

# Your Home, Our Business

Charnwood Borough Council

Housing Revenue Account Business Plan 2005/6 –2035/6

Summary



## **A Housing Business Plan – what for?**

Whilst our Housing Strategy is a review of housing-related issues across **all** tenures in the Borough, the Business Plan sets out the authority's business, purpose and mission as a major landlord and owner of almost 6,000 homes in Charnwood.

The document communicates our plans and priorities as a landlord to Government, key stakeholders (particularly tenants and leaseholders) and the wider community.

The Plan shows how the priorities have been developed in consultation with local stakeholders, and how at the same time they reflect national, regional and local corporate priorities.

The Business Plan is built around the recent decision by the Council to apply for a place on the next bidding round for funding to establish an arms-length management organisation (ALMO) as the best means of achieving the Government's "decent homes" target for all local authority housing by 2010.

Assumptions in the Plan are therefore based upon a successful bid for ALMO funding.

This summary gives a pointer to the much more detailed information and analysis in the full copy of the Business Plan, which can be viewed via the Council's website: <http://www.charnwood.gov.uk>

## **Our Aims and Objectives**

Our principal purpose as a major landlord of affordable housing is:

**to provide decent affordable homes for those in Charnwood, who are in housing need, and thereafter to manage the Council's asset and tenancy agreement obligations in an efficient and effective manner**

Our top-level strategic aims as a Housing Service are:

- That the Council's housing stock meets the Decent Homes Standard
- Recognition of improved service quality and performance through the achievement of at least 2 star status for the Housing Service
- To improve the quality of housing advice across the Borough to enable people to make informed and realistic choices with regard to their housing needs
- To increase the supply of affordable homes in the Borough
- To minimise homelessness within the Borough whilst improving the service to those who become homeless
- To reduce levels of anti-social behaviour

The purpose and aims outlined above are all supported by the six corporate aims of the Council's Corporate Plan "Leading in Leicestershire", adopted in 2005:

- A Sustainable Environment
- A Clean, Safe and Healthy Environment
- Leisure and Cultural Opportunities for All
- Decent Homes and Neighbourhoods
- An Economically Prosperous Environment
- An Excellent Council

## How are we performing as a Housing Service?

The full Business Plan explains in detail how we are performing in key areas such as:

- Rent arrears
- Re-let times
- Repairs service/ condition of stock
- Customer satisfaction
- Homelessness

Our performance in these key areas can be summarised by saying that the last year has shown improvements in most areas, but we are addressing ways of ensuring continuing improvement, which will be necessary if we are to achieve our aim of 2-star status and access to ALMO funding.

*Charnwood is a member of a “benchmarking” club, operated by the Chartered Institute of Housing and known as HouseMark. This helps us to compare our performance in key areas against other social landlords, and it will help us to set realistic and challenging targets for the future.*

We feed back information on our performance to tenants in various ways outlined below and intend to improve and enhance the methods of feedback;

- Regular reports to the Charnwood Council Leaseholders and Tenants Association (CCLATA) and the Charnwood Tenants Council Partnership (CTCP)
- Reports in editions of “Housing News”, distributed to all tenants and leaseholders
- Reports on the Council’s website

We also seek feedback from tenants wherever possible, for example through feedback cards on the satisfaction with all repair work ordered. Satisfaction rate on this particular aspect of the service, based on the cards returned, is over 90%.

## **The Housing Needs of people in Charnwood**

Our total housing stock at 1 April 2005 was 5,989 homes, of which 43.9% are houses and 40% are flats.

A full Housing Needs Survey and Analysis of Demand in the Borough has been carried out by external consultants, David Couttie Associates.

*The breakdown of demand for affordable homes is detailed in the full Business Plan and Housing Strategy, but shows an ongoing requirement of an additional 279 units of affordable housing each year.*

Some other key findings of the survey are:

- The house price inflation increase for the Borough over the last two years is 34%.
- In terms of the entry-level stock, terraced houses are assessed to be the main access property for first time buyers, due to sales levels being over a quarter of all sales in the Borough with the average price at £128,422.
- The increase in the price of terraced houses (48.5%) and flats / maisonettes (64.2%) is massively in excess of wage inflation in the two year period. Incomes in the Borough are assessed independently to have increased by 10.1% to March 2004.
- Access to market housing has therefore become more difficult for new households than it was in 2002, increasing the need for subsidised and affordable housing.
- The most significant feature in terms of population change is the growth in the population of the over 65 age group. An increase of 10,000 (43.5%) is seen over the forecast period, the largest increase is seen between 2011 and 2016 (4,700; 16.6%).

## **Our Priorities**

Our priorities as a major social landlord are set partly by reference to Government and Regional key objectives, e.g. Decent Homes by 2010, and partly by direct feedback from our key stakeholders, our tenants.

The Housing Strategy outlines our wider housing priorities as a strategic housing authority, but there is a degree of cross-reference and convergence between the two documents in terms of future priorities.

The main priorities for our Housing business are also supported by the key corporate aims of the Council. They are:

**Meeting the Decent Homes Standard by 2010** – *we are now bidding for ALMO funding to help us meet this target*

**Tenant involvement in investment decisions** – *we will develop the skills of tenants so they can make a full contribution to service standards and policy development*

**Make best use of the stock** – *as the stock reduces we need to ensure best possible occupation and use of our housing assets*

**Partnerships to deliver repairs and maintenance** – *we will procure value for money repairs partners, who also respect the needs of tenants*

**Lower running costs for tenants/energy efficiency** – *future improvements to homes must be cost-effective for both the Council and tenants*

**Anti-social behaviour and designing-out crime** – *tenants demand appropriate intervention by the Council but also have a role to play in protecting their estates*

**Improve service delivery** – *reduce rent arrears, improve void turnaround times and involve tenants in quality control of maintenance and improvement work*

Our **Action Plan** for addressing the priorities (detailed in the full version of the Plan) will be monitored by:

- CCLATA
- CTCP
- A “Virtual Panel” of consultees
- Performance & Audit Scrutiny Committee

## **Decent Homes**

Decent Homes must meet all the following four criteria:

- They must meet the current statutory minimum standard for housing
- They must be in a reasonable state of repair
- They must have reasonably modern facilities and services
- They must provide a reasonable degree of thermal comfort

A stock condition survey was completed in March 2003. At that time the Council owned 6,231 properties of which 44% (2,718) were classed as non-decent. By June 2005 the number of Council properties had reduced to 5,987 with 37% being non-decent.

Our long-term financial planning needs to take into account the following factors:

- The need to meet the minimum Decent Homes Standard (DHS) for all stock by 2010
- The need to ensure that all dwellings are kept to the DHS during the 30 year period
- The need to ensure that all catch up maintenance is cleared during the first 10 year period

The financial requirements to achieve this are £32m up to 2010/11 with a further investment of £141m required over a 30-year period to ensure the stock continues to be maintained to this standard.

We cannot afford to fund the programme of work to achieve the target (outlined in more detail in the full Plan) without additional resources. This is why we are seeking ALMO funding from the Government.

## **Consultation – involving tenants and others in our business**

Our key stakeholders are:

- Tenants and leaseholders
- Elected members
- Staff of the Borough Council, whose work is involved with management of the Council's housing stock.

Other important stakeholders are agencies such as:

- The local NHS Primary Care Trust (PCT)
- Housing Associations with housing stock in Charnwood
- The Bridge independent housing advice agency
- Charnwood Strategic Partnership
- Voluntary agencies with an interest in housing or homelessness

We communicate with and involve tenants in various ways depending on the type and content of the message and how many tenants we need to contact:

- Newsletters
- Public Meetings
- Local Press and Radio
- Focus Groups
- Briefing Sessions
- Telephone
- Internet
- Displays and Exhibitions

The process of tenant participation is supported by the Council's Tenant Participation Officer, whose role is to act as the key link between the Council and tenant groups, to promote and facilitate participation in the widest sense and to investigate and apply models of good practice where appropriate.

Much of our work is now linked to Regional and Sub-regional priorities and we therefore link and work closely at different levels with the other District Councils in Leicestershire and with the County Council.

## Our Financial Resources

This section in the Business Plan outlines our strategy for the use of financial resources to achieve a successful two star Housing Service. This is a pre-requisite for access to ALMO funding. It focuses on the medium-term financial strategy from 2005/06 to 2010/11 and the long-term 30-year period up until 2033/34.

The longer term forecast is by definition rather less clear and depends on the outcome of the medium term strategy, which includes the bid for ALMO funding to achieve the Decent Homes target by 31 December 2010.

The Council has agreed a recommended minimum level of **revenue** balances per property of £110, and as the ALMO bid assumes that money to fund the shortfall needed for capital works on Decent Homes will be financed by ALMO cash, any revenue surplus generated can be reinvested into service improvements, which in turn will assist the delivery of a two star Housing Service.

In terms of the medium-term **capital** financial forecast, in order to meet the Decent Homes targets and provide additional capital expenditure for Neighbourhood Renewal and Disabled Adaptation projects there is a shortfall after allowing for inflation at 2.5% per annum of **£29.1 m**, with the Decent Homes element forming the basis of a bid for ALMO resources. As an ALMO bid would not generate resources until 2006/07 there are shortfalls in funding for both that year and 2005/06 as Decent Homes work needs to be phased over the six-year period.



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Chinese

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Punjabi

“ਇਸ ਦਸਤਾਵੇਜ਼ ਦੇ ਕਿਸੇ ਭਾਗ ਦੀ, ਤੁਹਾਡੀ ਆਪਣੀ ਭਾਸ਼ਾ ਵਿਚ ਵਿਆਖਿਆ ਦਾ ਪ੍ਰਬੰਧ ਕਰਨ ਲਈ ਜਾਂ ਇਸਦੀ ਕਾਪੀ/ਠਕਲ, ਬ੍ਰੇਲ, ਔਡੀਓ ਟੇਪ ਤੇ ਜਾਂ ਵੱਡੇ ਛਾਪੇ ਵਿਚ ਪ੍ਰਾਪਤ ਕਰਨ ਲਈ, ਕਿਰਪਾ ਕਰਕੇ 01509 634603 ਤੇ ਫ਼ੋਨ ਕਰੋ।”

Hindi

“इस दस्तावेज़ के किसी भी भाग की आपकी भाषा में व्याख्या का प्रबन्ध करने के लिए या इसकी प्रतिलिपी/कापी, ब्रेल, ऑडियो टेप पर या बड़े फ़ॉन्ट में प्राप्त करने के लिए, कृपया 01509 634603 पर फ़ोन कीजिए।”

Gujarati

“આ ડોક્યુમેન્ટ (દસ્તાવેજ) ના કોઈપણ વિભાગને આપની ભાષામાં સમજાવવા માટે અવસ્થા કરવા અથવા કોઈક (ઉપસાધેલા અક્ષરો), ઓડીયો ટેપ અથવા મોટા અક્ષરોમાં કોપી મેળવવા 01509 634603 નંબર ઉપર મહેરબાની કરી ફોન કરશો.”

Bengali

“এই ডকুমেন্টের কোন অংশ নিয়ে আপনার নিচ্ছেন ভাষায় বিস্তারিত ব্যাখ্যাচনা করার জন্য অথবা এর কপি ব্রেইলি, অডিও টেপ বা বড় প্রিন্ট পেপেতে চাইলে অনুগ্রহ করে 01509 634603 এই নম্বরে ফোন করুন।”