

Your Home, Our Business

Charnwood Borough Council

HRA Business Plan 2005/6 – 2035/36



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Executive Summary

This Business Plan sets out the direction for Housing Services for the next thirty years. It profiles the anticipated income and expenditure, and explains how we intend to ensure that the service is managed in an efficient and effective way.

The Plan outlines the key challenges and priorities for the service and gives the details of the anticipated resources, which will be available.

The Business Plan is built around the decision made by the Council to apply for a place on the next ALMO bidding round as a consequence of the recently completed Stock Options Appraisal process. The assumptions contained within the Plan are therefore based upon a successful bid for funding.

In order to ensure that prudential financial management and effective procurement systems can be built into our business, the projections are made for a thirty-year period. However, the pace of change in Housing, and the need to continuously improve our services means that the Plan will be regularly monitored, reviewed and updated as part of the wider financial management processes of the Council.

This review will take place annually and be reflected in the Service Delivery Plans, which will result. Our tenants will be involved in this annual review process through improved methods of tenant involvement, which is one of our key priorities.

Should the ALMO bid prove successful, robust systems will be put in place to monitor ALMO performance, and the Business Plan will be amended to reflect any consequential changes.

We believe this Business Plan provides a sound financial basis for our service, and it should be read in conjunction with the Council's Housing Strategy 2005-2010, which gives a comprehensive overview of the wider priorities for Housing, and how the Housing Service fits into the Council's own Corporate Plan.

Strategic Aims and Objectives

The Corporate Objectives

The Council's Corporate Plan, 'Leading In Leicestershire', adopted in 2005, has an overarching priority:

'Ensuring the Borough is recognised as Leading in Leicestershire for the quality of its living environment for all'

Six corporate aims have been identified to support the achievement of this priority:

- 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

A copy of the Corporate Plan may be found on the Council's website using the following link: www.charnwood.gov.uk or by contacting the Council's Corporate Policy Team on 01509-634603.

Housing Services' Strategic Aims

The principal purpose of Housing Services 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. The majority of the services delivered have either a statutory requirement, or are driven by Best Practice and Best Value principles.

The top level strategic aims of the service are as follows:

- 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

Housing's Business Environment

Main factors within the local environment affecting the housing stock:

Social Factors

- Increased expectations
- Some less popular property types
- Increased anti-social behaviour
- Tenants with multiple needs
- Increased demand for specialist accommodation

Technological Factors

- Development of ICT across the Council
- Customer contact centre
- Customer service centre
- Web site development
- Payment on line/swipe card under development

Economic Factors

- Charnwood has the second largest economy within Leicestershire
- Four wards, Loughborough Hastings, Lemyngton, Shelthorpe and Storer show levels of deprivation in the top 20% and high unemployment
- Loughborough is a developing retail and commercial centre
- Loughborough University has an international reputation

Environmental Factors

- Emphasis on sustainability is a key corporate priority
- Climate Change Strategy approved, new developments to have set energy saving targets
- Introduction of asbestos register
- Energy efficient fittings (eg boilers) installed
- Neighbourhood Renewal, with tenant involvement

Political Factors

- Decent Homes target and stock options appraisal priorities.
- Regional agenda and investment changes
- Supporting People funding
- Rent Convergence

National policies affecting the housing stock

- Supporting People
- Rent Convergence
- Single Capital Pot

Current Performance

Charnwood Borough Council produces a range of monitoring information, which allows us to look at how we are performing now and how that has changed over time. Some of the information is produced for Central Government to compare our performance with other similar Councils' Best Value Performance Indicators (BVPI's), and other information is in the form of local Performance Indicators, which allow the Council to measure how it is doing.

There are four broad areas of performance, which are particularly important to the Housing Revenue Account (HRA):

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

In the last Business Plan 2002-2003 we highlighted a number of areas for improvement, including average re-let time, serious rent arrears cases (owing more than 13 weeks' rent) and the lack of a system in place to offer tenants appointments for repairs. These were identified as part of our external Best Value inspection in May 2001.

In 2004 we were reviewed by the Audit Commission as part of the Comprehensive Performance Assessment (CPA) process.

The CPA report in September 2004 highlighted problems with the Business Plan's ability to meet the Decent Homes Standard (DHS) and our progress at the time with the Stock Options Appraisal. It also highlighted re-let times and rent collection as areas of performance concern.

The first phase of the Stock Options Appraisal has now been completed, and the Council has resolved to submit a bid for a place on Round 6 of the ALMO programme, subject to sign-off by GOEM, later this year.

Following the CPA inspection a Temporary Voids Co-ordinator was recruited in December 2004 to review and recommend improvements across all elements of the voids process. The Rents Section has been restructured and a Tenancy Services Manager has been appointed to co-ordinate performance management across the service. The "client" team of Repairs and Maintenance has also recently been transferred to Housing Services from Property Services.

These initiatives should begin to show improvements during 2005/06.

Performance Since Last Business Plan

	2001/ 2002	2002/ 2003	2003/ 2004	2004/ 2005	Target 04/05	Target 05/06
Average re-let time (all props) [former BV68]	47 days	55 days	85.94 days	90.66	25	25
% tenants owing over 13wks rent arrears [Audit Commission indicator]	5.52	5.41	5.40	4.55	4.32	
% responsive (but not emergency) repairs with appt kept [BV185]	No appointment system	1.07	0%	10.5%	8%	15%
Overall satisfaction of tenants [former BV74a]	74.9%	No survey	77%	No survey	88 by 06/07	

Performance in those areas highlighted for improvement has been erratic over the last 4 years. Re-lets performance has been variable, and the only PI likely to come in on target this year is the % of responsive repairs for which an appointment was made and kept. However, this target is still low three years after being identified as a priority. The explanation for this is that 2004-05 was the first full year of operating the appointments system, and the likely take-up was an unknown factor in the first year. The Service Delivery Plan for the repairs contractor shows a rising target of 15% for 2005-06 and 20% for 2006-07, but an internal investigation is underway to establish the reasons for the low take-up so far.

How we are improving performance in key areas

	2003/04	Position at 31.03.05
<u>Rents</u>		
Rent Collection as a % of the Authorities rent roll – BV66a	96.62%	96.66%
<u>Voids</u>		
Average Time taken to Relet – BV212	86 days	34 days
<u>Homelessness</u>		
Length of Stay in Bed & Breakfast - BV 183a	5 weeks	5 weeks

Length of Stay in Hostel Accommodation – BV 183b	7 weeks	Nil
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Rents

A review of the rent collection methods is to be undertaken during the financial year 2005/06, with a view to increasing the availability of pay points for customers. A cost benefit analysis will also be carried out regarding the implementation of a Paypoint scheme.

Other preventative measures that the Council will be implementing are the expansion of debt advice services for customers, through formal referral systems to a number of debt advice agencies, ongoing training programmes for staff, increasing skills and knowledge in Welfare and Housing Benefits and debt counselling.

In order to ensure continuous improvement a new performance management structure has been introduced with performance being published regularly in a number of public arenas. Further to this the staffing structure is currently being reviewed as well as a cost benefit analysis for a new Housing Management software system.

Homelessness

In order to improve performance in relation to the reducing use of Bed & Breakfast accommodation the Council has increased the number of homelessness prevention visiting officers as early intervention is seen as being crucial.

A new temporary post of Private Sector Development Officer has recently been created to develop private landlord partnerships. The outcome expected is for the Council to be able to access properties within the private rented sector for applicants, who are homeless or threatened with homelessness. A number of clients have now been placed in properties where the Council has leases up to three years with private landlords, and other clients have been placed by mutual agreement into private tenancy arrangements where the Council has paid a rent deposit to secure the good will of the landlords.

The Council is making better use of its housing stock by reducing average void times, bringing back into use long-term management voids and redesigning/converting stock, which has become less popular, such as bedsits.

Voids

A service review has recently been undertaken in respect of voids and a new voids procedure has been implemented. In conjunction with this a new repair/voids contract came into effect from the 1st April 2005. The contract

reflects the Council's overall average voids period target of 25 days, failure to meet this target will incur penalty fines to the contractor.

Operational improvements have also been made, with Council operatives handling and dealing with processes such as asbestos and gas within properties. Previously this was done by external contractors, who were not able to provide the Council with an efficient and effective service, and this caused delay to the service.

Involving/Informing Tenants of Performance

A number of mechanisms are used to feed back Housing performance information to tenants.

Officers present regular performance updates on rents and voids to the Charnwood Council Leaseholders and Tenants Association (CCLATA), which meets every six weeks. For example CCLATA was recently told that the average re-let time for all void properties for the final quarter of 2004-05 was down to 34 days from a high of 86 days in 2003-04 and with a target of 25 days.

The Best Value Improvement Action Plan is a standing agenda item for meetings of the Charnwood Tenants Council Partnership (CTCP). This is a meeting where members of CCLATA have the opportunity to meet on a regular basis with elected members. Core membership of the group comprises four members of CCLATA and four elected members, with officers attending as required by the agenda. CTCP also meets every six weeks and, like CCLATA, receives regular update reports on rents and voids PIs.

There is a range of mechanisms for consulting tenants over priorities for the Housing Management service. These are detailed in the Consultation Section of this Plan. There are, however, a number of ways we monitor tenant satisfaction. We undertake a major tenant satisfaction survey every three years as well as monitoring tenant satisfaction with our Repairs Service.

Through feedback cards generated automatically and posted out whenever a repair is ordered we are able to monitor satisfaction of tenants with the Repairs Service. The return rate of cards is around 23% and the satisfaction rate amongst those returned is more than 90%. Analysis of the causes of dissatisfaction is undertaken and fed back to the contractor by the Principal Housing Maintenance Manager via monthly contract monitoring meetings.

The Council's website and Housing News will regularly report on performance in respect of rent collection and arrears, voids and re-let times and homelessness from now on. PIs are regularly reported to various Scrutiny Committees, especially Performance and Management Scrutiny Committee, and relevant agendas may be accessed via the Council's website: www.charnwood.gov.uk.

Benchmarking

Charnwood is a member of the CIH “benchmarking club”, Housemark. This allows us to compare our performance with other local housing providers on a number of key performance indicators, including rent arrears and re-let times. By challenging our performance we can set targets for improvements, and by comparing our performance with others we can see if the targets are too ambitious or not ambitious enough.

Three key “headline” performance indicators, which reflect concerns raised in the CPA and Best Value reviews are:

- Re-let times
- Rent arrears
- Tenant Satisfaction with the Council as landlord
- Proportion of homes, which are non-decent

The first three indicators can and should be benchmarked to see whether we are short of expected performance and how realistic/appropriate our targets are.

Proportion of homes, which are non-decent is an absolute measure as we have to achieve 100% compliance with the DHS by 2010.

Average Re-let Times [former BV68]

Actual 03/04	Target 04/05	Actual 04/05	Target 05/06	Target 06/07	Target 07/08
85.94 days	25 days	55.43	25 days	25 days	25 days

Housemark East Midlands performance (includes ALMOs and RSLs)

Upper quartile 03/04	26.06 days
Best Performer	12.94 days Optima Community Association
CBC 03/04	85.94 days Lower Quartile
Overall position 03/04	41 out of 42

Assessment: Target appears achievable but challenging to improve performance so quickly. This target would move us to the upper quartile. In quarter 3 2004/05 we had moved up to 27 out of 30 showing some improvement and in quarter 4 CBC’s performance improved quite significantly

Proportion of Rent Collected as % of total rent due [BV66a]

Actual 03/04	Target 04/05	Actual 04/05	Target 05/06	Target 06/07	Target 07/08
96.62	97.6	96.66	98.10	98.30	98.50

Housemark East Midlands performance (includes ALMOs and RSLs)

Upper quartile 03/04	98.02
Best Performer	99 (Newark and Sherwood Homes)
CBC 03/04	Median
Overall position 03/04	15 out of 20

Assessment: Performance has improved slightly this year

Average time taken to complete non-urgent repairs [former BV73]

Actual 03/04	Target 04/05	Actual 04/05	Target 05/06	Target 06/07	Target 07/08
18.65 days	28 days	31.01 days	28 days	28 days	28 days

Housemark East Midlands performance (includes ALMOs and RSLs)

Upper quartile 03/04	9.9
Best Performer	2.76 Bolsover DC
CBC 03/04	Median
Overall position 03/04	10 out of 17

Assessment: Currently CBC falls within the median quartile however repairs performance is still poor in relation to number of appointments made and kept for repairs

Satisfaction of Tenants with overall service

Actual 03/04	Target 04/05	Estimate 04/05	Target 05/06	Target 06/07	Target 07/08
77%	Not req	Not req	Not req	88%	Not req

Housemark East Midlands performance (includes ALMOs and RSLs)

Upper quartile 03/04	84%
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Best Performer	90.4% Homezone Housing
CBC 03/04	77% Median
Overall position 03/04	23 out of 38

Assessment: Currently CBC falls within the median quartile but to reach the target of 88% we would need to rise to joint second place at this year's figures. A full satisfaction survey is not required every year, hence the fact that there are only targets for alternate years.

Needs Analysis

HRA Stock Profile (April 2005) – analysis of stock types

	1 bed	2 bed	3 bed	4+ bed	Total	% stock
Bedsit	378	0	0		378	6.3
Flat	1767	610	16	1	2394	40.0
Maisonette	0	18	7		25	0.4
Bungalow	529	33	2		564	9.4
House	1	216	2269	142	2628	43.9
				Total	5989	

Key Findings of Housing Needs Survey Update April 2005

The Housing Market, Costs and Incomes

- The house price inflation increase for the Borough over the last two years is 34%.
- Entry-level stock (terraced houses) prices have increased by 48.5% and average terraced house prices have increased by 20.3% in the last 12 months to December 2004.
- 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 sales levels of semi-detached and detached properties in 2004, 40.6% and 28.0% respectively are similar to 2002 levels (41.3% and 27.5% respectively).
- 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.

Population and Household Changes

- 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%).
- Another prominent feature is the fall in the 30-44 age group. This main economically active group shows a significant decrease over the forecast period (6,600; 20.1%). The largest fall occurs between 2011 and 2016 (2,600; 9.0%).

- Numbers in the 20-29 age group increase slightly (900; 4.2%). As this age range comprises new households forming this will have implications for future affordable housing need both in the short and longer term.
- The "older" retirement group, those aged 80 and over, grows by 46%, 2,700 more people by 2016. This group represents 8,600 people in the area by 2016, who are much more likely to have care and support needs, which should now be assessed in detail.

Affordable Housing Needs Requirement

- The total affordable housing need annually is for 1,013 units. Net re-lets of the existing social stock, after RTB impact, average 734 units, based on the average of recent years.
- Even after allowing for this level of supply, there will still be an annual affordable housing shortfall of 279 units per year. These units will need to come from new sites, conversions and market purchase by RSLs to reduce the shortfall figure each year. The calculation used to produce the above figure of 279 units per year is set out in full detail in the Housing Strategy.

The increases in average house prices of between 64% and 49% for flats and terraced houses over the last two years have excluded a large proportion of 'first-time buyers' from the owner occupied market.

Analysis of Demand

During 2003, a Borough-wide housing needs assessment was commissioned to examine the housing requirements in both the private and social sectors. More recently, a desk update survey has been undertaken to re-analyse local housing requirements. The updated Housing Needs information is included in the Council's Housing Strategy, and a summary and full version of the 2003 survey, and the updated analysis, are available on the Council's website www.charnwood.gov.uk or printed versions are available from Housing Services. The table below is the Housing Market Assessment model used by David Couttie Associates, who undertook both pieces of work. This demonstrates an ongoing need requirement of an additional 279 units of affordable housing each year.

Backlog of Existing Housing Need:	2005
<ul style="list-style-type: none"> • Households living in unsuitable housing in the Borough who need to move and who would not be able to have their need resolved in situ or release an affordable unit as a result of a move; 	701
<ul style="list-style-type: none"> • plus priority homeless in temporary accommodation; and 	80
<ul style="list-style-type: none"> • % of ODPM recommended quota to eliminate backlog over a five year period. 	(20%)
<ul style="list-style-type: none"> • Total Net Annual Need 	156
Newly Arising Need:	
<ul style="list-style-type: none"> • Concealed households forming in the next year not on the 	322

housing waiting list, but unable to buy or rent;	28
• plus ex-institutional population moving into the community per annum;	428
• plus Housing register new applications (2003-4); and	79
• In-migrant households.	
• Total Newly Arising Need	857

Supply of Affordable Units:	
• Existing social relets (RSL & LA);	748
• less increased vacancies and Right to Buy	14
Annual Need to Reduce Backlog	156
Newly Arising Need	857
Total Affordable Need Per Annum	1,013
Less Existing Affordable Supply	734
Overall Annual Shortfall	279

Less Popular Housing

Charnwood does not have a problem of low demand or unpopular general needs housing, but does share the national problem of over-supply of less popular bedsits with shared bathroom facilities in some sheltered housing schemes.

We are addressing this issue in a number of ways. In one sheltered housing scheme, Grays Court at Barrow-upon-Soar, we have worked in partnership with Touchstone Housing Association to demolish one block, convert the remaining bedsits into self-contained flats and also provide new 2-bedroom bungalows within the grounds of the scheme, making use of the site vacated by demolition. The last bungalows will be completed this summer 2005.

In three other less popular sheltered schemes we have set up a rolling contract to convert pairs of adjacent bedsits into 2-bedroom flats as the opportunity arises at a current cost of £25,000 per conversion. Against this cost has to be set the continuing loss of rental income from unconverted bedsits.

Our Priorities

The overall aim of the Housing Service is to be a two star service by 2006, and a three star service by 2010. This reflects the Council's corporate aim to be "An Excellent Council".

Charnwood's Housing Strategy, which should be read in conjunction with this Business Plan, outlines our wider housing priorities as a strategic housing authority, but there will be a degree of cross-reference and convergence between the two documents in terms of future priorities. Examples include: Meeting the Decent Homes Standard, Tackling anti-social behaviour/Designing-out crime and Energy efficiency/lower running costs.

A copy of the Housing Strategy can be obtained from the Council's website using the following link: www.charnwood.gov.uk or by phoning the Housing Policy and Strategy Team on 01509-634944.

Our priorities are set partly by reference to Government and Regional key objectives, e.g. Decent Homes by 2010, and partly by direct feedback from tenants obtained in a variety of ways as outlined in our Communications Strategy (see chapter on Consultation). Frequently Government priorities and tenants' aspirations for improved homes, environments and service delivery will in any case coincide.

Examples of methods used to obtain direct tenant feedback on priorities include postal surveys through Housing Newsletters, such as the survey used to develop the aspirational Charnwood Standard, regular feedback from meetings of the Charnwood Council Leaseholders and Tenants Association (CCLATA) and one-off stakeholder consultation events held for the specific purpose of developing our future policies and strategies.

Progress on the priorities listed in the previous Business Plan for 2002-03 is shown in the following table:

Priorities in Business Plan 2002-03	Progress and development to date
Decent Homes Stock Condition Survey	10% survey completed 2003
Undertake Stock Options Appraisal	SOA completed May 2005
Design/start first phase of regeneration of PRC estates	Capital improvement work undertaken 2003-2005, one re-development scheme at Anstey to be carried out 2005 in partnership with an RSL
Plan/implement 3-year programme of improvements for homes and estates	Programme of Decent Homes improvements and neighbourhood renewal work up to 2010 underway
Develop a fit for purpose Housing Service to meet the challenges of the	Staff structure review undertaken 2003, more fundamental review

Priorities in Business Plan 2002-03	Progress and development to date
future	required to fit the separation of the ALMO from the strategic housing authority
Promote advantages of meaningful tenant participation so that tenants become genuine partners in developing the Housing Service	This has progressed mainly in the last year through the SOA process, tenant and leaseholder membership of the SOA Steering Group and development of the Tenant Empowerment and Communications' Strategies
Reduce serious and longer-term rent arrears	Tenancy support schemes having some impact, but more targeted housing management still required to resolve this problem
Reduce void turnaround times	Void periods have recently reduced due to improved performance by Housing Needs and Voids Contractor
Focus on anti-social behaviour (ASB)	More proactive and innovative approach to tackling ASB has produced good results
Sustainable communities through tenancy support schemes	TS schemes assisting vulnerable tenants to sustain tenancies
Develop policies and local strategies to tackle issue of less popular homes	Sheltered bedsits being converted to flats as part of ongoing Capital Improvement and Decent Homes Programme
Develop local lettings policies (LLPs) as appropriate to make best use of stock	Two LLPs operating successfully in Loughborough and Thurmaston
Seek out and copy examples of good practice in all areas of housing management	

Our Main Priorities for the next five years

All the priorities listed below are supported by four of the six key aims of the Council's current Corporate Plan, "Leading in Leicestershire", namely:

- A sustainable environment
- A clean, safe and healthy environment
- Decent homes and neighbourhoods
- An excellent council

The HRA Business Plan priorities are:

- Meeting the Decent Homes Standard (DHS) by 2010
- Tenant involvement in investment decisions

- Make best use of the stock
- Partnerships to deliver repairs and maintenance
- Lower running costs for tenants/energy efficiency
- Anti-social behaviour and designing-out crime
- Improve service delivery

Other priorities for the Housing Service are covered in the sub-section "Housing Services' Strategic Aims" on p.4 in the chapter "Strategic Aims and Objectives".

Meeting the Decent Homes Standard (DHS) by 2010

This is a key objective/aim and priority in the Housing Strategy (2.4.1).

It also matches Aim 11 of the Charnwood Community Strategy – To secure decent homes for all.

This is the minimum mandatory standard required by the Government of all local authority landlords by 2010, and as such is fully supported by tenants in Charnwood and by the Council as our main priority for the next five years, although ideally the aim would be higher than the minimum DHS, i.e. a Charnwood Standard (see page 20).

The Decent Homes Standard itself is explained in the next chapter in this Plan, "Meeting the Decent Homes Standard" (p.22).

All local housing authorities have undertaken a Stock Options Appraisal (SOA) in order to determine how to secure the resources necessary to meet the DHS by 2010.

Charnwood's Cabinet and Council considered the view of the SOA Steering Group that three options (stock retention, ALMO and LSVT) were all possible but difficult and resolved in May 2005 to bid for ALMO funding in Round 6 of the ALMO Programme in order to achieve its Decent Homes target.

The Council was advised by its financial consultants, Housing Quality Network (HQN), that use of the Private Finance Initiative (PFI) was not a viable option for Charnwood, but stock retention, ALMO or transferring the housing stock to a new or existing registered social landlord (RSL) by way of a large-scale voluntary transfer (LSVT) with tenants' support would still be feasible.

Stock retention would only be feasible by using all Right to Buy (RTB) receipts on the HRA investment programme together with the use of HRA surpluses and Supported Capital Expenditure to bridge the investment gap. This would impact on the Council's ability to pursue its preferred General Fund capital programme in other service areas.

An ALMO bid for additional funding of up to £18m. could bridge the investment gap but would be subject to further Government assessment of the authority's progress towards a 2-star standard of service delivery over the next 12 months.

Stock transfer (LSVT) would only be financially feasible with Government support of £34m. to balance the negative capital receipt from transfer, and the authority would need to bear the loss of £1m. per annum currently transferred from the HRA to boost the General Fund.

Tenant Involvement in Investment Decisions

This matches the Government's view that the Housing Strategy and the Business Plan should reflect local priorities following consultation

It also matches Aims 1 and 9 of the Charnwood Community Strategy – To act in partnership and Promote social inclusion.

The core group of tenants and leaseholders, who have been involved with CCLATA and the SOA Steering Group during the SOA process, has progressed significantly in its awareness and understanding of Housing issues as a result of the in-depth analysis demanded by the process itself. Also the Tenant Empowerment Strategy and the Communications Strategy, developed as part of the SOA process, will be the basis for the revised and updated Tenant and Leaseholder Compact for Charnwood, developed in partnership with CCLATA, to be published during 2005.

The key challenge for Housing now is to harness and use to best effect the knowledge, skills and experience gained by this core group so that tenants as a body can make a meaningful contribution to future service standards, quality control and policy-making in Housing. This will be achieved by involving CCLATA as a genuine partner in all consultation on key Housing issues and by reviewing the entire framework of tenant participation in Charnwood to enable even wider tenant involvement in this process, particularly from under-represented groups.

Make best use of the stock

This is a key objective/aim and priority in the Housing Strategy (1.3.1).

It also matches Aim 11 of the Charnwood Community Strategy – To secure decent homes for all.

Both the Government and our tenants expect us to achieve Best Value in the operation of the Housing Service, and this includes optimising use of the stock.

Although annual sales of homes through the Right to Buy have reduced over the last three years, due mainly to disproportionate rises in property valuations, the continuing fall in the number of homes owned by the authority and the shift in

the make-up of that reducing stock have restricted the ability of the Housing Needs team to meet the demand for family housing in particular. Since the last Business Plan figures in June 2002 the number of family houses has fallen from 2,854 to 2,628 and the percentage of houses within the reduced overall stock has fallen from 45.3% to 43.9%.

We will therefore continue to offer incentives for tenants willing to transfer from under-occupied family accommodation into smaller homes, re-designate the preferred client group for specific properties as demand changes, minimise the void turnaround time and address the problem of unpopular sheltered bedsits in conjunction with our RSL developing partners.

Making the best use of a diminishing resource is vital in helping to address the shortfall in both temporary and permanent accommodation for the homeless, identified as a key priority in the Charnwood Homelessness Strategy.

Partnerships to Deliver Repairs and Maintenance

This matches a key objective/aim and priority in the Housing Strategy (2.4.3).

It also matches Aims 1 and 11 of the Charnwood Community Strategy – To act in partnership and To secure decent homes for all.

The main point of contact between most tenants and their local authority landlord is on the question of day-to-day repairs, and tenants in Charnwood have often indicated dissatisfaction with aspects of the repairs service, either via CCLATA or in comments returned on postal surveys etc. A priority for the immediate future is to procure the best and most suitable partnerships to deliver the type of repairs service demanded by tenants and which also provide value for money.

Lower running costs/energy efficiency

This is a key objective/aim and priority in the Housing Strategy (2.4.2).

It also matches Aims 7 and 11 of the Charnwood Community Strategy – To sustain our environment and To secure decent homes for all.

Tenants have clearly told us during the Stakeholder Consultation Day and in postal surveys that a key element in any property improvements must be energy efficiency. Improvements, which result in lower running costs, are a major issue for tenants on low incomes, and this aspiration coincides with the Charnwood objective to achieve decent homes in all tenures and eradicate fuel poverty and also the Government agenda to improve the energy efficiency of all homes and public buildings.

Anti-Social Behaviour and Designing-out crime

This is a key objective/aim and priority in the Housing Strategy (3.7.2).

It also matches Aim 5 of the Charnwood Community Strategy – To reduce crime and promote community safety.

A major issue for tenants, raised frequently at CCLATA meetings and also at the Stakeholder Consultation Day, is anti-social behaviour. Tenants are seeking early and appropriate intervention in ASB by the Council, but have also identified that some potential ASB can be “designed-out” of housing estates and projects. Tenants are also keen to be partners in any such work affecting their estate.

The Charnwood Crime and Disorder Reduction Strategy 2005-08 lists four strategic themes, which all link closely with this priority:

- To reduce violent crime.
- To protect and reassure the community.
- To reduce the incidence of anti-social behaviour.
- To reduce acquisitive crime and tackle drug misuse.

Improve Service Delivery

This reflects the key objective/aim in the Housing Strategy and the Corporate Plan priority to be an “excellent Council”.

It also matches Aim 2 of the Charnwood Community Strategy – To seek continuous improvement.

The Council’s aim is to be providing a 2-star Housing Service by 2006 and 3-star by 2010. In addition to the Council’s aims to improve void property turnaround times and reduce rent arrears, tenants have identified through the development of the “Charnwood standard” a desire for more quality control on maintenance work, an improved appointments system for repairs, better communication and information about maintenance and improvement work, more information for tenants about named Housing Officer contacts, better quality advice and information from the Contact Centre and the retention of door-to-door rent collection.

Future Monitoring of the Priorities

The **Action Plan** on pages 37-41 outlines more specific actions within the identified priorities. We will monitor progress on the actions using the following existing arrangements and mechanisms, which will ensure that our key stakeholders, particularly tenants and leaseholders, are involved at the heart of the process:

- CCLATA (Charnwood Council Leaseholders & Tenants’ Association)

- CTCP (Charnwood Tenant Council Partnership)
- The “Virtual Panel” of consultees referred to on p.28
- Performance & Audit Scrutiny Committee

Meeting the Decent Homes Standard

Decent Homes must meet all the following four criteria:

- Meet the current statutory minimum standard for housing
- Be in a reasonable state of repair
- Have reasonably modern facilities and services
- Provide a reasonable degree of thermal comfort

In late 2002 and early 2003 a 10% stock condition survey was carried out on behalf of Charnwood Borough Council by NBA Consortium Services Ltd. At the time of the survey report Charnwood Borough Council was landlord of 6,231 dwellings and a further 219 leasehold flats

The stock condition survey looked at whether properties met the basic fitness standard as well as the wider Decent Homes Standard and also assessed what work was required to improve the energy efficiency of the properties. 635 (10.2%) of properties were surveyed and by picking representative properties to survey the results were extrapolated to cover the whole of the stock. Because, in the case of flats, the external survey covered the whole of the block, external surveys covered 1,816 dwellings (29% of the stock)

The Council's response to the Decent Homes Stock Condition Survey

The 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.

The majority of the work carried out to date has been elemental replacement of central heating systems, windows and external doors. Some internal works, mainly comprising kitchen and bathroom replacements, have been carried out and this programme will be accelerated over the coming years in order to ensure that all dwellings meet the decency standard by 2010.

Decent Homes Standard - Summary Table

Date	No of Dwellings	Leasehold	Sold since 03/04	Demolished since 03/04	Non-Decent	% of stock non-decent
4/1/03	6231	219			2718	43.6
6/1/05	5987	257	174	19	2227	37.2

Summary of works completed and in progress since April 2003

	Kitchens	Bathrooms	Security Doors	Windows	Heating
2003/04	0	0	358	319	287
2004/05	46	46	266	524	269
2005/06*	107	164	264	340	69

*includes only contracts currently committed - further works at design stage

The Council's strategy was to link the Decent Homes works to the programmed maintenance cycle. Programmed maintenance is carried out on a five year cycle with 20% of the Council's properties being externally inspected and repaired each year. Internal surveys have now been carried out by consultants to all the properties in the 2005/06 programmed maintenance area. This means that these properties have now been fully surveyed, thus refining the data from the Stock Condition Survey, which was extrapolated from a 10% sample.

Now that the decision has been taken to proceed with an ALMO bid, however, it is clear that the funding profile over the years up to 2010 will alter with more money becoming available in the later years when the ALMO has been established. The Decent Homes programme has therefore been reprofiled as set out in the table below to reflect the funding available.

Summary of Work by Year

	Total No Properties	Windows	Ext Doors	Ext Walls	Chimneys	Main Roof	Facia	Heating	Electric	Kitchen	Bathrm	Roof Insulate	Wall Insulate	Extract Fans	Int Doors
2005 - 2006	279	11	122	61	2	74	2	73	137	122	143	6	2	27	1
2006 - 2007	561	165	220	111	40	226	321	185	273	191	177	9	0	0	1
2007 - 2008	623	83	71	90	0	282	0	257	210	100	189	9	0	0	0
2008 - 2009	1702	215	366	329	38	360	321	779	813	550	391	39	0	0	0
2009 - 2010	1646	327	327	177	20	246	0	646	623	530	318	68	0	1	0
2010 - 2011	1176	355	329	102	0	320	0	501	416	638	376	11	2	0	0
Totals	5987	1156	1435	870	100	1508	644	2441	2472	2131	1594	142	4	28	2

Now that the Stock Options decision has been taken the Council will set up a partnership contract to deliver the Decent Homes programme from April 2006. The contract will initially be with the Council but will contain options clauses to enable the ALMO to take over the contract for the remainder of the period up to 2010 if it so wishes.

The properties in each year's programme have been identified along with schedules of works developed from the stock condition survey. As outlined above, this information will be refined by full surveys of each year's programme to develop more detailed work schedules.

The stock condition survey provides the framework for a thirty-year investment programme. Within this is identified newly arising need as properties, which are currently decent, fall below the standard as building elements and facilities become time expired. In addition, when works are carried out they are allocated a lifespan in line with the Decent Homes criteria. This is automatically entered within the data base and flagged up for replacement in the appropriate year. With this information programmed maintenance inspections will be able to focus on elements which may require replacement when properties are inspected within the normal programmed maintenance cycle.

At present the Council has a separate budget of £300,000 p.a. for neighbourhood renewal/environmental improvements/decent estates works. It is not clear how sustainable this will be as resources are increasingly focussed on the Decent Homes target, but within the bid for ALMO funding of up to £20m. we may include a 5% element for "Decent Estates" improvements

The Charnwood Standard

As part of the Stock Options Appraisal process an aspirational survey of tenants' and leaseholders' wishes for improvements to their homes and also to service delivery standards was carried out by TPAS, the Independent Tenants' Advisor for Charnwood. TPAS' summary of the results of the survey is shown in **Appendix A.**

Energy Efficiency

Energy efficiency is measured by the Standard Assessment Procedure or (SAP) rating.

The average SAP rating of local authority stock in Charnwood is 63, significantly above national "norms". Almost 20% of our properties are currently below the suggested target of 55, whilst 28% meet the preferred SAP rating of 70+.

There is no separate programme of improving energy efficiency, but the area-based Decent Homes improvement work, to be carried out in conjunction with

the planned maintenance cycle, will include window replacements, upgrading of central-heating systems and upgrading of loft insulation, all of which will improve the average SAP rating of the stock and continue to bring more properties up to and above the target rating of 55.

Financial Requirements

A desktop update to the Stock Condition Survey was undertaken by NBA in October 2004 to reassess the financial resources required to meet the Decent Homes Standard for all stock by the 2010 deadline. The main reasons for the update were to take account of RTB sales since March 2003 and DHS improvement work completed in the same period, particularly window renewals and central-heating upgrades, and to design a "resource-based" programme for meeting the DHS. The outputs represent the need to spend in the following key areas:

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

The financial requirements to achieve this are £31.8m up to 2010/11 with a further investment of £140.8m required over a 30-year period to ensure the stock continues to be maintained to this standard.

Future Monitoring

The Council now uses a stock condition database to keep up to date records of remedial works, which have been undertaken to meet the DHS. The database also identifies properties, which are likely to become non-decent over a 30-year period, so that newly arising needs under the decent homes programme are identified and addressed. The Council's Asset Management Plan only includes information about non-HRA assets.

Details of completed works are fed into the database, and planned maintenance surveys are now also designed to identify future requirements for meeting the DHS. These surveys, in conjunction with the original stock condition survey undertaken by NBA, are the basis for planning the future DHS work programmes. The information inputted to the database is currently monitored by external independent consultant surveyors.

The database is currently maintained by staff in the Property Services team, but since the recent transfer of Housing Maintenance "client" staff into Housing Services from Property Services there are plans to also move the maintenance of the DHS database into Housing Services.

The Council is now developing a planned programme of works to ensure that the DHS is met within the required timescale and to ensure that all properties remain decent over the next 30 years.

Consultation – involving tenants and others in our business

Although Charnwood would always welcome an even wider level of involvement from tenants and leaseholders and intends to continuously improve and refine the current participation arrangements, we have now developed, through the Stock Options Appraisal process, clear Communications and Tenant Empowerment Strategies. We are also revising the Tenant and Leaseholder Compact, which will set out the current structures for participation. The revised Compact should be published later in 2005 and will now undergo further review to take account of the fact that tenants will be consulted on, and participating in the work of, both the ALMO as manager of the stock and the Borough Council as the strategic housing authority.

The Stock Options Appraisal process has given us the opportunity to test the methods and structures now in place and has demonstrated a level of success beyond our original expectations. For example, we have used a range of methods to contact and engage tenants, including newsletters, postal questionnaires, focus groups, local open meetings and telephone surveys

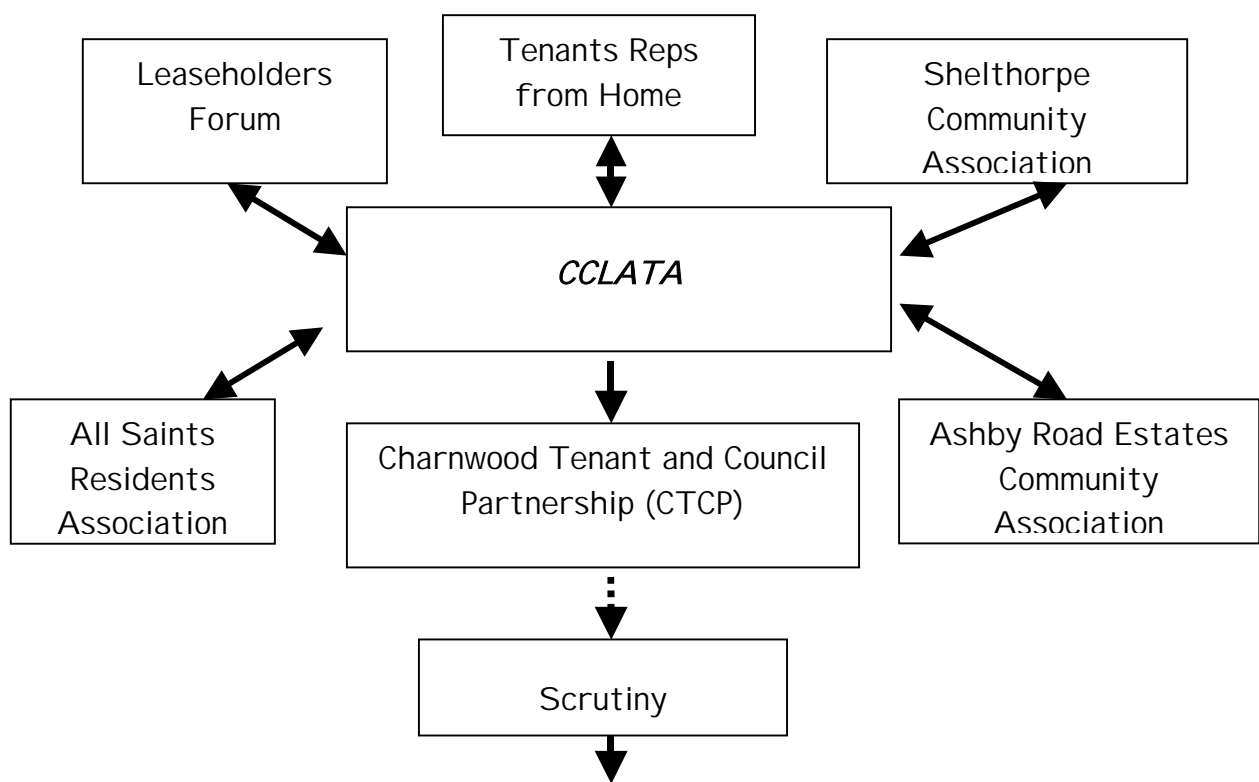
Our key stakeholders are tenants and leaseholders, elected members and staff of the Borough Council, whose work is involved with management of the Council's housing stock. Other important stakeholders are agencies such as the local Primary Care Trust, groups such as RSLs with housing stock in Charnwood, The Bridge independent housing advice agency, Charnwood Strategic Partnership, voluntary agencies with a specific interest in housing or homelessness, non-housing staff of the Borough Council and recognised trades unions.

We communicate with and involve tenants by various means outlined in the table below depending on the type and content of the message and how many tenants we need to contact:

Method	Example use by CBC	Output
Newsletters	Housing News SOA Special edition Oct 2004	Guarantees that all tenants receive the message, whatever the topic
Local Press and Radio	Media release on SOA issued 21 Feb 2005	Reaches those, who take the newspaper or hear the radio etc.
Public Meetings	Series of open meetings to update tenants of proposals on 6 PRC estates 2003/04	Opportunity for those attending to hear info first-hand and ask questions
Face to face discussions and focus groups	3 focus groups held March 2005 to test opinion on SOA	Opportunity to explore topics in more depth with a selected group
Briefing Sessions	Series of briefings to	Capacity building

Method	Example use by CBC	Output
	ACT/CCLATA on housing management and finance topics	opportunity for targeted audience
Displays and Exhibitions	Series of displays at various locations to explain proposals for PRC homes 2002/03	Visual explanations more comfortable and meaningful for many people
Telephone	Follow-ups to recent surveys and test of opinion on SOA carried out by telephone to boost returns	Targeted audience, achieves immediate response
Internet	Actively developing Housing section of CBC website with a range of information and hyperlinks on topics such as SOA and PSL scheme	For tenants with access to this medium a wide range of information available, inc. how to pay rent, report repairs, apply for a transfer, read Housing policies, Housing Strategy, Stock Options Appraisal

In early 2005 The Association of Charnwood Tenants (ACT) re-named itself Charnwood Council Leaseholders and Tenants Association (CCLATA). This is the principal tenant consultative body and is also the "umbrella" group for all local tenant/resident/leaseholder groups and approximately 40 Tenant Reps from Home. A devolved budget of around £40,000 per annum helps to service the activities of CCLATA and its constituent member groups, and the Council has made office facilities available for the sole use of CCLATA at CBC Southfields offices.



The process of tenant participation has been supported since July 2001 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.

As the process of consultation and participation becomes more refined the influence of stakeholders' views is becoming more evident.

A good recent example to illustrate this point is the stakeholder consultation event held in February 2005 under the banner of the local Charnwood Strategic Partnership (which includes agencies such as the PCT, Social Services, Police, Charnwood Voluntary Service, RSLs etc.) to obtain comments and feedback on both the evolving Housing Strategy/HRA Business Plan and the Stock Options Appraisal. Almost 200 delegates attended the event from a range of key stakeholder groups and agencies, including a significant number of tenants and leaseholders attending as members of ACT/CCLATA.

The main purpose of the event for the emerging Housing Strategy and HRA Business Plan was to identify priorities within nine key aims, which in turn reflected some of the key corporate objectives of the Council. Those priorities concerning primarily local authority housing have become the HRA Business Plan priorities. The tenants' influence on the subsequently emerging priorities and their strong endorsement of some already identified can be seen particularly in the following emerging priorities:

- aim of 30% affordable housing target (currently 15%)
- housing improvements leading to lower running costs
- installation of more energy-efficient appliances
- a more rational approach to the planning of maintenance work
- upgrading home insulation
- appropriate level of intervention in cases of anti-social behaviour
- designing-out crime

A new concept developed from the stakeholder event is the use of a "virtual panel" of consultees. This form of instant consultation, using volunteers from a range of agencies communicating via e-mail, is being piloted on the development of the Housing Strategy, but the principle has now been established and will be used in future consultation exercises, including future Business Plans.

Another initiative and method of direct customer feedback and quality control, which we intend to introduce in the near future in Charnwood, is the idea of tenant representatives accompanying maintenance teams on inspections of works completed. Issues are often raised about the quality of repairs and workmanship, and the opportunity will be given to influence and improve this through the direct input of the consumers of the service. We will develop this

initiative during the current financial year in partnership with CCLATA, who have already nominated their own representatives/participants for the scheme.

The high return rate (34%) of completed questionnaires in the recent test of opinion on the Stock Options Appraisal is another example of the increasing influence of tenant opinion arising in part from the Council's own Tenant Empowerment Strategy.

The Stock Options Appraisal process itself has been a watershed in the development and refinement of consultation with tenants and also the empowerment of tenants to feel confident about contributing to the debate about the future of their homes and the Housing Service as a whole. The tenant and leaseholder representatives on the Options Appraisal Steering Group played a full part in analysing the merits of the different options and in framing the recommendation to the Council's Cabinet by working through and scoring on a standard matrix the benefits, disadvantages and cost implications of the options.

The development and progress in the awareness level of the Group has been significant over the last nine months, and the challenge now is to maintain this high level of awareness and interest following the conclusion of the first phase of the SOA process and the establishment of the ALMO. The skills and enthusiasm engendered as a result of this process need to be harnessed and expanded to enable an equally significant contribution to be made to the shape of the organisation, which will carry forward the new Housing Service into the 21st century. We will ensure that key members of the Group are involved from the inception of any new housing policy developments and will ensure that the incentives for volunteers to give their time to this type of work are adequate to maintain the involvement.

The Council has been proactive in encouraging and enabling younger tenants and families to participate in CCLATA, resident groups and Steering Group activity by making reasonable funding contributions to costs incurred by travel and childcare, and we will consider good practice used elsewhere to encourage greater participation from "harder-to-reach" groups.

Our neighbour authorities, particularly those in Leicestershire, are also key partners and the past two years have seen the development of more cross-boundary and collaborative working with other authorities in Leicestershire on a number of important Housing issues.

We have worked with our neighbours to agree priorities for the sub-region, which in turn feed into the development of the Regional Housing Strategy. For example, one of the agreed sub-regional actions is to develop, as far as local circumstances permit, a joint Section 106 protocol across the districts. Partly as a response to this a recent initiative of Charnwood's Housing Policy Team has been the establishment in late 2004 of a Leicestershire and Rutland Development and Strategy Officers' Group. The first meeting of the Group was in January 2005.

This group has representatives from all nine districts in the counties, and it meets bi-monthly to share progress, problems and good practice on a range of major policy and strategic issues, which are common to all housing authorities. Guest speakers in the programme so far have included the Housing Corporation and a major housing developer. Minutes of the Group are fed back to the Leicestershire Chief Housing Officers' Group (LCHOG), and the Group may in future undertake projects on behalf of LCHOG. So far the Group members have benefited from having an immediate contact list to share problems or seek information.

We are working with all the other Leicestershire districts and the County Council to develop an Older Persons' Housing Strategy. The County Council has agreed to fund a 12-month post specifically to co-ordinate this work, but the eventual Strategy will hopefully be the result of meaningful partnership working to produce a Strategy relevant to the needs of all the authorities involved.

Other key partners in the business planning of Housing in Charnwood include RSLs, who at present provide all the new "affordable" housing in the Borough either as direct providers or as agents of developers on larger planning gain sites, sometimes also utilising gifted local authority land and local authority Enabling Grant. The Council has currently earmarked £1m. per annum for the foreseeable future for use as Enabling Grant on appropriate schemes.

The Bridge independent housing advisory service, supported by a £100,000 annual grant from the Council, is a key partner in implementing the Homelessness Strategy action plan. Staff at The Bridge complement the Council's Homelessness service by offering advice to non-priority homeless applicants and also operate a number of Supporting People-funded tenancy support schemes in an effort to reduce the extent of tenancy failure and repeat homelessness.

Finance

Use of financial resources

This section outlines the strategy for the use of financial resources to achieve a successful two star service needed to implement the requirements for Arms Length Management (ALMO). It focuses on the medium-term financial strategy from 2005/06 to 2010/11 (the Decent Homes deadline) and the long-term thirty-year period up until 2033/34.

Budget background

The annual budget cycle runs from 1st April to 31st March with decisions on revenue and capital budgets for the forthcoming year made in the preceding February/March. A Revised Budget is set during the financial year in November. Revised budgets are set in accordance with criteria outlined normally by Financial Services and agreed by Cabinet. All budget holders are involved in this process, which is co-ordinated by the Housing Accountant. Both the original Budget and the Revised Budget are approved by the full Council. This is prepared in accordance with the financial requirements for a local authority to set a balanced budget. The costs directly controllable by designated budget holders and salaries are monitored and reported by the Housing Accountant individual budget holders. Reports are also provided to and considered by Senior Management on a monthly basis and to the member-led Financial Strategy Group (FSG). Repairs and Maintenance expenditure is reported to the Financial Strategy Group on a quarterly basis but is monitored by officers on a monthly basis.

Financial forecasts background

The financial forecasts for the Housing Revenue Account have a base year of 2005/06, which links with the approved Original Budget for that year. Future years have been modelled from this base and grouped into a medium-term financial strategy from 2005/06 to 2010/11 and long-term to 2033/34. The model assumes the Council will adopt the ALMO option and is based on financial data modelled by Housing Quality Network (HQN) for the Stock Options Appraisal. This data, however, is derived from the Council's 2005/06 Original Budget and financial position and is closely aligned to the planned development of the Housing Service in Charnwood.

Revenue Medium-Term Financial Forecast

The revenue medium-term financial forecast is presented in this table:

	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
	£000	£000	£000	£000	£000	£000
Expenditure						
Management	4,604	4,660	4,776	4,895	5,017	5,143
Repairs & Maintenance	4,121	4,224	4,330	4,438	4,549	4,663
Capital Charges	447	447	447	447	447	447
Major Repairs Allowance	3,339	3,390	3,443	3,497	3,554	3,612
Bad Debt Provision	115	115	115	115	115	115
Total Expenditure	12,626	12,836	13,111	13,392	13,682	13,980
Income						
Dwelling Rent Income	13,976	14,498	15,045	15,619	16,216	16,847
Other Income	1,236	1,251	1,266	1,281	1,296	1,312
Interest Income	13	70	93	120	154	195
Housing Subsidy	-2,404	-2,559	-2,766	-2,969	-3,181	-3,404
Total Income	12,821	13,260	13,638	14,051	14,485	14,950
Surplus	195	424	527	659	803	970

The medium-term revenue forecast shows an increase in surplus over the period. Prior to rent restructuring in 2001/02 rents were set at the recommended rent guidelines. Following the introduction of rent restructuring the Council's rental income streams have started to increase significantly. This trend will continue over the ten-year period of phased rent restructuring with each year incorporating an additional tenth of the formula that is incorporated into the rent charged until 2011/12 with full implementation included. This trend can be seen within the Dwelling Rent Income in the medium-term table.

As the medium-term financial strategy is a forward projection, it relies on assumptions on trends and sensitivity analysis to project into the future. These assumptions are the same as those used within the Stock Option financial appraisals.

The main assumptions in the projections include the following:-

- Right to Buy sales at 56 in 2005/06, falling to 34 by 2010/11, with the full costs of capital and revenue on leasehold properties recharged to the leaseholders (as is done now).
- Void loss is constant at 1.2% each year of gross dwelling rent and service charge.
- Contribution to the Bad Debt Provision (which includes write-offs) remains a constant at £115,000.

- Increases in general and special management are constant at 2.5% per annum.
- Increases in Repairs and Maintenance are constant at 2.5% per annum.
- Subsidy allowances and targets comply with current trends and projections.

Sensitivity analysis and stress testing was conducted on all variables within the construction of this modelling. Whilst clearly all variables are subject to change, the impact of variances to the assumptions includes degrees of materiality on the projections.

Key sensitivities include:-

Right to Buy sales

RTB sales have reduced from 162 in 2000/01 to 56 during 2004/05. The reduction is largely due to higher market prices and a £24,000 capping of RTB discounts through recent legislation. From an income perspective, the number of sales impacts on usable capital receipts from sales, rent and service charges alongside housing subsidy allowances. In terms of expenditure, stock level has an impact on the need for capital and revenue repairs and maintenance and the level of housing management required for the stock.

Voids

There is a direct correlation between rent and service charge income compared with the level of voids. The higher the voids figure, the lower the income available and, conversely, the lower the voids level, the higher the rental income available to use in the HRA. The 1.2% constant should be viewed also as a target for this Business Plan.

Management and maintenance expenditure

The higher the level of direct expenditure in this area, the more cash resources are consumed with these costs. However, there are non-monetary factors to consider, primarily that higher levels of investment in management and maintenance would be targeted to produce greater levels of output and improvements to the delivery of Housing Services. The use of ALMO capital resources to meet the Decent Homes target has freed up resources to invest more in improvements to housing management and maintenance service delivery.

Subsidy Allowances

The level of subsidy granted is not controlled by the local authority. It is dependent on national targets and requirements as set by the Office of the

Deputy Prime Minister (ODPM) and the number of properties in the Council's stock.

Contributions to the Bad Debt Provision

The revenue contribution to the Bad Debt Provision represents the top-up required to ensure that the rent and service charge arrears are adequately covered by provision. The total provision required is calculated by analysing the age and value of the debt alongside the amount of arrears written-off in the year. The sensitivity is dependant on how initiatives to reduce rent arrears are managed over time. This amount should be considered a target within the context of the Business Plan.

The level of Balances

The level of actual balances for the previous four years is illustrated in the following table:

	2001/02	2002/03	2003/04	2004/05
	Actual	Actual	Actual	Actual
Level of Housing Stock	6,333	6,188	6,034	5,985
At year end	£000	£000	£000	£000
(Surplus)	0	(158)	0	0
Deficit	114	0	694	39
Closing Balances	(1,272)	(1,432)	(738)	(699)
	£	£	£	£
Balances per dwelling	200	231	122	116

The table shows that reserves have historically been significantly higher than the recommended minimum balances. Whilst, from a purely financial perspective, this may be regarded as desirable, it could be argued that the financial resources of the Housing Service have not been fully utilized in the past on service delivery.

It is Council policy, informed and supported by professional advice, to adhere to a minimum balance of £110 per property. As the ALMO bid assumes monies to fund the shortfall needed for capital works on Decent Homes will be financed by ALMO monies, any revenue surplus generated can be reinvested into service improvements which will assist the delivery of a two star Housing Service. The importance of achieving two star status through the investment of resources into necessary service improvements must be understood. The following table indicates the potential that could be unlocked on an annual basis to improve services whilst maintaining balances at the minimum approved amounts, taking into account the reduced dwelling base due to RTB sales:

	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11

Level of Housing Stock	5,922	5,869	5,818	5,770	5,725	5,681
At year end	£000	£000	£000	£000	£000	£000
Service Improvements	200	500	500	600	800	900
Level of Balances	651	646	640	635	630	625
	£	£	£	£	£	£
Balances per dwelling	110	110	110	110	110	110

Capital Medium-Term Financial Forecast

Stock Options Appraisal is driven by the need to meet the Decent Homes standard by 31st December 2010. This table outlines the specific expenditure that is planned to meet the Decent Homes deadline. Expenditure has been modelled on the requirements of the Stock Condition Survey for the Stock Options Appraisal.

	2005/06 £000	2006/07 £000	2007/08 £000	2008/09 £000	2009/10 £000	2010/11 £000	Total £000
Capital expenditure							
Make decent	1,166	1,664	1,760	913	2,220	0	7,723
Keep decent 10 years	2,620	3,176	1,516	2,454	1,476	1,008	12,250
Keep decent 30 years	727	897	516	815	1,006	1,295	5,256
Benchmark standards	202	332	413	289	438	491	2,165
Other works	1,796	2,236	1,850	1,846	2,141	2,885	12,754
Disabled works	316	316	316	316	316	316	1,896
Fees/add ons	728	1,293	956	995	1,140	899	6,011
B/f funding	-1,977	0	0	0	0	0	-1,977
Capital works to be funded	5,578	9,914	7,327	7,628	8,737	6,894	46,078
Capital works adjusted to inflation	5,857	10,658	8,074	8,615	10,114	8,180	51,498
Adjustment for Right to Buy Sale	-	-195	-216	-299	-429	-406	-1545
Total Adjusted Profile	5,857	10,463	7,858	8,316	9,685	7,774	49,953
Capital resources							
Major Repairs Allowance	3,339	3,390	3,443	3,497	3,554	3,612	20,835
Funding Requirement	2,518	7,073	4,415	4,819	6,131	4,162	29,118

To meet the Decent Homes targets over this medium-term period 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.

In order to deliver the Decent Homes Capital Programme, efficient procurement through a partnership agreement will be necessary.

Revenue long-term Financial Forecast

A thirty-year assessment of the Housing Revenue Account has also been performed to 2034/35 by HQN as part of the Stock Option Appraisal. This indicates long-term trends and provides an assessment tool for the impact of Housing Policies. A summary of the long-term forecast is set out in the table below, as grouped together into five year periods.

	Service Improvements £000	Expenditure £000	Income £000	Deficit £000	Balances (at end of period) £000
2005/06 - 2009/10	2,600	65,647	(68,085)	162	630
2010/11 - 2014/15	4,500	73,051	(77,305)	246	608
2015/16 - 2019/20	2,800	81,596	(84,247)	149	591
2020/21 - 2024/25	1,100	91,351	(92,134)	317	579
2025/26 - 2029/30	0	102,454	(101,296)	1,158	569
2030/31 - 2034/35	0	115,084	(111,879)	3,205	561

The long-term forecast is calculated using the same assumptions and sensitivities as outlined in the medium-term financial strategy. These included inflationary increases for Repairs and Maintenance and Management expenditure. Therefore, the real increases in expenditure for these activities are included within the Service Improvements column, although due to the length of time involved in this projection, all figures within the projection are approximations.

Capital long-term financial forecast

The thirty year projection of capital expenditure highlights difficulties in the timing of programmed capital expenditure against available resources. At this point, it is difficult to accurately estimate the timing and amount of ALMO monies that will be available.

	Capital Expenditure £000	Resources (MRA) £000	Other funding Required £000
2005/06 - 2009/10	42,179	(17,223)	24,956
2010/11 - 2014/15	40,076	(18,694)	21,382
2015/16 - 2019/20	22,705	(20,459)	2,246
2020/21 - 2024/25	23,250	(22,541)	(709)
2025/26 - 2029/30	23,394	(24,970)	1,576
2030/31 - 2034/35	43,204	(27,786)	15,418
Total	194,808	(131,673)	63,135

The principal problem is the timing of resources, with capital expenditure geared towards the earlier part of the thirty years with the need to achieve the Decent Homes standard. A balance will be required to fund real increases in revenue management alongside revenue repairs and maintenance expenditure as well as funding the capital expenditure requirements to meet Decent Homes and beyond.

Further information about the Financial Model used for this chapter can be obtained from the Housing and Health Group Accountant on 01509 – 634824.

HRA Business Plan 2005 - Action Plan

Action	Priority (high/med/low)	Source/ reason for action	Completion date	Outcome/ Target	Resources Required	Critical Success Factors	Lead Officer
Decent Homes							
Complete the Stock Options Appraisal submission and have it signed-off by ODPM/GOEM	High	Govt. deadline to have an approved SOA process by 31 July 2005	June 2005	Agreed way forward for ownership and management of the Council's housing stock	Existing resources and use of external consultants	SOA process approved by ODPM/GOEM and capable of being delivered	Director of Housing and Health (DHH)
Submit a bid for Round 6 ALMO funding	High	Council's approved option to achieve Decent Homes target	October/ November 2005	Access to up to £18m. extra Govt. funding to assist in meeting Decent Homes target	Up to £18m.	1) Admittance to Round 6 ALMO Programme 2) Achievement of 2-star service to access funding	DHH
Continue to develop and implement the Decent Homes programme	High	Govt. priority	Ongoing	Meet Decent Homes completion target	Existing resources	Effective partnership working	Principal Housing Officer (Capital Projects)

Action	Priority (high/med/low)	Source/reason for action	Completion date	Outcome/Target	Resources Required	Critical Success Factors	Lead Officer
Tenant involvement in investment decision							
Ensure tenants are involved in all major policy decisions affecting the future of their homes	High	1) Good Practice 2) Best Value 3)Condition for ALMO bid	Ongoing	Future direction of Housing services in Charnwood decided in full partnership with tenants	Existing	Full commitment by officers, members and tenants	Housing Policy & Strategy Manager
Review the overall framework for tenant participation and involvement to build on success achieved during SOA process	High	Good practice, and the need for wider participation and a larger core group of active tenant reps	December 2005	Greater confidence in the quality of decisions taken on behalf of the body of tenants	Existing	Willingness of a core of tenants to commit their own time and energy, and their confidence that their contribution will be meaningful	HPSM
Best use of stock							
Review the transfer incentive scheme for tenants under-occupying family accommodation	Medium	Need for more affordable homes, loss of stock through RTB, Best Value	January 2005	More availability of family homes for applicants in housing need	Possibly higher financial incentives for transfer, but budget implications likely to be minimal	Political support for any higher cash incentives, unknown take-up of incentives	HPSM

Action	Priority (high/med/low)	Source/ reason for action	Completion date	Outcome/ Target	Resources Required	Critical Success Factors	Lead Officer
Fundamental review of designated use of housing stock	Medium	Need for more affordable homes, Best Value	June 2005	Better match of applicants with suitable homes	Existing internal resources, possible use of consultants, cash injection for more radical solutions	Availability of financial resources for more radical solutions	HPSM
Partnerships to deliver repairs and maintenance							
Ensure tenants are involved in the selection process of contractors for future work affecting their homes	Medium	Good practice, Best Value	August 2005	More confidence and trust by tenants in the key processes, which affect their homes	Training for tenant reps, funded from existing resources	Effective partnership working, attitude of some staff to more transparent approach	Maintenance Services Manager
Establish arrangement for tenant reps to accompany officers on inspections of a percentage of work completed	Medium	Good practice, Best Value	August 2005	Improved quality control on completed maintenance work from a user's perspective.	Volunteer tenant reps, some basic training, otherwise existing resources	Response to any adverse criticism of service and changed working practices	MSM

Action	Priority (high/med/low)	Source/reason for action	Completion date	Outcome/Target	Resources Required	Critical Success Factors	Lead Officer
Lower running costs/energy efficiency							
Ensure that a key element of any future programmes of improvements is work which results in lower running costs	Medium	Climate Change Strategy, Best Value, Good practice, tackling poverty	Ongoing	Lower household running costs for tenants	Existing resources	Availability and cost of appropriate appliances within overall Decent Homes budget	Principal Housing officer (Capital Projects)
Anti-social behaviour							
Establish a tenants' and residents' ASB Forum	Medium	Local involvement in setting priorities and policy-making	March 2006	Effective forum established with local support	Existing resources	Input from tenants and residents	Housing Services Manager
Establish local fora, through CCLATA, to feed back recommendations about the design of estates and suggested improvements	Medium	Local involvement in setting priorities and policy-making	March 2006	Effective fora established with local support	Existing resources	Input from tenants and residents	HPSM

Action	Priority (high/med/low)	Source/ reason for action	Completion date	Outcome/ Target	Resources Required	Critical Success Factors	Lead Officer
Improve service delivery							
Improve the percentage of day-to-day repairs carried out by appointment	High	Tenants' wishes, Good Practice	March 2006	Improved service for tenants	Existing resources	Co-operation of contractors	MSM
Improve the quality of advice and information to tenants about matters affecting their home and tenancy and named contacts within Housing Services	High	Good practice, Tenants' Compact, Efficient Council	Ongoing	Improved trust in the landlord-tenant relationship	Existing resources	Partnership with CCLATA	HSM
Continue to reduce voids rate in line with targets set	High	BVPis	March 2006	Average re-let time 25 days by March 2006	Existing resources	Effective partnership working	HSM

APPENDIX A

The Charnwood Standard – Summary of results of TPAS survey January 2005

Tenants' Aspirations – The Charnwood Standard

Chart to show residents aspirations from sessions with ACT members and other residents

The residents survey found the following were areas for improvement in order of priority. Comments from ACT group are recorded on the right. The results of the telephone survey need to be linked into this too. The group were concerned that not enough of a younger age groups priorities had been reflected in survey although pointed out that the % of older people responding was close to that % reflected in the overall number of tenants of Charnwood. The group pointed out that the aspirations of older people would change and become more demanding in the future.

On 6 January the residents at the briefing session broke into groups to discuss this chart the results of the additional telephone survey and the resulting comments have been added to the chart. Any priorities as a result of the additional survey have been amended in italics. Total number of results **including** additional telephone survey = 942 approximately - just under 16% response rate of the Council's 6000 properties. 93 % respondents were tenants.

On 12 January residents at the meeting also took into account the initial responses (367) from the Council's doorstep survey. These comments have also been added.

The comments on the right hand column have been divided into physical aspects of people's homes and environment and service delivery aspects. These will now be presented to the Council to develop into a standard for Charnwood, which will be costed. The Council will look at each of the housing stock options and produce information that shows what type and level of service each of the options can provide for tenants.

Survey result – amended to included telephone survey results- changes in italics	Comment from ACT and residents groups 14 Dec 04, 6 & 12 January 2005
<p>1. All residents - Dissatisfied or very dissatisfied</p> <ul style="list-style-type: none"> • Windows 32.4 % * linked programmes • Kitchen 30 % • Bathroom 22.6 % • Heating 16.1 % * linked programmes 	<p>Physical aspects</p> <ul style="list-style-type: none"> • Heating should be higher up the list in importance. • Insulation should be a priority alongside heating • Windows should be a high priority • Kitchens – their arrangement and layout should be considered and safety aspects relating to position of power points. Insufficient room in kitchens for appliances such as washing machines • Baths should have lower sides for the less mobile or a walk in shower- give an option. • External structural repairs are important – roofs, guttering and drains <p>Service delivery</p> <ul style="list-style-type: none"> • Start programmes in one area and finish– don't do patches • Heating, windows and insulation programmes * should all be linked to ensure energy efficiency • Roofs need to be inspected more often • Residents need more information about external programmes

Survey result – amended to included telephone survey results- changes in italics	Comment from ACT and residents groups 14 Dec 04, 6 & 12 January 2005
<p>2. What tenants want?</p> <ul style="list-style-type: none"> • New kitchen 44.6% • External security 43.2% • Shower over bath 39.3% • Communal areas 38.4% • Internal security 37.3% • New bathroom 37.2% • Double glazing programmes 32.5 % * linked • Central heating programmes 9.1 % * linked 	<p>Physical aspects</p> <ul style="list-style-type: none"> • Heating should be a higher priority • Bathrooms – lever taps should be fitted as standard • Walk in shower should be standard for the elderly and disabled. • Shower over bath should be standard for all tenants. • Kitchens should have more worktops and the layout was important- should be more user friendly and the height of work surfaces and flooring should be appropriate • Thought both kitchens and bathrooms should be renewed after 15 years if not in good condition and if not adequate for the need. • Properties should have adequate number of electric sockets at the right height and in appropriate positions Some residents have installed extra power points themselves. • Cooker power points should be in safe positions not over cookers • Extractor fans should be fitted as standard • Efficiency of existing water heating systems should be checked • Fire precautions and security on communal areas • Locks on double glazed windows • Some of the communal areas and binrooms in blocks are filthy and it is not clear who is responsible for cleaning which areas. • Increase the safety on the roads on estates <p>Service delivery</p> <ul style="list-style-type: none"> • Make sure programmes of improvement work are cost effective eg window replacement rather than patchy programmes • Cleaning communal areas and bin stores- Council need to provide clear information to residents on responsibilities of tenants and council • Electrics- Electrical checks should be carried out every 2 years for safety reasons and on all empty properties • Trees – raise awareness of the Council’s tree inspection and maintenance plan • Kitchens and bathrooms should be renewed after 15 years if not in good condition and if not adequate for the need. <p style="text-align: center;">44</p>

Survey result – amended to included telephone survey results- changes in italics	Comment from ACT and residents groups 14 Dec 04, 6 & 12 January 2005
<p>3. Sheltered Housing</p> <p>Not satisfied:</p> <ul style="list-style-type: none"> • Garden Maintenance 8.8% • Maintenance of footpaths 7.6% • Outside lighting 4.2% • Security of building 3.2% • Warden service 2.3% • Communal facilities 2.1% 	<p>Physical aspects:</p> <ul style="list-style-type: none"> • Surprised the size of accommodation not a priority- The conversion of bedsits should continue • Safety and security should be a big issue for older people • External security entry codes for doors to different blocks should be different. Council need to review this as sheltered housing tenants are vulnerable people. • Install phone intercom system for sheltered housing. • Wheelchair and scooter access is important for disabled people. • Often access to buildings and pathways are not wide enough. • There is an aging population in Charnwood so the needs of this age group will be an increasing demand <p>Service delivery</p> <ul style="list-style-type: none"> • Surprised that Warden service not a higher priority • There should be more safety checks in sheltered housing • Leaseholders should be able to tap into a warden service

Survey result – amended to included telephone survey results- changes in italics	Comment from ACT and residents groups 14 Dec 04, 6 & 12 January 2005
<p>4. Leaseholders Very important and important</p> <ul style="list-style-type: none"> • Council repairs & maintenance 10.2% • Protected terms of lease 8.8 % • Council retains freehold 8.2% • Affordable service charges 7.8% • Communal area & security improvements 7.7% <p>%</p>	<p>Physical aspects</p> <ul style="list-style-type: none"> • Leaseholders present agreed with list and priorities <p>Service delivery</p> <ul style="list-style-type: none"> • Leaseholders need more clarity about the different terms of the lease and differing service charge amounts • Better breakdown of service charges showing clearly what is being paid for. It needs to be more specific- it is too generalised • Repairs- contractors performance needs to be monitored better • Leaseholders should be able to tap into warden service

Survey result – amended to included telephone survey results- changes in italics	Comment from ACT and residents groups 14 Dec 04, 6 & 12 January 2005										
<p>5. Residents not satisfied with –</p> <table border="0"> <tr> <td>Cleanliness of streets</td> <td>37.7%</td> </tr> <tr> <td>Parking provisions</td> <td>32.8%</td> </tr> <tr> <td>Maintenance of public open spaces</td> <td>27%</td> </tr> <tr> <td>Play areas</td> <td>22.8%</td> </tr> <tr> <td>External lighting</td> <td>17.8%</td> </tr> </table>	Cleanliness of streets	37.7%	Parking provisions	32.8%	Maintenance of public open spaces	27%	Play areas	22.8%	External lighting	17.8%	<p>Physical aspects:</p> <ul style="list-style-type: none"> • Affordable rents should also be on this list • Play areas important to families with children - • Community facilities in areas for families is important • Heating glazing and bathrooms should be a higher priority • Parking is an issue. Could there be a parking permit scheme or locking posts for designated parking spaces. • Poor parking arrangement – not planned well for vehicle use for the future • Extra external lighting by front door as standard as security and anti social behaviour deterrent – external lighting should be given more priority • Standard of paths needs improving <p>Service delivery</p> <ul style="list-style-type: none"> • Co-ordination of bin collection and street cleaning – needs linking together • Concerned that the under 40s not represented well in the survey • Better maintenance and checking of play areas.
Cleanliness of streets	37.7%										
Parking provisions	32.8%										
Maintenance of public open spaces	27%										
Play areas	22.8%										
External lighting	17.8%										

<p>Survey result – amended to included telephone survey results- changes in italics</p>	<p>Comment from ACT and residents groups 14 Dec 04, 6 & 12 January 2005</p>
<p>7.All residents – Very important and important</p> <ul style="list-style-type: none"> • Higher standard of repairs maintenance & improvements 88.8% • Management of anti social; behaviour 86.8% • Services for the elderly or disabled 86% • Affordable housing 84.5% • Greater say 79.9% • Neighbourhood wardens 77% • Higher presence by housing officer 75.7% • Support for young & vulnerable people 75% 	<p>Physical aspects</p> <ul style="list-style-type: none"> • Higher standard of repairs is very important - Efficient repairs system delivered to a good standard • There needs to be more emphasis on environmental issues and preventative measures especially around anti social behaviour and youth. <p>Service delivery</p> <ul style="list-style-type: none"> • Repairs - Council need to check out the contractors they use more thoroughly • Repairs Contractors to ring to arrange access for repairs should be a standard part of the service • Council need to review all maintenance repairs tickets to ensure Council are not doing tenants responsibility items. Response times need to be reviewed • Council need to increase the % of post works inspections that are carried out - It seems like no one is checking repairs performance although the group realise only 10% are inspected. • Collection of bulk rubbish/furniture now has to be paid for. This has meant that people are dumping these items rather than using the collection service. Council need to review this • The Council need to review how they allocate and let properties as the anti social behaviour of some tenants can have a big impact on the rest of the community • Housing officers should be more visible out there • Support for younger people should be given a higher priority to help reduce anti social behaviour from this group • The inspectors need to have an better understanding of tenants needs • Neighbourhood wardens is a good idea

Survey result – amended to included telephone survey results- changes in italics	Comment from ACT and residents groups 14 Dec 04, 6 & 12 January 2005
<p>8.Housing stock options</p> <ul style="list-style-type: none"> • Wanted to know more 34% • Don't want to know more 40.1% • Didn't answer 28.9% <p>May have been unclear as to what question meant</p>	<ul style="list-style-type: none"> • Need to do more to raise awareness of how important this is. • Council need to narrow down options soon so we can find out more about the options left • Some areas have little trust of the Council- historical as they have been promised things previously that have not been delivered. • Tenants think the Council will make its own mind up so why both to take part
<p>• 9.How residents would like to be informed and get involved</p> <p>This question - Only asked at postal survey not telephone</p> <ul style="list-style-type: none"> • Newsletters 31.6% • By letter 11.4% • Personal visit to the home 7% • Surveys/ response cards 6.1% • Public meetings 6% • Independent drop in advice centres 4.1% • Mobile information centres 4.1% • Videos about the proposals 3.1% • Internet/website 3.1% 	<p>Physical structures for involvement</p> <ul style="list-style-type: none"> • Need to make personal contact • Resident Meetings with housing department about major works programmes would be good. • Communication from the Council could be better • Youth involvement – need to set up a Young tenants group for people in 20's age group and also link into Youth Council to get a younger persons perspective on housing. • There are other community groups that the Council could link into – eg toddler groups. There is a list at John Storer House. <p>Service delivery</p> <ul style="list-style-type: none"> • Need to be more proactive about giving information about the programme • There have been lots of changes of housing officers which is not good for relationship building- continuity is needed. • People on call centre don't know who you need to speak to- need training • More personal visits and face to face contact with people would have an impact