the challenges that face us and the decisions that will have to be taken to ensure that the housing services has a sound and viable long term future.

1. Strategic context.

"How well does the Plan explain the role the authority's own stock needs to play to support the overall housing strategy?"

- 1.1 This plan is written in full support of the overall housing strategy, which achieved "fit for purpose" in May 2005. It shows clearly how housing and wider community objectives will be supported through action on council housing. This is through:
- Achieving the Decent Homes programme
 - Improving performance
 - Ensuring we can "balance the books" -
 - Stock Condition database
 - Options appraisal process re sheltered schemes
- 1.2 The HRA Business Plan also has strong links with the authority's corporate planning process. The business plan is a long-term plan for managing the authority's housing assets and financing the necessary investments. It is a key element in ensuring the effective long-term management and maintenance of the council housing stock.
- 1.3 South Derbyshire District Council has 3,235 homes throughout the district, 1,066 (33%) of which are sheltered. Included in the stock are 222 homes of non-traditional construction. There is high demand for rented housing in most areas, with some lower demand for some sheltered housing that is being tackled by the Council with a review of its provision and specific option appraisals for individual schemes where necessary. The option appraisal process has led to some sheltered units being sold and redeveloped and others declassified (redesignated as general purpose stock). Overall there is high demand for accommodation with over 1,700 applicants on the Council's waiting list against approximately 270 new lettings per annum.
- 1.4 In 2004 the Council adopted a draft Vision Statement along with key themes for the Housing Service. The tenant body as a whole were then consulted upon the vision and themes and later that year the following were formally adopted. Vision:
- "Through High Quality Services, delivered in partnership with customers, the provision of well maintained affordable homes that meet the requirements and aspirations of the people of South Derbyshire."*

From the Vision Statement, the Council has identified three key themes:

- Constant Performance Improvement
- Listening to and putting customers first
- Valuing staff commitment

- 1.5 The Council commissioned a needs survey that reported in 2002 and demonstrated that the area continues to grow in population and that first time buyers face increasing problems in identifying and affording a home. Combining this with the fact that the District has been the fastest growing in Derbyshire for the last two decades explains why the Council's waiting list for its own accommodation has more than doubled in the 12 months to September 2005.
- 1.6 Our stock is reported as being good. We have had a programme of cyclical maintenance for over 20 years and this has clearly had positive effects. A clear summary of the analysis of stock condition, including the position on the numbers of homes not meeting the decency standard, and current and future finances on which the Plan is based is given in section three.
- 1.7 Housing Need in South Derbyshire
- 1.7.1 The South Derbyshire 'housing market' within which most households move broadly covers Derby, Burton on Trent and parts of the surrounding districts. Generally, the lowest house prices are found in the urban areas and higher prices in villages.
- 1.7.2 Terraced house prices in some of the urban areas had remained virtually stable in the immediate years to 2003 but have now begun to increase faster showing that demand for them is increasing. This means that fewer local people can access terraced housing as their way into home ownership and leads to increased demand for rented properties.
- 1.7.3 On the basis of district wide averages and incomes the overall housing need for South Derbyshire is estimated to be 113 affordable properties a year.
- 1.8 Housing Stock Options Review
- 1.8.1 The Housing Stock Options Appraisal was completed in 2004 and officially 'signed off' by Government in 2005. This appraisal was designed to test which of the options is best financially for the Council and tenants alike. The main themes of the appraisal were to:
- Examine in detail the projected status of the Council's housing revenue account in the future
 - Project the resources required to deliver repairs and improvements to Council homes in the future
 - Assess the suitability of the four options
- 1.8.2 The overall process required the Council to assess the financial implications over a thirty-year business-planning period. Clearly, projecting this far into the future is difficult. However, this is designed to ensure that whatever option is ultimately chosen, social housing be placed on a sound business footing over the long-term.

- 1.8.3 It was considered that a Private Finance Initiative (PFI) and Arms Length Management Organisation (ALMO) are less likely options for the Council. The former because it was largely untried and both because the Council does not face a funding gap to meet the Government's Decent Homes target which both models are targeted at. This basically leaves 'retention' and 'transfer'.
- 1.8.4 The stock options appraisal concluded that transfer is the favoured option financially as the Council can generate a substantial capital receipt that can be re-invested to meet priorities contained in its wider housing strategy. In addition, the Council would not have any issues regarding the future viability of the housing revenue account that on current projections is not sustainable in the longer term. Furthermore, tenants may get improvements over and above those that can be delivered by the Council.
- 1.8.5 However following an extensive consultation exercise that included 20 public meetings, 4 district wide newsletters and 2 telephone surveys, each of 20% of the customer base, the Council decided upon retention primarily on the basis of that being the overwhelming preference amongst customers.
- 1.8.6 The latest projections for the HRA included within this plan show that it is viable over the next ten years, the immediate planning period stipulated by government in the option appraisal process. However the Council has decided to undertake an annual review of the stock options process in terms of managing the risk of the HRA potentially becoming non viable after 2015.

1.9 HRA Business plan

- 1.9.1 The Plan covers the major issues that affect the delivery of the authority's landlord function, including:
- An analysis of the condition of its housing stock, including:
 - Decent homes
 - Energy efficiency
 - The relation between supply and demand
- Performance in the housing management service, for example
- Responsive repairs
 - Income collection
 - Ongoing maintenance
 - Allocations and voids
- 1.9.2 The council expects this business plan to have a lifetime of 3-5 years and during that period the council will produce short annual updates to inform parties of progress in implementing the Action Plan and any new developments.

2. Effective consultation

"What evidence is there of effective consultation with tenants and leaseholders, including satisfaction surveys, in the development of the Plan and that due weight has been given to their views?"

- 2.1 This business plan has been the subject of consultation with residents and other stakeholders as well a properly joined-up decision taking process within the council. This has ensured that informed decisions have been taken on relative priorities and due account has been taken of the links and synergies between different service areas.
- 2.2 Consultation has taken place in the form of:
- A working group of equal representation of tenants and members
 - Unique HRA Business Planning event for tenants
 - Consultation through the bi annual newsletter, Tenants' Extra
 - As part of the option appraisal process the Council sought to ascertain tenants priorities and aspirations beyond the Decent Homes Standard. These were called the 'Silver' and 'Gold' standards. The idea was to focus tenants on which option was likely to deliver which standard over the forthcoming years. It was estimated that the Council would need to spend an additional £21.5million on improvements to deliver the silver standard which entailed delivering the DHS standard in full for everyone as well as improvements including full electrical rewiring and door renewal programmes. An additional gold standard was also established.
- 2.3 Tenants' Advisory and Consultative Team (TACT) has worked closely with members and staff to influence decisions, through the Business Planning and Best Value processes.
- 2.4 As well as equal representation on the working group that prepared this plan and consultation through the District wide newsletter with all tenants, the working group held a unique participation event in early August 2005 specifically in relation to this plan and the spending priorities that should be adopted. The event was well received by the 45 participants and was the subject of very positive press coverage. A commitment has been made to repeat the event at least annually.
- 2.5 HRA business-planning workshop
- 2.5.1 As part of the HRA Business Planning process a participative workshop for tenants was held at the Stanhope Arms, Bretby on Thursday 4 August 2005.
- 2.5.2 The aims of the workshop were to engage tenants and members regarding
- HRA account
 - Business planning
 - Potential spending programmes for, as yet, unallocated resources
 - The implications of certain spending priorities
 - Potential spending patterns within Housing Services

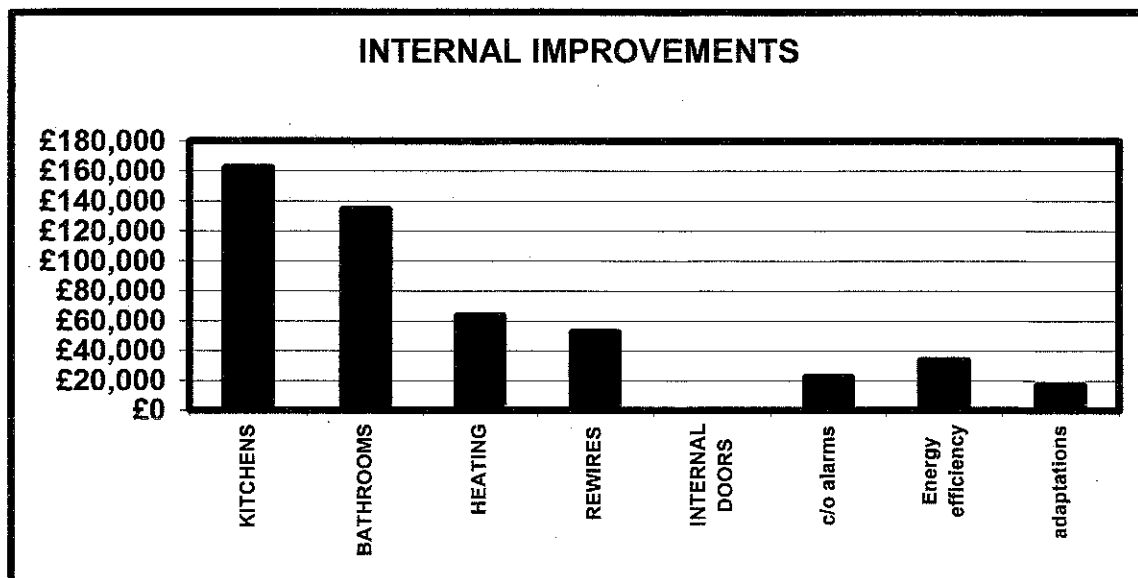
2.5.3 In introducing the workshop it was explained that:

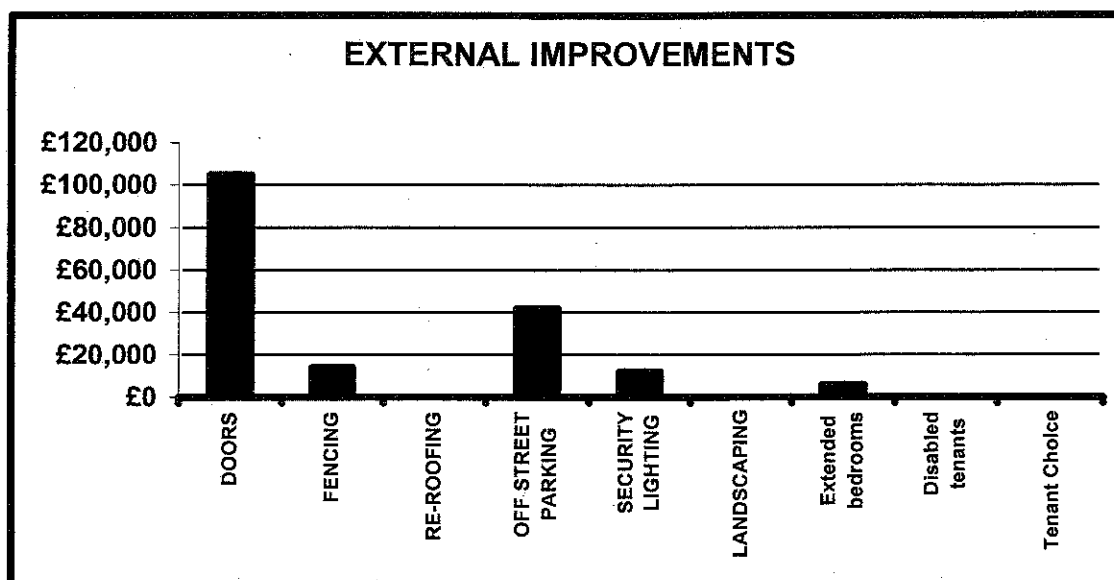
- The HRA is the main income account within the Housing Services Department. It is where all transactions - income and expenditure are undertaken to provide a service to tenants.
- As a direct result of the Stock Options appraisal and the decision for the homes to remain with South Derbyshire District Council it is now a government requirement that a business plan for the next thirty years is produced. This is to ensure the council can remain viable for at least the next ten years.
- As part of this process South Derbyshire District Council have formed a Business planning working group, consisting of equal members of staff, councillors and tenants - identified through the Tenant Representative Group, TACT. It is the responsibility of the group to ensure all tenants are informed of the production of the business plan and for the group to also make decisions on the content of this plan.

2.5.4 The core of the workshop was an exercise where groups were given £665,000 worth of "monopoly money" to allocate to areas of work, for example kitchen replacements, energy efficiency, etc. The figure of £665,000 was arrived at as the potential amount of unallocated MRA resources in the period to 2010. However the available resources figure was secondary to the main point of the exercise which was to get tenants to prioritise their spending choices.

2.5.5 Facilitators in each group explained how far the allocation of funding would go for each area. Groups then submitted their allocations for them to be combined.

2.5.6 The findings of the workshop are summarised in two graphs below one relating to internal and the other to external works.





2.5.7 The implications of the allocations based on the current costs per unit are shown in the table below:

Item	Cost per unit	Implications based on the findings
Kitchens	3,200	50 further kitchens completed by 2010
Bathrooms	2,000	67 further bathrooms completed by 2010
External Doors	1,000	104 properties to be fitted with External doors by 2010
Heating	3,500	18 further Heating installations completed by 2010
Re-wires	2,200	23 properties re-wired by 2010
Off street parking	1,500	27 spaces created by 2010
Fencing	1,500	9 boundaries improved
Security Lighting	500	23 schemes benefiting by 2010

2.5.8 The results of the event have also been placed onto South Derbyshire District Council's website and will be published in the 'Tenants Xtra' - due for circulation in October. Within this edition tenants will also be given the option to state their priorities and return the form in a pre-paid envelope. Tenant priorities will then be incorporated into the annual budget round process of the Council culminating in Housing budgets being formally agreed by the Council in February 2006.

2.5.9 Overall, there has been extensive and effective consultation with tenants and leaseholders in the development of this plan. The strategies that have been identified for council housing in South Derbyshire are rooted in this consultation.

3. Stock condition.

"Does the authority have a clear understanding of the condition of its stock, including the work required to make it decent, and appropriate arrangements to keep this up to date?"

3.1 Our stock condition survey states that

" The Council's housing is generally in good condition. The main structural elements and the external fabric to the properties are generally sound, with only a small proportion of the stock failing the decent homes standard".

3.1.1 The Council do not anticipate major problems in meeting the minimum Decent Homes Standard as set by the government by 2010".

3.2 Stock condition survey

3.2.1 The survey was extensive covering 25% of the stock internally and 100% externally. Since 2002 the survey information has been updated on an on-going basis with the detail of improvement programmes carried out and in 2006 the Council will commence an annual 10% re-inspection to ensure that the information remains valid and up to date.

3.2.2 The survey assessed what the Council would need to spend overall in the longer-term over the next thirty years to maintain homes. This was calculated at around £92.3million (averaging out at around £3million a year) including costs of maintaining Decent Homes, cyclical works and to meet all other repair and maintenance liabilities on a day to day basis.

3.2.3 In 2004 as part of the Option Appraisal process it was assessed that to meet the Decent Homes standard the Council would need to commit £6.4million for the particular works involved in the standard. This minimum statutory standard was promoted during the options appraisal process as the 'Bronze Standard'. Based on current resources available these works are planned to be completed earlier than the government's target - in 2008/2009.

3.2.4 As part of the option appraisal process the Council sought to ascertain tenants priorities and aspirations beyond the Decent Homes Standard. These were called the 'Silver' and 'Gold' standards. The idea was to focus tenants on which option was likely to deliver which standard over the forthcoming years. It was estimated that the Council would need to spend an additional £21.5million on improvements to deliver the silver standard which entailed delivering the DHS standard in full for everyone as well as improvements including full electrical rewiring and door renewal programmes.

3.2.5 A further higher standard, the Gold standard was also established which amongst other works would have delivered showers, gas fires as standard to supplement central heating, environmental improvements, etc. The cost of the Gold Standard was estimated at an additional £14.3million.

3.2.6 The identified improvement works for all three standards are summarised below:

Improvements required	£million
To meet the minimum 'Bronze Standard'	6.4
To provide a 'Silver Standard'	21.5
To provide a 'Gold Standard'	14.3
Total Estimated Costs of all additional improvements	42.2

Note: Estimated cost of works is based on an inflationary increase of 5% a year to 2010.

3.2.7 The stock survey carried out in 2002 showed that 77% of the council's properties met the decency (bronze) standard with 23% likely to fail the standard in 2010. At April 2005 this position had moved to 86% of properties hitting the standard and 14% failing or likely to fail in 2010 without further investment. The Council has a programme of works that will enable it to meet the decent homes standard by 2008/9.

3.3 Available resources

3.3.1 The financial projections that were made as part of the housing stock options appraisal included the following resources for repairing, maintaining and improving council homes to 2010:

Year	Planned Maintenance £,000	Day to day repairs £,000	Major Repairs allowance £,000	Total £,000
2004/2005	625	1,425	1,872	3,922
2005/2006	637	1,485	1,851	3,973
2006/2007	659	1,537	1,838	4,034
2007/2008	682	1,591	1,822	4,095
2008/2009	706	1,647	1,832	4,184
2009/2010	730	1,704	1,831	4,265

3.3.2 Around £6.4 million is required to meet the minimum Decent Homes (Bronze Standard) which is being funded primarily from the estimated £11m in the Major Repairs Allowance (capital). This left about £4.5million to progress towards the Silver Standard by 2010.

3.3.3 As part of the preparation of this Business Plan these projections have been updated and are now as follows. It will be seen that estimated expenditure has increased:

Year	<i>Planned Maintenance</i> £,000	Day to day repairs	Capitalised repairs £,000	Major Repairs allowance £,000	Total £,000
2005/2006		2,398	335	1,760	4,493
2006/2007		2,430	335	1,762	4,527
2007/2008		2,466	335	1,766	4,567
2008/2009		2,850	0	1,774	4,624
2009/2010		2,900	0	1,784	4,684

3.3.4 As part of the review an allowance has been made for the commencement of a rewiring programme (originally identified as a major part of the silver standard) and to take account of some validation work that had been carried out on the stock condition survey particularly on the central heating upgrade/renewal programme. The updated figures also utilise amended assessments of the likely resources available through the MRA. From 2006 onwards this leaves the MRA committed as follows:

Item	2006/7 £k	2007/8 £k	2008/9 £k	2009/10 £k	Total
Electrical rewires	50	50	50	150	300
Bathrooms	278	297	282	450	1,307
Kitchens	215	210	240	190	855
Heating	425	371	641	431	1,868
Windows	325	218	Programme complete		543
Energy efficiency	To be funded entirely from energy grants				0
Disabled adaptations	160	160	160	160	640
Ad-hoc works	200	200	200	200	800
Total works	1,653	1,506	1,573	1,581	6,313
Estimated MRA	1,762	1,766	1,774	1,784	7,086
'Available' resources	109	260	201	203	773

3.3.5 Most of the figures detailed in the table were the basis of the consultation event undertaken with tenants. Although there is some degree of certainty about such planning figures in the short term it was stressed to the participants that the available resources figure can and does change, particularly in the longer term. For instance since the consultation event additional energy supplier insulation grants have been obtained now requiring no outlay at all by the Council. Grants obtained for the 2005-7 period now total around £900,000.

3.3.6 The stock condition survey of 2002 identified an average of £3million needs to be spent on a yearly basis in the longer term. Over the next 10 years there are available resources from revenue and MRA to meet this commitment. In the longer planning period, from 2015 onwards, this level of investment cannot be maintained and this is discussed further in section 5. However over the next ten years the decent homes standard can be met and maintained by continuation of the existing improvements programmes, planned maintenance, cyclical works and day-to-day works.

- 3.3.7 This means that further substantial improvements could not be delivered other than those to meet the minimum Decent Homes or Bronze standard. In addition, this needs to be balanced against the overall projected deficit on the housing revenue account by 2015. If no other solutions were found to address the projected deficit, current resources earmarked for repairs and improvements would need to be reduced and this would affect the Council's ability to maintain 'decent homes' in the future beyond 2015.
- 3.3.8 In addition, the projection did not include any provision for attaining the Silver Standard (£21.5million) or Gold Standard (£14.3million). Together these amount to £35.8million or an additional £1.19million a year over thirty years.
- 3.3.9 Conversely, the projections did not include any additional sums from council house or other sale proceeds, including those generated through the transitional pooling arrangements. This would be an option to help to address the situation on the housing revenue account and in delivering further improvements.
- 3.3.10 Since the option appraisal process was completed the Council has committed £1m worth of capital receipt resources for housing improvements and significant improvements in the efficiency of the Housing Service, particularly on void management, have identified a further £1m of revenue resources over the next ten years. These additional resources ensure the viability of the HRA and maintenance of the Decent Homes standard to 2015. However, as the options appraisal concluded, using such resources may only be a short to medium term solution given the magnitude of the projected deficit over the longer term.

3.4 Conclusions

- 3.4.1 Through the Council's commitment to long-term improvement works and the establishment and maintenance of good quality stock condition information the Council will be able to achieve the government's decent homes standard (known locally as the 'bronze' standard) within the set timeframes. Furthermore it will be able to maintain the properties at that standard with some improvement upto 2015. The option appraisal process has seen the development of additional standards at 'silver' and 'gold' levels which the Council has consulted tenants upon. These standards cannot be achieved from existing and projected resources.
- 3.4.2 Through the option appraisal process and the preparation of this plan the Council has engaged its customers in the decision making process regarding property improvements and investments as well as the overall viability of the HRA. It will continue that process through annual planning days and through regular updates in the tenant newsletter

4. Current performance

"Does the Plan clearly demonstrate current performance on housing management, repair services and capital programming?"

4.1 The Business Plan sets out, in Appendix A, the current performance (end of 1st quarter 2005) of the Housing Service against 49 separate indicators alongwith last year's out-turn figures and the latest audited comparison data for benchmarking purposes. As well as providing statistical performance information, we also report back to all staff on more strategic elements of performance improvement. For instance in our staff QPD document (Quality, performance and direction) we were able to report in April 2005 that in 2004/5 we had;

- Implemented a new Housing I.T system
- Published results of Spring 2004 Customer satisfaction survey to establish a base line for further improvement and where required research.
- Completed the key stages in the Options Appraisal process.
- Introduced Estate inspections and action plans to improve the appearance of the physical environment.
- Introduced a pilot for young person's housing surgery at the local Connexions office
- Introduced Partnering arrangements developed in line with the Egan principles .
- Restructured the Repairs and Maintenance Unit
- Appointed a new contractor for gas servicing and repairs and significantly improved performance.
- Continued to maintain reductions in rent arrears year on year.
- Reduced Voids turnaround performance from 70 to 31 days.
- Implemented Phase 1 of Vision and Standards for Sheltered Housing

4.2 To ensure performance is embedded throughout the council and not just within housing, the Service submits its performance for scrutiny by tenants and councillors on a quarterly basis. Both the Housing and Community Services Committee and the district wide tenant involvement group, TACT, receive the full report on performance and challenge senior managers in relation to it. Indeed the Committee report includes the comments of TACT as a further example of that scrutiny process. The wider tenant body receives performance information through the tenant newsletter, Tenants' Extra.

- Currently we are upper quartile on 8 out of the 11 BVPI indicators which the Housing Service has responsibility for (73%) and only bottom quartile in 1. In relation to the local indicators, where measurable targets are able to be set, we are on or within 5% of target on 20 (80%) and below target in 5 (20%).
- Partnered contracts are now in place for all major component renewal works and we will later this financial year establish further partnered contracts in our electrical testing and associated works contract.
- Savings of ***** have been seen through procurement and commented in the Gershon efficiency statement.

- South Derbyshire District Council will achieve the Decent Homes standard in 2008/9. We have had programmes targeted at the standard since 2003.
 - % rent loss through voids decreased in the twelve months to March 2005 by 35% or £83,654 as a result of declassifying some long term 'difficult to let' sheltered accommodation and taking a very proactive approach to the small number of properties that can be described as difficult-to-let.
 - 99.92% of rent was collected in 04-05 and this places us in upper quartile performance
 - The Service has achieved accreditation at both levels 1 and 2 of the Association of Social Alarm Providers.
 - Tenant satisfaction with all housing services is high and in some cases exceptionally high.
- 4.3 The authority is clearly performing well in the majority of housing services being delivered. Inevitably when looking at performance it is important to concentrate on the weaker areas. For South Derbyshire this is the responsive repair side of our business. In relation to this part of the service we have set ourselves challenging targets to reach upper quartile performance in areas such as routine repairs carried out within timescale and appointments arranged for routine repairs by June 2006. As a further test and example that we are fully committed to improving service delivery the responsive repair side of the service will be subjected to market competition in the autumn of 2006.

Action Plan

"Is there a clear and affordable action plan with SMART objectives and milestones covering both capital works and service delivery?"

- 4.4 In terms of service delivery across all aspects of housing management and service delivered by Housing, as well as property maintenance and improvement, the targets in Appendix H are all SMART targets and have been agreed following consultation with the district wide tenant involvement group, TACT, and approval by the Housing and Community Services Policy Committee of the Council.
- 4.5 The Plan gives us a sound basis to improve the current performance on housing management, repair services and capital programming. It shows that the council will strive to continuously improve and that the Council is not complacent and is managing performance improvement.

Performance Management frame work.

- 4.6 As well as having a strong performance targets, we have a robust and embedded approach to Performance Management to ensure we deliver.

- 4.7 SDDC has adopted a performance management framework that operates over an annual cycle. It incorporate four main elements
- Planning
 - Service Delivery
 - Monitoring
 - Improvement and review
- 4.8 The Council's plans are used to set Department, Service, team and individual objectives, targets and plans. Staff use these to carry out their daily activities using operating procedures and processes.
- 4.9 BVPI's and local targets and their associated target levels are widely publicised within the Council and Service and to our customers. These targets are monitored through Unit Managers and through committees on a quarterly cycle. This encourages staff to focus their efforts on those areas.
- 4.10 On an annual basis senior managers and Members will review the outcomes and assess overall performance with a view to improving the overall service. Targets are set in line with national trends, but also in line with the people we serve.

5. Resources

"Is there a realistic assessment of current and likely future revenue and capital resources (including the impact of rent restructuring)?"

5.1 Introduction

- 5.1.1 There are significant internal corporate challenges for the housing service such as the need to ensure that Council housing is adequately financed to allow it to provide the services required by customers. Although the principal funding mechanism of the service (the Housing Revenue Account) is ring fenced, for a number of years the division has received minimal capital finance and since improvement programmes and planned maintenance have been maintained at consistent levels the effect has been to draw heavily on revenue resources.
- 5.1.2 The projections for the housing revenue account over the next ten years show that the account is sustainable over that period (2005/6 to 2014/15) with spending and income patterns maintained broadly at current levels and allowing for inflation. However the projections contained within this report highlight that if the Council continues to draw upon revenue resources at current levels and other factors remain relatively neutral the account will go into deficit immediately beyond the 2014/15 period. This information is critical in considering the capital finance issue. That is, if more capital were used to provide improvement works it would significantly improve the revenue position.
- 5.1.3 One of the most significant areas of 'expenditure' within the HRA is the contribution made from HRA resources to Government, known as 'negative subsidy' or 'contribution to the national pot'. For South Derbyshire this is estimated at just over £2m for the 2005/6 year on a projected income turnover of just over £8.65m i.e. 24% of all income goes to the national pot and does not get utilised for the benefit of South Derbyshire tenants.
- 5.1.4 In broad terms 24% of income goes to the national pot, 24% is spent on running the service, 27% is spent as revenue repair work and 21% is redirected to the major repairs allowance. Therefore 48% of all income is reinvested direct into the stock. It is estimated that in 2005/2006 each pound of income will be spent as follows:

Management	19p
Other Expenses	5p
Maintenance	27p
Major Repairs	21p
Negative Housing Subsidy	24p
Surplus	4p
Total	£1.00

- 5.1.5 Removal of the contribution to the national pot would mean that the HRA was sustainable over the thirty year planning period in the government business plan finance model. The removal would also mean that the Council could deliver its silver standard in full as well as much of the gold standard. However even though there is a growing view in the housing sector and national government that the subsidy system should change and is unsustainable in the long term there are no firms plans for its replacement and therefore for the purposes of this plan it is necessary to assume that South Derbyshire will continue to be a significant net contributor to the national pot.
- 5.1.6 In terms of ensuring the viability of the HRA beyond 2015 the remaining two areas are staffing and management (24%) and repairs and improvements (48%).
- 5.1.7 The Housing Service currently has 55 whole-time equivalent employees funded from the housing revenue account. There are a further 13 employees who are funded via the in-house DLO account, 2 who are funded from the general fund relating to homelessness duties and a further 15 who are responsible for maintenance and cleaning of public buildings.
- 5.1.8 The Housing statistics published by the Chartered Institute of Public Finance and Accountancy in 2002 enable a comparison of housing management costs to be made between District Councils in Derbyshire as follows. This shows that unit management costs at South Derbyshire are close to the average for the County despite the level of the stock being the lowest in the County:

Authority	Stock	Management Costs	
		£,000	£ Per Unit
Amber Valley	5,707	3,009	527
Bolsover	6,097	2,981	489
Chesterfield	10,992	5,437	495
High Peak	4,521	2,650	586
Northeast Derbyshire	9,268	3,633	392
South Derbyshire	3,516	1,734	493
Total	40,101	19,444	485

- 5.1.10 The 48% of income that we currently spend on repairs and improvements is almost fully committed to first hitting and then maintaining the decent homes standard. There may be some scope for reducing expenditure but that in turn reduces service to customers. In addition the amount of expenditure available once the decent homes standard is achieved and maintained and other services are delivered at least at current levels e.g. responsive repairs, gas serving, electrical testing, etc, is minimal. It is estimated that over the period to 2010 around £0.773M of such resources are available. Although 'saving' that money and allowing it to be utilised in HRA reserves is clearly an option the amount of negative subsidy the Council pays is so high it would only make the HRA account viable for one more year beyond 2014/15

5.2 Recent Revenue and Capital Expenditure

5.2.1 The Business Plan includes a summary of recent revenue and capital expenditure, with key elements individually identified at Appendices B and C. This includes information about the sources of funding and is explicitly linked with figures in the Housing Strategy.

5.3 South Derbyshire District Council's Financial Strategy

5.3.1 The Council's financial policy for the housing revenue account is that the main indicator is that there should be a reserve balance of at least £500,000 to act as a contingency. This is in accordance with recommendations by the Council's external auditors to reflect the number and condition of the Council's homes.

5.3.2 Given the competing pressures on the capital resources available to the Council it has not in recent history committed an annual proportion of those receipts to the HRA funded services. All major works and improvements to Council stock have been funded through the revenue planned maintenance budget or the Major Repairs Allowance. There are however two recent exceptions to this policy. The Council has agreed that the proceeds of the sale of two former sheltered housing schemes be reinvested in the Vision and Standards it has adopted for the rest of the sheltered housing stock and service. The second exception is that £1m of capital receipt income has been committed to the HRA to offset planned maintenance expenditure and improve the overall HRA balance position. This £1m of resources comes into the HRA in equal proportions in the current and following two years. It is this £1m, combined with the significantly improved performance by the Housing Service on void management realising an additional £1m of rent income than previously forecast, that enables the account to balance over the 10 year planning period. But, as can be seen above, unless significant further resources are found the HRA will go into deficit in 2015 or 2016 if all other spending and income patterns remain the same.

5.3.3 In summary the punitive effect of negative subsidy means that sustaining the HRA significantly beyond 2015 is outwith the Council's control. This is why the Council has decided to review the option appraisal decision of retention on an annual basis.

5.4 Housing Revenue Account Resources- Financial Projections

5.4.1 A Housing Revenue Account Business Plan model has been prepared for the years 2005/2006 to 2034/2035.

5.4.2 A clear summary is given in appendices D and E about expected future funding, with details of the assumptions on which these figures are based in Appendix F. This takes account of the impact of rent re-structuring. Explanations are given of any significant changes in funding including the use of any surpluses.

5.4.3 Appendix E shows the projected expenditure and financing of major repairs and improvements. The improvements are based on the expenditure that has been identified as part of the stock condition survey that is referred to above. Planned maintenance is based on existing programmes. It will be seen that the projected financing is sufficient to meet the identified expenditure during the years to 2015 during which the council plans to invest to achieve and maintain the decent homes standard.

5.5 Business Plan Model

5.5.1 The Operating Account for 2005/2006 shows a surplus of £381,000. The income and expenditure on the account is summarised below:

	£,000
Net rent income	8,118
Other income	96
Miscellaneous income	380
Total income	8,594
Management	1,622
Major repairs allowance	1,761
Maintenance	2,398
Cost of capital	3,778
Other expenditure	209
Negative subsidy	2,072
Total expenditure	11,840
Asset Management Revenue Account	3,562
Operating income	316
Interest	65
Opening balance	1,136
Closing balance	1,517

5.5.2 The model projects income and expenditure forward over thirty years. The projections for the first twelve are summarised below:

	Expenditure £,000	Income £,000	Surplus £,000	Balance £,000
2005/2006	8,288	8,659	381	1,517
2006/2007	8,513	8,890	377	1,894
2007/2008	8,810	9,139	329	2,224
2008/2009	9,454	9,377	- 77	2,147
2009/2010	9,770	9,638	- 132	2,014
2010/2011	10,121	9,921	-200	1,814
2011/2012	10,492	10,250	- 242	1,572
2012/2013	10,752	10,472	- 280	1,292
2013/2014	11,054	10,719	- 335	957
2014/2015	11,389	10,968	- 421	537
2015/2016	11,733	11,222	- 511	26
2016/2017	12,099	11,489	- 610	-584

5.5.3 The Housing Revenue Account is projected to operate at a deficit from 2008/2009 onwards, moving into a cumulative deficit in 2016/2017 and for the level of the deficit to increase through the years. The reason for this is that inflationary increases in expenditure are expected to be greater than increases in management and maintenance allowances; while increases in rents will be greater than increases in management and maintenance allowances giving rise to increases in negative housing revenue account subsidy.

5.5.4 As discussed above the main issue facing the housing revenue account is the amount of negative subsidy it pays.

5.5.5 A breakdown of the projected deficit in the updated business plan model is summarised in the following table:

	Total deficit in period £,000	Average per year £
2015-2020	3,620	724
2020-2025	6,947	1,389
2025-2030	11,628	2,326
2030-2035	17,987	3,597

5.5.6 The Major Repairs and Improvements Financing Account includes the expenditure shown below:

5.5.7 The main cost pressures on the housing revenue account have been identified as follows:

- To achieve the decent homes standard in full in the public sector together with other works as detailed in the Council's silver standard will cost an additional £19million. This includes some provision to invest more in the fabric of the stock as well as in occupier facilities. For example, very few properties have been rewired. There is now a legal obligation to test all systems and if those tests state that there is a need to rewire the Council does not have a choice. Unit costs are estimated at £2,200 that would give rise to a cost of £5.3million if 75% of the stock were rewired. Some re-roofing works are also required.
- Implementation in full of consulted 'gold' improvement standard: A further £14million to the additional £19m.
- Keeping the HRA business viable. Currently due to go below the £500,000 balance reserve in 2015/2016 and into deficit in 2016/2017.
- Improvement to communal land assets and garage sites. Minimum sum required likely to be £250,000.

Expenditure						
Year	Year	Catch up Repairs £,000	Planned Maint £,000	Improvements £,000	Other £,000	Total Expenditure £,000
1	2005.06	0	1,760	0	335	2,095
2	2006.07	0	1,762	0	335	2,097
3	2007.08	0	1,766	0	335	2,101
4	2008.09	0	1,774	0	0	1,774
5	2009.10	0	1,784	0	0	1,784
6	2010.11	0	1,798	0	0	1,798
7	2011.12	0	1,819	0	0	1,819
8	2012.13	0	1,838	0	0	1,838
9	2013.14	0	1,867	0	0	1,867
10	2014.15	0	1,909	0	0	1,909
11	2015.16	0	1,945	0	0	1,945
12	2016.17	0	1,985	0	0	1,985

5.6 Sensitivity Analysis

- 5.6.1 Some sensitivity analysis has been carried out to test the impact on the projections of varying the assumptions. In the base case the balance on the housing revenue account at the end of 2014/2015 is £0.537million. The sensitivity tests assess the effect on this balance of varying some of the assumptions.
- 5.6.2 The first sensitivity test is on the assumed level of right to buy sales. If the assumed number of right to buy sales after the base year of 2005/2006 is halved to thirty in 2006/2007 declining to four at the end of the projection, the projected balance on the housing revenue account increases to £1.359million at the end of 2014/2015.
- 5.6.3 The second sensitivity test is to increase the assumed rate of increase in management and maintenance allowances from 1.5% a year to 2% a year. In this scenario the projected balance on the housing revenue account increases to £1.387million at the end of 2014/2015.
- 5.6.4 The third sensitivity test is to remove the assumption that management costs will increase in real terms by 0.5% a year throughout the life of the model. In this scenario, the projected balance on the housing revenue account increases to £1.018million at the end of 2014/2015.
- 5.6.5 The fourth sensitivity test is to move the assumption that maintenance costs will increase in real terms by 0.5% to 2.5% a year throughout the life of the model. In this scenario, the projected balance on the housing revenue account increases to £1.867million at the end of 2014/2015.
- 5.6.6 The model is, of course, equally sensitive to adverse variations in these assumptions.

5.7 Risk Analysis

- 5.7.1 The Council has identified the main areas of risk involved in running the housing business over the period of the plan. The most significant issue is the financial position of the service. Other areas of risk relate to ensuring that the Council complies with legislative changes including maintenance and improvement work such as asbestos legislation, gas servicing and electrical testing. The main risks are shown below.

Risk	Extent of Risk	Likelihood of Occurrence	Proposed Action
Financial position of HRA	Current reinvestment in stock is solely from HRA resources. At current levels HRA balances will be at a critical level by 2015.	High	Housing Investment to be partly funded from capital resources.
Failure to comply with legislative requirements or government targets.	Bed & Breakfast Homelessness, Asbestos, Legionella, Gas Servicing, Electrical Testing and Solid Fuel testing.	Medium	Need to work in conjunction with partners to reduce Bed & Breakfast risk.
Failure of contractors to meet full health & safety contractual requirements	At least two thirds of annual investment in the stock is delivered through external contractors.	Medium	Need to ensure adequate monitoring systems in place and have good working relationship with partners.
Inadequate maintenance of communal areas	Little investment in housing owned garage sites, footpaths and other communal land. Potential claims.	High	Need investment strategy as reported to committee in April 2005.
Supporting People Grant	Supporting People Grant could change or another provider could deliver the service.	Low	With Derbyshire County Council, ensure that the Council has early notification of any change in funding.

5.7.2 A realistic and prudent assessment has been made of current and future revenue and capital resources, including the impact of rent restructuring. This shows that the Council is able to meet the Decent Homes Standard by 2010 and to balance the HRA until 2015. However, projections demonstrate that the HRA is likely to move into deficit thereafter.

6. Priorities

"How well is the statement of priority areas for action justified and linked to the analysis of stock condition and supply/demand?"

Corporate Plan

- 6.1 South Derbyshire District Council has published a Corporate Plan that covers the years 2004 to 2007. This addresses the Council's vision for the future, which is to:

"Promote and enhance the social, economic and environmental well being of the community through the provision of cost effective, customer focussed services."

- 6.2 The Council has identified eight 'key aims' which it has divided into four 'primary key aims' and four 'secondary key aims'. These are:

Primary

Caring for the Environment
Economic Development
Crime and Disorder
Improving Services

Secondary

Good Quality Homes
Leisure Activities
Supporting the National Forest
Community Leadership

- 6.3 The 'key aim' of 'good quality homes' contains two 'priority themes':

- Quality and affordable homes for all
- Meeting needs for local facilities and services

- 6.4 The targets for 'good quality homes' that are relevant to the Council's own stock are:

- To develop and maintain a good understanding of the housing needs of all sections of the community
- To achieve the national 2004 'decent homes' target for Council homes and make significant progress towards the 2010 target
- To contribute to the delivery of the inter-agency Derbyshire Supporting People programme

- 6.5 Planned outcomes for 'good quality homes' that are relevant to the Council's own stock are:

- Access for local people to a range of good quality and affordable homes (decent homes)
- Balanced communities with access to local facilities and services

- 6.6 The Council's housing service is also making a contribution towards the other 'key aims' of the Council. A good quality housing service will provide good quality homes located in good quality environments and will offer tenants good quality services. This supports the other 'key aims' as follows:

- Caring for the Environment - Council homes are part of a high quality built environment while Council estates are 'clean and tidy'.

- Economic Development - Improvements to Council housing are part of the regeneration of the former South Derbyshire coalfield.
- Crime and Disorder - The housing service plays an important part in tackling anti-social behaviour, crime and the fear of crime.
- Improving Services - The Housing Service provides 'front line services' to tenants and leaseholders and is committed to promoting social inclusion, 'customer first' and improving performance.

Housing Strategy

- 6.7 In 2004 the Housing Strategy prioritised a number of issues for the HRA Business Plan and the table at appendix G details progress towards achieving those objectives.
- 6.8 The Council's most significant priority areas for action are to deliver progress on our undertaking to achieve the Decent Homes standard in 2008/9, significantly improve service delivery in our responsive repairs business by June 2006 and to ensure the future viability of the services being delivered and to introduce other options if stock retention option can no longer deliver at levels acceptable to customers.
- 6.9 The ability of the Council to deliver substantial parts of the Silver standard above the Decent Homes standard is constrained by the availability of finance. Section 7 of this plan considers the options for generating more resources for investment in and maintenance of the stock to a higher standard.
- 6.10 The priorities that have been identified in this business plan are set in the context of the Council's corporate plan and its housing strategy. They are linked to the analysis of stock condition that informed the housing stock options appraisal and to the analysis of supply and demand that informed the Housing Strategy. Priorities have also been developed in consultation with tenants and leaseholders, in particular through the business planning tenants' workshop.

7 Options

"To what extent does the Plan demonstrate proactive consideration of alternative ways of addressing priority areas for action?"

7.1 Housing Stock Options Appraisal

- 7.1.1 The Council has completed a Housing Stock Options Appraisal in accordance with the requirements of the Communities Plan, and following consultation with tenants and other stakeholders, has decided to opt for the retention of council housing. Due to the projected deficit in funding by 2015 it has been agreed to review this decision annually.
- 7.1.2 There is a clear recognition within the Council that if all current variables within the HRA projections remain the same then transfer of the stock is inevitable. This decision would have to be taken no later than 2010 to enable the transfer of a viable business to be effected before 2014/15.
- 7.1.3 The implication of the current retention decision is that the Council is obliged to prepare a HRA Business Plan that provides for the achievement of the Decent Homes Standard by 2010 and demonstrates the continued viability of the HRA until 2015.
- 7.1.4 The Housing Stock Options Appraisal is considered in detail in section 1.8.

7.2 Corporate Financial Policies of the Council

- 7.2.1 While the Housing Revenue Account is ring-fenced under the provisions of the Local Government & Housing Act 1989, the corporate financial policies of the Council do have a significant effect on the financing of the Housing Revenue Account Capital Programme.
- 7.2.2 South Derbyshire District Council is a debt free authority and despite the introduction of Capital Receipts Pooling wishes to remain so. The Council has therefore decided to use neither its Supported Capital Expenditure allocation nor any 'prudential borrowing' to support investment in the Council housing stock.
- 7.2.3 The Council has decided not to make revenue contributions to capital outlay from the Housing Revenue Account. This is because the long-term projections of the Housing Revenue Account are adverse and it is considered prudent to retain surpluses in the early years of the plan to finance deficits in the later years of the plan rather than to use them to support the capital programme.
- 7.2.4 The Council has discretion over the application of capital receipts between the Housing Revenue Account and the General Fund. Following the conclusion of the housing stock options appraisal it was decided to apply £335,000 of capital receipts to the Housing Revenue Account for each of the 3 years 2005/2006, 2006/2007 and 2007/2008. These capital receipts supplement the resources provided by the Major Repairs Allowance to provide the Housing Revenue Account capital budget.

7.3 Financial Options within the HRA

7.3.1 This plan identifies that the HRA and property condition to at least Decent Homes standard is deliverable to at least 2015 through the stock retention option. However there is limited scope to deliver substantial parts of the silver standard and an implication that any other service improvements will have to be largely delivered through the existing cost base. If the Council is to realise more resources for HRA services there are three main options, as the Housing Stock options work highlighted, either individually or through a combination as follows:

- Cutting costs
- Using the proceeds from future council house sales to pay for some improvements
- Looking at freeing up other housing assets to take advantage of the 'in and out' rules

7.4 Savings and Efficiencies

7.4.1 Excluding expenditure on repairs and maintenance and more non-controllable costs such as the payment of housing subsidy to the government, interest and rent rebates, the main areas of expenditure are management costs and the provision of sheltered (warden controlled) housing. A breakdown of the costs for 2005/2006 for these services is shown below:

These costs to be checked

	Management £,000	Sheltered £,000
Salaries & Wages	745	483
FRS17 Contribution	15	0
Premises	41	216
Transport	0	23
Supplies & Services	40	83
General Fund Recharges	184	0
Other Recharges	474	38
Contingency	25	0
Total	1524	843

7.4.2 In total these costs amount to over £2million a year. Finding savings from these costs is of course possible but full account would need to be taken of the implications for service delivery. Benchmarking our management costs against those of other district councils reveal an average cost base on the cost of management to number of properties ratio and this is without the benefits of significant economies of scale that would be applicable to larger Councils.

7.4.3 Over 50% of the costs at the table in 7.4.1 are direct staffing with a further 25% coming in the form of services provided by other council departments (including finance, legal and corporate management) which in turn are made up largely by staffing costs. A detailed analysis of all staffing costs including those incurred indirectly by the HRA through other departments is underway currently. Although this work has not yet reported through the Committee process there is some scope for savings.

7.5 Proceeds from Council house sales

7.5.1 The 25% of right to buy capital receipts that is allowable for spending has not traditionally been used in the housing revenue account. Even the £260,000 spent annually on the public sector housing disabled adaptations is funded from the HRA/MRA rather than capital receipts. Changing this process would 'free up' considerable resources for other improvement works.

7.5.2 The current average cash price (after tenant discount) of each sale to the Council is around £35,000 - 25% of which is approximately £8,500. Based on the projected number of council house sales used in the financial projection the following resources would be available:

Year	No of sales	Usable receipts £,000
2005/2006	72	598
2006/2007	60	511
2007/2008	60	524
2008/2009	48	430
2009/2010	48	440

7.5.3 The potential funding available would make a substantial addition to the Major Repairs Allowance and allow more of the Silver standard to be introduced. However the Council has made a policy decision to use capital receipts for general community rather than housing purposes. Although this is of course a legitimate decision it could be assessed as being at odds with the stock retention decision i.e. to retain an assets but not to allocate them discretionary investment.

7.5.4 The Council is though benefiting from additional resources over the next 3 years because of the transitional receipts from the pooling arrangements. Based on the number of council house sales in the projections this would generate around £1.7million of which £1m has been allocated to HRA services.

7.6 Freeing up other Housing assets

7.6.1 The Council could take advantage of the 'in and out' rules to generate additional resources for council homes. This would depend on whether any planned spending could fit the government's definition of providing affordable housing or regeneration.

7.7 Prudential Borrowing

7.7.1 The Local Government Act 2003 introduced 'prudential borrowing' to local government from 1st April 2004. In effect this means a local authority has no limit set by government on how much it can borrow. It can borrow as much as it wishes as long as it can demonstrate that it can afford to meet the cost of interest on the loans. Local authorities have discretion over whether they make provision to repay prudential loans. There are two types of prudential borrowing: Supported Borrowing and Unsupported Borrowing.

7.7.2 The system of Supported Borrowing is where the government pays a local authority an allowance as part of Housing Subsidy that is designed to support borrowing. This continues the practice that was included within the system of Credit Approvals of government providing revenue resources to meet the cost of interest on local authority borrowing that the government wishes to support. We are currently in the process of assessing whether South Derbyshire DC should utilise this option.

7.7.3 The system of Unsupported Borrowing is where the Council finds 'headroom' within its existing resources to support borrowing. In practice, in the case of the HRA, this means spending less on management and maintenance than is included in the management and maintenance allowances part of the subsidy calculation.

7.7.4 The consolidated rate of interest at South Derbyshire DC is 5%. Prudential Borrowing of £1million would therefore cost £50,000 a year in interest. Consequently an ongoing saving in management or maintenance expenditure of £50,000 would be sufficient to fund an initial investment through prudential borrowing of £1million. Should the Council exercise its discretion to make repayments of prudential borrowing this would increase the revenue costs in the early years but reduce them during the later years.

7.7.5 South Derbyshire District Council is a debt free local authority and its current policy is to maintain this status. Consequently, this business plan assumes that the Council will not take advantage of Supported Capital Expenditure and will not carry out any Unsupported Capital Expenditure. However, this situation is currently under review within the Council particularly from the aspect of releasing additional funds for property improvements.

7.8 Conclusions

7.8.1 Options for the future management of Council housing in South Derbyshire are set in the context of the conclusions of the housing stock options appraisal and corporate financial policies. These result in a retained council housing service funded through ring-fenced HRA resources and £335,000 a year of capital receipts during the initial three years. Options have therefore been identified for future management of the housing revenue account regarding:

- Savings and efficiencies
- Proceeds from council house sales
- Prudential borrowing

8 Progress to date

"How well does the Plan report on progress against previous targets/objectives? Are effective monitoring procedures in place?"

- 8.1 The last HRA Business Plan written in July 2002 contained a table of 42 actions. Progress and/or completion has been achieved on all these actions except for the introduction of a diagnostic repair tool for staff. In the main this had not been prioritised due to the need to first implement a new IT system, which has now been achieved and is benefiting Housing Services as a whole. We aim to have a fully embedded appointments and diagnostic system within this financial year.
- 8.2 There is a clear and affordable action plan with SMART objectives and milestones covering both capital works and service delivery. This is linked to the Council's priorities and a summary included of the previous business plan's action plan and progress. Formal monitoring is undertaken through the Policy Committee on at least a quarterly basis.
- 8.3 This Housing Revenue Account Business plan does explain the role that the authority's own stock will play to support the overall housing strategy. There has been extensive and effective consultation with tenants and leaseholders in the development of this plan.
- 8.4 Through the Council's commitment to long-term improvement works and the establishment and maintenance of good quality stock condition information the Council will be able to achieve the government's decent homes standards (known locally as the 'bronze' standard) within the set timeframes. Furthermore it will be able to maintain the properties at that standard with some improvement up to 2015.
- 8.5 The Plan demonstrates that current performance on housing management, repair services and capital programming is good. The Council is not complacent and is striving for further improvements in all aspects of performance.
- 8.6 A realistic and prudent assessment has been made of current and future revenue and capital resources, including the impact of rent restructuring. Projections demonstrate that the Housing Revenue Account is viable for the next ten years but is likely to move into deficit thereafter.
- 8.7 The priorities that have been identified in this business plan are set in the context of the Council's corporate plan and its housing strategy. They are linked to the analysis of stock condition that informed the housing stock options appraisal and to the analysis of supply and demand that informed the Housing Strategy.
- 8.8 The current action plan for the HRA Business is at appendix H.

Appendix A - Performance Indicators and Targets

Best Value Indicator		Actual 2004/2005	Target 2005/2006	Target 2006/2007	Target 2007/2008
BV63	Energy efficiency - the average SAP rating of local authority owned dwellings	60.5	65	65.5	66
BV66a	Local authority rent collection and arrears: proportion of rent collected	99.2%	99.0%	99.0%	99.0%
BV74a	Satisfaction of tenants of Council homes with the overall service provided by their landlord - all tenants	86.6%	86.6%	88.0%	88.0%
BV74b	Satisfaction of black and minority ethnic tenants of council homes with the overall service provided by their landlord	87.4%	87.4%	88.0%	88.0%
BV74c	Satisfaction of non black and minority ethnic tenants of council homes with the overall service provided by their landlord	86.5%	86.5%	88.0%	88.0%
BV75a	Satisfaction of tenants of Council homes with opportunities for participation in management and decision making in respect of housing services provided by their landlord	64.9%	64.9%	67.0%	67.0%
BV75b	Satisfaction of black and minority ethnic tenants of council homes with the opportunities for participation in management and decision making	67.2%	67.2%	67.0%	67.0%
BV75c	Satisfaction of non black and minority ethnic tenants of council homes with the opportunities for participation in management and decision making	64.6%	64.6%	67.0%	67.0%
BV164	Does the authority follow the Commission for Racial Equality's code of practice in rented housing?	Yes	Yes	Yes	Yes
BV176	The number of domestic violence refuge places per 10,000 population which are provided or supported by the authority	0	0	0	0
BV184a	The proportion of local authority homes which were non-decent in April	15.7%	11.9%	7.9%	0.0%
BV184b	The percentage change in the proportion of non-decent local authority homes between 1 April and 1 April	24.2%	33.6%	67.1%	0.0%
BV185	Percentage of responsive (but not emergency) repairs for which an authority both made and kept an appointment	15.0%	50.0%	95.0%	95.0%

Appendix B

Recent Revenue Expenditure

	2002/2003 £,000	2003/2004 £,000	2004/2005 £,000
Expenditure			
Housing Repairs	2,451	2,681	2,785
Balance on DLO account	0	23	0
Supervision & Management	1,088	790	791
Sheltered & Other Services	798	797	739
Rates, Service Charges etc.	33	28	43
Rent Rebates	4,644	4,751	103
Bad Debt Provision	60	0	3
Capital Financing	2,812	616	320
Housing Options Study	0	0	47
Negative Housing Subsidy	0	0	3,726
Total	11,888	9,685	8,557
Income			
Rent from dwellings	8,560	8,281	8,002
Other rents	99	92	83
Other charges & services	76	79	60
Transfers from other funds	81	25	3
Housing Subsidy	3,166	528	0
Supporting People Grant	0	375	323
Interest received	58	58	63
Total	12,040	9,438	8,533
Surplus	153	247	24
Balance brought forward	1,263	1,415	1,371
Balance carried forward	1,415	1,169	1,348

Appendix C

Recent Capital Expenditure

2001/2002

£,000

Public Sector Programme

2,093

Financed by:

Major Repairs Allowance

1,650

Other

443

2002/2003

£,000

Public Sector Programme

2,120

2003/2004

£,000

Public Sector Programme

1,887

Financed by:

Major Repairs Allowance

1,887

2004/2005

£,000

Public Sector Programme

2,034

Financed by:

Major Repairs Allowance

2,034

Appendix D

Business Plan Revenue Projections

SOUTH DERBYSHIRE

DC

Business Plan Assumptions

Operating Account

(expressed in money terms)

CASHFLOW SURPLUS/DEFICIT DIFFERS

Year	Income				Expenditure										Surplus (Deficit) for the Year	Surplus (Deficit) b/fwd	Interest	Surplus (Deficit) c/fwd
	Net rent	Other income	Misc income	Total Income	Managt.	Depreciation	Maint.	Cost of Capital	Other Revenue spend	HRA Cost of Rent Rebates	Misc expenses	Surplus to be redistrib.	Total expenses	Adjusting transfer from AMRA				
2005.06	8,118	96	380	8,594	(1,622)	(1,761)	(2,398)	(3,778)	(121)	(9)	(79)	(2,072)	(11,840)	3,562	316	1,136	65	1,517
2006.07	8,328	98	382	8,807	(1,671)	(1,761)	(2,430)	(3,786)	(109)	(7)	(68)	(2,250)	(12,082)	3,569	294	1,517	83	1,894
2007.08	8,556	100	383	9,039	(1,721)	(1,765)	(2,466)	(3,807)	(89)	(5)	(57)	(2,487)	(12,397)	3,589	229	1,894	100	2,224
2008.09	8,805	102	384	9,291	(1,772)	(1,775)	(2,850)	(3,827)	(85)	(4)	(43)	(2,705)	(13,061)	3,607	(163)	2,224	86	2,147
2009.10	9,067	104	385	9,556	(1,825)	(1,784)	(2,900)	(3,860)	(71)	(2)	(31)	(2,937)	(13,411)	3,640	(214)	2,147	82	2,014
2010.11	9,354	106	387	9,846	(1,880)	(1,800)	(2,956)	(3,893)	(55)	(1)	(17)	(3,191)	(13,793)	3,672	(275)	2,014	75	1,814
2011.12	9,688	108	388	10,184	(1,937)	(1,815)	(3,026)	(3,942)	(35)	0	0	(3,455)	(14,210)	3,719	(308)	1,814	66	1,572
2012.13	9,916	110	390	10,416	(1,995)	(1,838)	(3,111)	(4,007)	(24)	0	0	(3,561)	(14,536)	3,783	(336)	1,572	56	1,292
2013.14	10,171	112	391	10,675	(2,055)	(1,868)	(3,204)	(4,090)	(25)	0	0	(3,676)	(14,919)	3,865	(379)	1,292	44	957
2014.15	10,432	115	392	10,939	(2,116)	(1,907)	(3,301)	(4,175)	(26)	0	0	(3,812)	(15,337)	3,949	(450)	957	29	537
2015.16	10,700	117	394	11,211	(2,180)	(1,946)	(3,401)	(4,261)	(26)	0	0	(3,952)	(15,767)	4,034	(522)	537	11	26
2016.17	10,975	119	395	11,489	(2,245)	(1,987)	(3,504)	(4,349)	(27)	0	0	(4,096)	(16,209)	4,121	(599)	26	(11)	(584)
2017.18	11,256	122	397	11,774	(2,312)	(2,028)	(3,611)	(4,439)	(28)	0	0	(4,245)	(16,663)	4,210	(679)	(584)	(37)	(1,300)
2018.19	11,544	124	398	12,067	(2,382)	(2,070)	(3,722)	(4,531)	(28)	0	0	(4,397)	(17,130)	4,300	(763)	(1,300)	(67)	(2,130)
2019.20	11,840	126	400	12,366	(2,453)	(2,112)	(3,836)	(4,624)	(29)	0	0	(4,554)	(17,609)	4,392	(851)	(2,130)	(102)	(3,083)
2020.21	12,142	129	402	12,673	(2,527)	(2,156)	(3,954)	(4,720)	(30)	0	0	(4,716)	(18,102)	4,486	(943)	(3,083)	(142)	(4,169)
2021.22	12,453	132	403	12,988	(2,603)	(2,200)	(4,075)	(4,817)	(31)	0	0	(4,883)	(18,609)	4,582	(1,039)	(4,169)	(188)	(5,395)
2022.23	12,771	134	405	13,310	(2,681)	(2,246)	(4,201)	(4,916)	(31)	0	0	(5,054)	(19,129)	4,679	(1,140)	(5,395)	(239)	(6,774)
2023.24	13,097	137	407	13,640	(2,761)	(2,292)	(4,332)	(5,017)	(32)	0	0	(5,230)	(19,664)	4,779	(1,245)	(6,774)	(296)	(8,315)
2024.25	13,430	140	409	13,979	(2,844)	(2,339)	(4,467)	(5,120)	(33)	0	0	(5,412)	(20,214)	4,880	(1,355)	(8,315)	(360)	(10,030)
2025.26	13,773	142	410	14,325	(2,929)	(2,387)	(4,606)	(5,225)	(34)	0	0	(5,599)	(20,779)	4,984	(1,470)	(10,030)	(431)	(11,930)
2026.27	14,123	145	412	14,681	(3,017)	(2,436)	(4,750)	(5,332)	(35)	0	0	(5,791)	(21,360)	5,089	(1,590)	(11,930)	(509)	(14,030)
2027.28	14,482	148	414	15,045	(3,108)	(2,486)	(4,899)	(5,441)	(35)	0	0	(5,988)	(21,957)	5,197	(1,716)	(14,030)	(596)	(16,341)

2028.29	14,851	151	416	15,418	(3,201)	(2,537)	(5,053)	(5,552)	(36)	0	(6,192)	(22,571)	5,306	(1,847)	(16,341)	(691)	(18,879)
2029.30	15,228	154	418	15,800	(3,297)	(2,588)	(5,213)	(5,666)	(37)	0	(6,401)	(23,202)	5,418	(1,984)	(18,879)	(795)	(21,658)
2030.31	15,626	157	420	16,203	(3,396)	(2,641)	(5,382)	(5,781)	(38)	0	(6,616)	(23,855)	5,532	(2,120)	(21,658)	(909)	(24,687)
2031.32	16,046	160	422	16,629	(3,498)	(2,695)	(5,561)	(5,908)	(39)	0	(6,838)	(24,539)	5,657	(2,254)	(24,687)	(1,033)	(27,973)
2032.33	16,478	164	424	17,065	(3,603)	(2,754)	(5,747)	(6,038)	(40)	0	(7,077)	(25,259)	5,785	(2,409)	(27,973)	(1,167)	(31,549)
2033.34	16,921	167	426	17,514	(3,711)	(2,815)	(5,940)	(6,170)	(41)	0	(7,323)	(25,999)	5,915	(2,571)	(31,549)	(1,313)	(35,433)
2034.35	17,376	170	428	17,974	(3,822)	(2,876)	(6,140)	(6,305)	(42)	0	(7,577)	(26,762)	6,048	(2,740)	(35,433)	(1,472)	(39,645)

Business Plan Capital Projections

Year	Expenditure			Financing		Total Financing £,000
	Planned Maint £,000	Other £,000	Total Expenditure £,000	Other £,000	MRR £,000	
2005.06	1,760	335	2,095	335	1,760	2,095
2006.07	1,762	335	2,097	335	1,762	2,097
2007.08	1,766	335	2,101	335	1,766	2,101
2008.09	1,774	0	1,774	0	1,774	1,774
2009.1	1,784	0	1,784	0	1,784	1,784
2010.11	1,798	0	1,798	0	1,798	1,798
2011.12	1,819	0	1,819	0	1,818	1,819
2012.13	1,838	0	1,838	0	1,838	1,838
2013.14	1,867	0	1,867	0	1,867	1,867
2014.15	1,909	0	1,909	0	1,908	1,909
2015.16	1,945	0	1,945	0	1,945	1,945
2016.17	1,985	0	1,985	0	1,985	1,985
2017.18	2,026	0	2,026	0	2,026	2,026
2018.19	2,068	0	2,068	0	2,068	2,068
2019.2	2,111	0	2,111	0	2,111	2,111
2020.21	2,158	0	2,158	0	2,158	2,158
2021.22	2,202	0	2,202	0	2,202	2,202
2022.23	2,248	0	2,248	0	2,248	2,248
2023.24	2,294	0	2,294	0	2,294	2,294
2024.25	2,341	0	2,341	0	2,339	2,339
2025.26	2,385	0	2,385	0	2,385	2,385
2026.27	2,433	0	2,433	0	2,433	2,433
2027.28	2,483	0	2,483	0	2,483	2,483
2028.29	2,534	0	2,534	0	2,534	2,534
2029.3	2,586	0	2,586	0	2,586	2,586
2030.31	2,645	0	2,645	0	2,645	2,645
2031.32	2,703	0	2,703	0	2,703	2,703
2032.33	2,762	0	2,762	0	2,757	2,757
2033.34	2,823	0	2,823	0	2,815	2,815
2034.35	2,885	0	2,885	0	2,876	2,876

Appendix F

List of Assumptions made in preparing the Housing Revenue Account Business Plan model

1. Global Inputs
 - Inflation rate 2.5% (government recommendation)
 - Discount rate 6% (government recommendation)
 - Consolidated rate of interest 5% (calculated by Head of Finance & Property)
 - Interest earned on balances: 5% in years one to three, 4% thereafter (calculated by Head of Finance and Property)
 - Cost of capital 3.5% (government recommendation)
2. Stock and Rent
 - Tenanted stock 3,230. Leasehold stock 21. (data provided by Head of Housing)
 - Average rent £49.37 a week (data provided by Head of Finance & Property)
 - Real annual rent increase 2.15% to 2011/2012 and 0.5% thereafter (increases calculated by Adrian Waite to ensure rent convergence in 2011/2012 in accordance with government rent restructuring policies)
 - Voids. 1% in 2005/2006, 0.9% in 2006/2007, 0.8% in 2007/2008 and 0.7% a year thereafter (data provided by Head of Housing)
3. Other Income
 - Garage and shop rents £95,870 in 2005/2006 and reducing in real terms by 0.5% a year (calculated by Head of Finance and Property)
4. Miscellaneous Income
 - Supporting People Grant £315,500 in 2005/2006 and reducing in real terms by 2.5% a year (calculated by Head of Finance and Property)
 - Charges for services £61,820 in 2005/2006 and reducing in real terms by 0.5% a year (calculated by Head of Finance and Property)
 - Rechargeables £3,000 in 2005/2006 and reducing in real terms by 2.5% a year (calculated by Head of Finance and Property)
5. Right to Buy Sales
 - 72 in 2005/2006, sixty in 2006/2007 and 2007/2008, 48 in 2008/2009 and 2009/2010, 36 in 2010/2011, 24 in 2011/2012, sixteen a year from 2012/2013 to 2029/2030 and eight a year from 2030/2031 to 2034/2035. (data provided by Head of Housing)
 - Usable proportion of right to buy receipt 25% (reflects government policy)
 - Average right to buy valuation £55,700. No real increase in subsequent years. (calculated by Head of Finance and Property)
 - Average right to buy discount 39%. Maximum right to buy discount £24,000 (calculated by Head of Finance and Property)
 - Right to buy administration cost £737 (calculated by Head of Finance and Property)
 - Proportion of usable right to buy receipts used for the Housing Revenue Account 0% (data provided by Head of Housing and Property)
6. Other Stock Changes
 - No other stock changes are modelled (data provided by Head of Housing)

7. Housing Revenue Account Subsidy

- Maintenance Allowance (2005/2006) £716.03, Management Allowance (2005/2006) £340.58 and Major Repairs Allowance (2005/2006) £532. (in accordance with housing subsidy determination)
- Increase in management and maintenance allowances 1.25% a year in real terms until 2011/2012 and 0% real increases thereafter (calculated by Head of Finance and Property)
- Formula rent (2005/2006) £50.24 (in accordance with housing subsidy determination)
- Increases in formula rent 1.5% a year in real terms until 2011/2012 and 0.5% a year thereafter (in accordance with government guidance)
- Guideline rent (2005/2006) £47.01 (in accordance with housing subsidy determination)
- Guideline (notional) voids 2% (in accordance with government guidance)
- Other reckonable expenditure (covenants) £100,058 in 2005/2006 declining to nil in 2012/2013 (calculated by Head of Finance and Property)
- Interest receipts for subsidy £3,974 in 2005/2006 declining to nil in 2010/2011 (calculated by Head of Finance and Property)
- Debt Management Expenses £38,597 (calculated by Head of Finance and Property)
- Supported Capital Expenditure nil (calculated by Head of Finance and Property)
- Opening Capital Financing Requirement 2005/2006 £3,557,683 (calculated by Head of Finance and Property)
- Subsidy Capital Financing Requirement 2005/2006 £9,249,121 (calculated by Head of Finance and Property)
- Admissible allowance 2005/2006 £40,635 and in 2006/2007 £20,318 (calculated by Head of Finance and Property)

8. Management and Service Costs

- Management costs are set at £778,900 in 2005/2006. They are assumed to be 100% fixed and to increase in real terms by 0.5% a year throughout the thirty year projection. (calculated by Head of Finance and Property)
- Service costs are set at £843,030 in 2005/2006. They are assumed to be 100% fixed and to increase in real terms by 0.5% a year throughout the thirty year projection. (calculated by Head of Finance and Property)

9. Other Revenue Expenditure
 - Covenants are included at £100,058 in 2005/2006 declining to nil in 2012/2013 (calculated by Head of Finance and Property)
 - Council tax and leasing is included at £9,470 a year, provision for pensions increase at £6,100 a year and provision for bad debts at £5,000 a year. None of these vary in real terms in the model. (calculated by Head of Finance and Property)
10. Miscellaneous Expenses
 - The transfer to the General Fund of transitional negative subsidy is set at £79,300 in 2005/2006 reducing to nil in 2011/2012. (calculated by Head of Finance and Property)
11. Rent Rebates
 - Rent Rebate threshold is set at 62%. (current level)
 - The estimated proportion of South Derbyshire District Council tenants claiming rebates is 55% in 2005/2006 increasing to 62% in 2025/2026. (calculated by Head of Finance and Property)
 - Limit rent in 2005/2006 is set at £49.27. (in accordance with the 2005/2006 subsidy determination)
12. Responsive and Cyclical Maintenance
 - Responsive and void repairs are set at £514 a unit in 2005/2006, 2006/2007 and 2007/2008 and increases to £619 a unit from 2008/2009. The increase reflects the end of the annual capitalisation of £335,000 of responsive repairs. (calculated by the Head of Finance and Property)
 - It is assumed that the cost of responsive and cyclical maintenance will increase by 0.25% a year in real terms.
 - Cyclical Maintenance is set at £237 a unit throughout the projection. It is assumed that the cost will increase by 2.5% a year in real terms. (calculated by the Head of Finance and Property)
13. Catch-up Repairs and Planned Maintenance
 - Major Repairs are set at £550 a unit throughout the projection and it is assumed that unit costs will increase by 0.5% a year in real terms. (calculated by the Head of Finance and Property)
 - No catch-up repairs are included in the model. (calculated by the Head of Finance and Property)
14. Improvements
 - No improvements are included in the model (calculated by the Head of Finance and Property)

15. Other Capital Expenditure
 - £335,000 is included in 2005/2006, 2006/2007 and 2007/2008 for capitalised revenue repairs. (data from Head of Finance and Property)
16. Capital Finance
 - £335,000 of non-right to buy capital receipts is included in 2005/2006, 2006/2007 and 2007/2008 to fund capitalised revenue repairs. (data from Head of Finance and Property)
17. Other Fixed Asset Movements
 - No other fixed asset movements are modelled. (data from Head of Housing)
18. Notes to the Accounts
 - The average value of the housing stock at 1st April 2005 is modelled at £33,420 being 60% of the average right to buy value. (data from Head of Finance and Property)
19. Housing Revenue Account Working Balance
 - The Housing Revenue Account Working Balance is set at £500,000 (data from Head of Finance and Property)

Housing Strategy Objectives	HRA Business Plan Objectives	Progress to date
Identify and define the housing needs of South Derbyshire residents	<ul style="list-style-type: none"> • To encourage the involvement of tenants generally, and specifically to encourage tenants groups to form. • To develop a strategy for involving the community and stakeholders in developing best value approaches to housing and in setting priorities and targets. 	•
Work with stakeholders to maintain and improve the districts housing stock	<ul style="list-style-type: none"> • To provide healthy, safe and secure homes that are affordable. • To contain the need for responsive repairs through an efficient and effective planned maintenance programme • To increase energy efficiency of all homes and to address issues of fuel poverty. • To explore a variety of funding opportunities including PFI 	•
Ensure that there is an adequate supply of homes to meet anticipated needs, taking into account the demands of new industry coming into the area	<ul style="list-style-type: none"> • To ensure that old dwellings make an effective contribution to meeting identified needs. • To reduce under-occupation in family housing to release homes to re-let • To establish procedures for reducing the costs of repairing void properties and cutting turnover times and to reduce the number of empty homes • To address the problems of difficult to let properties 	•
Ensure that vulnerable people have access to appropriate & stable housing	<ul style="list-style-type: none"> • To deal with anti-social behaviour fairly and firmly working in partnership with others. 	•
Provide high quality, customer focused housing services	<ul style="list-style-type: none"> • To involve tenants in the design and delivery of maintenance and improvement programmes. • To provide a high quality, cost effective housing management service which meets the needs of all tenants • To involve tenants in setting standards of performance • To ensure that robust arrangements are in place for Best Value, and to ensure that the principles of Best value are applied throughout the service 	•

This needs to be slimmed down
Housing: Business Action Plan

Improvements/Plan June 05	Actions	Completion Date/Person responsible	Slippage and Comments	Efficiency savings
QPD – Planned	Develop electrical testing regime and database	GC – JUNE	In progress – 5 year testing cycle established	None noted
QPD – Maintenance	Carry out a best value review of the service	LC – JUNE	Completed	Actions now in place to assess VFM and Efficiency, although none directly, opportunity now for further developments.
QPD – Maintenance	Introduce annual solid fuel heating and appliance testing	GC – JUNE (amended to September)	Survey will be complete by end of August – slippage due to no access issues. 56 with no access	
RM – 8	Resolution of new vehicle purchase	TD – JUNE (amended to September)	Tim to produce documentation. 1st report was produced in May – 2 nd report done. (Meeting to take place 31 st August 05)	
RM – 13	Improve database of solid fuel appliances and provide information on job tickets to reduce time	GC/RK-JUNE (amended to September)	Started solid fuel appliances survey. 4 weeks to get data – need to carry forward to Sept.	
RM – 15	One site training between tradesmen and Inspectors	DK – JUNE (amended to October)	In progress. Although dead line has been missed, decision taken for VTS to look at benefits and do analysis – work to be completed by end of July 05	
RR – 1.0	Clarification of secure by design compliance for doors, locking systems and windows	GC – JUNE (amended to September)	Completed all but windows. Doors completed	None noted

EE – page 13	Establish Housing services as a member of Corporate Environmental working group	BL -	Bob to update
EE – page 13	Establish an Energy Efficiency Monitoring team and terms of reference	LC - (amended to September)	Formal team still to be established. Improvement Manager is in regular contact with EGA and other agencies to compare funding availability for energy efficiency grants.
EE – page 13	Actively publicise aims of the strategy	GC - (amended to October)	To be incorporated as part of the Autumn Tenants Xtra
EE – page 14	Produce an updated stock profile as part of EES on 6 monthly ...	GC -	Software update delayed. Now due during August
EE – page 14	Identify and prioritise potential areas for EE improvements	LC -	All areas identified and funding has been allocated from the MRA and external funding is currently being finalised to ensure Best Value.
EE – page 17	Ensure that cavity wall insulation is included as a standard feature of all new and re furnished homes	GC - JUN	No new homes built. No major re-furbs yet planned. To be monitored on a quarterly basis
EE – page 16	Undertake review for upgrade or replacement all solid fuel systems with a view to switching to a more environmentally efficient system of heating	LC – JUN	All solid fuel properties have been programmed to be replaced over the next three years with high efficiency 'A' rated gas boilers, with funding allocated from the MRA. However, tenants still have right to remain with SF, in accordance with the Decent Homes Standard. This situation will be monitored.

<p>EE – page 16</p>	<p>Introduce a programme of EE works to ensure a minimum of 250 mm insulation is installed into loft areas that receive insulation work and all hot water pipes and tanks are lagged where they are exposed.</p>	<p>GC – JUNE</p>	<p>Rockwarm to carry out survey to all properties & install loft or cavity wall insulation by Dec 2006. Will be monitored as part of the Improvement Programme</p>	<p>Initial projection over the contract period is a saving of £851,000</p>
<p>EE – page 17</p>	<p>Set up meeting with funding agencies and make contact with suppliers to establish grant funding potential based upon current social make up of tenants and current stock energy ratings</p>	<p>GC – MAY</p>	<p>Completed. Application submitted to Scottish Power for fuel switching grants. Will be monitored as part of the Improvement Programme</p>	<p>Initial projection over the contract period is a saving of £80,000</p>

Improvements/Plan Quarter Two July – September 05	Actions	Completion Date/Person responsible	Slippage and Comments	Efficiency savings
QPD-Staff	Develop a training plan for Managers	BL – AUG	Done await the start date	
QPD – Information	Develop and publicise literature for care line	AS – SEPT	Some materials completed (Rent Deposit/RSL leaflet). Advice Booklet due September	
QPD- Information	Develop homelessness materials	DD – JULY (amended to September)	Consultation on style and content undertaken. Draft handbook due for completion end of August. Handbook to be produced by November 2005 as costings still being undertaken. Possible completion mid September still within timescales for November publication	
QPD – Information	Develop a tenants hand book/folder	SR – JULY (amended November)	Pressures around code of practise accreditations has caused slippage. Will be done by end of November 2005.	
QPD – Sheltered	Cease provision of white goods/testing	DD – JULY (amended to November)	Shortage of staff has caused increased demands on time. Booklet will be published by end of September	
QPD – House/Home	Publish a housing advice booklet	DD – JULY (amended to September)	Due to increased tenant involvement, revised timeframe agreed with GOEM is September 2005	
QPD – Service	Complete HRA Business plan	BL –JULY (amended to December)		
QPD – Service	Annual risk review for all tasks	MAN – AUG		

HRAD	Demonstrate feedback from hard to reach customers have influenced policies	VTS - JULY	Still in progress, changes made to Satisfaction questionnaires to capture more information and a small project to update all ethnicity details on Orchard will start in October
RM - 05	Materials management process implemented	SM - JULY	Completed
RM - 06	Review of jobs ordered against the policy	DK - JULY	Completed
RM - 07	Training of all staff in works order admin	HP/SM - JUL	Completed
RM - 09	Process clarified and implemented for appts by inspectors	DK - JULY	Revised date August 2005
RM - 10	Performance Management system to be created to report daily, weekly, monthly progress. ...	VTS/RK/DK-JULY	Completed. Updated figures collated by VTS on a weekly basis

Improvements/Plan Quarter Two July – September 05	Actions	Completion Date/Person responsible	Slippage and Comments	Efficiency savings
RM – 11	Flow chart developed for weekly management routines for responsive maintenance employees	VTS – SEPT		
RM – 12	Full routine work appointments system balanced with emergency job management	LC-DK – JULY (amended to October)	Reducing emergency works – introducing appointments incrementally. Full appointments to be formally introduced as part of the improvement plan.	
RM – 16	Batching system for routine work	TD – JULY	Revised target August 2005	
RM – 17	Improvement in Orchards material system and approx job duration for SOR	HP/TD – JULY (amended to October)	Revised to October 2005	
RM – 18	Review of needs for a void team and area based working	DK/TD – AUG		
RM – 19	Wider review of repairs policy with tenants, especially category of works ordered under routine	BL/LC – SEPT (amended to October)		
RM – 20	Quarterly performance review group	BL/LC/VTS - SEPT	VTS to set up meeting for these, then grey	
RM – 21	Partnering agreements reached with sub contractors for performance timescales, value of work and reporting arrangements	LC/DK - SEPT		
RM – 26	Backlog list. Early warning for backlog	DK - JULY	Completed. Reported on a weekly basis.	

HAS	Ensure the after care team has a representative on the District Homelessness steering group	DD -- 05-06	Steve Warwick - done	
HAS	To carry out a best value review of housing services	BL -- 05-06	BL to discuss with MA	

Improvements/Plan Quarter Two July – September 05	Actions	Completion Date/Person responsible	Slippage and Comments	Efficiency savings
HAS	To improve the standard of Sheltered housing to a 2 star service	DD – 05-06	Accreditation in place. DD to contact BW	
RR – 1.2	Introduction of clear reporting procedures for employees to record concerns about condition of properties and localities and to ensure that action is being taken	DK – JULY	Completed. Completed pro-formas forwarded to MC for discussion at CDP meetings.	
RR – 1.3	Introduction of relevant PI to measure how many properties have locks changed within 48 hours of end of the tenancy	DK – JULY	Completed. Can get figures if an when required. VTS to check	
RR – 1.4	Introduction of monitoring system to record security repairs carried out during first few months of tenancy to evaluate void repair process	DK – AUG (amended to September)	LC to confirm	
RR – 1.5	Evaluate the benefits of conducting gas and electrical safety checks at start of void period	GC - JULY	Completed. Further considerations to be given to improvements to the process, planned for completion by December 2005	
RR – 1.6	Introduction of procedure to ensure that all heating systems are safe to use and in good working order prior to being re let	DK/GC – JULY (amended to September)	See 1.5. Procedure due December 2005	
RR – 2.4	Evaluation of effectiveness of information delivery method advising tenants to have insurance	DD - SEPT		

Improvements/Plan Quarter Two July – September 05	Actions	Completion Date/Person responsible	Slippage and Comments	Efficiency savings
EE – page 14	Identify staffing and specialist advice needed to achieve aims of EES	GC – AUG (amended to October)	Articles to go in tenants extra. Paper due in Sept 05	
EE – page 14	Examine Internal finance resources to meet the aims of the EES	GC - SEPT		
EE – page 14	Undertake consultation with TACT on proposals to introduce EE measures.	GC (A) - AUG	Articles to go in tenants extra. GC to inform DD	
EE – page 15	Prepare a training programme for housing call handling staff to deliver EE measures whenever possible.	BL - AUG	Mini brief required. 2 hous session required by GC with repairs staff.	
EE – page 16	Prepare regular features on EE measures in the home for inclusion in "tenants extra"	DD – SEPT		
EE – page 17	Quantify funding requirements and establish internal resource needs in terms of skills and finance to deliver a fund bidding programme	GC - SEPT		

Improvements/plan Quarter 3. October – December 05	Actions	Completion Date/Person responsible	Slippage and Comments	Efficiency savings
QPD-Estates	Procedure a new booklet on the Allocations procedure	DD – DEC	Check and confirm this is required.	
QPD-Quality	Develop a new plot management procedure	DD - DEC	VTS to chase	
QPD-Quality	Include invoice processing times with PI info	KL – AUG (Articles to go in tenants extra	Report to go to committee Oct 05	
RM - 22	Monitor the ratio of lettings	DD/JM – AUG		
RM – 24?	Full review of SOR to realign with "rethinking construction"	BL/LC - DEC		
RR – 1.7	Provision of heating systems operation manuals to all new tenants	GC – DEC		
RR – 2.1	Introduction of reporting procedures for employees to record concerns for the welfare of tenants	LC – DEC		
RR – 3.6	Introduction of rolling program of personal, work place and community safety training	LC - DEC		
EE – page 15	Prepare a desk top model and profile of annual stock heating costs against notional benefit levels	GC – NOV		
EE – page 15	Prepare a procedure to monitor affordable warmth levels in tenancies and target information and practical advice to assist customers to manage EE within their homes	GC – DEC/JAN		

Improvements/plan in Quarter 3. October – December 05	Actions	Completion Date/ Person responsible	Slippage and Comments	Efficiency savings
EE – page 15	Consult and encourage contractors to train their staff to deliver best practice EE measures when working in the homes	LC - DEC		
EE – page 16	Establish independently or in collaboration with other authorities or agencies a free phone and internet link to customers to access practical advice on EE measures	GC (A) – DEC		
EE – page 16	Prepare using advice from the energy savings trust advisory booklet on EE that is distributed to housing customers and included in new tenant starter packs	DD-Dec		
Other	Inspector budgets to be set up and have a "held" category over a certain amount	LC- Oct		

Improvements/Plan Quarter 4. January – March 06	Actions	Completion Date/Person responsible	Slippage and Comments	Efficiency savings
QPD – Information	Increased opportunity for involvement of those BME backgrounds in ten. Participation	DD – MAR		
QPD – Information	Review publicity Material	DD – MAR		
QPD- Estates	Consult and introduce a new tenancy agreement	DD - MAR		
QPD – Estates	Establish and out of hours policy	AS - MAR		
QPD – Maintenance	Keep 95% of appts on routine repairs	TD - MAR		
RM – 23	Review of Man power levels to balance demand against resources and reduce usage	DK/TD - JAN		
EE – page 13	Review and amend EES against legal and corporate aims	EEM Team		
EE – page 14	Incorporate post consultation improvement proposals into R/I programme through quantifying internal/external grant funding for schemes against annual income streams	GC - FEB		
EE – page 15	Prepare specifications using BValue to deliver tendered or negotiated schemes on time. ...	GC – MAR		
EE – page 15	Review progress of improvement areas against R/I targets and report to tenants annually on progress	LC/DD - ONG		

Improvements/Plan Quarter 4.January – March 06	Actions	Completion Date/Person responsible	Slippage and Comments	Efficiency savings
EE – page 16	Ensure only A rated high efficiency condensing boilers are used in Repairs and Improvement programme	GC - MAR		
EE – page 17	Undertake an annual review of heating and power generation technologies against cost benefits and where appropriate include R/I programme	EEM team		
EE – page 17	A review of funding for financial incentives for introducing new technologies to establish any potential benefits for trailing or wholesale inclusion in future energy planning	EEM team		
EE – page 18	Integrate external grant funding potential with internal financial framework and incorporate into R and I programme. Modify programme regularly against actual funding streams	LC - FEB		

Improvements/Plan Quarter 1. April – June 06	Actions	Completion Date/Person responsible	Slippage and Comments	Efficiency savings
QPD-Estates	Develop a SLA on grounds maintenance	DK – MAY		
RM – 24	Review wages and incentives schemes prior to tendering process	BL – MAY		
EE – page 16	Introduce a programme of EE works to ensure a minimum of 250 mm insulation is installed into loft areas that receive insulation work and all hot water pipes and tanks are lagged where they are exposed.	GC – JUNE		

Improvements/Plan Quarter 2. July – September 06	Actions	Completion Date/Person responsible	Slippage and Comments	Efficiency savings

Improvements/Plan Quarter 3. October - December 06	Actions	Completion Date/Person responsible	Slippage and Comments	Efficiency savings

Improvements/Plan Quarter 4, January – March 07	Actions	Completion Date/Person responsible	Slippage and Comments	Efficiency savings
QPD-Quality RM – 25	Monitor productivity improvements at the DLO through the Improvement plan Relocation of Depot to new premises	TD – MAR BL - JAN		
Improvements/Plan Future	Actions	Completion Date/Person responsible	Slippage and Comments	Efficiency savings
QPD-Estates QPD – Service	Develop ASB protocols and partnering arrangements Actively involved in a wide range of partnership which mirror services provided	DD/MC – review 2008 MAN - ONGOING		