

Options and Resources for Delivery

Chapter Outline

This strategy will only be successful if the Council's key partners and stakeholders support the priorities and the resources required to meet the plans and actions identified.

The options considered by stakeholders have been prioritised according to achievability, the contribution partner agencies could make, including people with appropriate skills, knowledge, time, capacity and the need to balance how those resources can be used to achieve common aims and objectives.

This chapter will:

- explain the process whereby options were prioritised
- describe the mechanisms through which resources are managed within the Council and
- present the financial information that supports the work, actions and plans described throughout the strategy.



Consideration of Options

Options Appraisal

A broad range of potential priorities falling within the nine strategic aims were initially identified within Housing Services taking account of local, regional and national priorities. The opportunity to contribute was extended to all services within the Council and some key partners, many of whom contributed suggestions. This led to nearly 100 priorities that were used as the basis for the workshops at the Stakeholder consultation event “Who Needs Housing?”

On the day delegates participated in workshops focusing on two or three of the strategic aims to identify three key priorities for each. Workshop facilitators used the original list of priorities to provoke a discussion on which should be moved forward through the strategy, delegates were also able to put forward alternative priorities for consideration on the day.

This produced twenty-seven priorities that were fed back to the full delegation who were then able to vote for their preferred options producing the rankings within the priorities. Each delegate was given nine “votes” which could be spread between the twenty-seven options as they saw fit.

The options chosen were those that stakeholders felt were most appropriate for the Borough and achievable within the most likely resources (time, staff, finances) available. This included the need to balance how resources could be used to best effect. i.e. how do they meet wider corporate and housing priorities, Best Value, appropriate cost, scale of need and legislative requirements.

Although delegates on the day did express preferences between the priorities it is felt that as all of these require a partnership approach and will be funded from differing resources spread across many partner agencies it is reasonable to progress all of these simultaneously.

A full list of the options considered can be found in Appendix 2 (along with the number of votes cast for each of the chosen priorities) which demonstrates the thought process and the rationale behind which options and broad targets are chosen. The broad targets go on to inform specific, measurable, action

orientated, realistic and time bound targets in the Action Plan in Chapter 6.

To ensure the Council is able to meet the decent homes standard for all of its housing stock a full stock options appraisal was undertaken to evaluate the potential alternative options. As the option most suited to ensuring the standard is met it has been agreed to set up an Arms Length Management Organisation (ALMO) to manage and improve Council housing in the Borough. A key task for 2005 will be the submission of an ALMO bid to ensure the decent homes standard and aspirations can be met for tenants. The outcome of this bid will affect future strategic options and resources available to support the key priority areas.

How Resources are Planned

Regional Housing Boards

A requirement of Regional Housing Boards is to produce regional housing strategies with the aim of advising ministers on investment priorities and to link provision of local housing to the key drivers affecting housing within the sub region. This has led to a significant redistribution of investment funds. For 2005/06 these funds are primarily focused on the south of the East Midlands to assist growth pressures in the south-east, whilst in the north of the region there are problems with low demand for housing.

The Council's Capital Plan

The Council seeks to maximise resources and manage them to deliver the objectives of this strategy. The latest Capital Strategy was delivered to the ODPM in 2003. A number of principles underpin the Capital Plan, which documents the Capital-spending in the medium-term from 2005/06 to 2007/08:

- recognising Government priorities for funding including the Regional Housing Strategy and Decent Homes targets
- recognising the investment priorities of partner agencies such as the Housing Corporation
- maximising external funding and other investment particularly from the private sector
- the need to reflect the priorities of the Community Strategy

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- ensuring decisions have involved residents, customers and partners
- identifying and ensuring adequate support for revenue spending

The priorities for housing investment set out in the Council's Capital Plan are:

- maintaining sustainable communities
- meeting the Decent Homes Standard for Council owned homes and development of an achievable 30 year HRA Business Plan
- the provision of housing improvements through renovation grant, home repairs assistance grants and disability adaptations
- financial support for the provision of new social housing in the RSL sector
- supporting wider plans for regeneration in the Borough

Working Groups

These priorities are driven by the following working Groups that operate within the Council:

The Financial Strategy Group (FSG) meets approximately every month as a pre-cursor to Cabinet. It is Member driven and includes the Leader and Deputy Leader (who is also the Lead Member for Housing) of the Council and the Lead Member for Finance, alongside Senior Officers.

The Capital Programme Team meets approximately every six weeks and is chaired by the Head of Financial Services and includes representation from Senior Members of Housing and Property Services. Its remit is to monitor the scheduling and progress of the capital programme including capital expenditure and profiling. The Group considers capital appraisals on all proposals for new capital schemes.

The Asset Management Team meets approximately every month and is chaired by the Head of Property Services. The Group meets to conduct a strategic review of the use of assets which includes consideration of potential acquisitions and disposals, requests from developers and operational and revenue related issues which affect the Council's assets.

Assessment of Bids for Spend

Revenue Resources - General Fund and Housing Revenue Account

Resources are attributed to the Council's services through an annual budget exercise, which results in the setting of Council Tax and dwelling rent. Budgets are based on prior year amounts, following adjustments for unavoidable price increases. Requests for additional budget are documented into a Service Delivery Plan. These are written by each service and link the operational objectives and targets of the service with the strategic aims of the Council. Requests for additional budget resources are aggregated for Cabinet to prioritise against the Strategies and Priorities of the Council within annual budget reports.

Capital Resources - General Fund and Housing Revenue Account

A new capital scheme must be assessed by capital appraisal prior to the project being included in the Capital Plan. The project must be set within one of the six Corporate Strategic Aims, (i.e. Decent Homes), together with descriptions of the purpose, objective and anticipated outcomes. It must adhere to the Council's Corporate Priorities and Service Delivery Plans. A risk assessment must be conducted, which includes consideration of the consequences of not proceeding with the project, alternative means of meeting the needs and addressing the problems and key risk factors with regard to cost, achievability, funding and future revenue streams.

The initial appraisal is scored by the Head of Service with the result discussed with the relevant Lead Member. The whole proposed programme is then submitted to Cabinet, via the Financial Services Group, showing the scores which reflect how well the schemes fulfil the criteria above. Cabinet then agree a Capital Plan based on the suitability of the schemes submitted and the funds available. Larger schemes are subject to an in-depth appraisal before authority to spend is granted.

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Summary of Resources

Summary of Recent Revenue and Capital Spending

The capital and revenue resources invested by the Council in housing and the delivery of housing services from 2004/05 are shown below,

Council Capital Spending (Where Capital Money is Spent)

	2004/05 Actual £	2005/06 Forecast £	2006/07 Estimate £	2007/08 Estimate £
Renovation Grants	27,642	250,000	250,000	275,000
Home Repair Assistance Grants	44,945	50,000	50,000	50,000
Disabled Facilities Grants	407,954	400,000	420,000	450,000
Decent Homes Standard	3,152,014	3,251,000	2,540,000	2,560,000
Neighbourhood Renewal	541,093	300,000	300,000	200,000
Enabling Grant	643,867	1,473,500	1,000,000	1,000,000
Disabled Adaptations	478,495	400,000	400,000	400,000
Total Spending	5,296,010	6,124,500	4,960,000	4,935,000

The above table shows the considerable investment in housing both within the public and non-public sectors. Renovation Grants were low in 2004/05 due to the adoption of new guidelines following changes to the rules. Enabling Grant was lower than expected in 2004/05 due to timescales being dependant on external factors, such as the housing market; however, taking a longer-term approach this balances out in 2005/06.

From 2004/05 the majority of investment within the housing stock will be in targeted at the Decent Homes Standard. The resources for Neighbourhood Renewal reduce so that more resources are spent on Decent Homes. The Council is required to prioritise existing resources to achieve maximum impact on a variety of known issues that require funding at the same time whilst recognising that funding from the MRA is reducing in total.

The Business Plan capital forecast is essentially a model designed to show how the Decent Homes Standard could be profiled over the years remaining until the required date for the standard to be met. The expenditure profile above represents the actual Capital Plan approved by Members taking into account resources reasonably expected to be available at the time of the plan. The model held in the Business Plan would, in time, need to be resourced and approved by Members to form the basis of part of the Council's approved Capital Plan.

A scoring system for capital projects has been used to provide a three-year capital plan based on the estimated resources. The scoring system is based on the following criteria:

- Match of scheme against Council strategic aims
- Links to Council corporate priorities
- National/local performance indicators
- Key risks
- Revenue effects from the scheme
- Level of external funding

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Where Capital Spending for Housing Comes From

	2004/05 Actual £	2005/06 Forecast £	2006/07 Planned £	2007/08 Planned £
Basic Credit Approval/Supported Capital Borrowing	0	0	0	0
MRA (includes meeting the Decent Homes Standard)	4,164,202	3,951,600	3,240,000	3,160,000
Capital receipts	434,455	1,825,400	1,231,700	1,311,800
Revenue contributions	476,353	116,500	252,300	221,200
Capital Grant	221,000	231,000	236,000	242,000
Total Financing	5,296,010	6,124,500	4,960,000	4,935,000

The main source of funding for the housing stock is the Major Repairs Allowance (MRA). The higher initial resources within the above table have been accumulated over a period of years, but will now be directed towards the Decent Homes Programme. The MRA, which is the main source of funds, will reduce over time due to Council House sales and as the transitional relief that the Council obtained by being debt-free reduces in 2005/06 and 2006/07 and ceasing by in 2007/08. The Council is also working with a number of RSLs to obtain grants from the Housing Corporation.

Revenue Contributions to the Capital Plan need to be taken in the context that they are competing with day-to-day running costs for resources. The effects of inflation and the need for higher revenue repairs, coupled with a relatively fixed income will mean that the revenue contribution to capital becomes subject to a tighter regime, and as a result, will need to reduce.

Council Revenue Spending on Key Housing Strategic Functions

	2004/05 Actual £	2005/06 Forecast £	2006/07 Planned £	2007/08 Planned £
Homelessness Prevention Fund	481,141	557,200	475,000	475,000
Housing Advice/Needs	115,683	113,200	116,600	120,100
Housing Strategy	130,303	150,400	154,900	159,600
Private Sector Renewal*	197,386	249,000	256,500	264,200
Housing Standards	275,205	196,000	201,000	207,900
Neighbourhood Wardens	10,995	32,900	33,800	34,900
Lifeline Service	49,496	55,600	57,200	59,000
Total	1,260,209	1,354,300	1,295,000	1,320,700

The above table shows the day-to-day expenditure on the key housing strategic functions. It is expected that the costs of Homelessness Prevention will reduce as the effect of earlier preventative measures take effect. The Council has integrated service planning and budgeting so that money is spent in areas that have a high priority following appraisal and consultation with stakeholders. This applies to both capital and revenue.

Anticipated Future Spending

	2004/05 Actual £	2005/06 Forecast £	2006/07 Planned £	2007/08 Planned £
Council Spending				
MRA	4,164,202	3,951,600	3,240,000	3,160,000
Anticipated ALMO Funding	0	0	0	4,798,000
Capital Receipts	434,455	1,825,400	1,231,700	1,311,800
Revenue Contributions	476,353	116,500	252,300	221,200
Regional Housing Board- Bid for Decent Homes for Vulnerable People	0	0	233,000	126,000
Other Spending				
Supporting People- Income from contract.	538,700	487,300	485,000	480,000
Crime and Disorder Funding –Part used on Housing issues.	358,500	315,000	315,000	315,000
Total	5,975,210	6,695,800	5,757,000	5,614,000

This table shows the extent of the spending that is planned to deliver the Housing Service priorities. This does not include the running costs of Council Housing which is met from rents and other income.

The Regional Housing Board bid is still subject to agreement and determination as to whether this is a grant or supported capital expenditure.

There is a potential for further sums in future subject to the levering in of partnerships and viable schemes.

Link to the Capital Plan

www.charnwood.gov.uk/uploads/14203a18e82212975493713.pdf