

HRA Business Plan 2006-11 – Contents



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FOREWORD BY THE LEADER OF THE COUNCIL

In South Holland we are facing a number of competing demands on our limited resources. Following a review of our Corporate Plan, affordable housing has emerged as our highest priority for the immediate future. To achieve our ambitions we will continue to be innovative in our approaches and will work with all potential partners who share our aims.

We and our tenants have identified the need to invest in existing Council owned properties to meet the housing needs of South Holland and we have worked together to produce a Housing Revenue Account Business Plan which demonstrates that we can meet and exceed the Government's Decent Homes Standard by 2010. The Government has approved this decision, so that our tenants can continue to rent their homes from the Council as their choice of landlord.

Our Landlord Services have been restructured so that they are brought into a single service with fully integrated housing and property functions. This includes teams covering homelessness and housing advice, generic tenancy management, tenant participation, supported housing, responsive repairs, planned maintenance and modernisation and HRA Business Planning. Our Landlord Services have recently been assessed by the Housing Inspectorate as fair, with promising prospects of improvement. We are demonstrating continuous improvement to our services especially our responsive repairs performance and we have developed a comprehensive Best Value Improvement Plan which is over 80% complete.

We present this business plan as our proposals to ensure that all our tenants enjoy a high standard of accommodation and a quality service which supports their housing needs.

Gary Porter
Leader
South Holland District Council



EXECUTIVE SUMMARY

This is the Housing Revenue Account Business Plan for South Holland District Council. In it we address the national and regional priorities for social housing and reconcile these with our own local priorities and objectives.

South Holland is a unique environment in the fenland area of eastern England. It is sparsely populated and has a rural and farming infrastructure. It is located in the south of Lincolnshire and has boundaries and affinities with the economies and housing needs of neighbouring rural authorities in Cambridgeshire and Norfolk and the urban conurbation of nearby Peterborough. The north-eastern boundary of the district is the unspoilt coastline of the Wash.

Our vision is to develop and promote South Holland as a thriving, living and working rural community.

The Corporate Plan aims to develop and promote this through four themes:

Providing	to provide a safe, secure and healthy place to live
Developing	to develop a thriving rural community
Leading	to be a leading edge authority providing value for money, quality services
Listening	to listen and involve the community and work with partners

Our Housing Strategy is the primary delivery mechanism for delivering our priorities for housing sets out the key priorities, which are:

- Priority 1 - To provide more high quality affordable housing
- Priority 2 - The direct delivery of a high quality social housing landlord role
- Priority 3 - Reduce the incidence of homelessness
- Priority 4 - Work with others in support of the housing needs of the district

The Housing Strategy is available at www.sholland.gov.uk. For more information about the Housing Strategy you can contact James Faircliffe, Housing Strategy Manager on 01775 761161.

This HRA Business Plan is a related document which sets out how the services provided by the landlord services will be managed and contributes to the achievement of priorities 2 and 4. The priorities identified in the Business Plan to meet these objectives have been informed by the following:

- The Housing Stock Options Appraisal carried out in 2004/5

- An Audit Commission inspection of the Housing Landlord Service was carried out in March 2005. The service was judged to be fair, with promising prospects for improvement. The recommendations from the inspection have informed changes to the way we deliver our delivery of housing services.
- A Best Value Review of the service also carried out in 2005
- The work of the Tenant Participation Working Party and consultation with tenants.
- Our Housing Needs Survey carried out in 2004
- Our council housing stock condition survey carried out in 2004 for the Stock Options Appraisal and is continuously updated
- Business modeling by our consultants, HACAS, which is reviewed annually
- The most recent tenant satisfaction survey carried out in 2006 revealed that:
 - 89% of tenants are satisfied with our housing services, an increase from the previous 83% in 2003
 - 90% are satisfied with the accommodation provided, an increase from the previous 81% in 2003
 - 86% are happy with the way we deal with their repairs and maintenance, also showing an increase from 81% in 2003

Housing Strategy Priority 2 - The direct delivery of a high quality social housing landlord role

Two key priorities have been identified in achieving the direct delivery of a high quality social landlord role. The priorities for use of the Housing Revenue Account to meet these objectives have been principally informed by the Options Appraisal, recommendations from the Audit Commission Inspection, the Best Value review team and through consultation with tenants.

Improve the housing stock to achieve the Decent Homes Plus standard and maintain the homes efficiently

By January 2006 81% of our dwellings met the Decent Homes standard. We will exceed this standard in all our houses by the target date of 2010. The business modeling by HACAS demonstrates that we can achieve this and maintain the housing revenue account in balance throughout the 30 year business planning period.

We have completed an Options Appraisal process and will retain a landlord role with homes that meet the Decent Homes Standard, which requires all social housing to:

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

We have agreed, in consultation with tenants that we want to exceed this standard to achieve what we call 'Decent Homes Plus' to include:

- replacement of external doors
- extractor fans, new floor coverings, kitchen redecoration and bathroom refurbishments
- external wall insulation to homes with solid walls
- replacement sewage treatment works
- Finlock gutter replacements
- re-building of Airay houses and prefabricated bungalows.

Provide efficient tenancy management service

We will continuously to identify opportunities to increase tenant involvement and participation to improve the customer interface and experience.

This is a summary of the priorities that we have identified for action.

1 Improve the housing stock to achieve the Decent Homes Plus standard and maintain the homes efficiently

In 2006/07

- Allocate £3.6m in the 2006/07 capital programme for repairs and improvements to the Council's housing
- Complete the major modernisation of Nene Court, Spalding
- Implement an appointments system for tenants reporting repair requests
- Update and maintain data on our housing stock condition

2 Provide efficient tenancy management service

In 2006/07

- Review and improve tenancy management procedures and standards
- Increase tenant involvement by influencing the management and development of our services providing new opportunities for involvement through a menu of options
- Provide staff with more opportunities to be involved in tenant participation
- Improve information on diverse needs of tenants to improve future service planning

Housing Strategy Priority 4 – Work with others in support of the housing needs of the district

Two key areas of work for the Housing and Property service have been identified, within this strategic priority. These areas of work have been informed by recommendations from the Audit Commission Inspection and the Best Value review team; and consultation with tenants.

This is a summary of the priorities that we have identified for action.

1 Supporting Community Development and Safety

In 2006/07

- Improve effective use of enforcement action in cases of anti social behaviour
- Promote and support the South Holland Domestic Violence Forum and the WASH outreach service for victims of domestic violence

2 Ensuring those with special needs receive the appropriate support

In 2007/08

- Improve levels of support provided to vulnerable tenants in general needs housing
- Identify opportunities to support vulnerable people in our communities
- Promote awareness and take up of housing and other benefits
- Improve data management to align the property database with the housing register to achieve more accurate property allocation

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INTRODUCTION

This is the Housing Revenue Account (HRA) Business Plan for South Holland District Council. In it we address the national and regional priorities for council housing and reconcile these with our own local priorities and objectives. This document compliments our Housing Strategy, which addresses the need for all tenures (ownerships) of housing in South Holland.

The Housing and Property Service has been through a period of change since the Business Plan 2004. The service has been inspected by the Audit Commission, and has also undergone a Best Value Review. Service improvements have been implemented, and will continue to be introduced over the life of this plan.

In this document we consider the future of nearly 4,000 properties which we own and manage as a landlord service. Our plan is to ensure that all these properties exceed the Government's Decent Homes Standard by 2010 and we say how we will achieve this. We also look at the demand for council houses as part of our district's overall housing market. We aim:

- To maintain the condition of and facilities in our housing to a higher standard than Decent Homes
- To optimise cost-effectiveness in the use of the housing stock
- To seek to continuously improve the quality, customer focus and efficiency of housing services to tenants
- To optimise the collection of income and attraction of investment to fund these activities
- To find a balance between addressing tenant preferences and enhancing and maintaining our assets where practicable
- To address the need for more affordable homes, through building more Council houses and the efficient use of HRA assets
- To work actively with others to deliver solutions to housing issues in the district

We have a robust and fully considered, prioritised and resourced Action Plan that will deliver the objectives of the HRA Business Plan.

2. ABOUT SOUTH HOLLAND

South Holland is a unique environment in the fenland area of eastern England. It is sparsely populated and has a rural and farming infrastructure. It is located in the south of Lincolnshire and has boundaries and affinities with the economies and housing needs of neighbouring rural authorities in Cambridgeshire and Norfolk and the urban conurbation of nearby Peterborough. The north-eastern boundary of the district is the unspoilt coastline of the Wash.

Some facts about the district:

- the area consists of 74,238 hectares consisting primarily of small rural communities and five towns of Spalding, Holbeach, Long Sutton, Crowland and Sutton Bridge
- one-third of the population live in the main town of Spalding
- there is a population of 80,700 (ONS Mid 2004 population estimates)
- projected increase in the 0-19 population of 5.3% by 2011
- the greatest growth being in the over 65 age, "active pensioner" group
- the "older" retirement group, i.e. those 80 and over, growing by almost 53%, 1,800 more people, by 2011
- there is a 2.8% black and minority ethnic population (Census 2001); however there are growing communities of EU migrant workers supporting the seasonal agricultural economy
- unemployment was at 1.4% in July 2005
- the average gross annual earnings are £20,204 compared to the national average £25,170 (New Earnings Survey 2003).

Political and management structures within South Holland

South Holland is a district council located in the county of Lincolnshire and within the administrative region of the East Midlands Government Office. We have 38 Elected Members of which 26 are Conservative, 10 are Independent and there are 2 others.

Political direction and policy is driven by the Cabinet with a number of working groups in support. Operational requirements of the housing functions are progressed through these Groups

- Capital Programme Group
- Risk Management Group
- Private Sector Housing Service, which also includes the Housing Strategy and new affordable housing
- Decent Homes Expenditure Working Party
- Tenant Participation Working Party.

To reflect the high priority of housing management and the housing enabling role the function is organised as a corporate and cross cutting service with professional and technical direction provided from Housing & Property Services, Community & Neighbourhood Services (private sector housing) and Planning & Development. There is a strong culture of Customer Service and this is provided through our new 'One Stop Shop' which is based in Spalding

but has a strong element of outreach to the remoter communities.

All the above have an input to the HRA Business Plan and support the delivery processes impacting on the South Holland Housing Strategy. The Capital Strategy and the Asset Management Plan outline priorities for all our capital projects and are consistent with our housing priorities.

3. HOUSING PRIORITIES FOR SOUTH HOLLAND

Our vision is to develop and promote South Holland as a thriving, living and working rural community.

The Corporate Plan aims to develop and promote this through four themes:

Providing	to provide a safe, secure and healthy place to live
Developing	to develop a thriving rural community
Leading	to be a leading edge authority providing value for money, quality services
Listening	to listen and involve the community and work with partners

Our priorities for housing are:

Priority 1 - To provide more high quality affordable housing

Priority 2 - The direct delivery of a high quality social housing landlord role

Priority 3 - Reduce the incidence of homelessness

Priority 4 - Work with others in support of the housing needs of the district

These are our objectives because these are the priorities for our communities and the people of South Holland. They have been agreed based upon:

- Extensive consultation, principally through the Housing Needs Survey, but also through the Citizens Viewpoint Panel and by consulting with our tenants about the way we deliver the landlord service and how they wish to see it develop.
- The need to develop our housing strategy consistently with our corporate objectives and with other policies and strategies.
- Consistency with the objectives of the Local Strategic Partnership set out in the Community Plan.
- A full six week consultation period and the list of consultees is at Appendix B.

Priority 2 is delivered entirely through the HRA Business Plan and it makes an important contribution to Priority 4. How we aim to achieve this through the Plan is set out below. The Plan is informed by and links to other key policies and strategies. The policy framework is a holistic set of documents that provide an integrated corporate plan. The diagram in section 5 of this document, demonstrates the links between the business plan and the policy framework, and other influences on the business plan.

Housing Strategy Priority 2 - The direct delivery of a high quality social housing landlord role

Options for improvement

We have completed a Stock Options Appraisal process and will retain a landlord role with homes that meet the Decent Homes Standard, which requires all social housing to:

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

We also had to establish, in consultation with tenants, whether we wanted to exceed this standard to achieve what we call 'Decent Homes Plus' and it has been agreed that our decent homes standard will be increased to include:

- replacement of external doors
- extractor fans, new floor coverings, kitchen redecoration and bathroom refurbishments
- external wall insulation to homes with solid walls
- replacement sewage treatment works
- Finlock gutter replacements
- re-building Airey houses and prefabricated bungalows.

These are our Priorities for Action in order of importance

1 Improve the housing stock to achieve the Decent Homes Plus standard and maintain the homes efficiently

In 2006/07

- Allocate £3.6m in the 2006/07 capital programme for repairs and improvements to our housing
- Complete the major modernisation of Nene Court, Spalding
- Implement an appointments system for tenants reporting repair requests
- Update and maintain data on our housing stock condition

2 Provide an efficient tenancy management service

In 2006/07

- Review and improve tenancy management procedures and standards
- Increase tenant involvement by influencing the management and development of our services providing new opportunities for greater involvement through a menu of options
- Provide staff with more opportunities to be involved in tenant participation
- Improve information on diverse needs of tenants to improve future service planning

In 2007/08

This is what we have achieved so far:

- Options Appraisal – together with our tenant partners we successfully demonstrated to the Government that we can meet the Decent Homes Plus Standard by 2010
- We have introduced an improved comprehensive new Tenant Handbook pack
- We have delivered an increased capital spend of £4.38m in 2005/06 to meet the Decent Homes Plus standard for tenants including:
 - installing 325 new kitchens and bathrooms, 157 new roofs and upgrading 97 central heating systems
 - introducing an external door replacement programme
 - the Supported Housing Service received satisfactory ratings in its first Supporting People assessment
 - Working with an insurance company, we have launched a home contents scheme for tenants

What Government wants

In 2000 the Government made a commitment to make all housing provided by councils and other social housing providers 'decent' by 2010. Government required all councils with their own stock to appraise their management arrangements and determine the best future management options for the tenants.

What the East Midlands Region is seeking

The Regional Housing Strategy endorses the demand for social rented housing to meet the Decent Homes Standard and to be fit for purpose. Furthermore, landlords are encouraged to dispose of unpopular sheltered housing and build new 'healthy' dwellings. Improving capacity in the construction industry through training is a priority in the action plan for the Eastern sub-region of the East Midlands.

Those who rely on sheltered housing feature highly and landlords are encouraged to re-model or dispose of unpopular schemes and to channel re-investment towards achieving Decent Homes.

Responding to local need

In 2004 an independent Tenant Satisfaction Survey revealed 82.6% of respondents were 'satisfied' with the housing service and that 81.3% were satisfied with both value for money and overall satisfaction with the accommodation.

We meet regularly with the Police and other landlords to liaise regarding anti-social behaviour and deliver targeted and practical solutions. In 2005, the Housing Inspectors found that the housing areas and council estates are environmentally pleasant and free of litter, with regular monitoring taking place. In January 2006, 81% of the stock met the Decent Homes Standard, compared with 69% for the average district council performance in April 2004 (Source: performance indicator BV184a).

New Housing Revenue Account Business Plans have been produced in 2004 and 2006 with the main aims being:

- to maintain the condition and facilities in our housing to a high standard
- to optimise cost-effectiveness in the use of the housing stock
- to seek continuous improvement in the quality, customer focus and efficiency of housing services to tenants
- to optimise the collection of income and attraction of investment to fund activities
- to find a balance between addressing tenant preferences whilst enhancing and maintaining our assets
- to address the need for more affordable homes through building more Council houses and the use of HRA assets
- to work actively with others to deliver solutions to housing issues in the district.

Meeting Housing Need

Demand for our homes is high. In 2005/06, over 80% of properties have been let upon the first or second offer. There are no geographical areas of low demand.

Our housing stock is predominantly family accommodation, or level access accommodation for older people or people with disabilities. We have assessed stock composition against housing need in the district and we are satisfied that this is appropriate accommodation and we do not consider the housing stock requires a change in composition over the next 5- 10 years. The Housing Needs Survey identifies a shortage of housing generally. This will be addressed through support for RSL development and council developments using s.106 receipts and council owned land. For example, we have constructed four properties in 2005 and plan to complete 14 in 2006-7 and a further four in 2007/08.

The Housing Needs survey identifies a growing older population. Our stock of ground floor and sheltered accommodation is generally appropriate to address needs, however studio flat with shared bathroom facilities in two sheltered schemes, which are not in such demand, have now been modernised into self-contained flats.

25% of Council stock has disabled adaptations. We will seek to make the best use of our own adapted properties when they become vacant and will include details of adaptations on our property register.

We have responded to high demand from households, by adding the stock through private sector leases. These properties are used to provide temporary accommodation to homeless households.

Details on the market, or need for council accommodation can be found in section 4 of this document, and in the Housing Strategy.

South Holland housing stock – composition

Our housing stock consists of:

	House	Bungalow	Flat	Total
One bedroom	0	668	121	789
Two bedroom	351	1011	156	1518
Three bedroom	1630	1	0	1632
Four bedroom	13	0	0	13
Total	2008	1680	277	3951

Housing stock – condition

The housing stock is predominantly traditional and low-rise. We have carried out a Stock Condition Survey to provide a reliable data source to inform the Stock Options Appraisal project and the work necessary to achieve the Decent Homes Standard. The survey was based on a 17% stock survey and was completed in February 2004 by our in-house team of surveyors. This survey was independently validated by building surveying consultants, Mazars. The result of the stock condition survey shows that we can achieve the Decent Homes Standard by 2010 within our existing resources.

Decent Homes Criteria	Number of failures
A Non-decent failures Total	647
Structural stability	0
General disrepair	0
Adequate lighting, heating & ventilation	0
Food preparation area (essentially all failures were due to lack of satisfactory food preparation areas)	647
B Disrepair Total	46
Key Elements	15
of which	
Wall structure	0
Wall finish	7
Chimney	2
External doors	6

Electrical supply	0
Heating boiler	0
Non-key Elements	32
of which Kitchen amenities	48
Bathroom amenities	38
C Modern Facilities Total	167
Kitchen less than 20 years old	1359
Kitchen adequate space and layout	587
Bathroom less than 30 years old	1162
Adequate noise insulation	0
D Thermal Comfort Total	0
Roof insulation	0
Wall insulation	0
Total properties not meeting the standard	744
Total stock as at September 2006	3951
Percentage Non-decent	19%

This table only shows where failures have been recorded and not all the criteria relevant to the DHS. Each line records the number of failures for that criterion and the totals at a, b, c and d record the number of properties failing, for example to fail on modern facilities a property has to fail at least 3 out of the 6 criteria. Of the 744 homes failing, 647 fail due to inadequate food preparation areas. We know that there are some inaccuracies in the cloned data as those checked to date have been found to meet the standard. If all these failures, when checked meet the standard, then 96% of homes will meet the standard.

Updating Stock Condition database

To ensure that the stock condition data is kept up-to-date at least 500 new surveys will be carried out each year. This continuous surveying will serve two purposes – it identifies more accurately the need for work and updates the data on the number of homes that are decent. From April 2006 survey forms will incorporate the Housing Health and Safety Rating System as it affects the Decent Homes Standard.

Newly Arising Need

The current level of non-decency is 19%. The profile of newly arising need up to 2010 is shown below, based on the hypothetical assumption that no work is carried out in the meantime. These may be subject to revision.

Disrepair 72 homes (mainly kitchens and bathrooms)
 Modern facilities 199 homes (mainly kitchens and bathrooms)

There is no newly arising need on fitness or thermal comfort criteria, as these are finite items and once up to standard require no further investment.

We have not carried out any analysis of the survey for smaller geographical areas within the District. This is considered unnecessary due to the similarity of our housing throughout South Holland. Further information on the survey is available from:

- the survey validation report by Mazars
- the report on the survey by the District Auditor
- our own stock condition reports.

And these can be obtained by contacting the Head of Housing & Property on 01775 761161.

In 2005/06, the following works were carried out to homes:

Work	Cost £	Number of dwellings
Rewiring	£102,000	142
Roof covering	£853,000	183
Windows	-	-
Central heating	£320,000	114
Insulation	£3,000	44
Kitchens	£1,513,003	267
Bathrooms	£662,500	265

South Holland housing stock – future programme

Modelling by our consultants HACAS has shown that our based on retaining the stock the HRA Business Plan is sustainable over the long term. We can also achieve the Decent Homes standard, plus a significant amount of additional work, by our target date of 2010. Further details are given in section 7 and in Appendix H of this document.

Procurement

Our Corporate Procurement Policy and Strategy ensures that resources are procured efficiently and effectively and that innovative procurement methods are encouraged in line with the Byatt report of 2001. We use the National Procurement Strategy as its best practice baseline and have carried out the following:

- Produced Guidance on Contract Procedure Rules
- Produced a 'Selling to the Council Guide'
- Produced a Procurement Manual with a summary guide for officers
- A Supplier Spend Analysis from which will flow efficiency savings and appropriate performance monitoring

We also intend to produce an Annual Procurement Plan.

Since May 2000 we have used Construction-line to select contractors thus avoiding the need for costly and lengthy procurement process. Our Standing Orders for contracts now include the use of negotiated and partnering contracts and these have been used for Kitchen and Bathroom upgrades, general repairs, Re-Roofing, Central Heating installation and our Sewage Maintenance Contract.

The above has resulted in very good levels of tenant satisfaction in 2004/05 88% reported that they were satisfied and in 2005/2006 this rose to 94%. This information can be supported and is backed up through excellent results using the Construction Industry Key Performance Indicators. Post project evaluation ensures that high standards of contractors are maintained each year.

Responsive repairs

Our responsive repair function is carried out by our Construction Services Unit (CSU). The mission and aims of the CSU are:

- to provide a comprehensive and cost-effective repairs service to the tenants and leaseholders of Council properties
- to increase activity and explore business opportunities in maintenance and building works in the public and private sectors
- to support the objective of achieving the Decent Homes Standard

- to make a financial contribution to the Housing Revenue Account to be used for further investment in our stock

We decided to carry out the work directly following a value-for-money exercise carried out in 2003. The new contract improves our service to tenants and benefits include real year-on-year savings, an appointments system for tenant repairs and extended working hours.

Our careful investment on planned works helps to keep our spending on responsive repairs at a prudent level. In 2004/05, 82% of the spending on our stock was for planned works and 18% was for responsive repairs against a target of 70% for planned works.

The Audit Commission identified areas for improvement in the response maintenance service during their inspection in March 2005. The Performance Monitoring Panel established the Construction Services Task Group, their brief included the scrutiny of performance of the existing service, issues relating to quality and customer satisfaction. The recommendations that have since been implemented were to continue with the apprentice scheme and expand where possible, to continue to monitor quality of work and customer satisfaction and to advise tenants on progress of jobs taking more than 1 visit.

In response to many new tenants telling us that the internal condition of our properties could be improved upon letting we introduced a relet standard, we made further improvements to the void repairs process to reduce relet times and to improve the condition of properties on letting. More information about the development of the relet standard is available at section 6 of this document.

Energy Efficiency

All homes meet the decent homes standard for thermal comfort criteria. All homes with cavity walls have been insulated and have a minimum of 150mm deep loft insulation, additionally homes heated with coal or electricity have a minimum of 250mm deep loft insulation. All homes have central heating systems using gas (2,900), solid fuel (545) and electric (476). All homes have PVCu double glazed windows. Due to the improvements that we have made the average SAT rating is 69, this is average for all district councils in 2003/04. In 2006/07 the last homes with uninsulated solid walls will have external insulation applied. Whilst this is not required for the Decent Homes Standard it provides a greater degree of thermal comfort for tenants' and helps to reduce energy bills. A boiler replacement scheme is included in the capital programme and all new boilers installed are highly efficient 'condensing' type.

Improvement Policy

The business plan is based on a Decent Homes Plus Standard which incorporates other improvement works over and above the Government's Decent Homes Standard. The standard arrived at, after consultation at Options Appraisal is based on visiting the property once to bring it up to standard. The standard is based upon the following works having been completed:

- All homes have PVC twin and earth wiring
- All homes have PVCu double glazed windows

- All non-traditional homes were modernised by 1994 and all pre-war homes were modernised by 1998

The standard includes extractor fans, decoration and new floor coverings in kitchen and bathroom refurbishments. Choices offered to tenants include worktop and cupboard colours in kitchens and style and colours for new PVCu doors.

Rental Income

We ensure maximum rental income through rent and arrears collection. We are in the top quartile for rent collection, as demonstrated in the performance indicators (BVPI 66a). Irrecoverable Debt write off is low at an average £15,000 p.a (0.15% of gross debit). The door to door rent collection service was fully phased out in June 2006 following consultation with our tenants'. We offer a range of payment options for and additional options for collection are being currently being considered as a part of the Corporate Best Value Review of Debt Collection.

Housing Strategy Priority 4 - Work with others in support of the housing needs of the district.

Options for improvement

We are committed to delivering a comprehensive and fully integrated Housing Strategy that reflects the diverse needs of the community. As a strategic housing authority we will provide a co-ordinating role in maintaining effective partnerships between the various stakeholders to ultimately ensure that the housing needs of the district are met.

Two key areas of work for the Housing and Property service have been identified, within this strategic priority. These areas of work have been informed by recommendations from the Audit Commission Inspection, the Best Value Review and in consultation with tenants.

These are our Priorities for Action in order of importance

1 Supporting Community Development and Safety

In 2006/07

- Improve effective use of enforcement action in cases of anti social behaviour
- Promote and support the South Holland Domestic Violence Forum for victims of domestic violence

2 Ensuring those with special needs receive the appropriate support

In 2007/08

- Improve levels of support provided to vulnerable tenants in general needs housing
- Identify opportunities to support vulnerable people in the community
- Promote awareness and take up of housing and other benefits
- Better align property records with housing application data

Responding to local need

Ensuring those with special needs receive the appropriate support – using a range of housing tenures

In providing for the elderly and other vulnerable groups, we are assisting in the delivery of the Lincolnshire Supporting People Strategy 2005-2010. This has prioritised the following groups for new support provision:

- young people
- homeless people
- women fleeing domestic violence
- older people
- people with mental health problems
- people with physical and sensory disabilities.

In some cases this will mean providing new, more appropriate services rather than providing more services overall. The priorities are also in the context of three over-arching themes: people with complex needs, move-on accommodation and people who misuse substances such as drugs or alcohol.

Our sheltered housing

More than 50% of our tenants are over 65 and to reflect this 25% of the stock is sheltered and a further 25% designated as elderly and disabled. We manage 1,000 sheltered homes across 31 sites. This includes three sheltered schemes of flats at Trinity Court, Crowland; Glen Haven, Pinchbeck and Nene Court, Spalding. Trinity Court has been refurbished and now consists of self-contained, more spacious accommodation with a fully adapted unit with wheelchair access. Glen Haven had already been updated and work at Nene Court has commenced. Improved technology has been introduced at all sheltered housing schemes and Scheme Managers have access to integrated management and support systems. We entered into an agreement with our neighbours South Kesteven District Council (SKDC) to provide the out-of-hours emergency and lifeline services. We have invested in new technology to support the needs of other vulnerable groups, irrespective of age or tenure and we have upgraded our systems to improve our performance in this area.

Our Sheltered Housing Service has been modernised to meet the support and accommodation needs of older people. In response to this change a new post of Supporting People Manager was added to the establishment with a dedicated supported housing team. A Supporting People Audit carried out in the autumn of 2004 assessed us at a level 'C' (satisfactory) with some elements of the criteria achieving the higher level 'B'. A further review was undertaken in June 2006 at three of our non-warden sites and we complied with all six objectives. Whilst we have retained a level 'C' we have now moved more of the objectives up to a 'B' or partial 'B'. We are aspiring to have full level B assessment following the next inspection.

As part of the restructure process we considered the following options.

- Continuing to use residential wardens as the main form of service delivery. This would have required no major changes, but would not provide the modernised service required to meet the needs of this group.
- A variation on the above would have involved scheme managers providing out-of-hours cover via the Care Centre whilst retaining the residential staff.
- Using non-residential scheme managers based at individual schemes. This might have assisted recruitment of staff but would not have added flexibility to the service.
- Using some residential scheme managers and mobile wardens to provide a more flexible and responsive service over a number of schemes. This would make the service better able to deal with the needs of individuals in a professional way, and would only require minor organisational changes when opportunities arose.

We have chosen the last option following consultation with staff and tenants as it provides the most flexible and modern approach. The clusters are managed by residential scheme managers. A phased approach is being taken, making adjustments to services following retirement or staff vacancies.

We have secured a bid from Supporting People for the use of lifelines and responsive mobile services across the district to provide emergency services to vulnerable people irrespective of tenure, age or need. This will provide smart technology to enable vulnerable people to retain their independence and stay in their homes for longer. We have prepared further bids to Supporting People and we are working closely with other housing providers to support the housing need of other vulnerable groups such as teenage pregnancies, people with mental health problems and young vulnerable persons. We also aim to attract external funding through the preventative agenda.

A safe and crime-free place to live

The Housing service contributes to the corporate objective of improving community safety in its work to tackle Anti Social Behaviour and enforce tenancy conditions.

- Successful court action was taken in 2003 to evict one household who persisted in anti social behaviour
- We have an anti-social behaviour team that works closely with the housing management team. Officers meet regularly with other local social landlords, social services and the police to liaise on crime and disorder issues in the area. We aim to link this work with the Respect agenda within Housing Management
- The inspection of the Landlord Service in March 2005 by the Audit Commission found that there are effective arrangements in place to tackle anti-social behaviour. We use acceptable behaviour contracts (ABCs) and Anti-Social Behaviour Orders (ASBOs) where necessary.
- The Secure Tenancy Conditions were changed in 2005 and the revised agreement provides clear information about behaviour considered to be anti social, and action we may take in the event of such behaviour. This is supported by further information in the new Tenants Handbook.

4. THE MARKET FOR COUNCIL HOUSING

Need for Social Housing

Our Housing Needs Survey update (2004) identified that 530 affordable housing units are needed annually. Re-lets in the existing stock, mainly council houses, are insufficient to meet this need. It found that there was a shortfall of 269 affordable homes per year which is principally in the social rented sector. Therefore the demand for Council housing remains strong.

As there is a great demand for rented accommodation in South Holland we believe that it is important to retain a direct landlord role so that we may have an effective influence in the housing market. The demand for social rented housing is informed by our housing register which is a waiting list for Council and some Housing Association homes. There were 1840 households on the housing register at 1 April 2006, of which 796 need specialised dwellings (for example, because they are elderly or experience disabilities).

The most urgent demand on social rented homes in recent years has come from an increased number of homeless households. And we have taken action to address this. The new specialised homelessness team focuses on the prevention of homelessness, and has made dramatic improvements in the practices, which have resulted in improved outcomes for customers and reducing costs. More information will be found in the Homelessness Strategy which will be revised in 2006. We have produced a comprehensive suite of housing needs and advice leaflets which are available in a number of formats.

Cost of social housing

The Housing Needs Survey found that 86% of households renting pay less than £70 per week. Social housing tenants have the lowest incomes concentrated below £15,000.

Council accommodation offers the most economical housing solution in the district. This is because of the subsidy arrangements when properties were constructed and low management costs. Our average rent for 2005/06 is £48.85 based on a 50 week rent year. Research published by the Housing Corporation in February 2004 (Source 66) showed that the average rent for RSL two and three bedroom properties in the District were 43% and 52% higher respectively than the equivalent council properties.

5. INFLUENCES ON SOUTH HOLLAND'S HOUSING REVENUE ACCOUNT BUSINESS PLAN

Our HRA Business Plan is influenced at the highest level by national and regional and local housing strategies and policies.

Comprehensive Performance Assessment

The Comprehensive Performance Assessment was carried out by the Audit Commission in November 2003. We were assessed as fair. One of the key findings was we have "...clear ambitions for improving the local quality of life which are rooted in a good understanding of the needs of the area." Some areas identified for improvement were identified were delivery of affordable homes, and meeting the decent homes standard. Both of these areas are being urgently addressed and are included in the Corporate Plan, the Housing Strategy and in this HRA Business Plan.

Audit Commission Inspection March 2005

An inspection of the Housing Landlord Service was carried out in March 2005, and the service was judged to be fair, with promising prospects for improvement. The inspection recommendations have informed changes to the delivery of housing services.

- The responsive repairs service was identified as needing improvements by the introduction of an appointments system and the introduction of a performance monitoring system. Since the inspection an appointments system has been implemented and performance on completing jobs has improved. Performance is monitored monthly by the Senior Management Team and by the Executive.
- There was no lettings standard in place for empty properties and a standard has since been developed and implemented
- Information and leaflets were limited so an improved Tenants Handbook has been designed and distributed to all of our tenants.
- The performance management system was not robust enough to ensure effective performance management across all services. A performance management framework has been developed and implemented to deliver and monitor performance.

The Community Plan and the Corporate Plan

The Community Plan has been developed by the Local Strategic Partnership to bring added value to the many services provided by statutory and voluntary bodies within the area. The partnership also forms the core of an innovative Rural Action Zone. In meeting community aspirations the Partnership include in their priorities:

- improving community safety and a reduction in anti-social behaviour
- bringing empty buildings back into effective use
- recognising older people wish to remain independent in their own homes
- promoting energy efficiency

- ensuring new housing has the appropriate infrastructure, including good transport linkages
- providing the facilities that will support the economic growth of the area, including affordable housing.

Links with our Corporate Plan are demonstrated in section 3, "Vision and Priorities" and in Appendix A. The diagram over the page demonstrates the links between the business plan and the policy framework, and other influences on the business plan.

There are clear linkages between the Community Plan's aspirations and the priorities of the Housing Strategy and the people of South Holland have been consulted over a new Community Plan which takes effect in 2006.

Best Value

A Best Value Improvement Plan was adopted in 2001 to modernise our sheltered housing service in the context of the Supporting People regime. This included a multi-disciplinary approach and the introduction of new technology. A further review and update of this service was undertaken in 2005. The service was inspected by Supporting People in 2004 and was found to be satisfactory. Linked to the above, a Best Value review of Access to Services in 2002 has led to the introduction of fully integrated customer services which focus on enhanced customer care skills, providing first class housing advice, and meeting the needs of our tenants.

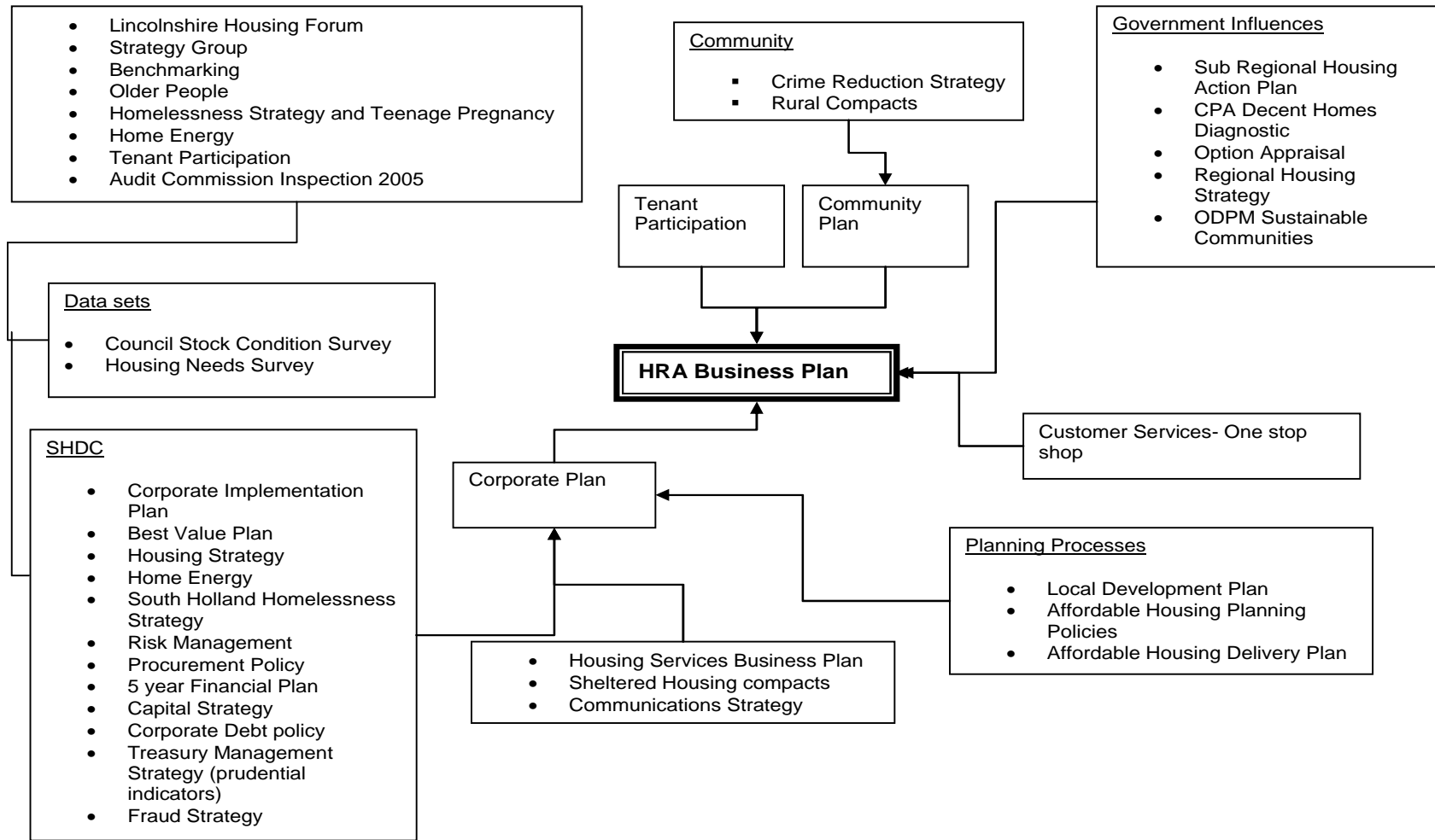
A Best Value review of Housing Landlord Service was completed in December 2004, and the improvement plan was the catalyst for improvements to the service before and after the Audit Commission inspection.

Crime and Disorder

The existing South Holland Crime and Disorder Partnership has produced a new strategy and outputs from the partnership include:

- South Holland Domestic Violence Forum is led by the Housing Manager. We have hosted 4 training days to raise awareness of this issue
- the introduction of WASH (Women's Aid South Holland) – an advice and outreach service to victims of domestic violence – and this has expanded to include a second base in Holbeach
- installation of improved security to windows and doors to Council-owned properties
- a revised and more active policy on anti social behaviour
- support to the Lincolnshire Multi-Agency Public Protection Panel.

We work with the Police with a drama project for schools to raise young people's awareness of bullying and anti-social behaviour which has been well received.



6. WORKING WITH COMMUNITIES

Consultation on Housing Issues

The residents of South Holland have been consulted on housing priorities through a number of mechanisms:

- the Community Plan
- the Housing Needs Survey
- Viewpoint Citizens Panel
- the Market Town Initiative
- Housing Stock Options Appraisal
- South Holland Tenants Group
- Developers Forum
- Re-deposit Local Plan

In addition, a number of partnership initiatives are contributing to meeting the housing needs of the district and, in partnership with other agencies, we are making an impact on the general well being of residents.

Housing needs and preferences expressed in the Housing Needs Survey inform the type and location of future affordable housing development.

The HRA Business Plan has been developed in consultation with members and tenants. The business plan has been considered by Cabinet, and the Policy Development and Performance Monitoring panels. Tenants have had opportunity contribute at the Tenant Participation Working Party.

South Holland Rural Action Zone

In 2000 with others we formed a Rural Action Zone (RAZ) together with Lincolnshire County Council, and in 2003 were awarded Beacon status for our work supporting the rural economy. Engaging with people and organisations that have a role in quality of life issues in South Holland is a feature of RAZ working. The RAZ vision is:

"The Rural City of South Holland" - 80,000 people living in the countryside enjoying the choices and opportunities of city life.

It seeks to achieve regeneration through providing integrated solutions to traditional rural problems. This addresses community needs through improving social and economic well-being. The approach is embedded in our Community Plan and the Rural Academy. Our work featured as a best practice case study in the Rural White Paper and has received recognition from national agencies and the Investors in Communities award programme. Funding from the South Holland Rural Action Zone is contributing to multi-agency initiatives:

- the Raindrops project provided a drop in centre on an estate that previously experienced low demand but no longer does
- the Market House project at Long Sutton (a multi-use centre including District and Parish Council service points, adult education and affordable housing)
- the Sutton Bridge Community Project which brings local people and other agencies together to build capacity, reduce isolation, improve service availability and direct local access
- the Revive and Thrive Project which aims to transform village halls into multi-use centres.

We have been part of a national pilot in developing a Rural Residents Compact for Spalding and Donington and we were the first local authority in the UK to achieve the Investors in Communities (IiC) accreditation.

The Local Strategic Partnership, which oversees the RAZ and the Community Plan, has consulted people on their priorities and feedback supported the need for more affordable housing.

Cross Boundary working

Lincolnshire Housing Forum

The Lincolnshire Housing Forum is supported by representatives from South Holland District Council who regularly meet with other social landlords from across the county, Lincolnshire County Council, the Government Office and the Housing Corporation. There is direct involvement from planners in the Forum and also good links with the countywide planning policy group. The Forum has proved to be an effective body in producing a strategic housing framework for the County of Lincolnshire and co-ordinated action within the sub-region, delivered at a local level by Sub-regional Action Plans and local housing strategies. In addition a number of working groups are jointly developing operational good practice and benchmarking housing activities. This approach has gained recognition as a good example of multi service and partnership working at both strategic and operational levels.

Peterborough Housing Market Assessment

We are working with five other Councils in the East Midlands and East of England Regions to undertake a Housing Market Assessment, which will include looking at the market and need for more affordable housing.

Housing and Health

We strive to promote good quality, safe housing in all tenures which can promote good health. We fund adaptations through Disabled Facilities Grants and provide supported housing. We acknowledge the role to be played by the National Service Framework for Older People and we are working to implement the Supporting People Strategy within Lincolnshire. We have helped to develop a county-wide older persons' housing strategy. Lincolnshire County Council has launched a Housing Strategy for people aged 18 – 64 with physical or sensory disabilities. This has been included in our housing strategy document as part of the County Council's response to our consultation. The County Council also highlighted quality requirement 7 of the National Service Framework for Long-term Conditions (March 2005) regarding appropriate housing and support for people with neurological conditions and our Housing Strategy has been amended accordingly.

Choice Based Letting

We have taken the lead and are working with other Local Authorities and RSL's on a sub-regional Choice Based Lettings Scheme. We are currently preparing a bid for submission to the regional Challenge Fund to support this project.

Changes to Service Delivery informed by Comments and Consultation

Lettings Policy; tenants and housing register applicants were given the opportunity to comment on the proposed policy changes, through a newsletter and survey form. Positive comments were received and the over riding concern expressed from the response was that any changes ensured that the letting of council homes is fair and transparent.

Secure Tenancy Terms and Conditions; tenants were given the opportunity to comment on the proposed changes to the tenancy terms and conditions, through the Housing Newsletter and a survey. Positive comments were received.

Lettings Standard; complaints from tenants regarding the condition of newly let properties contributed to the development and implementation of the Lettings standard, a standard to ensure all council homes are let to a consistent standard of repair and cleanliness. The TPWP were consulted on the detail of the standard. Since implementation no properties have been refused on the grounds of cleanliness, or repair.

Tenants Home Contents Insurance Scheme; which was implemented following consultation with tenants through the Housing Newsletter, which indicated tenants considered it to be a good scheme. The scheme will continue to be promoted through the Housing Newsletter, mail outs, in our reception and during sign-up.

Tenants' Handbook; Tenant Representatives have been consulted on the contents of the Tenants Handbook through the Tenant Participation Working Party. The Tenants' Handbook includes a number of leaflets things like Anti Social Behaviour, Mutual Exchanges, Right to Buy and Service Standards and customer feedback for example. Individual leaflets can be replaced when policies and services change. The handbook is available on the website and can be made available in large print, Braille or by tape upon request. All of our leaflets have straplines.

Home Improvements; Tenants were consulted during the BVPI Tenants Survey in 2003/04 about their priorities for improvements. External doors were seen by tenants as most in need of improvement (64%) followed by kitchens (49%) and bathrooms (46%). When asked to rank items which need improving or renewing in priority order external doors were ranked the highest most often (61%) followed by kitchens (51%) and central heating (46%). To reflect these priorities, the Decent Homes Expenditure Working Party agreed to include a door replacement programme as part of the capital programme for 2005/06.

Sheltered Housing Advice leaflet; following comments from customers about the quality of advice and information on our Sheltered Housing, a dedicated advice leaflet was produced.

Performance Monitoring; the content and style of the quarterly monitoring reporting to the Tenant Participation Working Party, to be implemented 2006/07, has been devised in consultation with the group.

Tenant Involvement

The Government Office has recognised that we demonstrate good practice in tenant participation and we have produced our second Tenant Compact which sets out how we work with out tenants in providing and improving our housing service. Tenants' are involved in meetings of our scrutiny panels, and other strategic groups and activities.

We are committed to promoting tenant participation among our tenants:

- The South Holland Tenants Group (SHTG) was established in 1990 and is an umbrella organisation that consists of representatives from local tenants' groups.
- We have a constructive partnership with the group and provide them with funding for training, publicity, administration and other costs.
- A Tenant Participation Working Party, made up of tenants, councillors and officers, advises councillors through the political management arrangements.
- We employ a Community Engagement Officer who supports the South Holland Tenants Group (SHTG), together with all members of the housing staff who share a responsibility to promote and assist in tenant involvement.

- Tenants are also represented on the Decent Homes Expenditure Working Party. This decided, with strong tenant support, to use unallocated resources within the 2004/05 capital programme to commence a programme of replacement external doors.

The Audit Commission recognised that there were opportunities for tenant participation through a number of avenues. Tenants' are able to influence our decisions in a number of areas and in particular the spending priorities for the capital programme. There a variety of ways that tenants' can make a difference depending on the issues they are interested in, how involved they want to be and the time they have to spare. We have already commenced work on developing new methods and opportunities for resident involvement during 2006. We have developed a menu of options on how to get involved; more information about this can be found on our website. In partnership with our Tenants group we will be hosting a "Community Spirit Awards Ceremony" in November 2006. We already have over 100 nominations for these awards. We have commenced a programme of introducing Sheltered Housing Agreements and this is currently being rolled out across the District. The Community Engagement Officer shares the responsibility for community and resident engagement with the Housing Management Officers.

We undertook a tenant satisfaction survey in 2003/04. 83.4% of tenant' describe the general condition of their property as in very good/ fairly good condition. Only 5.1% describe the condition of their property as poor. 94.7% of tenants are satisfied with planned maintenance works. Performance against tenant satisfaction performance indicators is high.

7. RESOURCES

The East Midlands regional housing strategy for 2004 – 2010 aims to establish themes, trends and priorities for the region. The Region's investment priorities are set out in "Investment in Housing in the East Midlands 2006-08".

In meeting the housing challenges of the District we recognise that our Housing Revenue Account Business Plan needs to be ambitious. To ensure the appropriate resources have been allocated a clear financial plan has been approved based on the following principles:

- realistic forward financial planning, including future resources that will be available to both the council and its partners
- corporate financial targets for revenue services are met
- the HRA Business Plan is informed by corporate aims
- the programmes are supported with evidence of proven need and follows detailed consultation processes
- wherever possible the maximum use is made of match funding opportunities
- opportunities for service users, residents and other stakeholders to influence decision making
- continual monitoring of performance and review of priorities.

Financial Analysis

Our business model plan shows an HRA operating account (Appendix H) that remains in balance through the 30 years and fully funds works needed to meet the Governments Decent Homes Standard. Capital resources are adequate until year 28 (Appendix I) with a cumulative shortfall of £5.3m. The principal assumptions on which the modelling is based are listed in Appendix C, but the following are some of the main points:

Planned Maintenance Activity

Our HRA Business Plan is based on our stock condition survey. The plan fully funds the survey works throughout the 30 year period of the plan. Additional costs have been added to the Stock Condition Survey costs to deliver our Decent Homes Plus Standard which was agreed with tenants during the Housing Option Appraisal process.

Assumptions on income are as follows:

- Government policy on rent restructuring has been included in the model. The formula assures growth above inflation of 1.5% in 2005 and then 2.07% each subsequent year until 2010/11. It is assumed that the formula will increase by 0.5% above inflation

thereafter.

- Increased income from garage rents.
- Management and maintenance allowances (£358.79 and £794.12 per unit respectively) have been calculated using the formula in the HRA subsidy determination for 2006/07. These are considerably better than was anticipated at the time the 30 year model was compiled (£322.88 and £713.70 respectively).
- The major repairs allowance has been included of £439.89 per property in 2006/07 based on ODPM calculations in the HRA subsidy determination. No real increases have been assumed for future years. The model is based on £484.20 per property.
- Useable receipts from Right to Buys to fund the capital programme. The windfall from becoming debt free on 31 March 2004 has been included.

Capital Programme

The capital works in the business plan total £102,431,000 over the plan period. The works programme includes other works above that required to meet the Decent Homes Standard including

- replacement external doors
- extractor fans, new floor coverings and decoration in kitchen and bathroom refurbishments
- fitting showers when required by tenants
- external wall insulation to homes with solid walls
- replacement sewage treatment works
- Finlock gutter replacements
- re-building Airey houses and prefabricated bungalows.

Increasing tenant choice which has been recently reviewed by the Decent Homes Expenditure Working Group includes

- 4 styles of front doors and 4 colours
- 4 styles of electric fires and 2 types of surrounds
- 4 styles of cupboard/drawer fronts
- 2 colours of worktops
- fitting of showers on bathroom upgrades
- 6 colours of front doors on external painting contracts

Right to Buy Sales Receipts

The plan assumes 35 sales per annum in the medium term with a staggered drop to 25 per annum in the final years. It also assumes that 100% of receipts will be utilised for HRA capital expenditure.

The number of right to buy (RTB) sales for the year ending 31 March 2006 was 14 compared to the estimate of 35. The average sale price has increased from what was an estimated £58,000 to £70,000. This has reduced the funding available for the capital programme and the 5 year programme 2006/07 to 2010/11 has been adjusted to reflect this. The changes made to the forward programme in light of reduced funding from RTB sales are summarised below:

- Reduced expenditure on re-roofing – the previous programme if continued would have been running ahead of lifetime replacement cycles. Information from the Stock Condition Survey database has produced a new programme of works at lower annual costs.
- External door replacement – this was the tenants most popular improvement after kitchens and bathrooms. The 5 year programme provides an average of £355,000 per annum for door replacements which means that each year 394 homes will benefit. Whilst this is not the programme we envisaged when estimated RTB sales were higher we had to make a choice between works to make homes decent and tenant aspirations. There are no external doors in poor condition as each home is decorated externally every 6 years and door repairs or replacements are carried out at the same time.
- Sewage Treatment Works refurbishment – previous programmes have been based on lifecycle replacement of plant. Therefore, where works are producing the required effluent quality we intend to continue maintenance of these and target our replacement programme on sites which are performing poorly. This together with an increased quality of maintenance regime has meant the annual expenditure can be reduced without affecting the quality of the service.

These necessary changes have been made to ensure that a balanced programme is achieved which addresses the Decent Homes Standard, tenant aspirations and is in line with our Capital Strategy.

Next time the 30 year Business Plan Model is updated the revised forecast for RTB sales will be adjusted along with other known changes.

Sensitivity Analysis

Set out at Appendix D is a sensitivity analysis on the financial model. This highlights some of the key assumptions in which variations will have a significant impact. We will take this analysis into account in managing the HRA, ensuring that those items which are within our control (for example management and service costs) are achieved. We will also work to influence those items which we can (for example RTB sales and repairs real cost increases).

Summary

We believe that the modelling demonstrates a sustainable HRA position into the long term. In May 2005 the Government Office for the East Midlands approved the Housing Stock Option Appraisal based on stock retention which was the preferred option for tenants and for the council.

Prioritisation of capital resources (linked to the Capital Strategy)

The Capital Programme Group is responsible for approving the option appraisal methodology on schemes and for ensuring that capital proposals are ranked in accordance with corporate objectives and the best use is made of our assets e.g. land holdings. The revaluation of our housing stock was carried out in April 2004 in accordance with the Government's 'Guidance on Stock Valuation', May 2000. As of 1 April 2005, our rented and shared ownership properties had an open market value of £227,356,790. Their existing use value as social housing was £366,704,500. As the housing stock comprises 92% of our assets in value terms, the annual capital programme is dominated by housing expenditure.

To achieve the Decent Homes Plus Standard £15.7m has been allocated for refurbishing our housing stock over the next 5 years. To facilitate additional affordable housing we will sell suitable land to potential partners, including private developers where appropriate. We will examine our own land holdings to determine what is under-utilised, such as some garage sites and disused sewerage facilities, with the aim of possible redevelopment. We will also investigate opportunities to increase our own stock through the development of these sites. We are identifying and releasing HRA land for housing new build in partnership with other housing providers.

The Capital Strategy outlines how we determine our capital spending priorities. It will be revised and amended on completion of each of the reviews highlighted in Section 5 and our 5 year Financial Plan will be updated accordingly. Our Capital Strategy was assessed by the Government Office in 2003 and we have achieved the best rating possible and it has been deemed to be "fit for purpose".

Each year all bids for capital resources, however funded, must be submitted on the Corporate Capital Bid Form to the Head of Finance. All bids include an estimate of the likely revenue consequences (expenditure or savings) over the future 5 years. The bidding process focuses on how the scheme supports the Corporate Plan/Improvement Plan and requires the bidder to detail which of the Corporate Objectives the scheme benefits. The specific customer facing outcomes are also required so that these aspirations can be monitored on completion.

Once all bids are received they are assessed jointly by the Core Capital Programme Group (CPG) in line with the Corporate Project Prioritisation Scheme. The CPG recommend to Strategic Management Team a prioritised list of schemes which are finally checked that they are in line with corporate objectives and are then presented, together with financing options, to Cabinet and Council. Once the programme is agreed by Council any bids for additional resources must go through the same process and can only be agreed by Council.

The bidding round is conducted annually so that every year the 5 year programme is reviewed and refined and the expenditure reflects the latest corporate objectives.

Our Corporate Procurement Strategy ensures that resources are procured efficiently and effectively and that innovative procurement methods are encouraged in line with the Byatt report of July 2001, for example partnering and negotiated contracts are now included.

Best Value Reviews which impact on assets will need to be incorporated in the asset management process. This will directly follow resolutions from the Cabinet. The outcomes from capital investment are defined at the bidding stage. Members are involved in prioritising the capital programme, and approval of the final bid.

Monitoring

The CPG regularly monitors performance against the programme and reports quarterly to Cabinet and Council. The Group recommend to Cabinet to re-allocate resources where necessary if schemes are delayed. All variations to the Capital Programme have to be approved at full Council. Post project evaluation has been used for a number of years in Housing and the CPG are now recommending this good practice is adopted for all relevant capital schemes.

Option Appraisal

We have a detailed procedure for option appraisal contained in the Best Value Manual, called How to Evaluate Options. This process is the responsibility of the Head of Service to carry out prior to submitting bids for Capital resources and this forms part of the assessment of the bid.

The Community Plan and our Corporate Plan focus our top-level priorities. This is reflected in our Capital Strategy for 2004-07) which sets the framework for selecting and monitoring capital priorities. Our Housing Strategy and HRA Business Plan are also focused on implementing the Community Plan and the Corporate Plan, as well as complimenting each other. Their capital spending priorities inform our Five Year Financial Plan and the Capital Strategy sets out the mechanism for implementation.

Debt free status

We became debt-free on 31 March 2004 and this has produced additional resources, which is being directed to housing related projects.

Five Year HRA Capital Programme 2006-2011

Description	2006-07 Agreed	2007-08 Proposed	2008-09 Proposed	2009-10 Proposed	2010-11 Proposed
<u>Capital Bids - Decent Homes</u>					
Council House – Central Heating Upgrades	362,500	373,000	384,000	396,000	408,000
Council House – External Door replacement	464,000	478,000	105,000	115,000	615,000
Council House – External Wall Insulation	124,000	2,800	-	-	-
Council House – Kitchen/Bathroom Replacement	1,977,000	2,036,000	2,097,000	2,160,000	1,043,000
Council House – Re-roofing	453,000	467,000	480,000	495,000	510,000
Linden Court, Spalding	2,500				
	3,383,000	3,356,800	3,066,000	3,166,000	2,576,000
<u>Communal Areas</u>					
Ash Court Guest Room Rebuild	50,000	2,500	-	-	-
Nene Court Community Room, Spalding	-	75,000	25,000	-	-
	50,000	77,500	25,000	-	-
<u>Computer & IT</u>					
Desktop & Printer Replacement	3,920	3,920	3,920	3,920	3,920
E-Government	27,000	27,000	27,000	27,000	27,000
ICT Infrastructure	8,960	7,560	6,160	6,860	8,960
	39,880	38,480	37,080	37,780	39,880
<u>Other Housing</u>					
Disabled Adaptations - Public	150,000	150,000	150,000	150,000	150,000
Sewage Treatment Refurbishment	80,780	80,780	80,780	80,780	80,780
	230,780	230,780	230,780	230,780	230,780
Total Bids	3,703,660	3,703,560	3,358,860	3,434,560	2,846,660
<u>Financial Available</u>					
Capital Receipts	909,840	610,963	309,500	570,916	86,818
HRA Balances	18,890	441,470	336,090	14,920	-
HRA Direct Revenue Funding	312,642	86,832	85,307	155,551	-
Major Repairs Allowance	1,956,288	2,017,970	2,067,980	2,119,190	2,171,510
Supported Borrowing	506,000	546,325	559,983	573,983	588,332
Total Funding	3,703,660	3,703,560	3,358,860	3,434,560	2,846,660

Source – Capital Programme agreed at Council 1 March 2006

The table above shows the majority of schemes are aimed at improvement work to our housing stock. The investment required to meet the Decent Homes Plus Standard has been determined from stock condition data which is updated annually. The main area of expenditure is on kitchens and bathrooms (£9.3m). Funding for 2006/07 under the transitional arrangements for debt free authorities (1 April 2004) is based on us retaining 43.75% of right to buy receipts, this arrangement expires in 2007/08 when only 25% can be retained.

HRA Capital Expenditure Over The Last 3 Years Including How It Was Financed

HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME	2003/04 Actual	2004/05 Actual	2005/06 Estimated
Schemes			
Computer Desktop & Printer Replacement	5,584	7,498	1,120
Corporate Systems - E-Government & Get Connected	107,110	65,282	276,119
Central Heating Schemes	205,613	384,833	402,000
Insulation to homes with Solid walls	207,282	65,780	623,000
Kitchen & Bathroom Refurbishments	654,154	1,514,842	2,602,680
Parking Areas Scheme	1,067	-	-
PVCu Window Replacement	941,753	174,470	10,000
Reroofing	31,050	295,563	898,000
Trinity Court	20,055	199,331	202,000
External door replacement	-	-	150,000
Nene Court Spalding refurbishment	-	7,206	20,000
Linden Court Spalding	-	-	47,500
Wastewater Treatment Works Refurbishments	48,330	218,669	113,000
Disabled Facilities Grant - Public Sector	116,395	96,782	150,000
E-financials Replacement Ledger system	6,086	-	5,000
ICT Infrastructure	5,743	7,835	9,100
Property - Data Capture	23,207	17,688	-
Telephone systems & computer integration	3,958	-	-
Long Sutton Community Centre	-	6,428	-

Wardens ICT Equipment	-	-	17,000
Housing System Upgrade	-	-	150,000
TOTAL CAPITAL PROGRAMME	2,377,387	3,062,205	5,676,519
Funded By			
Major Repairs Allowance (MRA)	2,025,079	2,033,283	1,903,370
Basic Credit Approvals (BCA)	229,262	-	-
Housing Receipts	123,046	361,182	3,153,909
Supported Borrowing	-	506,000	520,000
Direct Revenue Funding	-	161,740	99,240
TOTAL FUNDING	2,377,387	3,062,205	5,676,519

Revenue Resources

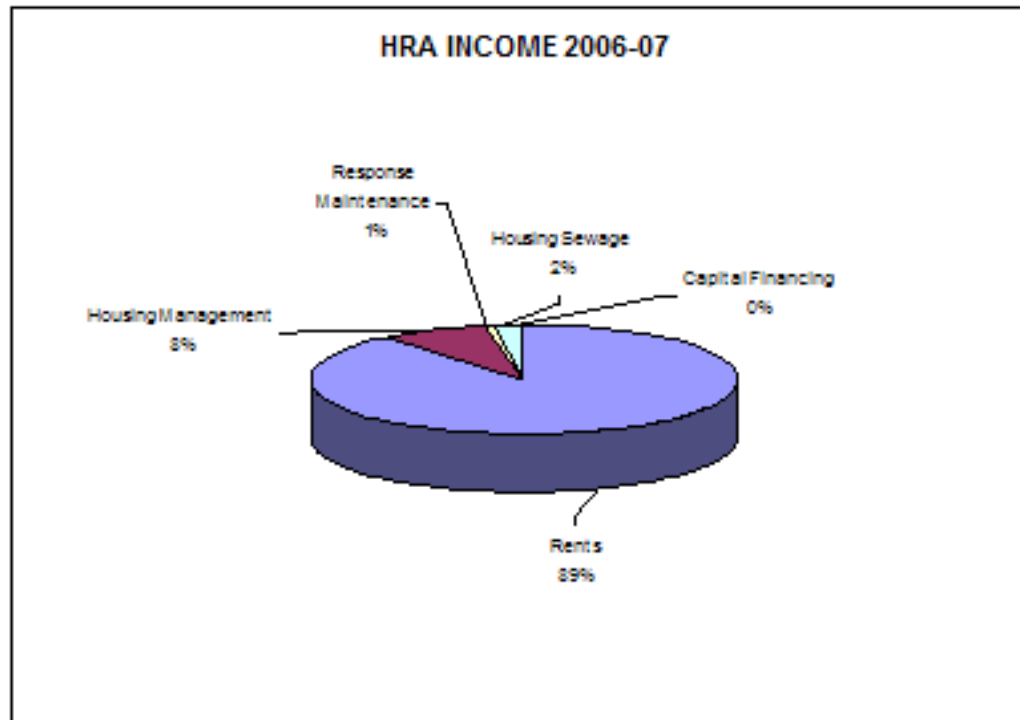
Annually, forward estimates are prepared on a zero based approach, for the medium term financial plan, generally for the next 5 years. For the HRA is shown in the table below together with how it is funded. The estimates have been prepared which follow the assumptions made in the HRA Business Plan model these being:

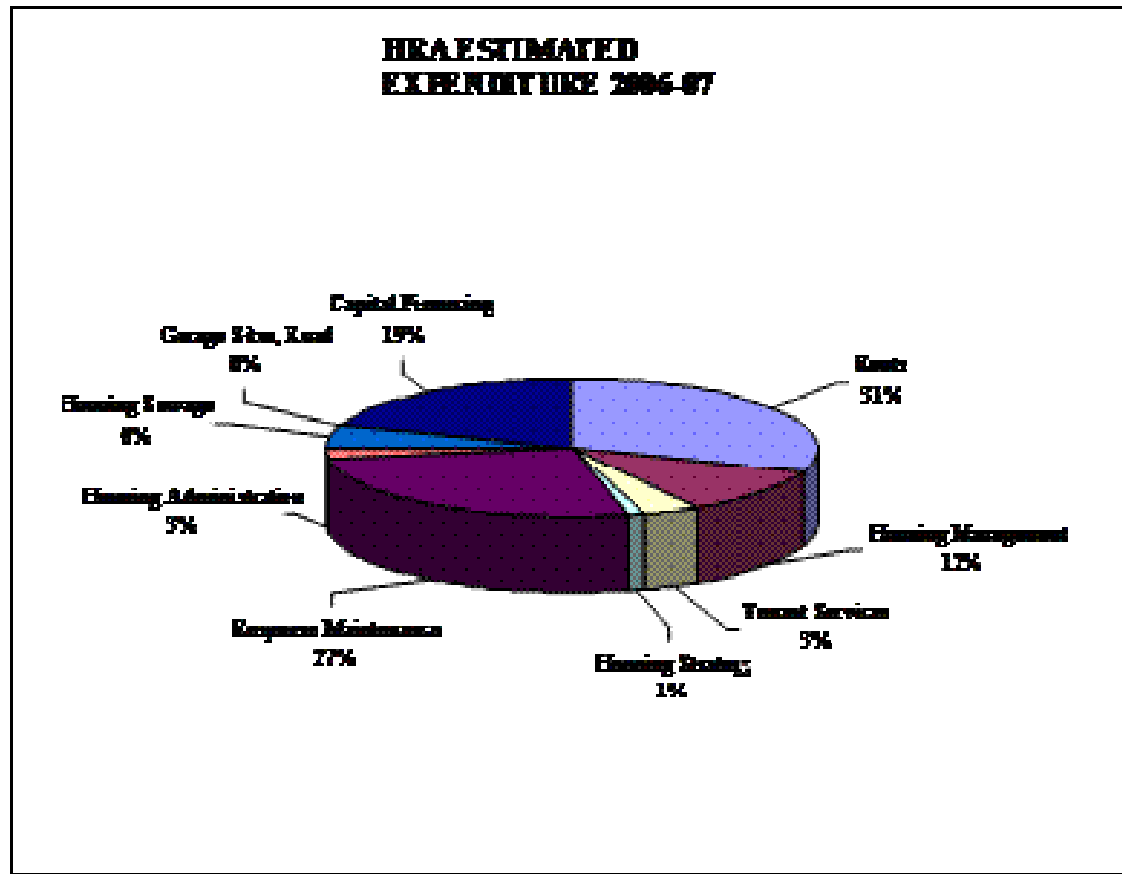
- real increases in expenditure of 0.5% equivalent to 3% taking account of RPI index of 2.5%
- planned maintenance budgets in line with expenditure needed on Decent Homes Plus Standard
- rent increases in line with Rent Restructuring.

Compared to 2005/06 planned maintenance expenditure has increased by £162,000 in 2006/07 (included in premises related expenditure in table below) to reflect need and approximately £30,000 saving per annum have been made by entering into a partnering agreement for maintenance of sewage treatment works and pumping stations. The majority of income comes from weekly rents of the housing stock. Formula rents have increased under the rent restructuring formula meaning the rent convergence target of 2011/12 is now £65.58. The average rent for 2006/07 is £51.28 (£48.55 in 2005/06) based on a 50 week rent year. Our annual efficiency statement includes savings on sewage maintenance, use of procurements cards and savings on estate roads and footpaths now adopted by the highways authority. HRA balances are set at £160 per property increasing each year with inflation.

HRA Estimates 2006/07 and Forward Estimates 2010/11

	Out-turn 2004/05 £	Original Estimate 2005/06 £	Estimate 2006/07 £	Forward Estimate 2007/08 £	Forward Estimate 2008/09 £	Forward Estimate 2009/10 £	Forward Estimate 2010/11 £
Details of Expenditure							
Employee Related Expenditure	1,481,710	1,465,710	1,465,580	1,509,160	1,553,860	1,600,160	1,647,960
Premises Related Expenditure	2,629,952	2,751,120	2,913,730	2,987,060	3,061,960	3,138,760	3,217,660
Transport Related Expenditure	78,032	67,140	82,750	82,750	82,750	82,750	82,750
Supplies & Services	761,904	735,220	693,890	782,260	795,960	734,960	749,360
Third Party Payments	1,105	-	-	-	-	-	-
Transfer Payments	2,531,990	2,893,240	3,023,870	3,592,250	2,950,200	4,315,000	4,682,600
Support Services	649,418	669,360	719,420	740,980	763,200	786,110	809,690
Capital Charges	2,182,689	2,193,330	2,212,630	2,187,520	2,172,090	2,156,660	2,156,660
Capital Financing	(10,556)	(91,380)	(160,110)	(59,920)	(38,030)	(16,080)	(13,640)
Total Expenditure	10,306,244	10,684,740	10,951,760	11,822,060	12,341,990	12,798,320	13,333,040
Council Dwelling Rents	(9,152,402)	(9,450,200)	(9,868,220)	(10,477,750)	(10,960,660)	(11,450,930)	(11,851,490)
Other Income	(1,175,411)	(1,333,780)	(1,396,030)	(1,431,140)	(1,466,640)	(1,502,940)	(1,540,240)
Total Income	(10,327,813)	(10,783,980)	(11,264,250)	(11,908,890)	(12,427,300)	(12,953,870)	(13,391,730)
(Surplus)/Deficit before Direct Revenue Financing	(21,569)	(99,240)	(312,490)	(86,830)	(85,310)	(155,550)	(58,690)
Direct Revenue Financing	-	99,240	312,490	86,830	85,310	155,550	-
Use of Balances to fund Capital Programme	-	-	18,890	441,470	336,090	14,920	-
Balance Brought Forward	(1,821,262)	(1,842,831)	(1,842,831)	(1,823,941)	(1,382,471)	(1,046,381)	(1,031,461)
Balance Carried Forward	(1,842,831)	(1,842,831)	(1,823,941)	(1,382,471)	(1,046,381)	(1,031,461)	(1,090,151)
Desired Balance Carried Forward		(614,730) (£155 per property)	(632,640) (£160 per property)	(649,940) (£165 per property)	(667,080) (£170 per property)	(684,080) (£175 per property)	(700,920) (£180 per property)
(Surplus) Funds Available		(1,228,101)	(1,191,301)	(732,531)	(379,301)	(347,381)	(389,231)





HRA REVENUE EXPENDITURE 2003/04 TO 2005/06

Areas of Expenditure	2003/04 Actual	2004/05 Actual	2005/06 Estimated
Rent Rebates	5,043,860	304,970	20,330
Supervision and management	2,232,480	2,445,490	2,373,470
Repairs and maintenance:- Including expenditure on:	2,940,340	3,110,920	3,287,470
Response Repairs	1,221,125	1,378,614	1,328,630
Disabled adaptations	20,043	44,851	43,800
Maintenance of buildings	99,467	115,961	191,130
Damp proofing	563	1,872	0
External Painting/repairs	168,000	181,105	178,000
Electrical Upgrades	65,778	49,033	103,000
Gas repairs & servicing	301,393	285,028	312,500
Housing Sewage works	323,932	257,713	285,210
Cost of Capital	4,306,920	4,132,900	3,828,120
Depreciation	2,155,270	2,182,690	2,193,330
Negative subsidy payable to the Secretary of State	0	2,265,200	2,891,500
Total Expenditure	16,703,000	14,442,170	14,594,220
Funded by:			
Rents	9,088,660	9,234,880	9,587,400
Housing Management	858,690	894,170	978,170
Sewage Income	247,990	197,330	220,000
Housing Subsidy	2,435,000	0	0
Capital Finance	15,340	18,210	17,410
	4,284,610	4,132,900	3,828,120
Capital Charges Notional Interest Adjustment			
Appropriations	81,690	149,410	0
FRS 17 Adjustment	0	-22,990	62,360

Total Funding	17,011,980	14,603,910	14,693,460
Surplus	308,980	161,740	99,240

Monitoring

There are quarterly monitoring meetings between Finance and the Head of Housing and Property on the HRA. There are also monthly reports including the HRA made to all budget managers and Heads of Service as part of our corporate management arrangements. The Business Plan is independently reviewed annually by our consultants HACAS.

Income from rental charges

The percentage of new housing benefit claims from council tenants processed within 14 days of final information becoming available is given below:

- 2005/06 target 87.50%
- 2004/05 actual 89.26%
- 2003/04 actual 87.00%
- 2002/03 actual 87.00%

Our performance on rent collection is included in section 8 of this document.

Risk Management

We have both a risk management strategy and policy. The Heads of Service sit on the Corporate Risk Management Group. Our strategic and operational risk management registers identify and score risks. Control measures are put in place to cover risks that cannot realistically be removed or transferred. The Strategic Risk Register details our risks in relation to our corporate objectives. The risks identified relevant to the Landlord service are:

- Inadequate funding to achieve the Decent Homes Plus Standard
- Decline in council house sales and associated reduction in income.

8. DELIVERY AND PERFORMANCE MONITORING

The Capital Programme Group is responsible for managing the overall programme including close monitoring to ensure expected outcomes are delivered in accordance with our objectives. The Decent Homes Expenditure Working Party directs expenditure to ensure that it is focused on the decent homes standard. This includes tenant representatives. The Planning Service monitors the delivery of affordable housing.

There is a Housing and Property Services Business Plan that summarises key elements of the Housing Strategy and the Housing Revenue Account Business Plan. It also includes important information on service management consultation through staff consultation events and performance management.

Performance

During 2004/05 performance against three Best Value Performance Indicators was above, or on target, such as performance in rent collection. There were a number of new targets. Performance against five indicators was below target, such as relet times. Further detail about Best Value and local performance indicators can be found in the table over the page.

Performance on relet times was identified as a priority for action, following unsatisfactory performance during 2004/05. An improvement team was established with an officer from the Housing team to improve our processes and reduce relet times. New voids procedures have since been implemented, together with the relet standard. These measures have reduced our average void periods and to date has meant that no properties have been refused due to its condition.

Monitoring and Review

We assess performance in relation to the national performance indicators by reference to the Daventry Group of authorities. This generally mirrors our pattern of strengths and weaknesses in relation to the national upper quartile performance. We also obtain guidance from the Housing Quality Network and the Chartered Institute of Housing. We have looked specifically at the experience of benchmark councils in the areas of good practice and benchmarking is carried out on homelessness services and performance we are also a member of the Lincolnshire Housing Forum.

- Reviewing progress against targets, reporting progress to:
 - the Capital Programme Group and the Cabinet concerning capital expenditure (quarterly)
 - the Tenant Participation Working Party (six-monthly)
 - the Corporate Management Team which meets every two weeks to monitor progress against service plans and projects.

- the Strategic Management Team and by Cabinet for achievement against our Corporate Plan
- the Local Strategic Partnership (RAZ) for achievement against the Community Plan.

Section 6 provides information about how priorities have been set, and services developed and changed using tenant feedback. Examples include setting priorities for home improvement and the decision to provide a tenant insurance scheme.

- Reviewing the Housing Revenue Account Business Plan annually based on:
 - achievements to date
 - additional information
 - service user satisfaction and feedback questionnaires
 - ongoing consultation with local residents, partners and the Local Strategic Partnership (RAZ)
 - changes in response to new local, regional and national initiatives.
- Monitoring national and local performance indicators, reporting:
 - quarterly through reports to the Strategic Management Team, the Cabinet and the Policy Development Panel
 - annual out-turns within our Best Value Performance Plan.

Further information is given in the Annual Monitoring form attached at Appendix C of this document.

Action Plan Progress

Progress against the action plan is set out in the Action plan at section 9 of this document.

Performance Indicators

The following pages show some of the performance indicators used for monitoring performance on the HRA Business Plan. The first section details the Best Value Performance Indicators relative to the housing landlord function.

Performance Indicator	Number	What we achieved in 03/04	What we wanted to achieve in 03/04	Difference between actual and target 03/04	What we wanted to achieve in 04/05	What we achieved in 04/05	Difference between actual and target 04/05	What we want to achieve in 05/06	What we want to achieve in 06/07	What we want to achieve in 07/08
Energy Efficiency – the average SAP rating of local authority owned dwellings	BV63	Not available	70.0	*	70.0	Not available	*	69	70	70
In 2003/04 the average district council achieved 60 *Due to staff shortages management software has not been updated – 2002/03 figure is 69.0										
Local authority rent collection and arrears: proportion of rent collected	BV66a	98.49%	99.0%	- 0.5%	99.0%	99.19%	+ 0.2%	99%	99%	99%
In 2003/04 the average district council achieved 94.8% - this means we were above average										
The number of local authority tenants with more than seven weeks of (gross) rent arrears as a percentage of the total number of council tenants	BV66b (05/06)	New	New	New	New	New	New	3%	3%	3%
Percentage of local authority tenants in arrears who have had Notices Seeking Possession served	BV66c (05/06)	New	New	New	New	New	New	30%	30%	30%
Percentage of local authority tenants evicted as a result of rent arrears	BV66d (05/06)	New	New	New	New	New	New	1%	1%	1%

Performance Indicator	Number	What we achieved in 03/04	What we wanted to achieve in 03/04	Difference between actual and target 03/04	What we wanted to achieve in 04/05	What we achieved in 04/05	Difference between actual and target 04/05	What we want to achieve in 05/06	What we want to achieve in 06/07	What we want to achieve in 07/08
Satisfaction of tenants of council housing with the overall service provided by their landlord: with results broken down further by i) black and minority ethnic and ii) non-black and minority ethnic tenants (Tenant Satisfaction Survey 2003/04)	BV74	Overall - 82.6% (±2.3%) (1039) i) 100% (±0%) (1) ii) 83.0% (±2.3%) (1027)	i) 93% ii) 93% iii) 93%	Overall - 11.2% i) + 7.5% ii) - 10.8%	N/A - figures from 2003/04 Tenant Survey will be published for 2004/05	Overall - 82.6% (±2.3%) (1039) i) 100% (±0%) (1) ii) 83.0% (±2.3%) (1027)	-	This indicator will be collected again until 2006/07	i) 86% ii) 87% iii) 84%	This indicator will be measured again until 2009/10
In 2003/04 the average district council achieved 79.9% overall - this means we were above average										
Satisfaction of tenants of council housing with opportunities for participation in management and decision making in relation to housing services provided by their landlord: with results further broken down by i) black and minority ethnic and ii) non-black and minority ethnic tenants (Tenant Satisfaction Survey 2003/04)	BV75	Overall - 68.9% (±3.2%) (781) i) 100% (±0%) (1) ii) 68.9% (±3.3%) (772)	i) 75% ii) 75% iii) 75%	Overall - 8.2% i) + 33.3%* ii) - 8.1%	N/A - figures from 2003/04 Tenant Survey will be published for 2004/05	Overall - 68.9% (±3.2%) (781) i) 100% (±0%) (1) ii) 68.9% (±3.3%) (772)	-	This indicator will be collected again until 2006/07	i) 75% ii) 75% iii) 75%	This indicator will be measured again until 2009/10
In 2003/04 the average district council achieved 65.4% overall - this means we were above average *Only one black and minority ethnic tenant returned survey, this respondent was satisfied.										

Performance Indicator	Number	What we achieved in 03/04	What we wanted to achieve in 03/04	Difference between actual and target 03/04	What we wanted to achieve in 04/05	What we achieved in 04/05	Difference between actual and target 04/05	What we want to achieve in 05/06	What we want to achieve in 06/07	What we want to achieve in 07/08
Percentage of responsive (but not emergency) repairs during 2004/2005, for which the authority both made and kept an appointment	BV185	0	0	-	15% subject to pilot appointment scheme being a success and implemented	0%	100%*	This indicator has been deleted		
In 2003/04 the average district council achieved 43.4% - this means we were in the bottom 25% *The pilot appointment scheme was not implemented until January 2005.										
The proportion of planned repairs and maintenance expenditure on HRA dwellings compared to responsive maintenance expenditure on HRA dwellings	BV211a (05/06)	New	New	New	New	New	New	i) 68% ii) 32%	i) 70% ii) 30%	i) 70% ii) 30%
Proportion of expenditure on emergency and urgent repairs to HRA dwellings compared to non-urgent repairs expenditure to HRA dwellings	BV211b (05/06)	New	New	New	New	New	New	Not available	Not available	Not available
Average time taken to Re-let Local Authority Housing	BV212 (05/06)	New	New	New	New	New	New	28 days	21 days	21 days

Performance Indicator	Number	What we achieved in 03/04	What we wanted to achieve in 03/04	Difference between actual and target 03/04	What we wanted to achieve in 04/05	What we achieved in 04/05	Difference between actual and target 04/05	What we want to achieve in 05/06	What we want to achieve in 06/07	What we want to achieve in 07/08
Average relet times for local authority dwellings let in the financial year	LKPI 196	27.56 days Was BV68	28 days	+ 1.6%	25 days	29 days	- 16.0%	This indicator is now BVPI 212		
Percentage of responsive repairs carried out within local target times	LKPI 197	5 working day priority 56.3% 20 working day priority 74.1%	5 working day priority 60% 20 working day priority 70%	5 working day priority - 6.2% 20 working day priority + 5.9%	5 working day priority 63% 20 working day priority 73%	5 working day priority 43% 20 working day priority 51%	5 working day priority - 31.7%* 20 working day priority - 30.1%*	5 working day priority 60% 20 working day priority 70%	5 working day priority 65% 20 working day priority 85%	5 working day priority 70% 20 working day priority 85%
*This years figures are based on SX3 computer report which includes jobs that could not be completed due to no access, materials on order and so on. Previous years figures were calculated by manual analysis of a random sample of job tickets. This problem will be resolved once computer system is upgraded.										

9 ACTION PLAN

Housing Strategy Priority 2 - The direct delivery of a high quality social housing landlord role

Key outcomes to be delivered through the HRA Business Plan:

- 1 Improvement of our housing stock to achieve and exceed the decent homes standard and maintain our homes efficiently
- 2 Providing efficient management and support services for tenants

Priorities for action

Key outcome	Description	Priority	Lead role	Resource Implication	Target	Measurement	Milestones	Progress:
1	Improve our housing stock to achieve the decent homes plus standard	High- for action 2006/07	Head of Housing and Property	Capital programme £3.6m (2006/7)	Achieve Decent Homes Plus standard by 2010	Delivery of work through performance and budget monitoring framework	In 2006/7 <ul style="list-style-type: none"> • Re- roofing. 115 dwellings • Central heating installations.125 dwellings • Kitchen/ bathroom refurbishment. 285 dwellings • External doors 450-500 dwellings 	On target
1	Introduce an appointment system for repairs	High- for action 2006/07	Construction Services Manager		August 2006			Completed

Key outcome	Description	Priority	Lead role	Resource Implication	Target	Measurement	Milestones	Progress:
1	The proportion of planned repairs and maintenance expenditure on HRA dwellings compared to responsive maintenance expenditure on HRA dwellings	High- for action 2006/07	Head of Housing and Planning	Incorporated into HRA Business Planning Model	Spend 70% of total repairs expenditure on planned maintenance in 2006/07	Performance indicator BV211a	Spend 68% of total repairs expenditure on maintenance that is planned in 2005/06	65.9% in 2004/05, compared with 64.1% in 2003/04
1	Complete modernisation of accommodation at Nene Court, Spalding	High- for action 2006/07	Supported Housing Manager/ Property Manager	Capital allocation £75,000	Completion April 2007	Quality of finished product Views of tenants Increased demand	Progress maintained in accordance with the plan	On target
1	Update and maintain data on our housing stock condition	Medium-ongoing action in 2006/07	Construction Manager	Carried out by in house surveyors	Provide analysis of stock condition	Analysed data provided	500 surveys completed by December 2006	On-going surveys on target for 700 per year
1	Improve tenant monitoring and operational involvement for planned maintenance works	Medium-for action 2006/07	Construction Manager	Carried out as part of Tenant Participation Working Group programme	March 2007	Method of consultation under review	Make progress throughout 2006/07	SHTG consulted
1	Review and improve tenancy management procedures and standards	High- for action 2006/07	Housing Operational Manager	Within existing budgets	March 2007	Tenancy management procedures reviewed and revised as required	Implementation of new procedures and escalation of IT system to be fully automated	Work in progress and project timetable in place to complete review during 2006-2007

Key outcome	Description	Priority	Lead role	Resource Implication	Target	Measurement	Milestones	Progress:
1	Increase tenant involvement in influencing the management and development of the service by providing new opportunities for involvement	High- for action 2006/07	Housing Manager & Community Engagement Officer	Within existing resources	Carry out an assessment of options	Completion of the assessment	Progress is monitored by the Tenant Participation Working Group	Menu of options for involvement completed June 2006. Community Spirit Awards on target
2	Provide staff with opportunities for greater involvement in tenant participation	High- for action 2006/07	Housing Manager & Community Engagement Officer	Within existing resources	Carry out an assessment of options	Completion of the assessment	Progress checked with Tenant Participation Working Group	Cross section of staff working on the new tenants compact and Sheltered Housing Agreements

Housing Strategy Priority 4 - Work with others in support of the housing needs of the district

Key outcomes to be delivered through the HRA Business Plan:

- 1 Supporting community development and safety
- 2 Ensuring those with special needs receive the appropriate support

Priorities for Action

Key outcome	Description	Priority	Lead role	Resource Implication	Target	Measurement	Milestones	Progress:
1	Improve effective use of enforcement action in cases of anti social behaviour	High- for action 2006/07	Housing Operational Manager	Time Staffing Potential for legal costs	Review and improve tenancy management procedures and standards by March 2007	Tenancy management procedures reviewed and revised as required		ASB review completed and in draft pending information on consultation
1	Promote and support the South Holland Domestic Violence Forum and the WASH outreach service for victims of domestic violence	Ongoing- for action 2006/07	Housing Manager	Within existing resources – pending outcome of Home Office bid and CDRP funding	Raise the awareness and offer solutions to housing related domestic violence incidents	To be agreed		
2	Improve information on diverse needs of tenants to enable service planning	High- for action 2007/08	Housing Operational Manager	Accessing the Migrant Worker Project Team	Key Housing documents available in range of appropriate languages & formats	Documents translated	To be reviewed quarterly	Most key housing documents available in major languages of demand, in large print, braille and tape if requested

Key outcome	Description	Priority	Lead role	Resource Implication	Target	Measurement	Milestones	Progress:
2	Improve levels of support provided to vulnerable tenants	Medium-for action 2007/08	Housing Operational Manager	Staff or Revenue funding required	Provide support service to vulnerable tenants	Support service in place	Establish funding/ supply options by March 2007	SP revenue funding obtained. Capital investment in place for new technology. Programmed currently being rolled out across district
2	Improve data management to align the property database with the housing register to achieve more accurate property allocation	Medium-for action 2007/08	Housing Operational Manager & Housing Project Manager	Housing system	To be determined	Full integration between SX3 & Codeman		Work in progress with ICT supplier
2	Review the aids and adaptations service involving tenants and service users, to ensure needs are met	Medium 2007/08	Head of Housing & Property	Review: Officer time Review may identify need for other resources	To be determined	Completion of review which will lead to an Action Plan		
2	Grants to improve the security and insulation of homes belonging to the vulnerable will be administered	High 2006/07	Head of Community & Neighbourhood Services	Targeting of our minor repairs grant budget and other agencies energy efficiency grants	Throughout financial years 2006-08	Amount of funding targeted. Number of properties improved		Awaiting outcome of bid to Regional Housing Board.

APPENDIX ALINKS BETWEEN THE HRA BUSINESS PLAN AND THE OPERATIONAL OBJECTIVES WITHIN THE CORPORATE PLAN

Target	Timescale	Lead Officer	X-reference to HRA Business Plan
Introduce and operate an affordable housing strategy which integrates housing and planning policies and practices which will include the use of section 106 resources to build new houses for homeless families	2005- 2008	Director of Rural Services	Priorities 2 and 4
Introduce a new housing management structure to support the outcome of the Options Appraisal process and the best value review of landlord services Carry out an 'options appraisal' on the future of our housing stock	2005- 2006	Head of Housing and Property	Priority 4
Target capital expenditure on our housing stock to continue to achieve the 'decent homes' home standard	2005- 2008	Head of Housing and Property	Priority 2
Work with partners to implement the Affordable Housing Delivery Plan and improve the standard of private sector rented housing in the District	2005- 2008	Head of Housing and Property	Priority 4
Modernise the sheltered housing support service by providing a combination of resident wardens and mobile wardens	2005- 2007	Head of Housing and Property	Priority 4
Introduce an appointments system to book repairs and improvements in their homes	2005-2006	Head of Housing and Property	Priority 2
Promote the disabled facilities grant to enable people who have a disability and meet the government criteria	2005-2006	Head of Customer and Information Services	Priority 4
Invest in Upgraded housing IT system to improve efficiency and effectiveness in service delivery	2005- 2007	Head of Customer and Information Services/ Head of Housing and Property	Priorities 2 and 4

APPENDIX BSTAKEHOLDERS CONSULTED ON THE HRA BUSINESS PLAN AND SUMMARY OF RESPONSES

Relevant SHDC officers
 All Parish Councils (Parish clerks)
 South Holland Elected Members
 South Holland Tenants' Group

Registered Social Landlords
 Longhurst Group
 Lincolnshire Rural Housing Association
 Nene Housing Society
 North British Housing Limited
 Advance Housing
 Boston Mayflower
 Nacro

Statutory Agencies
 Government Office- East Midlands
 Supporting People, Lincolnshire County Council
 Director of Social Services, Lincolnshire
 Probation Service
 Lincolnshire Police
 East Lincolnshire Primary Care Trust
 Lincolnshire Partnership NHS Trust

Summary of responses

- Priority 2- Decent Homes 'Plus' requires definition
 There is reference to replenishing council housing stock, but no reference to numbers
 The number of council homes are reducing through RTB, but replacements are not keeping pace
- The Market for Council Housing- The reasons for including a comparative analysis of rents is not clear
- Resources- an explanation of who Spalding Town Husbands are, required

Representative/Pressure Groups

Citizens Advice Bureau, Spalding
 Spalding and District Civic Society
 Spalding Civic Society
 Long Sutton and District Civic Society
 Holbeach and District Civic Society
 Age Concern, Spalding District
 Age Concern, South Holland
 Spalding Town Forum
 Spalding and District Access Group

- General- no details of management of asbestos in the housing stock

Stakeholders were consulted on the Housing Strategy 2006-11, from which Priorities 2 and 4 derive. The response the consultation can be found in the Housing Strategy.

APPENDIX CHRA PROJECTION ASSUMPTIONS1. Inflation

- a. Inflation has been assumed at 2.5% throughout.

2. Changes in Stock

- a. At April 2005, the total housing stock was 3,966 dwellings, plus 55 leaseholders.
- b. Sales under the Right to Buy legislation have been incorporated on the basis of estimated projections for the next 30 years. Sales are all assumed to be freehold. 35 per year are assumed in the medium term, and this gradually reduces to 25 per annum by the end of the 30 year projection period. This reflects the anticipated reduction in RTB sales to reflect the reducing stock numbers. As the model uses unit costs and income data, the output is sensitive to changes in these assumptions, this is highlighted in the sensitivity analysis at Appendix F.
- c. The projected average RTB valuation is £82,000, with a maximum discount of £24,000. It has been assumed that values will increase in line with inflation (but the maximum discount will remain fixed at £24,000).
- d. RTB admin costs for each unit of stock sold reflects the cost of administering the sale of dwellings to tenants including leasehold properties and reflects the cost of the staff involved in RTB such as undertaking valuations and drafting of legal documents. This is estimated at £663 per unit sold in 2005/6.
- e. The proportion of usable receipts for HRA purposes are assumed at 100% throughout.

3. Rents

- a. The modelling undertaken reflects the Government policy on rent restructuring. The formula assumes real growth of 1.5% in April 2005, then 2.07% each year to 2011-12, to reflect the local increase necessary to reach convergence with the RSL formula rent by this time. It is assumed the formula will increase by 0.5% real subsequently.

- b. The average rent for 2005/6 is £48.85 based on a 50 week rent year.
 - c. In accordance with the ODPM guidance actual rents are assumed to increase in line with the formula growth assumptions with an adjustment to move actual rents towards the formula rent, phased over the convergence period to 2011/12. The modelling is based on averages, and takes no account of the rent caps and the £2 per week limit on rent rises after allowing for an inflation-linked increase at the property specific level and calculates an average for modelling purposes on this basis. It is possible that some individual dwellings will be subject to the £2 limit, but this would be reflected in the following year's subsidy, and has been assumed to be de minimus. It is not anticipated at this stage that property specific rebate limitation will impact on our position.
 - d. Voids of 1% and bad debts of 0.2% have been assumed in accordance with our current performance.
4. Service Charges
- a. No "unpooled" service charges, under rent restructuring have been included. Historic charges of £169,470, arising from the landlord element of Sheltered Scheme costs, have been assumed, increasing at 0.5% per annum.
 - b. No Leasehold service charges have been assumed.
5. Other Income
- a. Gross Supporting People income has been assumed to be cash frozen throughout. This is because future government funding for Supporting People is particularly uncertain at the moment. However, the proportion of the gross income which income net of transitional arrangements represents is assumed to increase as tenants turn over.
 - b. Other income is assumed to increase at 0.5% in real terms, except Court Costs, which are assumed to increase in line with inflation.
6. Subsidy
- a. Management and maintenance allowances (£312.21 and £692.91 per unit, respectively) have been calculated using the formula in the HRA subsidy determination for 2005/6.
 - b. For future years, it has been assumed that target allowances will increase by 8% in 2005/6 (in line with ODPM's advice on the national level of resources), and by 2% in years 2006/7 – 2011/12. Inflation only increases are assumed thereafter. It has been

assumed that the "damping" mechanism for moving actual allowances to target will be identical in 2005/6 to 2004/5, and that thereafter, the remaining gap will be closed evenly over a further 8 years.

- c. The Major Repairs Allowance has been included at £472.39 per unit per annum in 2005/6 based on the ODPM calculations in the HRA Subsidy Determination. Thereafter no real increases (or decreases) in this allowance have been assumed throughout the planning period.
 - d. Rent convergence is the central government policy of moving Council and registered social landlord properties onto the same rent-setting formula by 2011-12. The guideline (notional) rent calculated by the Government is based on the HRA subsidy determination for 2005/6 of £44.54. Movement in the guideline rent follows the same process as for actual rents. There is an annual increase in line with that of formula rents and an adjustment to move towards the formula rent, phased over the convergence period to 2011-12. Retrospective adjustments are made to take account of the rent caps and the £2 per week limit on rent rises after allowing for an inflation-linked increase on each individual property. These assumptions reduce the subsidy paid to us (as it increases the subsidy paid to the ODPM for notional rents). By 2011-12, we will collect rents at the 'formula' level and pay the equivalent amount to the ODPM. The subsidy loss is offset to some degree by the assumed future increases in management and maintenance allowances shown above. As explained above, the model has been adapted for 2005/6, to return the guideline rent to the path it would have taken without the error in the 2004/5 determination.
 - e. We received a supported borrowing allocation of £520,000 in 2005/6. It has been assumed that the level will continue from 2005/6 until 2010/11.
 - f. The Subsidy capital calculation has been calculated in accordance with the 2005/6 HRA Subsidy Determination and an opening Subsidy Capital Financing Requirement of a negative £4,194,785. The Subsidy LIBID rate is set at 5.22% throughout. The Item 8 charge has been based on an opening 2005/6 Capital Financing Requirement of a negative £641,458 and assumed interest of 4% in 2005/6.
7. Management and Service Expenditure
- a. The variability of management and service costs with dwelling numbers has been assumed as 30%. In practice, this means that £100 of management cost, and £76 of service cost, must be saved for every dwelling sold, every year after the sale occurs.
 - b. Planned savings in management costs in 2005/6 have been included, as has provision for increases in Employer's pension contributions, totalling 4% of gross pay by year 4.

- c. Underlying real growth in costs of 0.5% per annum throughout has been included.
8. Rebates
- a. The 'limit rent', which is the limit upon which rent rebate subsidy is payable, is £46.98 for 2005/6. The future limit rents follow the same principles established for the calculation of the guideline rent shown above. Again, it has been necessary to amend the model so that the limit rent follows the path it would have done without the error in the 2004/5 determination.
 - b. The national average level of rent rebates has been assumed to continue at the 62% level applied in 2005/6. The level of rebates for us is currently 59.64%. Changes to the local position are expected to mirror the national position and therefore this has been assumed to remain constant in line with the national threshold.
9. Maintenance and Investment Expenditure
- a. Our investment expenditure is based on our stock condition survey undertaken in house with support and validation from Mazars. Preliminaries are included within the schedule of rates. Fees of 12% have been allowed for any annual excess over £3m on the capital programme, as we are advised that capital administration costs will cover works up to this level.
 - b. Real growth of 0.5% for years 2-10 has been included in the modelling.
10. Balances
- a. There is an opening balance of £1,805,000 on the operating account.
 - b. Our minimum required level of working balance for the HRA of £150 per unit has been assumed throughout the projections, up rated for inflation.

APPENDIX D

SENSITIVITY ANALYSIS

<u>Sensitivity</u>	<u>Description</u>	<u>Operating A/C Surplus (Deficit)</u>		<u>Year Operating A/C below min bal</u>	<u>Year Operating A/C in deficit</u>	<u>Cumulative MRIF Shortfall</u>		<u>Major Repairs Reserve Balance</u>	
		<u>Year 7 £000</u>	<u>Year 30 £000</u>			<u>Year 7 £000</u>	<u>Year 30 £000</u>	<u>Year 7 £000</u>	<u>Year 30 £000</u>
Base	Base Assumptions	1,207	831	30	N/A	0	5,285	1,159	0
A	RTB Sales Increased by 30%	2,567	8,861	N/A	N/A	0	0	1,353	1
B	RTB Sales 75 in 2004/5; otherwise as base	3,003	1,022	N/A	N/A	0	202	1,273	0
C	RTB Sales reduced by 30%	694	1,066)	8*	N/A	782	15,657	965	0
D	75% of RTB Receipts used for HRA	650	761	7	N/A	597	14,498	1,001	0
E	Repairs & Maintenance increases at inflation only	1,682	9,103	N/A	N/A	0	0	1,211	0
F	Repairs & Maintenance increases at 1% years 3-7, 0.5% 8-30	726	(3,269)	8	26	0	21,757	1,106	0
G	Management & Service Costs Wholly Fixed	1,072	(742)	27	29	0	10,556	1,159	0
H	Management & Service Costs 50% Variable	1,326	1,019	N/A	N/A	0	593	1,159	0
I	Subsidy M&M Target Allowances increase by 4% real	1,648	37,055	N/A	N/A	0	0	1,159	0

Key to Abbreviations:

MRIF: Major Repairs and Improvements Financing

N/A: Not Applicable

M&M: Management and Maintenance

APPENDIX ELINKS TO MORE INFORMATION

The Housing Revenue Account Business Plan is one of our key corporate strategies. If you want to know more or want to see how it fits in with the overall corporate plan please refer to these documents:

- [The Community Plan](#). This is the delivery document of the Local Strategic Partnership and sets out our commitment and pledges to achieving the priorities of the community of South Holland.
- [The Corporate Plan](#). This document sets out our vision and priorities at the highest level.
- [The Local Plan](#). This is a comprehensive statement of our planning policies for the development and use of land in the District until the year 2021.
- [Housing Strategy](#). This sets out our policies for all housing in South Holland and sets out how we will meet housing need.
- [The SHDC Improvement Plan](#). This is our agreed plan for responding to areas for improvement which were identified at our Comprehensive Performance Assessment by the Audit Commission.
- [The Five Year Financial Plan](#). This has details of our planned use of resources and how we will fund our priorities.
- [The Asset Management Plan](#). Has details of our plans for managing our assets
- [The Capital Programme](#). Has details of our capital spending commitments and plans for all of our services.
- [Affordable Housing SPG \(supplementary planning guidance\)](#). Sets out our policy on providing Affordable Homes through the development process.
- [Homelessness Strategy](#). This document and its progress reports set out how we will be dealing with the problem of homelessness in South Holland.
- [Supporting People Strategy](#). Sets out how we will help to provide an integrated housing service for vulnerable people in our communities.
- [Economic Development Strategy](#). This document says how we will support and develop the rural economy of South Holland for which the provision of housing for local people is so important.
- [Crime & Disorder Strategy](#). People want to live in safe places. This strategy sets out our commitment to building crime free and sustainable communities.
- [Private Sector Renewal Policy and HMO strategy](#) – these provide detailed information on our private sector housing policies.
- [Affordable Housing Delivery Plan](#). This is a detailed plan for implementing the strategy, providing and improving access to all affordable housing tenures.
- [Housing Needs Survey 2003 and Housing Needs Survey Update 2004](#). These provide evidence of the high local housing need.

If you would like to see these documents please contact us on 01775 761161. Some of the documents are available on our web-site www.sholland.gov.uk or, if you are viewing on-line follow the hyper-links

APPENDIX F

Summary of results from Tenant Satisfaction Survey carried out by QCT Market Research – Feb – Apr 2004

	Very Satisfied	Fairly satisfied	Neither satisfied or dissatisfied	Fairly dissatisfied	Very dissatisfied
Overall satisfaction with the service	36.1%	46.5%	11.2%	4.0%	2.2%
Satisfaction with the value for money received from rent charged	31.1%	50.2%	14.6%	3.2%	0.9%
Overall satisfaction with the accommodation	31.1%	50.2%	14.6%	3.2%	0.9%
Overall satisfaction with the general condition of the property	29.0%	54.5%	11.4%	4.0%	1.2%
Satisfaction with the neighbourhood	45.9%	39.2%	8.7%	3.7%	2.5%
Satisfaction with the outcome following contact with council staff	70.2%		8.0%	20.6%	
Satisfaction with rent collection arrangements	76.8%	16.3%	5.3%	0.6%	1.1%
Satisfaction with repairs and maintenance	33.7%	47.6%	9.1%	5.3%	4.4%
Overall satisfaction with us in keeping tenants informed	41.8%	44.0%	10.6%	2.8%	0.8%

Most requested repairs or improvements

External doors, 63.6%

Security, 28.99%

Kitchen refurbishments, 48.9%

Bathroom refurbishments, 46.0%

Central Heating, 26.4%

APPENDIX G

OPTIONS CONSIDERED WHEN PREPARING THE BUSINESS PLAN

HOUSING PRIORITY 2 – THE DIRECT DELIVERY OF A HIGH QUALITY SOCIAL HOUSING LANDLORD ROLE					
1. Our tenants decided that we should retain ownership and management of Council-owned dwellings					
Context: We have undertaken an options appraisal and our tenants decided that we will retain the ownership and management of its properties. This approach was approved by the Government Office, East Midlands because it was supported by our tenants and the consultants who carried out our business planning modelling demonstrated that it was deliverable. We will achieve the Decent Homes Plus target by 2010. We are committed to the continuous improvement of its landlord role.					
Do Nothing Option – Potential Consequences: If we had not undertaken Housing Revenue Account (HRA) business planning for its landlord service, it would have had no plan to meet the Decent Homes Standard nor would it have been able to work with its tenants to meet the local Decent Homes Plus standard. It would not have met the Government’s target of July 2005 for having an options appraisal agreed with tenants and approved by GO-EM. ✘					
Options	Effect	Risk	Cost	Strategic Fit / Acceptability	Pursue Option
Transferring the stock to a new or existing registered social landlord (RSL).	RSL would meet the Decent Homes standard by 2010. A small amount of new affordable housing could have been provided using the income from the sale.	The vast majority of tenants wish to stay with us as long as we can demonstrate that we can maintain and improve their homes to a good standard.	The capital receipts available would have provided relatively few new affordable homes. The transfer would have involved considerable administrative costs.	This option was not preferred by our tenants.	✘

Council retaining ownership of the stock but transferring the management to an Arms Length Management Organisation (ALMO)	Transferal of Council assets to ALMO.	Considerable initial and on-going administrative costs for little real advantage.	Council would not qualify for additional Government funding as Council's HRA Business Plan shows Decent Homes Standard can be exceeded by 2010 whilst retaining ownership and management of stock.	Separation of the landlord role from the strategic housing role has been achieved without pursuing an ALMO. GO-EM agreed we did not need to evaluate the ALMO option completely as it was clear that it was not practicable.	✘
Council retaining ownership of its stock, but transferring management to a private organisation who would manage it on a long term contract (Private Finance Initiative or PFI)	This would have led to us entering into a complex management agreement with a private company. The properties would remain owned by us and the tenants would remain secure tenants.	Not a suitable option for a Council with properties in relatively good condition and not appropriate for a council's entire housing stock.	Enormous set up costs for consultants, preparation of bids and agreements and in administration. Significant on-going costs in terms of revenue payments to contractors and monitoring.	Clearly not a viable option for South Holland District Council. GO-EM agreed we did not need to evaluate the ALMO option completely as it was clear that it was not practicable.	✘
Council retaining the ownership and management of its housing stock	Council continue its social housing landlord role working to ensure the entire housing stock meet the Decent Homes Plus standard by 2010	We and our tenants needed to be sure that the resources were available for this option.	The HRA business planning we commissioned from consultants showed that we could afford this option.	96% of option appraisal respondents opted for stock retention.	✓

3. Modernise warden services for sheltered housing					
Context: We have around 1,000 sheltered housing properties. These tenants receive support from our warden service. The Support Service is primarily funded through Supporting People contracts with the County Council.					
Do Nothing Option – Potential Consequences: Continuing to use residential wardens as the main form of service delivery would mean that the service would continue to be very much based on buildings. Staff would not be deployed in the most flexible and effective way to meet tenants' individually assessed needs. A valuable service would still have been provided, but it would not have been modern and would have struggled to meet the requirements of the Supporting People contracts. x					
Options	Effect	Risk	Cost	Strategic Fit / Acceptability	Pursue Option
A variation maintaining the current service with the involvement of scheme managers providing out-of-hours cover whilst retaining the residential staff	This would have minimised short term changes for staff and residents, but would not have maximised the effectiveness of the service.	It may have been difficult to sustain this service over the medium term, as well as not providing the best service for tenants.	The cost would need to fit within the Supporting People framework.	This would not have fitted well with the agenda of providing more modern and individualised services for older people.	x
Using non-residential scheme managers based at individual schemes	This would have provided a scheme based service, which may have aided recruitment of staff to some extent and been familiar to residents.	This would not have been flexible or made the most of opportunities for providing a more modern service.	The cost would need to fit within the Supporting People framework.	This would not have provided the most modern and flexible service and would have had only a fair strategic fit.	x
Using some residential scheme managers and mobile wardens	This would provide a more flexible and responsive service over a number of schemes.	This could be phased in as organisational opportunities arose, minimising risk.	The cost would need to fit within the Supporting People framework.	This has a good strategic fit with the agenda of modernising services for older people.	✓

HOUSING PRIORITY 4 – WORK WITH OTHERS IN SUPPORT OF THE HOUSING NEEDS OF THE DISTRICT					
1. Undertake a new private sector stock condition Survey and keep it up-to-date through a Countywide continuous private sector stock condition survey					
Context: We commissioned a Private Sector Stock Condition Survey in 1997 and we updated data in 2003. The Regional Housing Board is encouraging councils to work together so they can have accurate data on the proportion of vulnerable households living in non-decent private sector housing. This information must then be updated on a regular basis.					
Do Nothing Option – Potential Consequences: ✘ We would not have good data on the number of households living in non-decent accommodation. More people would have to live in unsatisfactory housing for longer. We would lack good housing market data and receive disappointing inspection results for some housing functions. Our ability to obtain funding from the Regional Housing Board would be affected.					
Options	Effect	Risk	Cost	Strategic Fit / Acceptability	Pursue Option
Undertake a desktop review of the Survey	This would provide some updated information on new construction, empty properties and costs.	Does not involve direct survey work on the stock.	Staff time.	There would be similar consequences as the Do Nothing Option.	✘
Undertake a desktop review of a range of sources to estimate the number of private sector non-decent homes in South Holland	Can help produce an estimate figure of non-decent properties and possible causes of non-decency.	The estimate may contain a significant margin of error. This would not permit accurate comparisons with other areas nor establish an accurate baseline figure.	Staff time.	There would be similar consequences as the Do Nothing Option.	✘
Commission additional cross-tabulations of the Housing Needs Survey 2003	Will help identify demographic groups, locations or tenures where investment is needed to be targeted	Data produced would not be as relevant as a private sector stock condition survey.	Small-scale consultancy costs, or carry out in-house if time permits.	May assist us in targeting our funding in the short term, but broadly similar consequences as the Do Nothing Option.	✘

Conduct a private sector stock condition survey using in-house staff	Would have produced good data but taken property-related staff off other projects.	Staff are experienced at collecting Decent Homes data on public sector properties but less experienced on collating socio-economic data and writing research reports.	Staff time. Would impact on our ability to deliver other projects.	Would have impacted on our ability to meet Housing Priority 2.	✘
Commission a new private sector stock condition survey	Direct survey the private sector stock producing more accurate and useable data.	Need to ensure data is compatible with emerging cross-boundary research projects.	£13,000 of Council resources set aside for housing research and £10,000 available to help deliver a survey. An application for match funding has been made to GO-EM.	Greater emphasis from ODPM and following a CPA inspection in late 2003 vulnerable households in non-decent private sector accommodation is an increased priority	✓
Work jointly with other Lincolnshire authorities to commission a county-wide continuous private sector stock condition survey	Adopt GO-EM's preferred model of sub-regional surveys integrating annual sampling with BRE data to produce accurate information on the number of vulnerable households in non-decent private sector homes.	May not deliver baseline information to us quickly enough.	Costs would be shared between the councils involved and an application for match funding has been made to GO-EM.	Good strategic fit once financial details are finalised.	✓

HOUSING PRIORITY 4 – WORK WITH OTHERS IN SUPPORT OF THE HOUSING NEEDS OF THE DISTRICT					
2. Improve the conditions for the residents of private sector housing					
Context: We need to work with the private sector to improve the condition of a minority of houses in that tenure. The data from the forthcoming Private Sector Stock Condition Survey will assist with this.					
We have a statutory obligation to introduce the mandatory licensing scheme for Houses in Multiple Occupation (HMOs) and the Housing Health and Safety Rating System. They have not been included in the options appraisal as 'do nothing' was not an option.					
The production of an Empty Homes Strategy is included in the Options Appraisal for Priority 1 as it will produce more affordable housing.					
We will work with the Commissioning Body and Core Strategy Group for Supporting People in Lincolnshire to meet the needs identified in Section 5 of this Housing Strategy. Options appraisal will be carried out by client group and scheme on a multi-agency basis in accordance with the Supporting People Strategy.					
Do Nothing Option – Potential Consequences: Conditions would remain uncomfortable (and in some cases, unsafe) for the minority of households that are in poor quality accommodation.					x
Options	Effect	Risk	Cost	Strategic Fit / Acceptability	Pursue Option
Selective licensing for all types of HMOs	Number of HMOs has increased in the District in recent years. This proposal would have a much greater impact on regulation than the mandatory scheme.	Government needs to approve the application to launch the scheme.	Primarily staff time and administrative costs, although there may also be legal costs arising from additional enforcement if more serious problems are found.	This fits well with our strategic housing policies and the Local Plan policy on HMOs.	✓
Review and update the Private Sector Housing Renewal Policy.	This will update our policies and make them more comprehensive to address a changing environment, helping to drive forward innovation.	Limited staff and financial resources may limit the outputs of this policy.	Staff costs in producing the document. Will also enable more targeting of financial and staff resources.	This will make good use of the data from the forthcoming Private Sector Stock Condition Survey and bring forward new approaches and options.	✓

APPENDIX H

EXTRACT FROM BUSINESS PLAN MODEL SHOWING REVENUE ACCOUNT IS SUSTAINABLE FOR 30 YEARS

Business Plan Assumptions - Cashflows for All
(expressed in money terms)

Income

Year	Year	Rental Income £,000	Tenanted Service Charge Income £,000	leasehold Service Charge Income £,000	Voids & Bad Debts £,000	Net Rental Income £,000	Other income £,000	RTB Sales Receipts £,000	Total Overall Income £,000
1	2004.05	9,314	0	0	(112)	9,202	310	2,351	11,863
2	2005.06	9,643	0	0	(116)	9,527	454	2,079	12,060
3	2006.07	10,027	0	0	(120)	9,907	485	2,152	12,543
4	2007.08	10,470	0	0	(126)	10,344	499	2,227	13,070
5	2008.09	10,930	0	0	(131)	10,799	514	2,303	13,617
6	2009.10	11,410	0	0	(137)	11,273	529	2,382	14,184
7	2010.11	11,909	0	0	(143)	11,766	545	2,462	14,774
8	2011.12	12,429	0	0	(149)	12,279	561	2,545	15,386
9	2012.13	12,681	0	0	(152)	12,529	578	2,630	15,737
10	2013.14	12,938	0	0	(155)	12,783	595	2,716	16,095
11	2014.15	13,199	0	0	(158)	13,041	613	2,805	16,459
12	2015.16	13,464	0	0	(162)	13,302	631	2,896	16,830
13	2016.17	13,733	0	0	(165)	13,568	650	2,990	17,208
14	2017.18	14,005	0	0	(168)	13,837	669	3,085	17,592
15	2018.19	14,282	0	0	(171)	14,111	689	3,184	17,984

16	2019.20	14,563	0	0	(175)	14,388	710	3,284	18,382
17	2020.21	14,848	0	0	(178)	14,670	731	3,387	18,788
18	2021.22	15,137	0	0	(182)	14,955	753	3,493	19,201
19	2022.23	15,430	0	0	(185)	15,244	775	3,601	19,621
20	2023.24	15,726	0	0	(189)	15,538	798	3,712	20,048
21	2024.25	16,039	0	0	(192)	15,847	822	3,280	19,948
22	2025.26	16,369	0	0	(196)	16,173	847	3,380	20,399
23	2026.27	16,705	0	0	(200)	16,504	872	3,482	20,858
24	2027.28	17,045	0	0	(205)	16,841	898	3,587	21,326
25	2028.29	17,392	0	0	(209)	17,183	925	3,695	21,802
26	2029.30	17,758	0	0	(213)	17,544	952	3,171	21,668
27	2030.31	18,144	0	0	(218)	17,927	981	3,265	22,172
28	2031.32	18,538	0	0	(222)	18,316	1,010	3,362	22,688
29	2032.33	18,940	0	0	(227)	18,712	1,040	3,461	23,213
30	2033.34	19,348	0	0	(232)	19,116	1,071	3,562	23,749

Expenses

Housing Managt Costs	Service Costs	Other Revenue spend	Responsive Repairs & Maint	Cyclical Repairs & Maint	Catch up Repairs & Maint	Planned Maint	Improve. Type A	Improve. Type B	Other Capital Spend	Total Spend	Operating Surplus (Deficit)
£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
(1,315)	(998)	(175)	(1,732)	(1,397)	0	(3,186)	(252)	0	(718)	(9,772)	2,091
(1,259)	(1,115)	(62)	(1,727)	(1,545)	(4,119)	0	0	0	(678)	(10,504)	1,556
(1,298)	(1,150)	0	(1,750)	(1,575)	(3,258)	0	0	0	(337)	(9,368)	3,176

(1,340)	(1,186)	(82)	(1,786)	(1,607)	(3,354)	0	0	0	(328)	(9,683)	3,387
(1,376)	(1,219)	(84)	(1,823)	(1,641)	(3,298)	0	0	0	(275)	(9,716)	3,900
(1,414)	(1,252)	0	(1,860)	(1,675)	(3,398)	0	0	0	(272)	(9,871)	4,313
(1,452)	(1,286)	0	(1,899)	(1,709)	(1,759)	0	0	0	(352)	(8,457)	6,317
(1,492)	(1,321)	0	(1,937)	(1,744)	(1,795)	0	0	0	(363)	(8,652)	6,734
(1,533)	(1,357)	0	(1,977)	(1,779)	(1,831)	0	0	0	(374)	(8,851)	6,886
(1,574)	(1,394)	0	(2,017)	(1,815)	(1,868)	0	0	0	(385)	(9,054)	7,041
(1,617)	(1,432)	0	(2,048)	(1,843)	(1,888)	0	0	0	(395)	(9,222)	7,237
(1,661)	(1,471)	0	(2,078)	(1,871)	(1,916)	0	0	0	(405)	(9,402)	7,428
(1,706)	(1,511)	0	(2,110)	(1,899)	(1,945)	0	0	0	(415)	(9,586)	7,622
(1,753)	(1,552)	0	(2,141)	(1,927)	(1,974)	0	0	0	(425)	(9,772)	7,820
(1,800)	(1,594)	0	(2,173)	(1,956)	(2,003)	0	0	0	(436)	(9,962)	8,022
(1,849)	(1,638)	0	(2,205)	(1,984)	(2,850)	0	0	0	(447)	(10,973)	7,410
(1,900)	(1,682)	0	(2,237)	(2,013)	(2,891)	0	0	0	(458)	(11,181)	7,607
(1,951)	(1,728)	0	(2,269)	(2,043)	(2,933)	0	0	0	(469)	(11,394)	7,807
(2,004)	(1,775)	0	(2,302)	(2,072)	(2,975)	0	0	0	(481)	(11,610)	8,011
(2,059)	(1,823)	0	(2,335)	(2,102)	(3,018)	0	0	0	(493)	(11,829)	8,219
(2,115)	(1,873)	0	(2,370)	(2,133)	(5,055)	0	0	0	(505)	(14,051)	5,897
(2,173)	(1,924)	0	(2,407)	(2,166)	(5,134)	0	0	0	(518)	(14,323)	6,076
(2,233)	(1,977)	0	(2,444)	(2,200)	(5,214)	0	0	0	(531)	(14,600)	6,259
(2,295)	(2,032)	0	(2,482)	(2,234)	(5,294)	0	0	0	(544)	(14,881)	6,445
(2,358)	(2,088)	0	(2,520)	(2,268)	(5,376)	0	0	0	(558)	(15,168)	6,635
(2,423)	(2,146)	0	(2,561)	(2,305)	(5,277)	0	0	0	(572)	(15,283)	6,385
(2,491)	(2,206)	0	(2,604)	(2,344)	(5,366)	0	0	0	(586)	(15,595)	6,577
(2,560)	(2,267)	0	(2,647)	(2,383)	(5,455)	0	0	0	(601)	(15,914)	6,774
(2,632)	(2,330)	0	(2,692)	(2,423)	(5,546)	0	0	0	(616)	(16,239)	6,974
(2,705)	(2,395)	0	(2,736)	(2,463)	(5,639)	0	0	0	(631)	(16,570)	7,180

APPENDIX I

EXTRACT FROM BUSINESS PLAN MODEL SHOWING SMALL DEFICIT IN FUNDING YEAR 28

Business Plan Assumptions - Major Repairs and Improvements Financing
(expressed in money terms)

		Expenditure					Financing						
Year	Year	Catch up Repairs £,000	Planned Maint £,000	Improvements £,000	Other £,000	Total Expenditure £,000	Borrowing £,000	RTB Receipts £,000	Other £,000	MRR £,000	RCCO £,000	Total Financing £,000	Check Total £,000
1	2004.05	0	3,186	252	718	4,156	158	1,910	0	2,033	54	4,156	0
2	2005.06	4,119	0	0	678	4,796	520	1,299	1,175	1,802	0	4,796	0
3	2006.07	3,258	0	0	337	3,595	533	941	0	2,013	107	3,595	0
4	2007.08	3,354	0	0	328	3,681	546	557	0	1,948	631	3,681	0
5	2008.09	3,298	0	0	275	3,573	560	576	0	1,976	461	3,573	0
6	2009.10	3,398	0	0	272	3,670	574	595	0	2,008	493	3,670	0
7	2010.11	1,759	0	0	352	2,111	588	616	0	907	0	2,111	0
8	2011.12	1,795	0	0	363	2,158	0	636	0	1,522	0	2,158	0
9	2012.13	1,831	0	0	374	2,205	0	657	0	1,548	0	2,205	0
10	2013.14	1,868	0	0	385	2,253	0	679	0	1,574	0	2,253	0
11	2014.15	1,888	0	0	395	2,283	0	701	0	1,581	0	2,283	0
12	2015.16	1,916	0	0	405	2,321	0	724	0	1,597	0	2,321	0
13	2016.17	1,945	0	0	415	2,360	0	747	0	1,612	0	2,360	0
14	2017.18	1,974	0	0	425	2,399	0	771	0	1,628	0	2,399	0
15	2018.19	2,003	0	0	436	2,439	0	796	0	1,643	0	2,439	0

16	2019.2	2,850	0	0	447	3,296	0	821	0	2,475	0	3,296	0
17	2020.21	2,891	0	0	458	3,349	0	847	0	2,502	0	3,349	0
18	2021.22	2,933	0	0	469	3,402	0	873	0	2,529	0	3,402	0
19	2022.23	2,975	0	0	481	3,456	0	900	0	2,556	0	3,456	0
20	2023.24	3,018	0	0	493	3,511	0	928	0	2,583	0	3,511	0
21	2024.25	5,055	0	0	505	5,560	0	820	0	4,740	0	5,560	0
22	2025.26	5,134	0	0	518	5,652	0	845	0	4,807	0	5,652	0
23	2026.27	5,214	0	0	531	5,745	0	871	0	4,874	0	5,745	0
24	2027.28	5,294	0	0	544	5,838	0	897	0	4,942	0	5,838	0
25	2028.29	5,376	0	0	558	5,933	0	924	0	3,206	1,804	5,933	0
26	2029.3	5,277	0	0	572	5,848	0	793	0	2,722	2,334	5,848	0
27	2030.31	5,366	0	0	586	5,951	0	816	0	2,750	2,385	5,951	0
28	2031.32	5,455	0	0	601	6,056	0	840	0	2,796	2,076	5,713	343
29	2032.33	5,546	0	0	616	6,162	0	865	0	2,843	0	3,708	2,454
30	2033.34	5,639	0	0	631	6,270	0	891	0	2,891	0	3,781	2,488