

Date: 26 October 2012
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To: Members of the Housing Review Board
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Members of the Tenant Scrutiny Panel
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Meeting of the Housing Review Board
Thursday, 8 November 2012 at 6.00 pm
Council Chamber, Knowle, Sidmouth

The above meeting will be held in the Council Chamber at East Devon District Council Offices, Knowle, Sidmouth, to consider the matters detailed on the agenda below.

Members of the public are welcome to attend this meeting.

- There is a period of 15 minutes at the beginning of the meeting to allow members of the public to ask questions.
- In addition, the public may speak on items listed on the agenda. After a report has been introduced, the Chairman (Leader of the Council) will ask if any member of the public wishes to speak and/or ask questions.
- All individual contributions will be limited to a period of 3 minutes – where there is an interest group of objectors or supporters, a spokesperson should be appointed to speak on behalf of the group.
- The Chairman has the right and discretion to control questions to avoid disruption, repetition and to make best use of the meeting time.

Should anyone have any special needs or require any reasonable adjustments to assist them in making individual contributions, please contact Alethea Thompson (contact details at top of page).

Councillors and members of the public are reminded to switch off mobile phones during the meeting. If this is not practical due to particular circumstances, please advise the Chairman before the meeting.

AGENDA

PART A - Matters for Decision

Page/s

1 **Public question time** – standard agenda item (15 minutes)

Members of the public are invited to put questions to the Board through the Chairman.

Councillors also have the opportunity to ask questions of the Chairman

PART A - Matters for Decision			Page/s
	and/or Portfolio Holders present during this time slot. Members of the public are given priority at this part of the agenda.		
2	To confirm the minutes of the meeting of the Housing Review Board held on 6 September 2012.		4 - 13
3	To receive any apologies for absence.		
4	To receive any declarations of interests relating to items on the agenda.		
5	To consider any items which, the Chairman thinks, should be dealt with as matters of urgency because of special circumstances. (Note: such circumstances need to be recorded in the minutes; any individual wishing to raise a matter under this item is requested to notify the Chairman before the meeting).		
6	To agree any items to be dealt with after the public (including the press) have been excluded. There are no items which Officers recommend should be dealt with in this way.		
7	Housing Review Board forward plan.	Head of Housing	14 - 15
8	Green Deal. HCA publication "Dealing Green: Options of Registered Providers – Annex A" CIH publication "Greening your Housing Stock" – Annex B	Housing Needs and Strategy Manager	16 - 28
9	Programme works review.	Housing Needs and Strategy Manager	29 - 35
10	Financial monitoring report.	Accountant	36 - 44
11	Audit of the Housing Revenue Account Business Plan.	Head of Housing	45 - 62
12	HouseMark benchmarking survey results. Summary of benchmarking results – Annex A	Head of Housing	63 - 66
13	Repairs charter.	Housing Needs and Strategy Manager	67 - 74
14	Car parking improvement schemes – briefing note.	Housing Needs and Strategy Manager	75 - 76

Decision making and equality duties

- The Council will give due regard under the Equality Act 2010 to the equality impact of its decisions.
- An appropriate level of analysis of equality issues, assessment of equalities impact and any mitigation and/or monitoring of impact will be addressed in committee reports.
- Consultation on major policy changes will take place in line with any legal requirements and with what is appropriate and fair for the decisions being taken.

- Members will be expected to give reasons for decisions which demonstrate they have addressed equality issues.

Members and co-opted members remember!

- You must declare the nature of any disclosable pecuniary interests. [Under the Localism Act 2011, this means the interests of your spouse, or civil partner, a person with whom you are living with as husband and wife or a person with whom you are living as if you are civil partners]. You must also disclose any personal interest.
- You must disclose your interest in an item whenever it becomes apparent that you have an interest in the business being considered. Make sure you say what your interest is as this has to be included in the minutes. [For example, 'I have a disclosable pecuniary interest because this planning application is made by my husband's employer'.]
- If your interest is a disclosable pecuniary interest you cannot participate in the discussion, cannot vote and must leave the room unless you have obtained a dispensation from the Council's Monitoring Officer or Standards Committee.

Getting to the Meeting – for the benefit of visitors



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The following **bus service** stops outside the Council Offices on Station Road: **From Exmouth, Budleigh, Otterton and Newton Poppleford – 157**

The following buses all terminate at the Triangle in Sidmouth. From the Triangle, walk up Station Road until you reach the Council Offices (approximately ½ mile).

From Exeter – 52A, 52B
From Honiton – 52B
From Seaton – 52A
From Ottery St Mary – 379, 387

Please check your local timetable for times.

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The Committee Suite has a separate entrance to the main building, located at the end of the visitor and Councillor car park. The rooms are at ground level and easily accessible; there is also a toilet for disabled users.

For a copy of this agenda in large print, please contact the Democratic Services Team on 01395 517546

EAST DEVON DISTRICT COUNCIL

Minutes of a meeting of the Housing Review Board held at Knowle, Sidmouth on 6 September 2012

Present:

Councillors:

Pauline Stott (Chairman)
Christine Drew
Douglas Hull
Jim Knight

Co-opted Tenant Members:

Victor Kemp
Pat Rous
Sally Lancaster
Sue Saunders

Co-opted Independent Community Representative:
Rob Finch

Officers:

Sue Bewes, Landlord Services Manager
Dennis Boobier, Housing Needs and Strategy Manager
Amy Gilbert, Support Services Manager
John Golding, Head of Housing
Paul Lowe, Housing Enabling Officer
Natasha Redfern, Information and Analysis Officer
Giles Salter, Solicitor
Alethea Thompson, Democratic Services Officer
Mandy White, Housing Accountant

Also Present:

Councillors:

Jill Elson - Portfolio Holder for Sustainable Homes and
Communities
Stephanie Jones – Deputy Portfolio Holder for Sustainable Homes
and Communities
Geoff Pook
Phil Twiss

Apologies

Co-opted Tenant Member:
Christine Morrison

Co-opted Independent Community Representative:
Julie Adkin

Councillors:

Steve Gazzard
Chris Wale

The meeting started at 6.00pm and ended at 8.25pm.

*19 Chairman's announcements

The Chairman welcomed all those present to the meeting. The Chairman informed the Board that Independent Community Representative member, Julie Adkin had given her apologies until at least January 2013 as she was awaiting major heart surgery. She wished to remain on the Board and to be kept informed of the Board's activities. Tenant member, Christine Morrison's husband was ill and had also given her apologies. The Chairman circulated cards to Christine Morrison and Julie Adkin for members to sign and to be sent with best wishes on behalf of the Board.

Sheltered Housing Task and Finish Forum

The Chairman asked those present whether they would like to join the Sheltered Housing Task and Finish Forum, as there were currently two vacancies on the TaFF. Councillor Christine Drew and tenant member Sally Lancaster put their names forward.

RESOLVED: that the Councillor Christine Drew and tenant Sally Lancaster be appointed to the Sheltered Housing Task and Finish Forum.

*20 Public question time

There were no questions raised by members of the public.

*21 Minutes

The minutes of the meeting of the Housing Review Board held on 21 June 2012, were confirmed and signed as a true record.

*22 Declarations of interest

Board Member	Minute number	Type of interest	Nature of interest
Jim Knight		Personal	His daughter lived in a Council owned property.
Jim Knight		Personal	Devon County Council Councillor
Rob Finch	29 & 33	Disclosable pecuniary	Employed by Devon & Cornwall Housing, which could potentially be in competition with EDDC.
Geoff Pook	31	Personal	Member of a Parish Council that was considering the possibility of setting up a Community Land Trust.

*23 Exclusion of the public

RESOLVED: that the classification given to the documents to be submitted to the Housing Review Board, be confirmed, and that the reports relating to exempt information, be dealt with under Part B.

*24 Housing Review Board forward plan

The Head of Housing presented the forward plan. He had added a report from the South West Audit Partnership (SWAP) on the Housing Revenue Account Business Plan to be considered at the next meeting.

The Portfolio Holder for Sustainable Homes and Communities reported that she had written to Devon County Council (DCC) on behalf of the Halsdon Ward, Exmouth to try to arrange a meeting. Following the closure of Danby House and Exe Bank, adjacent properties (residential care homes owned by DCC) were experiencing significant antisocial behaviour and problems with vermin.

RESOLVED: that the forward plan be noted.

*25 Standardised Tenants and Residents (STAR) survey results

The Chairman welcomed Peter Davies of BMG Research to the meeting. Mr Davies presented the results of the 2012 STAR survey. During the presentation he explained the methodology, some key findings and conclusions.

The presentation concluded that:

- Sheltered tenants were more satisfied than general needs tenants.
- Repairs & maintenance / quality of the home were the main priorities for both.
- Car parking was considered the biggest problem, followed by rubbish and litter.
- General needs tenants had more contact with the Housing Service than sheltered tenants,
 - but were less satisfied with the ease of getting hold of the right person and the helpfulness of staff,
 - activities for young people were most important to the general needs tenants.
- Activities for elderly people were most important to the sheltered tenants.

Compared with performance in 2008, for general needs, the following statistics were reported;

- Satisfaction with the overall service had increased by 2% (87% - 89%).
- Satisfaction with repairs and maintenance had increased by 3% (85% - 88%).
- Satisfaction with the neighbourhood had increased from 81% to 89%.
- Satisfaction with value for money had increased by 2%, up to 91%.
- The proportion of tenants contacting the Housing Service was lower, but the percentage finding it easy to contact the right person and the helpfulness of staff members had decreased. Satisfaction with the final outcome was up by 4% on 2008 to 80%.

To improve the satisfaction scores further the service needed to target those aged under 35, as this group was the most likely to express dissatisfaction. It was thought that this was due to the higher expectations of this group.

*25 Standardised Tenants and Residents (STAR) survey results (cont'd)

The Information and Analysis Officer's report provided a summary of the STAR survey methodology and an overview of the satisfaction results that the survey provided the Housing Service. Overall the results were pleasing and showed an improvement (of two percentage points) on earlier STATUS survey results. The survey results would be used to improve services in areas where there was room for improvement and to learn from the messages being provided. The Head of Housing would report to the Board on service improvements as well as bringing some benchmark results to the Board.

The Board thanked the staff and tenant panels for working towards such high levels of tenant satisfaction with the Housing Service. The Head of Housing thanked the Information and Analysis Officer for her work on the survey results and gave his best wishes for her forthcoming maternity leave.

RESOLVED: that the results be acknowledged; that where high satisfaction was achieved, results would be celebrated, but where results were not so good, measures would be taken to improve satisfaction.

*26 HRA financial monitoring report 2012/13 – month 4, July

The Board received a report from the Housing Accountant giving a summary of the overall financial position on the Housing Revenue Account (HRA), HRA Capital Programme and the Business Plan for 2012/13 at the end of month four (July 2012). Regular monitoring would highlight any areas of concern or unforeseen expenditure in the HRA and associated capital programme and enable corrective action to be taken as required. Any variances would be reflected in the Business Plan.

Current monitoring indicated that:

- The Housing Revenue Account Balance would be maintained at or above the adopted level.
- The position on the HRA Business Plan had not changed significantly and remained healthy.

It was reported that the Council hoped to complete the purchase of 11 homes in Morton Way, Axminster within the next few weeks.

The Board conveyed its thanks to all the staff concerned for such a remarkable achievement in such a short time.

RESOLVED: that the variances identified as part of the HRA revenue and capital monitoring process up to month four be acknowledged.

27 Threats to future income

Consideration was given to the report of the Head of Housing which considered the threats to the Council's rent collection performance and tenants' ability to pay their rent as a result of the Welfare Reforms being implemented nationally. A risk assessment was set out in the report, together with a series of mitigation measures proposed to maintain high levels of rent collection.

Efficient rent collection was a core housing management activity and enabled the housing service to manage and maintain Council homes to a good standard. If rent collection faltered, the service's ability to do all the things it had planned would fail. Preparation was critical to being able to manage this process and limit the adverse impact on the Housing Business Plan and low income tenants.

Performance on rent management had improved over recent years, increasing to 99.65% in 2011/12. The rent arrears of current tenants was £146,728. The Systems Thinking purpose for rent management was 'for tenants to pay the right amount at the right time'. It was noted that approximately 60% of the Council's tenants were in receipt of full or partial Housing Benefit. The Welfare Reforms would have the most impact on working age households. Many claimants could experience a significant reduction in income. This would have a variety of impacts, including tenants' ability to pay their rent. Rent arrears that might increase would mean that tenants' homes were at risk, which in turn could lead to homelessness.

The threats to the Council's income stream from national policy changes included:

- Universal Credit (a combined benefit payment)
- Online applications
- Payment direct to tenants
- Bedroom tax for under occupation
- Single room rate for under 35's
- Local Housing Allowance set at 30th percentile rather than 50th percentile
- Affordable rents
- Localisation of Council Tax Benefit
- Supporting People budget pressures

Welfare Reform could have a major impact on the Housing Service's ability to realise its Business Plan ambitions, so it was important to prepare for the changes to support tenants through this period of economic difficulty. The Chartered Institute of Housing (CIH) had just launched a campaign to encourage social landlords to prepare for Welfare Reform prior to April 2013 when many of the changes would come into effect. The CIH had produced a checklist of things to do including:

- Use of tenant profiling information to assess the risks and impacts of welfare reform on tenants;
- Develop a strategy to mitigate potential risks to income streams;
- Communicate the impacts to affected tenants and prospective tenants. Reassure tenants that would not be affected. Communicate in plain jargon free language;
- Ensure that rent account and IT systems were fit for purpose and could deal with the changes;

27 Threats to future income (cont'd)

- Consider how frontline staff would be equipped with the skills and knowledge needed to support tenants;
- Review relevant policies and procedures specifically in relation to lettings, arrears, and financial inclusion;
- Plan how the Service will provide support, including any additional resources it might need;
- Liaise with other Registered Providers in the area and work together to improve mobility for tenants affected;
- Map out points in the area where tenants could access the internet for online claims.

A number of measures to maintain income were considered and discussed. Members were particularly concerned about the 'bedroom tax' for under occupation, which would affect over 400 EDDC tenants. The remedy would be for tenants to downsize, however the Council did not have enough of these properties available to meet demand.

Members then went on to discuss the practicalities of Job Centres Plus administering benefits in the future. The Board (and the Tenant Representative Group) expressed great concern over how this would work and the Portfolio Holder for Sustainable Homes and Communities updated Members on her discussions with Ministers.

It was reported that the Tenant Representative Group (TRG) had grave concerns about the effects the proposed Welfare Reforms would have on a great many tenants. They requested that the TRG and tenants as a whole be kept fully informed about the coming changes.

The Chairman thanked the rent collection team for achieving such significant rent collection figures. The Board thanked the Portfolio Holder for Sustainable Homes and Communities for all the work that she had done regarding changes to the benefits system and appreciated her huge amount of knowledge and dedication. In response the Portfolio Holder for Sustainable Homes and Communities thanked the Board and expressed her concerns over the rents in the private sector (due to high levels of demand) increasing faster than housing benefit. This in turn could lead to the Council having to move tenants already in suitable accommodation and the Portfolio Holder for Sustainable Homes and Communities gave an example of where this had already happened.

RECOMMENDED: that the Council recognises the risks to future income and implements the proposals to limit the adverse impact of welfare reforms on future income streams.

28 Devon Home Choice – changes to allocation policy

The Housing Needs Manager's report set out the outcome of the recent review of the Devon Home Choice Policy approved by the Devon Home Choice Board (DHC Board). It also took into account the recently published revised guidance for local housing authorities on the allocation of accommodation. In March 2012 Members approved a draft response to the consultation on the draft statutory guidance on the allocation of accommodation. The key changes to the allocation of social housing were set out in the report for Members' consideration. The report recommended that Members approved the changes to the Devon Home Choice Policy, already approved by the Devon Home Choice Board. A further review of the policy would be conducted by the Devon Home Choice Board in 12 months time.

The DHC policy clearly set out which applicants did and did not qualify for allocation of social housing. The DHC Board had recommended no change to the eligibility criteria.

The decisions of the DHC Board that needed to be reconsidered by the HRB were;

- Under occupation – all downsizers to be placed in Band B.
- Additional preference groups and priority – Armed Forces – removal of the need to meet the local connection criteria, and those that would normally be placed in Band D to be placed in Band C.
- Additional preference groups and priority – other groups – applicants who become foster carers or adopt to receive additional priority if they need to move to a bigger property to enable this to happen (to be placed in Band B).
- Policy on refusals – the Council could not review an applicant who refused a number of homes that they had bid for and been offered. If they continued to refuse suitable homes they would have their priority reduced to the No housing need band (Band E). The key issue was the 'number' of homes, although the wording allowed EDDC some flexibility.

RECOMMENDED: that the following Devon Home Choice Board decisions be approved:

1. All downsizers are placed in band B.
2. Applicants who formerly served in the regular forces who would normally be placed in band D "no permanent home" are now to be placed in band C.
3. Applicants who need to move to larger accommodation to become foster carers or adopt should have their application placed in band B.
4. The policy on refusals contained in the current published policy document at paragraph 4.12 of the report remains unchanged.

29 Development Statement for increasing Council housing stock

The report of the Housing Development and Enabling Officer advised the HRB of how the Council continued to increase its housing stock through new build and acquisition of homes, and sought Board support for the proposed approach. It was anticipated that the Development Statement would evolve over time as the Council's experience as a developer of affordable housing expanded.

As a result of the Housing Revenue Account reform earlier in the year it was hoped that a funding surplus would be identified so that a budget could be set, ensuring the continued delivery of new Council homes. If the Development Statement was adopted it would enable the Development Team to establish itself as a serious operator within the affordable housing sector in East Devon. This would help to increase the overall numbers of affordable housing delivered in East Devon.

Members discussed the formation of a virtual housing team, to review the development of Council own build projects and have the autonomy to make decisions quickly, as and when needed. The composition of the team was debated, with all in agreement that non-officer members of the team should come from the HRB. An amendment for an opposition Member of the Board to be included on a virtual housing team was put to the vote and lost.

RECOMMENDED: that the Development Statement be adopted and used as a basis of securing more Council homes through acquisitions and new build.

Councillor Douglas Hull asked for his vote against the recommendation to be recorded (a virtual housing team without a member of the opposition).

30 Equalities and Diversity Charter for housing

The Head of Housing's report reminded the Board of the importance of equalities and diversity in the Council's housing activities and outlined the contents of a new Charter published by the Chartered Institute of Housing. The Council was working towards many of the principles contained in the Charter which represented good practice in the housing sector. It was proposed that the Council 'sign up' and embrace the core commitments, building them into operational arrangements for service delivery.

RECOMMENDED: that the content of the Equalities and Diversity Charter for housing be approved and the Council sign up to formally adopt the Charter.

31 Garage Management Review – Task and Finish Forum

Consideration was given to the report of the Housing Needs and Strategy Manager which set out the outcome of the work of the Task and Finish Forum (TaFF) on garages. The Council owned 751 garages that provided a rental income of £430,000. There were more than 126 garages empty at a loss of £72,000 – 16% of total debit. Members of the HRB and officers undertook site visits to most garage sites in East Devon and considered whether the garages should be retained or an alternative use be made of the site.

Options for consideration included:

- The problems of monitoring and enforcing garage tenancies.
- The option of increasing the garage rent on an ad hoc basis when the garage was being used for storage purposes.
- Charging a small amount for spaces used for parking next to garages.
- To consider the opportunities on Council garage sites, as well as other Council owned land to mark out parking spaces and charge for permits to park in these.
- Whether garages should be sold immediately when their value was higher, or whether the Council should wait until repairs were required before selling them off (retaining an income stream in the meantime).

There were 83 blocks of garages, with a total of 751. The recommendations of the TaFF could be grouped into three main categories:

- Garages to be retained – usually in a satisfactory or good condition, or that had no development potential when major repairs were required.
- Garage sites that should be developed now or in the foreseeable future.

These were;

- Elizabeth Way, Seaton
- Summersby Close, Seaton
- Courtnay Drive, Colyton
- Plymtree
- Payhembury
- Prestor, Axminster
- Millwey, Axminster (A, B and C blocks)
- George Street, Honiton
- Garages site that should be sold on the open market. These were;
 - Peazen Flats, Beer
 - Eyewell Green, Seaton
 - Coombe Orchard, Axmouth
 - Higher Doatshayne, Musbury
 - Lashbrook, Talaton
 - Fairview, Honiton (large block)
 - Charles Road, Honiton
 - Turner Close, Newton Poppleford (2 x small blocks)
 - Moorhaven, Budleigh Salterton
 - Churchill Road, Exmouth
 - Salters Meadow, Sidmouth (2 x small blocks)
 - Farway

31 Garage Management Review – Task and Finish Forum (cont'd)

It was noted that the TRG supported the work of the TAFF, provided that the recommendations did not exacerbate the already problematic parking situation.

The Portfolio Holder for Sustainable Homes and Communities commended the TaFF for its excellent work, but felt that Ward Members should be asked for their comments, in addition to the TaFF recommendations. The Board felt that Councillors would be aware of the recommendations from reading the HRB report. However, Ward Members would automatically be consulted before any action was taken, with the HRB making final recommendations. The Portfolio Holder for Sustainable Homes and Communities reported that she would email all district councillors, highlighting the TaFF report and urging them to read it and take note of the recommendations.

It was suggested that an annual review of the recommendations in Annex A should be reported to members of the HRB.

- RECOMMENDED:**
- 1 that the recommendations contained in Annex A to the report be approved.
 - 2 that consideration be given to the issues at paragraph 2.2 of the report.

*32 Exclusion of the Public

RESOLVED that under Section 100(A) (4) of the Local Government Act 1972 the public (including the press) be excluded from the meeting as exempt information, is likely to be disclosed and on balance the public interest is in discussing the items in private session (Part B).

33 Affordable housing – land adjoining the Knapp, Dalwood

The Housing Development and Enabling Officer's report set out a proposal to deliver a development of five new affordable homes on land that adjoined the Knapp, Dalwood. The Board's support was sought to dispose of a small parcel of housing land to a Community Land Trust, who would work in partnership with Yarlinton Housing Association to provide five affordable homes. Concern was expressed that the Council should not have to pay any of the conveyancing fees for this scheme.

RECOMMENDED: that the Council transfer a small parcel of EDDC housing land at nil consideration to the Corry Valley Community Land Trust on a freehold basis for the provision of affordable housing, with the understanding that the Council would expect its legal fees to be paid for by the purchasers of the scheme.

Chairman

Date

HOUSING REVIEW BOARD – FORWARD PLAN

This forward plan identifies reports and other agenda items for future meetings of the Housing Review Board. It is also intended to assist agenda management and act as a reminder of items to come forward to future meetings.

Report title	Meeting date	Author
Green Deal	November 2012	Housing Needs and Strategy Manager
Programme works review	November 2012	Housing Needs and Strategy Manager
Financial monitoring report	November 2012	Housing Accountant
South West Audit Partnership report on the Housing Revenue Account Business Plan	November 2012	Head of Housing
HouseMark benchmarking survey results	November 2012	Head of Housing
Repairs Charter	November 2012	Housing Needs and Strategy Manager
Performance digest – a dashboard of performance indicators	January 2012	Housing Needs and Strategy Manager
Review of grounds maintenance	January 2012	Landlord Services Manager
Changes to support services	January 2012	Landlord Services Manager
Tenant and Council Partnership Agreement 2011-2014	January 2012	Landlord Services Manager
Review of Drop In sessions and Surgeries	January 2012	Landlord Services Manager
Telecare services	TBC	Home Safeguard Manager
Running a business from home	TBC	Landlord Services Manager
Danby House/Exbank – DCC updated proposals	Reliant on DCC timetable	Head of Housing
Review of Key Safe installations	TBC	Support Services Manager
Quarterly performance reports and regular report		
Responsive repairs	Quarterly report	Asset and Property Manager

Letting of Council homes/voids	Quarterly report	Housing Needs and Strategy Manager
Devon Home Choice	Quarterly report	Housing Needs and Strategy Manager
Rent management	Quarterly report	Landlord Services Manager
Housing Revenue Account budget	Quarterly report	Head of Housing
Systems Thinking leading & lagging measures New Tenants Survey	Quarterly report	Head of Housing
Forward Plan	Every meeting	Head of Housing
Formal Complaints	Annual report	Housing Needs and Strategy Manager
Evaluating the achievements of the Board	Annual report	Head of Housing

HRB & Housing Drop In sessions - dates and venues	Date and time
Yonder Close Community Centre, Ottery St Mary	9 November 10am- 12 noon

Board Members can propose agenda items during meetings/debates that can be included on the Forward Plan for future meetings, or outside the meetings with the agreement of the Chairman and Vice chairman.

Future HRB meeting dates: 10 January 2013; 7 March 2013; 9 May 2013.

Agenda Item: 08

Housing Review Board

8 November 2012

DB



Green Deal, Fuel Poverty and Energy Efficiency Issues

Summary

The Green Deal is a government initiative to increase the energy efficiency of properties in the public and private sector. The Green Deal will allow private energy firms to provide domestic and commercial customers with double glazing, loft and wall insulation and other structural improvements designed to boost the energy efficiency of their buildings and reduce heating bills.

In the UK, fuel poverty is said to occur when a household needs to spend more than 10% of its income on heating the home to an adequate standard of warmth. Overall, fuel poverty in East Devon for 2010 was 12.3% (down from 13.2% in 2009), with the rate in the private rented sector being 18.8%, according to the Private Sector Housing Condition Survey (December 2010). Although the emphasis in the definition is on heating the home, in the definition of fuel poverty 'fuel costs' also include spending on heating water, lighting appliance usage and cooking costs.

Energy efficiency measures such as solar panels, air source heating pumps and wind turbines can also help to reduce the use of energy and the cost of fuel.

The Council delivers major improvements to its housing stock each year that includes most of the measures that the Green Deal is proposing to address. It is therefore proposed that the Council continues to use the Cyclical and Programmed Maintenance budgets to improve the energy efficiency of Council homes and reduce the cost of energy to tenants and to implement the 'catch up' and decent homes standard repairs identified in the public sector stock condition survey. This will ensure we are meeting the principle aim of the government's Green Deal initiative.

It is proposed to not allow tenants to make improvements to their home through the Green Deal initiative for the reasons set out in the report.

Recommendation

Members are asked to agree the following recommendations:

1. To agree to focus on the delivery of the improvement programmes to ensure all Council homes are as energy efficient and thermally insulated as possible to enable tenants to minimise their energy costs.
2. To support and fund the development of a solar panel/retrofit programme to a targeted number of properties outlined in the report.
3. To consider whether a new post should be developed to help take forward our targeted approach to thermal insulation and energy efficiency measures.
4. To not allow tenants to make improvements to their home through the Green Deal.

a) Reasons for Recommendation

The Council is not in a position to be a Provider or Partner to deliver the Green Deal. The appropriate option for the Council is to monitor development and implementation of the Green Deal and to consider any change to the proposed approach at a future date.

b) Alternative Options

No viable alternative options are considered to be available at this stage.

c) Risk Considerations

No significant risks identified.

d) Policy and Budgetary Considerations

Any significant budgetary implications are included in the report.

Positive Impact Overall

Affordable Homes.

Safe Environment.

Green Environment.

Excellent Customer Service.

Inspirational Council.

Providing same service at less cost.

e) Date for Review of Decision

October 2014.

1 Background

- 1.1 Members will remember that a report was presented to the HRB in March 2012 regarding electricity generating technology and the Green Deal. It was agreed that a further report be presented on the Green Deal when the Government had finalised its proposals.
- 1.2 Since the report in March 2012 the Government has confirmed that the new 'feed-in' tariff rates will go down to 21p per kilowatt hour for solar panels installed after April 2012, then be cut to 13.6p in July 2012, reducing to 7.7p in April 2015. This is to try and restore some certainty to the photovoltaic market.

2. What is Green Deal?

- 2.1 The Green Deal is a financing mechanism that lets people pay for energy-efficiency improvements through savings on their energy bills. It will replace current policies such as the Carbon Emissions Reduction Target (CERT) and the Community Energy Saving Programme (CESP).
- 2.2 The government has appointed a Green Deal Registration and Oversight Body. Part of their role is to register the Green Deal Advisors, Providers and Installers. (There is no longer any need for manufacturers to register products and systems that will be installed under the Green Deal.)
- 2.3 The Green Deal process has four stages:



- 2.4 The Assessment - this is carried out in the tenant's home by a Green Deal Advisor or Assessor. They will:
 - use standardised software to identify what energy efficiency or microgeneration improvements you can make and what the financial savings would be.
 - outline how the payments will work.

- ensure that the improvements identified meet the **Golden Rule**: the payments made for the improvements cannot be higher than the estimated energy bill savings they will make.
 - declare any commission they may receive for carrying out the assessment and any links to Green Deal Providers.
- 2.5 The Finance - once the Green Deal Advisor has carried out the assessment, they will outline a range of packages available from Green Deal Providers to fund the improvements. If you decide to take up a Green Deal offer you will then sign a Green Deal Plan, which is a contract between you and the Green Deal Provider.
- 2.6 The installation - the Green Deal Provider will arrange for a Green Deal installer to come and carry out the work you have agreed to. The installer will have been vetted to ensure they meet the standards set out for the Green Deal.
- 2.7 The repayment - you pay back the cost of the improvements over time through your electricity bill. Your electricity supplier will pass your payments on to your Green Deal Provider. The amount you pay back will be covered by the reduction in your energy costs as a result of the energy saving improvements you have made.
- 2.8 Although the cost of the improvements is repaid, this is not a conventional personal loan as the charge is attached to the electricity meter in your house and paid back through your electricity bill. If you move out, the new occupant will pick up the charge while also benefiting from a more energy-efficient property. Interest will be charged on these payments, but the rate will be fixed. The Green Deal Finance Company expects an interest rate of 6 to 8% but this is down to Providers to set. Green Deal Providers may also charge an early repayment fee for plans that are over 15 years but must disclose any fee to you up front.
- 2.9 We are informed that collectively, homes and businesses across the UK waste approximately £3 billion of energy every year.
- 2.10 As much as a third of a home's heat is lost through its walls. Wall insulation can significantly improve the warmth of a home and produce annual savings of around £115. Cavity wall insulation is suitable for most houses built after 1930 and can be carried out usually from outside the property. Houses built before 1930 often have solid walls, which are less energy efficient than cavity walls. Solid wall insulation can be carried out either on the outside or inside of and property and may provide savings of up to £400 a year.
- 2.11 Up to a quarter of a home's heat escapes through the roof space. Loft insulation considerably reduces the amount of energy needed to heat a property, keeping it warmer for longer and saving around £45 a year on heating bills.

- 2.12 The Green Deal will provide an opportunity for homeowners, tenants and businesses to update their properties and bring them in line with the much more stringent modern standards, giving everyone the opportunity to make long-term savings.
- 2.13 Although the early stages of the Green Deal will focus on the insulation measures for homes and businesses, it is thought the scheme has the potential to be extended to other energy saving installations and renewable technologies.
- 2.14 Modern, Band A boilers are 20% more efficient than the outdated Band G boilers that many of us have in our homes. As well as having an efficiency rating of 90%, modern boilers allow for far closer control of the heat of property, regulating the temperature to prevent overheating. Thermostatic radiator valves allow householders to pick and choose the areas of their home to heat, boosting the green credentials of homes and saving cash in the long term.
- 2.15 Ground source heat pumps provide renewable, clean energy by converting dormant heat in the ground to a high temperature to heat whole buildings efficiently. This innovative renewable technology is estimated to be nearly 40% cheaper than gas heating and 56% cheaper than oil heating, and because ground source heat pumps utilise renewable energy, they're far greener than other energy sources, saving approximately 500kg of carbon emissions every year per household.
- 2.16 Solar power panels convert daylight into energy to power electrical appliances, while solar thermal collectors can be used to heat water. Suitable for use in any environment, solar technologies provide renewable, efficient heat with zero carbon emissions. Once installed, solar panels will last up to 20 years and if a household generates more energy than it uses, it is possible to sell on excess energy to energy supplier firms.
- 2.17. The Green Deal is open to both homeowners and tenants, and ***tenants living in rented properties are welcome to apply with the express consent of their landlord.*** Because the Green Deal finance plan is not a personal loan, it is not means tested and there will be no need for a credit history check during the application process.

3. Key issues for consideration

- 3.1 The information available on the “Green Deal” is comprehensive and complex. Two key pieces of information useful for social landlords are provided as follows:

[HCA publication “Dealing Green: Options of Registered Providers – Annex A](#)
[CIH publication “Greening your Housing Stock” – Annex B](#)

- 3.2 ***Do we allow Council tenants to participate in the Green Deal?***

- 3.3 It is anticipated that the majority of tenants will not participate in the opportunity provided by the Green Deal initiative. For those that do wish to undertake improvements to their home, an issue for us is, should the Council give its consent?
- 3.4 Most of the improvements available through the Green Deal are available through the Councils funding of programmed works. Roof insulation, cavity wall insulation, double glazed windows, energy efficient boilers, and thermal efficient doors are provided by the Council through the improvement programmes delivered each year. These programmes provide “upgrades” to the major elements in tenant’s homes.
- 3.5 Do we have enough information about our housing stock to understand what needs upgrading/replacing to improve the energy efficiency of homes? The simple answer is yes! Our HOST system is the best source of information we have regarding construction dates and dates when improvements have been made to properties. In addition we have the Housing Stock Condition Survey information that shows the condition of the major elements in tenant’s homes.
- 3.6 The five year improvement programme has recently been revised and published. This is a dynamic document that changes regularly and properties requiring improvements are sometimes brought forward and improved earlier than expected and at other times go back to a later date, because of lack of funding or because other properties require urgent upgrade that must be undertaken in advance of some programmed properties.
- 3.7 Tenants may benefit from improvements through the Green Deal initiative, but there is no short term financial incentive to do so. Any possible financial benefit to be gained from a reduction in energy bills because of ‘energy efficiency’ following installation of Green Deal improvements will not accrue until after the cost of installation has been paid off – see the ‘golden rule’ above. This could be 10, 15 or 20 years in the future. In the meantime the Council will have upgraded most key items in the tenant’s home during that period.
- 3.8 In addition, there is an ongoing issue about ‘ownership’ of the improvement and who is responsible for maintenance. The provider/installer of Green Deal improvements must satisfy the Council with regard to the standard and quality of the improvement and installation. So we can probably be satisfied that the improvement will meet Council standards. However, once installed who owns the improvement? It appears the tenant will own the improvement as it is being paid for through their energy bill. Therefore any cost of maintenance of the improvement measure will fall on the tenant.
- 3.9 There is the issue of the impact on reletting our empty homes to consider. Is an empty property with Green Deal improvement costs added to energy bills less attractive to a new tenant? At this stage there is no evidence to suggest that applicants will be discouraged from bidding through Devon Home Choice for such properties.

- 3.10 On balance there is little benefit to tenants to secure most improvements to their home through the Green Deal when the Council will be providing these kind of upgrades within a 5-8 year period.
- 3.11 Tenants who wish to take advantage of the Green Deal require our permission and ***it is recommended that we decline any request for works to undertaken through the Green Deal.***

4. ***What should be our role?***

- 4.1 There are three broad approaches we can consider and these are explained in more detail at Annex A.

Provider	- financial backer for the Green Deal Works
Partner	- assessment and/or installations role
Not Provider or Partner	- wait and see role

Recommendation: To consider focusing on delivering our programmed works in short term and maintain a watching brief on the market and make decisions later when all of the facts are known. This will allow us to focus on meeting tenants aspirations to live in a decent home.

- 4.2 ***What about major improvements such as solar panels; air source heat pumps and alternative heating systems?***
- 4.3 Tenants have clearly identified their priorities for investment in the housing stock and it is important that we meet those aspirations through our funding of programmed works. Tenants have identified external doors and kitchens as the priority. In addition the replacement of boilers is a main priority to ensure homes are suitably heated and provided with hot water.
- 4.4 Most of our properties already have the required roof insulation and cavity wall insulation as well as double glazed Upvc windows. There are ongoing programmes to ensure that those properties below standard are upgraded using Energy Care. Those few properties that do not have Upvc double glazed windows have other forms of double glazed windows or have windows that are as thermally efficient as is possible at this time. Those properties requiring roof replacement are improved on an ad hoc basis following assessment by the Maintenance Surveyors. Therefore, the major elements relating to energy or thermal efficiency are included in our improvement programmes.
- 4.5 What about the opportunity to provide improvements such as solar panels and other measures to reduce carbon emissions and increase energy efficiency? Are these the kind of improvements that could be provided through the Green Deal?
- 4.6 The arguments above relating to Green Deal improvements and those we are providing through our improvement programmes are still relevant. If for

example a tenant wishes to provide solar panels on the roof through the Green Deal initiative should we agree? Who will be responsible? What happens when the tenant leaves the property? How do we maintain our roof structure should this need replacing? Our response at this stage should be to decline the opportunity for our tenants to make this kind of Green Deal improvement. This is a complex area and one which is continuing to develop.

It is recommended that we wait and see how the Green Deal develops; monitor the market and learn from other Registered Providers.

4.7 However, Members should consider whether it is appropriate to develop our own solar panel programme and retrofit programmes to improve the energy efficiency of some of our properties, particularly those who do not benefit from gas heating systems. We have around 300 solid fuel back boiler systems as well as 50 properties that have LPG/oil fired heating systems and 900 properties with electric economy 7 heating systems. Providing measures that combat carbon emissions and reduces energy consumption has a positive impact on fuel poverty – see paragraph 6 below.

4.8 We also have a number of properties – and most of these would be included in paragraph 4.7 above that have poor Standard Assessment Procedure (SAP) – the nationally recognised measure of the overall thermal efficiency of a property and lower than average Energy Performance Certificate (EPC) ratings. Members are asked to consider whether they support the development of a targeted programme to address energy/thermal efficiency measures and fuel poverty issues at the properties identified at paragraph 4.7.

4.9 Many landlords are considering retrofit to deal with energy/thermal inefficiency in their properties. More detailed information is at Annex B.

5 *What are Housing Providers in the South West doing?*

5.1 The Procurement Manager at Advantage SW (ASW) has indicated that Registered Providers who are members of ASW are not proposing to become partners or providers at this stage. They propose to monitor how the Green Deal develops over the next few years and if appropriate consider the opportunities the Green Deal may provide in future.

5.2 The Advantage SW Partnership is considering whether it should become a Provider of Green Deal and is researching the benefits it can pass on to the Partner Registered Providers if it achieves provider status. That decision has not been made yet.

6. *What is Fuel Poverty and who is affected?*

6.1 In the UK, fuel poverty is said to occur when a household needs to spend more than 10% of its income on heating the home to an adequate standard of warmth. (The UK Fuel Poverty Strategy sets minimum temperature thresholds at 21 degrees C for the main living room and 18 degrees C

elsewhere in the home.)

6.2 Overall, ***fuel poverty in East Devon for 2010 was 12.3% (down from 13.2% in 2009), with the rate in the private rented sector being 18.8%***. Although the emphasis in the definition is on heating the home, in the definition of fuel poverty 'fuel costs' also include spending on heating water, lights and appliance usage and cooking costs.

6.3 Fuel poverty is caused by a convergence of four factors:

- low income - which is often linked to absolute poverty
- high fuel prices - including the use of relatively expensive fuel sources (such as electricity in the UK, aggravated by higher tariffs for low-volume energy users)
- poor energy efficiency of a home- e.g. through low levels of insulation and old or inefficient heating systems
- under-occupancy - according to UK government statistics on average those in the most extreme fuel poverty live in larger than average homes.

6.4 Those at greatest risk of experiencing fuel poverty are people on low incomes living in energy inefficient homes.

Increasing Energy Costs
↓

Income below threshold/lower energy costs	Income above threshold/lower energy costs
Fuel poor: Income below threshold/higher energy costs	Income above threshold/higher energy costs

Increasing income →

6.5 Despite their much lower average incomes, those in social rented accommodation are only a bit more likely to be in fuel poverty than owner-occupiers. This is partly because ***very little social housing is energy inefficient*** and partly because social housing tends to be smaller; both factors meaning that less fuel is required to keep the home warm. ***Single people are more likely to experience fuel poverty, as are those living in rural, rather than urban, areas.***

6.6 The type of fuel available and the method of payment have an impact on levels of fuel poverty. Relatively high proportions (28%) of those households who do not use gas are fuel poor. In those households using gas as their main heating fuel, around 16% are fuel poor. This compares to households using solid fuel, where over half are fuel poor. However, nearly 85% of all households in England use gas as their main heating fuel and therefore gas

users still form the majority of the fuel poor. Below is the percentage in fuel poverty depending on fuel type used:

Gas	16%
Electric	30%
Oil	30%
Solid fuel	53%
Other	29%

- 6.7 Although prepayment meters are often associated with fuel poverty, the tariffs associated with pre-payment meters are no different to those available to other customers. There are relatively few fuel poor households that use pre-payment meters for gas consumption. Of all fuel poor households, just 15% use pre-payment meters for gas.
- 6.8 The major suppliers all provide a social tariff for residents with incomes less than £15,600/year. This will give a 10% discount on the energy unit of gas and electric used.
- 6.9 Low household temperature has been shown to have consequences for individual's health and be linked to mental health problems, social isolation in adults, truancy and antisocial behaviour.
- 6.10 Fuel poverty and lower standards of energy efficiency are also linked to an increased incidence of damp and mould in the home.
- 6.11 Under the Home Energy Conservation Act 2000 (HECA) the government has a duty to do all that is 'practicably reasonable' to eradicate fuel poverty by 2016. The Government has introduced as part of the Green Deal proposals the energy company obligation (ECO) subsidy. ECO will be paid for through an extra levy on everyone's fuel bills. This will subsidise expensive works that don't meet the 'golden rule' - where the savings exceed the cost of works – and will also target the fuel poor.
- 6.12 The real issue with the Green Deal proposals is that it will only really help people affected by fuel poverty to a limited extent in the short run because it will not actually reduce bills until the cost of the improvement works have been repaid. The way ECO resources are split between measures directly benefiting the fuel poor and measures aimed at carbon reduction will be crucial. The Government has ring fenced only 25% of the ECO pot for fuel poverty. The rest will be used for 'hard to treat' energy efficiency measures – principally solid wall insulation.

7. What can be done to reduce fuel poverty among our tenants?

7.1 The sort of work that we can do as a landlord falls into three main areas:

7.2 ***Advise our tenants about ways to reduce their own fuel bills and maximise their income.*** We need to promote energy saving measures; the potential benefits available of switching suppliers and how to do this, and the social tariff for fuel for those on incomes of less than £15,600. There are a

variety of ways to ensure that tenants are aware of energy saving measures including:

- Newsletter articles – We have had newsletter articles in the past and we will ask the Editorial Board of Housing Matters to run an annual article about energy saving measures in each December edition.
- Tenant Handbook – our current tenant handbook does not have any information on energy saving measures but this should perhaps be included within the next rewrite.
- Leaflets – we do not currently have a leaflet on energy saving measures. It may be that other agencies already produce leaflets of this nature which we could use (for example one by CAB and Ofgem, or British Gas may have one), or we could consider drafting one of our own if this was felt to be of use.
- Information at tenancy sign up – we explain that the supplier for the property is British Gas. We stress that tenants are free to sign up to an alternative provider and provide details of how they may seek a more appropriate deal and switch providers. The major suppliers all provide a social tariff for residents with incomes less than £15,600/year. This will give a 10% discount on the energy unit of gas and electric used.
- We need to ensure that all tenants maximise their income and claim any benefits due to them. We also need to remind tenants that they should consider swapping to a more economical energy provider if this is appropriate

7.3 We could employ an Energy Saving Advisor to target those tenants most at risk of fuel poverty to ensure they maximise income, minimise energy costs and provide a focus for targeting which properties we need to install energy efficient improvements. We have in excess of 300 properties that have solid fuel heating systems; 900 properties with night storage heaters; and 73 properties with a SAP rating less than 35 (identified by stock condition survey). Initially this could be the focus for the work of this post. The cost of a fixed term 2 year post is estimated to be £25,000 per year.

7.4 **Ensure that our properties are as energy efficient as possible.**

7.5 There are various ways in which we can improve energy efficiency depending on the property type, including:

- Increased loft insulation: the stock condition survey highlights that 5.9% of properties have loft insulation of less than 100mm and 33.1% have between 100-200 mm. These should all be increased

to over 200mm.

- Cavity wall insulation – if appropriate.
- External cladding – probably only applicable to single skin properties.
- Increase the SAP ratings for some properties: the report has highlighted that the average SAP rating of the stock is 64 (very good when compared to the national average of 56), but 73 properties had a SAP rating of less than 35. These tend to be pre-war or non traditional properties.
- Install 'green' energy systems – solar panels etc.
- Install the most efficient form of heating wherever possible: for example properties that have either electric storage heaters or panel heaters could be replaced with modern heating systems.

7.6 Identify tenants most at risk of fuel poverty and work with them to reduce the risk.

- If we can identify those at risk of fuel poverty then we may be able to work with them to overcome some of these issues.
- It is recognised that single people living alone; under occupation and increased problems with damp and mould may be linked to possible fuel poverty. We should consider targeting people who are under occupying their home and those reporting damp and mould problems and consider whether either advice or improvements can help reduce fuel poverty or a more energy efficient home.
- Where housing staff are aware that these may be the case they should always consider whether the tenant may be suffering fuel poverty. Income and benefit checks should be offered to ensure tenants are receiving all their entitlement. Other ways to improve the property's energy efficiency should also be looked into.

8. Summary and Conclusion

- 8.1 The Green Deal is the Government's flagship consumer-focussed energy and climate change policy, aiming to drive the take-up of energy efficiency measures in 14 million homes by 2020, generate £7bn of investment annually, and creating as many as 250,000 new jobs. While the scheme has, to some extent, been designed with an eye more on privately owned homes, it has potential benefits for the social housing sector.
- 8.2 The Council, with its tenants, has identified the priorities for HRA investment over the next few years to provide tenants with improvements to their home that match their aspirations. External doors, kitchens and boilers are the

priority. Other programmed works will continue to be funded to provide improvements to thermal insulation and increase energy efficiency.

- 8.3 The Green Deal is an initiative that the Council should monitor and wait and see how the market develops as the Green Deal evolves over the next few years.

Legal Implications

There are no legal implication set out within the report.

Financial Implications

Financial provision for the programmed works mentioned in the report is included in this year, and will be included in subsequent year's budgets. Currently there is no provision for an Energy Saving Advisor post.

Consultation on Reports to the Cabinet

Background Papers

- [HCA publication "Dealing Green: Options of Registered Providers – Annex A](#)
- [CIH publication "Greening your Housing Stock" – Annex B](#)

Dennis Boobier
Housing Needs and Strategy Manager

Housing Review Board
8 November 2012

Agenda Item: 09

Housing Review Board

8 November 2012

DB



Housing Revenue Account 2013/14

Budget Issues and Programmes for Improvement works

Summary

The Housing Review Board approves the Housing Revenue Account Budget each year. Part of the budget is identified for Repairs and Maintenance. A large proportion of this budget is spent on programmed works which includes cyclical and improvement works. These programmes include replacing kitchens, doors, and boilers. There is a need to introduce a bathroom replacement programme and a fascia/bargeboard/soffit programme to replace the wooden elements with plastic. The Housing Stock Condition Survey identified a number of areas where repairs are required to bring the housing stock up to the decent home standard and those are identified in the report. This report sets out the budget requirement over the next 5 years to fund programmed improvements to the housing stock.

Recommendation

The Board is asked to note the report and consider the budget requirements for programmed works when setting the HRA budget for 2013/14.

a) Reasons for Recommendation

To ensure the HRB is aware of the progress being made to ensure that tenants receive value for money in relation to our programmed works and to deliver programmes of work that maintain our housing stock to a high standard.

b) Alternative Options

To continue to deliver our programmed works in the same way we have always done and not keep pace with the timescales for replacing key elements in our properties.

c) Risk Considerations

Property standards will deteriorate over time if modernisation and improvements are not planned and implemented.

d) Policy and Budgetary Considerations

There are significant budgetary implications and these are identified in the report.

Positive Impact Overall

Affordable Homes.

Safe Environment.

Green Environment.

Excellent Customer Service.
Inspirational Council.
Providing same service at less cost.

e) Date for Review of Decision

February 2013.

1 Background

- 1.1 The Housing Revenue Account funds the repair and maintenance of the Council's housing stock.
- 1.2 A proportion of the budget is used to undertake programmes of work to improve tenant's homes such as the provision of replacement external doors, kitchens and boilers. A five year rolling programme has been published using the information maintained on our HOST repairs system. Many of our properties have had some of these items replaced in the past and require further replacement in future e.g. gas boilers should be replaced every 15 years. But some of our properties have never had a door or kitchen or bathroom replaced.
- 1.3 A review of our current procedures including consultation with tenants has been carried out. A questionnaire for tenants to complete and return was included in the September issue of the Housing Matters magazine. In excess of 500 surveys were returned and the majority of tenants supported the proposed publications/ notification procedure.

2. Review of Procedure and consultation with tenants

- 2.1 The procedure we have followed is designed to enable us to undertake improvements to properties and starts with publishing the five year programme. This programme is a dynamic document, changing regularly as a result of budget requirements; properties being brought forward to be upgraded urgently; RTB's; and tenant improvements. The programme is out of date quickly as properties come forward because of need and go back because of lack of funding in a given year.
- 2.2 The schedule of properties to be upgraded each financial year is determined by the last time an item such as a boiler, kitchen or external door was replaced. The HOST system holds data on all major items in a property and when they were last upgraded. Where a property has not had an item upgraded, then the construction date is usually taken to try to determine which properties should be upgraded first.
- 2.3 From this data we develop programmes for kitchen, boiler, and door replacements. These three major programmes of work were identified by tenants as their priority in the recent STAR survey. The expenditure on these programmes alone is £2.1m per year.
- 2.4 In addition properties identified by Maintenance Surveyors where items such as, kitchen or external door or bathrooms can no longer be repaired and require replacement, are included in the following years programme. This does impact on the published programmes and in some cases delays the

planned replacement at some properties until the following year.

- 2.5 Once the HRB has approved the HRA budget for the year, there is a clear understanding of the funds available to carry out any programmed work in the financial year.
- 2.6 Tenants were consulted through the Housing Matters magazine in September 2012 on the best way to ensure they are made aware of the improvement programme and when the improvement to their home is being carried out. The basic process is as follows:
- Develop and publish the five year programme.
 - Each year, write to tenants who will have an improvement carried out in the following financial year letting them know what will be done and if possible when.
 - In the financial year when the improvement is to be carried out, either the Council or the Contractor will contact the tenant to arrange a suitable date/time for the improvement to be done.
- 2.7 It is intended that the revised five year programme will be published on our website. Each programme will identify the properties where the improvement will be carried out and the year when this will be done. Each year as much information as possible will be published in the Housing Matters magazine. This will inform tenants which programmes are going to be delivered in the next financial year giving the addresses of the properties to be improved.

3. Programmes of Work

- 3.1 A revised five year programme has been developed, using the HOST system information; the previous five year programme; the stock condition survey and using the life cycle timescales for replacing key items in the home such as kitchens, boilers and external doors.
- 3.2 The revised programmes have included wherever possible our commitment to tenants of properties to replace key items included in the previously published five year programme. However, the Stock Condition Survey identified a number of properties where doors and kitchens were considered 'poor' and need replacing urgently. The inclusion of these properties in the first year of the kitchen and door programmes does mean that some properties previously identified in a particular year may now be delayed to a later date.
- 3.3 One of the reasons for developing a revised five year programme was to ensure the Stock Condition Survey results were included and that we make an effort to bring all our programmes of work within the standard life cycle for the item. In addition there has been a commitment by Members to provide more funding for programmed works in 2012/13 and future years and this has provided the opportunity to undertake improvements to properties quicker than previously.
- 3.4 The programmes have been prepared to try and ensure that boilers are replaced every 15 years; kitchens are replaced every 20 years; and external doors, bathrooms central

heating systems and windows are replaced every 30 years. Other key items such as rewiring and roofs will be funded to ensure that life cycle timescales are maintained. However, this depends on funding from the Housing Revenue Account and members approving required budgets to achieve delivery of the programmes each year.

- 3.5 Members approved a report in September 2011 recommending an alternative approach to painting the external wooden elements of a property. The intention is to maintain and paint render only and no longer paint doors, fascia, bargeboards, soffits, etc. The **door replacement programme** will be funded to a level that ensures that all external doors are replaced with composit/Upvc within **a 7 year timescale**. This is possible by using the savings from discontinuing the painting of wooden elements of the property. **To ensure this happens a minimum budget is required of £600,000 per year.**
- 3.6 By no longer painting the wooden elements of the property it is necessary to introduce a **fascia/bargeboard/soffit replacement programme from 2013**. The programme is expected to be **completed within 12 years**. A **budget of £400,000** is required to deliver this programme. Members should note that to achieve this programme it will not be possible to undertake painting to any wooden elements of tenants homes.
- 3.7 The **painting programme** will continue in a reduced format. Only the render at each property will be maintained and painted. The painting programme is a cyclical programme and provides a good basis for determining what needs doing and when. The Maintenance Surveyors for each area will undertake a survey of each property that is in the painting programme (5 year cycle) for that year. They will inspect the condition of the render and whether any repair work is required and whether it requires painting. This will minimise the amount of painting that is required each year and help provide the budget saving to help fund the doors and fascia/bargeboard/soffit programmes. The **existing five year painting programme** will continue to be used, but Maintenance Surveyors will survey the properties in the programme each year and determine whether any **render repairs and painting** are required. **An annual budget of £100,000 is required.**
- 3.8 The **kitchen replacement programme** has an **annual budget of £1,000,000**. The programme to replace kitchens that have had no previous replacement and those kitchens that have had a replacement, but are now outside **the 20 year life cycle** will be complete **within 8 years**. This will enable properties that currently have a kitchen older than 1999 to begin to be replaced in 2020.
- 3.9 The **boiler replacement programme** requires an **annual budget of £800,000** and over the **next 8 years** will bring the replacement of boiler **life cycle to within 15 years**.
- 3.10 **Bathroom replacements** should occur **every 30 years**. A significant number of bathrooms have been replaced normally as a result of the property becoming empty or where a replacement has been identified by a Maintenance Surveyor. A programme to replace over 2,000 bathrooms that have not been replaced since the property was constructed is needed. In addition a number of properties have had their bathroom replaced but prior to 1982. A budget of £300,000 per year over a 10 year period will bring all bathrooms within the 30 year life cycle.

- 3.11 **Central heating system replacements** should occur **every 30 years**. An **annual budget of £200,000** would enable us to deliver a programme of central heating upgrades that would bring all our **homes within a 30 year life cycle programme by 2018**.
- 3.12 The **replacement of windows** has been undertaken and the majority of our properties have uPVC double glazed windows. Windows should be **replaced every 30 years**. A programme to replace windows **does not need to start until 2018**. The few windows that are not uPVC will be replaced on an ad hoc basis as and when the need arises.
- 3.13 In summary, the Board needs to agree to the provision of the following budgets in 2013/14 and future years to enable tenant's homes to have doors, boilers and kitchens replaced to industry life cycle standards. The **current budget provision) is £2,300,000**.

Programme	£
Doors	600,000
Kitchens	1,000,000
Bathrooms	300,000
Boilers	800,000
Central Heating	200,000
Painting	100,000
Facia, bargeboard and Soffit	400,000
Total	<u>3,400,000</u>

- 3.14 In the current year **£435,000 was provided for modernisation** of the housing stock. As the majority of modernisation includes the replacement of items such as those described at paragraph 3.11 it is recommended that this funding in future years be allocated to fund the costs identified above.
- 3.15 The Board is asked to note the required funding for programmed works when setting the HRA budget for 2013/14.

4. Stock Condition Survey

- 4.1 The stock condition survey identified a number of areas where money should be spent on maintaining or improving the housing stock. As well as the programmes above, it identified **catch up** repairs e.g. paths, outbuilding roofs, and chimney repairs and 'decent homes standard' repairs. **In 2012/13 the Board approved a budget of £515,660 to undertake this work**.
- 4.2 It is proposed that the Maintenance Surveyors inspect those properties identified by the stock condition survey and where necessary instruct the existing day to day repairs contractor to undertake appropriate repairs.
- 4.3 It is anticipated that this budget will not be required in future years and could be shifted to finance programmed works in 2015/16 onwards.

5. Solid Fuel Heating Systems

- 5.1 We currently undertake a service and repair to properties with solid fuel systems for central heating and hot water every two years with half the properties being done each year. **The annual budget is £36,000.** Following a review of the good practice and following HETAS guidelines it is recommended that we undertake a service and repair of all our solid fuel heating systems each year.
- 5.2 We have in excess of 250 properties with solid fuel systems and **a budget of £80,000** is required in 2013/14 and subsequently to service the solid fuel systems each year.

6. Insulation – Energy Care

- 6.1 Energy Care Limited have been involved with providing a wide range of energy saving products to the general public, local council authorities, housing associations, government organisations and the commercial construction industry, over 25 years, including, Cavity Wall Insulation and Loft Insulation.
- 6.2 We have benefited from using this organisation to provide roof insulation in many of our properties. We will continue to improve the insulation of tenant's homes where this is needed. **A budget of £20,000 is required each year.**

7. Conclusions

- 7.1 The adjustments proposed to major works/improvements programmes are consistent with our HRA Business Plan objectives and the need to undertake good asset management.
- 7.2 The programmes are affordable and budgets can be adjusted to reflect the projections for replacing key building components.
- 7.3 Our programmes of property upgrades need to be kept under review to ensure that we are achieving our objectives and meeting tenant aspirations.

Legal Implications

There are no legal implications requiring comment.

Financial Implications

The financial implications are stated in the report and will be included in the HRA budget for 2013/14 at the requested levels provided there are sufficient financial resources available. Budgets also have to be included for staffing, servicing the self-financing debt and funding the capital programme. Rental income may be reduced as a result of welfare reform. HRB have already agreed to include a development budget in 2013/14 for developing and delivering additional council housing; the amount available for this will be determined during the budget setting process.

Consultation on Reports to the Cabinet

None

Background Papers

http://www.eastdevon.gov.uk/housing_revenue_account_business_plan_2012.pdf

Dennis Boobier

Housing Review Board

Housing Needs and Strategy Manager

8 November 2012

Agenda Item: 10

Housing Review Board

8 November 2012

MW



HRA Financial Monitoring Report 2012/13 – Month 6 September

Summary

This report gives a summary of the overall financial position on the Housing Revenue Account, HRA Capital Programme and the Business Plan for 2012/13 at the end of month six (September 2012).

Regular monitoring will highlight any areas of concern or unforeseen expenditure in the HRA and associated capital programme and enable corrective action to be taken as required. Any variances will be reflected in the Business Plan.

Current monitoring indicates that:

- The Housing Revenue Account Balance will be maintained at or above the adopted level.
- The position on the HRA Business Plan has not changed significantly and remains in a healthy position.

Recommendation

That the variances identified as part of the HRA revenue and capital monitoring process up to month six be acknowledged.

a) Reasons for Recommendation

The report updates the Board on the overall financial position of the Housing Revenue Account and Business Plan following the end of each month and includes recommendations where corrective action is required for the remainder of the financial year.

b) Alternative Options

To disagree with the recommended actions proposed.

c) Risk Considerations

Current monitoring indicates that the HRA and Business Plan balances are being maintained at or above the adopted levels.

In compiling this report we have looked at all large, high risk and volatile budget areas. Predicted spending patterns have been linked to operational activity and all material budgets have been subject to thorough risk assessments by operational managers

and finance staff. Any continuing variances in spending patterns will be considered and incorporated into the Business Plan.

d) Policy and Budgetary Considerations

This report highlights all budgetary variances and then comments on the level and adequacy of balances.

e) Date for Review of Decision

Updated positions are to be presented to future meetings of the Board.

Financial Monitoring Report 2012/13 – To Month Six September

1. Introduction

1.1 The purpose of this monitoring report is to update members of the Board on the overall financial position of the Housing Revenue Account and Business Plan following the end of month six.

2. Housing Revenue Account Position

2.1 A summary of the predicted over and under spends to the year end is shown below:

	Variation at Month 6 £	Predicted Outturn Variation £
Rent income higher than predicted due mainly to high collection rate – 98.5% allowed in the budget but actual rate is 99.65%	(104,870)	(80,000)
Mobile Support Officers - vacancy	(9,790)	(20,000)
Variations from previous report (month 4)		(490,500)
Total variations		(590,500)

2.2 The following table shows the original budget surplus set for the year and the total variations, as identified above, which are likely to affect the budget to give a revised budget surplus for the year.

	£	£
Budget surplus (set 22/02/12)		(1,733,760)
Month 6 predicted net (under)/overspend to year end	(590,500)	(590,500)
Predicted Budget Surplus		(2,324,260)

Appendix A gives a more detailed breakdown of the HRA budgets and actual expenditure and income to date.



- 2.3 These variations will have the following effect on the Housing Revenue Account Balance:

	£	£
Housing Revenue Account Balance (01/04/12)		(623,967)
Predicted budget surplus as above		(2,324,260)
Predicted HRA Balance (31/03/13)		(£2,948,227)

The recommended level for the HRA balance has been agreed at £2.1m. The predicted balance is currently above the recommended level; this is considered prudent going into 2013/14 bearing in mind the possible detrimental effect of Welfare Reform on the rent collection rates.

3. Capital Programme Position

- 3.1 The following table shows the HRA Capital Programme totalling £1.934m and the expenditure to date. Capital receipts can be used to fund part of this sum with the balance to be met by a revenue contribution from the HRA and/or from external borrowing.

HRA Capital Programme Summary	Budget £000	Spend to date £000
River Otter flood & erosion protection scheme	265	150
New Housing IT System	150	0
Major improvements/extensions/loft conversions to existing dwellings	175	8
Off street car parking	50	28
Re-modelling of sheltered schemes	200	40
Non feaseance road repairs	10	1
Social Services Adaptations	200	21
Purchase of 11 houses Morton Way Axminster	884	86
Total Programme	1,934	334

There is expected to be an under spend on the River.Otter flood & erosion protection scheme although it is not yet known to what extent.

The purchase of 11 houses at Morton Way Axminster is, at this stage, anticipated to be funded by a Section 106 commuted sum, retained RTB capital receipts and borrowing from the PWLB. However it is possible that there will be scope to part-fund from the HRA balance thereby reducing the borrowing requirement.

The HRA's current borrowing ability or headroom is £2.827m. This is calculated by taking the Debt Cap of £87.844m, notified as part of the self financing determinations, less the self financing debt of £84.376m and other existing borrowing of £0.641m. Further borrowing will obviously reduce the headroom but it will increase again as debt is repaid. The first major principal repayment of debt in the sum of £0.574m is due in 2014/15.

- 3.2 This table shows the capital receipts received in the year to date and how those receipts must be allocated.

Capital Receipts	£000
Sale of council houses/flats	(447)
Sale of land	0
Total capital receipts received	(447)
Allocation of receipts:	
Retained for repayment of debt	(93)
Retained for provision of new social housing	(131)
Retained for funding other HRA capital expenditure	(71)
Paid to HM Treasury	(152)
Total capital receipts allocation	(447)

There have been 6 Right to Buy sales completed so far this year with further sales known to be proceeding. RTB receipts, after certain specific reductions including an amount to be paid to the Treasury based on an assumption of what they would have received under the old RTB legislation, may now be retained as the Council has signed up to an agreement with the government which states our intention to spend those receipts on the provision of new social housing.

HRA Business Plan

- 4.1 Appendix B shows the Business Plan Operating Account which reflects the above changes in 2012/13 and the subsequent impact on balances for future years.

Legal Implications

There are no legal implications identified.

Financial Implications

Details are contained within the report.

Consultation on Reports to the Cabinet

Not applicable.

Background Papers

- HRA budget monitoring statement
- [HRA Business Plan](#)

Mandy White (HRA Accountant) Ext 2357

APPENDIX A

EAST DEVON DISTRICT COUNCIL
REVENUE BUDGET MONITORING 2012/2013SUMMARY OF HOUSING REVENUE ACCOUNT
Period to 30 September 2012

	2012/2013			Service	2012/2013	2012/2013
	Budget				Actual	Variance
	Original	Revised	Year to Date		£	£
	£	£	£			
				INCOME		
1	(16,318,000)	(16,398,000)	(8,512,810)	Gross Property Rent including Garages	(8,580,406)	(67,596)
2	(89,000)	(89,000)	(25,340)	Other Rents & Income	(55,981)	(30,641)
3	(16,407,000)	(16,487,000)	(8,538,150)	Total Income	(8,636,387)	(98,237)
				EXPENDITURE		
				Repairs & Maintenance		
4	2,110,710	2,110,710	1,055,490	General	1,028,800	(26,690)
5	876,660	876,660	438,360	Improvements	113,274	(325,086)
				Supervision & Management		
6	2,420,510	2,412,010	1,456,810	General	1,442,762	(14,048)
7	846,030	826,030	676,520	Special Items	643,235	(33,285)
8	225,700	225,700	125,230	Other Expenditure	100,597	(24,633)
9	6,479,610	6,451,110	3,752,410	Total Management & Maintenance	3,328,668	(423,742)
10	0	0	0	Adjustment to Bad Debt Provision	0	0
11	0	0	0	Housing Subsidy - 2011/12 adjustment	(27,645)	(27,645)
12	4,140,000	4,140,000	2,069,880	Major Repairs Account	1,379,175	(690,705)
13	10,619,610	10,591,110	5,822,290	Total Expenditure	4,680,198	(1,142,092)
14	(5,787,390)	(5,895,890)	(2,715,860)	NET COST OF SERVICE	(3,956,189)	(1,240,329)
15	(12,360)	(12,360)	0	Interest on Balances	0	0
16	3,316,150	2,569,150	1,265,000	Interest Payable (PWLb loans)	1,256,870	(8,130)
17	(160)	(160)	(60)	Interest on Council House Sales	(47)	13
18	3,303,630	2,556,630	1,264,940		1,256,823	(8,117)
19	(2,483,760)	(3,339,260)	(1,450,920)	NET OPERATING EXPENDITURE - Deficit / (Surplus)	(2,699,366)	(1,248,446)
20	750,000	1,015,000	0	Revenue Contribution to Capital Expenditure	0	0
21	(1,733,760)	(2,324,260)	(1,450,920)	Deficit / (Surplus) for the Year	(2,699,366)	(1,248,446)
				BALANCES		
22	(1,235,911)	(623,967)	(623,967)	Balance b/f	(623,967)	0
23	(1,733,760)	(2,324,260)	(1,450,920)	Deficit / (Surplus)	(2,699,366)	(1,248,446)
24	(2,969,671)	(2,948,227)	(2,074,887)	Balance C/F	(3,323,333)	(1,248,446)

EAST DEVON DISTRICT COUNCIL
REVENUE BUDGET MONITORING 2012/2013

HOUSING REVENUE ACCOUNT - DETAILED STATEMENT
Period to 30 September 2012

2012/2013			Service	2012/2013			
Budget				Actual	Variance		
Original	Revised	Year to Date					
£	£	£	£	£			
INCOME							
1	(15,929,750)	(16,009,750)	(8,311,220)	SB	Gross Property Rents	(8,376,090)	(64,870)
2	(388,250)	(388,250)	(201,590)	SB	Garage Rents	(204,316)	(2,726)
3	(89,000)	(89,000)	(25,340)	SB	Other Rents and Income	(55,981)	(30,641)
4	(16,407,000)	(16,487,000)	(8,538,150)		TOTAL INCOME	(8,636,387)	(98,237)
REPAIRS & MAINTENANCE							
Repairs and Maintenance - General							
5	1,401,360	1,401,360	700,830	DB	Response Maintenance	681,562	(19,268)
Programmed Maintenance							
6	15,450	15,450	7,740	DB	Communal Areas	883	(6,857)
7	0	0	0	DB	Fire Extinguishers	330	330
8	10,000	10,000	4,980	DB	Emergency Lighting and Fire alarms	215	(4,765)
9	36,050	36,050	18,000	DB	Solid Fuel Appliances	20,505	2,505
10	400,000	400,000	199,980	DB	Gas Appliances - Servicing	235,694	35,714
11	35,000	35,000	17,520	DB	Lift Maintenance	13,718	(3,802)
12	496,500	496,500	248,220		Total Programmed Maintenance	271,345	23,125
Cyclical Maintenance							
13	200,000	200,000	100,020	DB	External Painting Programme	57,610	(42,410)
14	0	0	0	DB	Extras to Painting Programme	14,642	14,642
15	0	0	0	DB	Gutter Repairs	3,478	3,478
16	12,850	12,850	6,420	DB	Interior Decoration	163	(6,257)
17	212,850	212,850	106,440		Total Cyclical Maintenance	75,893	(30,547)
18	2,110,710	2,110,710	1,055,490		Total Repairs and Maintenance - General	1,028,800	(26,690)
Repairs and Maintenance - Improvements							
19	103,000	103,000	51,480	DB	Adaptations For Disabled	8,625	(42,855)
20	0	0	0	DB	Water Service Renewal	393	393
	0	0	0	DB	Window Renewal	0	0
21	2,000	2,000	1,020	DB	Woodworm Treatment	1,979	959
22	25,000	25,000	12,480	DB	Condensation	5,404	(7,076)
23	35,000	35,000	17,520	DB	Dampness Eradication	28,783	11,263
24	10,000	10,000	4,980	DB	Carbon Management Programme (loft insulation)	11,571	6,591
25	20,000	20,000	10,020	DB	Improvements Voucher Scheme	10,495	475
26	3,000	3,000	1,500	DB	Sanctuary Scheme	940	(560)
27	40,000	40,000	19,980	DB	Asbestos Works	20,973	993
28	20,000	20,000	10,020	DB	Structural Works - Subsidence	4,576	(5,444)
29	3,000	3,000	1,500	SB	Grant Via Tenant Participation	1,564	64
30	0	0	0	DB	External Light	107	107
31	15,000	15,000	7,500	DB	Energy Performance Certificates	4,800	(2,700)
32	20,000	20,000	10,020	DB	Path Repairs	7,598	(2,422)
33	10,000	10,000	4,980	DB	Soundproofing	0	(4,980)
34	5,000	5,000	2,520	DB	Minor Schemes	138	(2,382)
35	50,000	50,000	25,020	DB	Fire Safety Works	1,515	(23,505)
36	515,660	515,660	257,820	DB	Schemes to be identified per Stock Condition Survey	3,813	(254,007)
37	876,660	876,660	438,360		Total Repairs and Maintenance - Improvements	113,274	(325,086)

EAST DEVON DISTRICT COUNCIL
REVENUE BUDGET MONITORING 2012/2013

HOUSING REVENUE ACCOUNT - DETAILED STATEMENT

2012/2013			Service	2012/2013	
Budget				Actual	Variance
Original	Revised	Year to Date			
£	£	£	£	£	
			SUPERVISION & MANAGEMENT		
			Supervision & Management - General		
1	1,473,980	1,465,480	727,510	715,494	(12,016)
2	100,190	100,190	3,120	4,857	1,737
3	106,250	106,250	54,320	45,842	(8,478)
4	144,740	144,740	75,270	81,829	6,559
5	1,029,350	1,029,350	1,029,350	1,029,350	0
6	2,854,510	2,846,010	1,889,570	1,877,372	(12,198)
7	(2,500)	(2,500)	(1,260)	(3,110)	(1,850)
8	2,852,010	2,843,510	1,888,310	1,874,262	(14,048)
9	(431,500)	(431,500)	(431,500)	(431,500)	0
10	2,420,510	2,412,010	1,456,810	1,442,762	(14,048)
			Net Supervision & Management - General		
			Net Expenditure Analysis by Cost Centre		
11	563,840	563,840	452,950	461,770	8,820
12	188,050	188,050	131,680	130,993	(687)
13	744,950	758,950	449,970	435,024	(14,946)
14	612,330	614,830	370,500	374,287	3,787
15	676,450	651,450	439,130	427,516	(11,614)
16	2,750	2,750	2,450	3,634	1,184
17	3,450	3,450	3,280	3,286	6
18	60,190	60,190	38,350	37,752	(598)
19	2,852,010	2,843,510	1,888,310	1,874,262	(14,048)
20	(431,500)	(431,500)	(431,500)	(431,500)	0
21	2,420,510	2,412,010	1,456,810	1,442,762	(14,048)
			Total Analysis by Cost Centre		
			Supervision & Management - Special		
22	42,500	42,500	16,920	10,544	(6,376)
23	5,000	5,000	2,520	2,332	(188)
24	323,470	323,470	317,470	311,470	(6,000)
25	66,770	66,770	54,150	48,681	(5,469)
26	0	0	0	203	203
27	29,380	29,380	14,700	14,518	(182)
28	12,000	12,000	6,000	9,968	3,968
29	5,000	5,000	5,000	8,255	3,255
30	3,240	3,240	3,240	2,181	(1,059)
31	15,000	15,000	15,000	14,074	(926)
32	10,000	10,000	4,980	2,646	(2,334)
33	10,300	10,300	5,150	0	(5,150)
34	5,670	5,670	2,160	6,187	4,027
35	317,700	297,700	229,230	212,176	(17,054)
36	846,030	826,030	676,520	643,235	(33,285)
			Total Supervision & Management - Special		

**EAST DEVON DISTRICT COUNCIL
REVENUE BUDGET MONITORING 2012/2013**

HOUSING REVENUE ACCOUNT - DETAILED STATEMENT

	2012/2013			Service	2012/2013	
	Budget				Actual	Variance
	Original	Revised	Year to Date			
	£	£	£	£	£	
				OTHER EXPENDITURE		
1	13,850	13,850	6,000	DB Sewerage - Repairs, Maintenance & Emptying	3,487	(2,513)
2	36,070	36,070	19,320	SB Tenant Participation	13,904	(5,416)
3	5,150	5,150	2,580	SB Tenant Scrutiny	3,170	590
4	2,060	2,060	1,020	SB Storage	674	(346)
5	2,000	2,000	1,020	SB Honiton - Heathpark	0	(1,020)
6	6,000	6,000	3,000	SB Community Development Work	1,816	(1,184)
7	2,000	2,000	1,020	SB Minor Management Schemes	631	(389)
8	10,000	10,000	4,980	DB Road Repairs	8,384	3,404
9	1,000	1,000	480	SB Signs on Estates	640	160
10	3,000	3,000	1,500	DB Off Street parking - Grants to Tenants	1,021	(479)
11	10,000	10,000	4,980	DB Other Expenses (pest control, eviction expenses)	1,637	(3,343)
12	0	0	0	DB Gully Cleansing	2,747	2,747
13	37,170	37,170	27,190	DB Tree Felling and Planting	19,431	(7,759)
14	5,000	5,000	2,520	DB Landscaping	3,489	969
15	75,000	75,000	37,500	DB Removal Expenses (downsizing)	23,500	(14,000)
16	500	500	240	DB Private Water Supplies - Service & Maintenance	193	(47)
17	10,000	10,000	4,980	SB Removal of Rubbish	8,668	3,688
18	6,900	6,900	6,900	SB Best Value - Housemark	7,205	305
19	225,700	225,700	125,230	TOTAL OTHER EXPENDITURE	100,597	(24,633)
				MAJOR REPAIRS ACCOUNT		
20	500,000	500,000	249,960	DB Central Heating	206,007	(43,953)
21	0	0	0	DB Gas Appliance Replacement	28,829	28,829
22	150,000	150,000	75,000	DB Electrical Updating	2,321	(72,679)
23	250,000	250,000	124,980	DB Re-roofing	26,680	(98,300)
24	1,000,000	1,000,000	499,980	DB Kitchens and Bathrooms	287,883	(212,097)
25	600,000	600,000	300,000	DB Doors	126,540	(173,460)
26	0	0	0	DB Water Heater Replacement	0	0
27	250,000	250,000	124,980	DB Electrical Works on COT	129,863	4,883
28	10,000	10,000	4,980	DB Flat Roof Repairs	6,953	1,973
29	10,000	10,000	4,980	DB Chimney Repairs	10,934	5,954
30	15,000	15,000	7,500	DB Fence Programme	4,089	(3,411)
31	0	0	0	DB Renewal of Walls	0	0
32	20,000	20,000	10,020	DB Replacement Floors	0	(10,020)
33	900,000	900,000	450,000	DB COT: Other Expenditure	545,590	95,590
34	435,000	435,000	217,500	DB Modernisation	3,486	(214,014)
35	4,140,000	4,140,000	2,069,880	TOTAL MAJOR REPAIRS ACCOUNT	1,379,175	(690,705)

**East Devon DC
Business Plan
Operating Account - Programme**
(expressed in money terms)

		Income					Expenditure										Net Operating (Expenditure) £,000	Provision for repayment of external loans £,000	Transfer from / (to) MRR £,000	RCCO £,000	Surplus (Deficit) for the Year £,000	Surplus (Deficit) b/fwd £,000	Interest £,000	Surplus (Deficit) c/fwd £,000
Year	Year	Net rent Income £,000	Other income £,000	Misc Income £,000	HRA Subsidy Receivable £,000	Total Income £,000	Managt. £,000	Depreciation £,000	Responsive & Cyclical £,000	Other Revenue spend £,000	Cost of Rent Rebates £,000	Misc expenses £,000	HRA Subsidy Payable £,000	Total expenses £,000	Capital Charges £,000									
1	2012.13	15,947	477	89	0	16,513	(3,238)	(4,375)	(3,774)	(226)	0	0	0	(11,612)	(2,564)	2,337	(5)	3,005	(3,038)	2,299	623	27	2,948	
2	2013.14	16,630	496	0	0	17,126	(3,373)	(4,532)	(3,942)	(234)	0	0	0	(12,080)	(2,564)	2,482	(5)	3,005	(980)	4,502	2,948	78	7,528	
3	2014.15	17,295	511	0	0	17,807	(3,474)	(4,640)	(4,059)	(239)	0	0	0	(12,411)	(2,563)	2,832	(580)	3,005	(32)	5,225	7,528	152	12,905	
4	2015.16	17,980	527	0	0	18,506	(3,578)	(4,752)	(4,178)	(245)	0	0	0	(12,754)	(2,559)	3,194	(1,029)	3,005	(8,012)	(2,842)	12,905	172	10,236	
5	2016.17	18,582	542	0	0	19,124	(3,685)	(4,868)	(4,302)	(252)	0	0	0	(13,106)	(2,548)	3,470	(1,490)	3,005	(3,535)	1,450	10,236	164	11,850	
6	2017.18	19,175	559	0	0	19,734	(3,795)	(4,986)	(4,429)	(258)	0	0	0	(13,468)	(2,529)	3,737	(1,310)	3,005	(3,575)	1,856	11,850	192	13,898	
7	2018.19	19,767	575	0	0	20,343	(3,909)	(5,107)	(4,559)	(264)	0	0	0	(13,840)	(2,509)	3,993	(1,587)	3,005	(3,617)	1,794	13,898	222	15,914	
8	2019.20	20,362	593	0	0	20,955	(4,026)	(5,231)	(4,694)	(271)	0	0	0	(14,222)	(2,481)	4,252	(1,917)	3,005	(3,661)	1,679	15,914	251	17,843	
9	2020.21	20,966	610	0	0	21,576	(4,147)	(5,358)	(4,832)	(278)	0	0	0	(14,615)	(2,443)	4,519	(2,259)	3,005	(3,706)	1,558	17,843	279	19,681	
10	2021.22	21,583	629	0	0	22,212	(4,271)	(5,488)	(4,975)	(285)	(1)	0	0	(15,020)	(2,392)	4,799	(2,619)	3,005	(3,874)	1,311	19,681	305	21,297	
11	2022.23	22,217	648	0	0	22,864	(4,399)	(5,621)	(5,122)	(292)	(4)	0	0	(15,438)	(2,329)	5,097	(2,889)	3,005	(3,927)	1,286	21,297	329	22,913	
12	2023.24	22,868	667	0	0	23,535	(4,531)	(5,758)	(5,273)	(299)	(4)	0	0	(15,865)	(2,255)	5,415	(3,288)	3,005	(3,982)	1,150	22,913	352	24,415	
13	2024.25	23,538	687	0	0	24,225	(4,666)	(5,898)	(5,429)	(307)	(4)	0	0	(16,304)	(2,166)	5,756	(3,718)	3,005	(4,040)	1,003	24,415	374	25,792	
14	2025.26	24,227	708	0	0	24,935	(4,806)	(6,041)	(5,589)	(314)	(5)	0	0	(16,756)	(2,060)	6,119	(4,180)	3,005	(4,100)	844	25,792	393	27,029	
15	2026.27	24,937	729	0	0	25,666	(4,950)	(6,188)	(5,754)	(322)	(5)	0	0	(17,219)	(1,938)	6,509	(4,675)	3,005	(7,169)	(2,330)	27,029	388	25,088	
16	2027.28	25,667	751	0	0	26,418	(5,099)	(6,338)	(5,925)	(330)	(5)	0	0	(17,697)	(1,797)	6,924	(2,427)	3,005	(7,322)	179	25,088	378	25,644	
17	2028.29	26,419	773	0	0	27,192	(5,252)	(6,492)	(6,100)	(338)	(5)	0	0	(18,187)	(1,722)	7,282	(2,710)	3,005	(7,481)	97	25,644	385	26,127	
18	2029.30	27,192	796	0	0	27,988	(5,409)	(6,649)	(6,281)	(347)	(5)	0	0	(18,692)	(1,637)	7,660	(3,081)	3,005	(7,644)	(60)	26,127	391	26,458	
19	2030.31	27,988	820	0	0	28,808	(5,572)	(6,811)	(6,467)	(355)	(5)	0	0	(19,210)	(1,537)	8,061	(3,483)	3,005	(7,814)	(231)	26,458	395	26,622	
20	2031.32	28,807	845	0	0	29,652	(5,739)	(6,976)	(6,659)	(364)	(6)	0	0	(19,744)	(1,423)	8,485	(3,915)	3,005	(6,117)	1,457	26,622	410	28,489	
21	2032.33	29,651	870	0	0	30,521	(5,911)	(7,145)	(6,856)	(373)	(5)	0	0	(20,291)	(1,293)	8,937	(6,063)	3,005	(6,244)	(365)	28,489	425	28,549	
22	2033.34	30,519	896	0	0	31,415	(6,088)	(7,319)	(7,059)	(383)	(6)	0	0	(20,855)	(1,090)	9,470	(6,735)	3,005	(6,375)	(635)	28,549	423	28,337	
23	2034.35	31,412	923	0	0	32,335	(6,271)	(7,496)	(7,268)	(392)	(6)	0	0	(21,434)	(862)	10,039	(7,413)	3,005	(6,511)	(880)	28,337	418	27,876	
24	2035.36	32,332	951	0	0	33,283	(6,459)	(7,678)	(7,483)	(402)	(6)	0	0	(22,029)	(613)	10,641	(8,137)	3,005	(6,652)	(1,143)	27,876	410	27,142	
25	2036.37	33,278	980	0	0	34,257	(6,653)	(7,865)	(7,705)	(412)	(6)	0	0	(22,641)	(334)	11,282	(8,911)	3,005	(8,392)	(3,016)	27,142	385	24,511	
26	2037.38	34,252	1,009	0	0	35,261	(6,852)	(8,056)	(7,933)	(423)	(8)	0	0	(23,271)	(27)	11,962	(225)	3,005	(8,590)	6,153	24,511	414	31,078	
27	2038.39	35,255	1,039	0	0	36,294	(7,058)	(8,251)	(8,168)	(433)	(8)	0	0	(23,918)	(19)	12,357	(20)	3,005	(8,794)	6,547	31,078	515	38,140	
28	2039.40	36,286	1,070	0	0	37,357	(7,269)	(8,451)	(8,410)	(444)	(6)	0	0	(24,581)	(18)	12,757	(21)	3,005	(9,006)	6,735	38,140	623	45,498	
29	2040.41	37,348	1,103	0	0	38,451	(7,487)	(8,657)	(8,659)	(455)	(8)	0	0	(25,266)	(17)	13,168	(22)	3,005	(9,225)	6,926	45,498	734	53,159	
30	2041.42	38,442	1,136	0	0	39,577	(7,712)	(8,867)	(8,916)	(466)	(8)	0	0	(25,969)	(16)	13,593	(23)	3,005	(9,451)	7,124	53,159	851	61,133	

Agenda Item: 11

Housing Review Board

8 November 2012

JG



Audit of the Housing Revenue Account Business Plan

Summary

Local Authority housing finance has undergone considerable change in the last year with the introduction of self-financing and the Council taking on significant debt to escape the Housing Revenue Account subsidy system. Our Housing Revenue Account Business Plan was updated in June to reflect the changes and the careful preparations that we made for self-financing.

Due to the scale of the change it was felt useful to invite the South West Audit Partnership (SWAP) to scrutinise the Business Plan and make recommendations for improvement.

Recommendation

That the Board consider the contents of the SWAP audit and endorse the changes made to the Housing Revenue Account Business Plan risk assessment and sensitivity analysis.

a) Reasons for Recommendation

To inform the Housing Review Board of the audit on the Housing Revenue Account Business Plan and the findings.

b) Alternative Options

Not to update the Business Plan as recommended.

c) Risk Considerations

These are set out in detail in the report.

d) Policy and Budgetary Considerations

The Business Plan contains the policy on income and expenditure and has been updated. It also contains the landlord budgets that have been risk assessed.

e) Date for Review of Decision

An annual review of the Business Plan is proposed or when a major spending or income decision is taken.

1 Introduction

- 1.1 Our Housing Revenue Account Business Plan and our whole approach to business planning for housing has changed as a result of the self-financing of Council

housing and the requirement placed on this Council to take out debt amounting to £84.5 million in March 2012.

- 1.2 We spent some time preparing for the change and working out a different culture for running the housing business. We created the concept of *East Devon Homes* to signify the change which helped highlight the need for a more businesslike approach to housing finance and managing debt set against our ambitions. We updated the HRA Business Plan with the financial modelling, debt profiling, and other known financial pressures and opportunities. We also worked closely with Sector our consultants in preparing the financial models and taking advice on the loan portfolio.
- 1.3 In order to test the Business Plan and subject it to additional scrutiny we invited the South West Audit Partnership (SWAP) to audit the plan and make suggestions for where the Plan might be strengthened.
- 1.4 The SWAP audit report has been reproduced in full in **annex 1**.

2. HRA Business Plan audit

- 2.1 I was pleased to see that the audit report was largely positive about our approach to updating the Business Plan. The audit concentrated on the risks associated with the Business Plan rather than a technical assessment of the construction of the Plan and income and expenditure predictions. The audit did not look in any detail at the financing of debt or the loan portfolio. Instead the audit concentrated on more practical issues such as mitigating risks and understanding the issues that impact on the Plan such as inflation; interest rates; income management etc.
- 2.2 Four significant corporate risks are identified and all are assessed. No significant findings were identified for the Service, but a series of useful recommendations are made where we can improve risk management and mitigate known risks.

3. Action taken

- 3.1 As a result of the audit findings I have updated the Business Plan. The latest version is on the website through the following link:
http://www.eastdevon.gov.uk/housing_revenue_account_business_plan_2012.pdf
- 3.2 The risk analysis and sensitivity analysis were the areas that required most work and I have reproduced this section of the Plan below:

Risks Analysis

While it is recognised that it is difficult to plan accurately over a thirty year period with many issues being beyond the Council's control, risks associated with the successful implementation of the Business Plan have been identified. They are examined in this section, using the Council's corporate system to identify the likelihood and impact of risks and control measures to mitigate risks. The scoring system used in assessing risk is as follows:

<i>Severity:</i>	1	Minor
	2	Significant
	3	Serious
	4	Major
<i>Likelihood:</i>	1	Remote



- 2 Unlikely
3 Likely
4 Very Likely

This process of analysis will be developed further.

Risk	Potential Impact	Risk Severity	Risk Likelihood	Risk Rating	Mitigation Actions
Loans taken out to meet the cost of self-financing of Council housing	Loans are the priority expenditure item where commitments must be met as the first call on income	3	2	6	Loans kept to the minimum required and negotiated at low/fixed interest rates. Maintain a healthy HRA surplus.
Rents do not rise or are not collected as anticipated due to Welfare Reform and/or other factors.	Less funding is available to finance Business Plan priorities.	3	3	9	Provision made for increased bad debt. Welfare Advisors appointed. Promote Credit Unions and use of Discretionary Housing Payments.
Right to Buy receipts exceed predictions which need to be reinvested	We cannot afford to commit the 70% funding towards the 30% RTB receipts on new build/acquisitions	2	2	4	Cancel the agreement with the CLG and repay receipts with interest.
Right to Buy sales are lower than planned.	Less funding is available for the housing service.	1	2	2	Costs could be reduced, probably in the major repairs area. Loans could be increased.
Loss of Supporting People income and/or a cut in the funding for the community alarm system.	Service run at a deficit and/or service standards reduced.	3	3	9	New business generated and/or service charges increased.
The programme to bring sheltered housing up to fit for purpose standards.	Poor quality sheltered housing that becomes less desirable with tenants.	2	2	4	Reschedule costs, bid for external funding reprioritise work planned.
The cost of maintaining the planned cyclical repairs programme exceeds budget.	Costs are greater than planned.	3	2	6	Costs in other areas could be reduced. Loans could be increased.

Risk	Potential Impact	Risk Severity	Risk Likelihood	Risk Rating	Mitigation Actions
The achievement of the major repairs programme proves more expensive than anticipated.	The planned age and condition criteria of certain building elements may not be achieved.	3	3	9	Programme items may need to be postponed or lengthened. Expenditure in other areas may need to be cut back, threatening other plan objectives Additional loans may be taken on to ensure slippages do not occur.
The demand for responsive repairs exceeds planned levels.	Costs are greater than planned.	3	2	6	Costs in other areas could be reduced.
Failure of responsive repair contractor.	Interruption to service and urgent repairs delayed.	3	3	9	Other partnering contractor takes over the area.
Changing cost of borrowing.	Less funding available for improvement work.	3	2	6	Reschedule borrowing and/or work programmes.
Decent Homes Standard raised significantly.	Additional unplanned costs to be met from Business Plan.	3	2	6	Business Plan to be reviewed in light of changes.
Unforeseen expenditure required on Council homes.	Effects other programmes or borrowing required.	3	2	6	Programmes in other areas adjusted to compensate.
New development schemes, locally and nationally creating labour shortages.	Increased demand for tradesmen, resulting in an increase in repairs and improvement costs.	3	2	6	Other costs could be reduced.
Ability to attract and retain suitably qualified housing staff.	Service targets and improvements not delivered.	3	3	9	Ensure that recruitment packages are attractive.
Housing staff lone working	Staff at risk of violence or injury.	2	2	4	Policies in place to mitigate the risk and Home Safeguard monitoring.

Sensitivity Analysis

Sensitivity analysis is a useful technique when attempting to determine the impact that a particular variable or assumption will have if it differs from what was previously assumed. For example in any budgeting process there are always variables that are uncertain. Future income projections, interest rates, inflation rates, operating expenses and other variables may not be known with great precision so informed assumptions are used. Sensitivity analysis answers the question, if these variables or assumptions deviate from expectations, what will the effect be on the business model?

We have identified the assumptions that may change over time or due to factors beyond our control, and considered how a variation will impact on the Business Plan Operating Account.

Assumption	Variation	Impact on the Operating Account Over 30 Years
Rental Income	Average rents increase by 0.25% less than anticipated	Reduced income which in turn reduces the surpluses arising over the life of the Plan
Interest rate changes	Change in interest rate by 0.5% more than anticipated	Increased cost of borrowing which impacts on our surpluses arising over the life of the Plan
Inflation	Inflation exceeds the assumption by 0.5%	Paying more for staff and materials may necessitate finding savings elsewhere in budgets or the use of surpluses
Major Repairs	Costs increase by 0.5% more than anticipated	Higher expenditure reduces surpluses arising over the life of the Plan
Responsive and Cyclical Maintenance	Costs increase by 0.5% more than anticipated	Higher expenditure reduces surpluses arising over the life of the Plan
Management	Costs increase by 0.5% more than anticipated	Higher expenditure reduces surpluses arising over the life of the Plan
Right to Buy Sales	Two fewer home sales per year than anticipated	Reduced level of capital receipt available

Several scenarios have been run through the Business Plan resulting in the following:

- 1) If inflation increased by an extra 0.5% in years 2 & 3 (i.e. yr 2 from 3.5% to 4%, yr 3 from 2.5% to 3%), the effect on the Operating Account surplus would be:
Yr 2 from £7,406k to £7,360k – reduction of £46k
Yr 3 from £12,760k to £12,626k – reduction of £134k
- 2) If the rent loss increased to 3% in yr 2 instead of 2% and to 3.5% in yr 3 instead of 2.5%, the effect on the Operating Account surplus would be:
Yr 2 from £7,406k to £7,236k – reduction of £170k
Yr 3 from £12,760k to £12,409k – reduction of £351k
- 1+2) The effect of an increase in inflation **and** an increase in rent loss as above would be:
Yr 2 from £7,406k to £7,189 – reduction of £217k
Yr 3 from £12,760k to £12,276k – reduction of £484k

In both cases the surplus remains well above the recommended £2.1m.

3.3 I feel that the Business Plan is now more robust in respect of risks and potential variations against our assumptions. We recognise that it requires constant updating to ensure that it reflects reality and what is actually happening with income and expenditure.

3.4 The report also highlighted the HRA minimum surplus that we increased last year to £2 million and suggested that the Board reassess the appropriateness of having a relatively large surplus. Members may recall that the rationale for the increase was that we had not increased the surplus for many years; circa. £500 per property was a more realistic figure to set aside; a prudent approach was necessary as we get used to the new financial regime; we could afford to set more aside.

3.5 We did not undertake a detailed comparison with other authorities and the level of surplus they hold although we

know of a number who have taken a similar approach to ourselves. In the past two years we have dipped into our surplus and attempted to replenish it the following year, and whilst this should not recur annually, the surplus is there to cushion any overspends or for use in an emergency. There are also greater financial risks in the new financial regime without the 'safety net' of the HRA subsidy system, so it was considered prudent to allow for a higher level of HRA balance.

- 3.6 The audit of the HRA Business Plan has been a useful exercise and having updated the risk assessment the majority of the recommendations have been undertaken. It is important that we keep the risk assessment element of the Plan up to date through periodic reviews.

Legal Implications

There are no direct legal implications arising from the recommendation.

Financial Implications

There are no direct financial implications arising from the recommendation.

Consultation on Reports to the Cabinet

None.

Background Papers

- [Housing Revenue Account Business Plan 2012.](#)

John Golding
Head of Housing

Housing Review Board
8 November 2012

East Devon District Council

► HRA
(Housing Revenue Account)

Issued to: John Golding
Head of Housing

Simon Davey
S151 Officer

Gerry Cox
Head of Audit Partnership

Working in partnership with



Date of Report: 20th August 2012

Issued by: Andrew Ellins
Audit Manager

Moya Moore
Senior Auditor

Dave Hodgson
Auditor

Management Summary

This audit was included within the 2012/13 audit plan to evaluate the processes in place to support the Housing Revenue Account Business Plan. In order to gain a cross section and representative range of views we have engaged with officers both within and outside the Service.

In April 2012 the existing Government subsidy system ceased and a new self-financing regime was introduced for Councils to maintain and manage their housing stock. As a result East Devon District Council borrowed £84.37m from the Public Works Loans Board (at preferential rates available for this purpose).

A Housing Stock Options Appraisal had been carried out in 2005 where the costs and benefits of transferring the housing stock were compared against EDDC retention. The conclusion of the project team at the time was that the Council retained its housing stock and this was approved at Executive in March 2006. This, together with the positive outcomes from financial modelling which supported self financing, was taken as evidence that there was no appetite within the Council to relinquish Council housing stock.

The self financing initiative necessitated a revision of the Housing Revenue Account Business Plan, in order to ensure financial viability. The Business Plan shows the main areas of income and expenditure in relation to housing stock and housing services, projected over a thirty year timeframe. As a result of these changes to financing arrangements, new risks were transferred to the Council in respect of interest and inflation risks.

In addition to this, it is recognised that Business Planning took place in a rapidly changing environment with the Government changing or in the process of changing some key matters. For example, the impact of the Governments welfare reforms has yet to be fully made known to local authorities.

The focus of this audit was to review the Council's approach to risk within the HRA Business Plan.

The conclusion section below records our overall opinion on the adequacy of the internal control framework and its effectiveness of operation. This opinion will be reported to the Audit Committee and also forms part of the information used to compile the Council's "Annual Statement of Governance" published with the annual accounts.

Summary of Significant Corporate Risks

The following table records the inherent risk (the risk of exposure with no controls in place) and the manager's initial assessment of the risk (the risk exposure on the assumption that the current controls are operating effectively) captured at the outset of the audit. The final column of the table is the Auditors summary assessment of the risk exposure at Corporate level after the control environment has been tested. All assessments are made against the risk appetite agreed by the SWAP Management Board.

Areas identified as significant corporate risks, i.e. those being assessed as high or very high risk areas in line with the definitions attached should be addressed as a matter of urgency.

Risks	Inherent Risk Assessment	Manager's Initial Assessment	Auditor's Assessment
1. The Council has not considered all the risks associated with implementing a new HRA self financing strategy and HRA Business Plan leaving the Council exposed to a potential financial loss in the future.	High	High	Low
2. The Council maintains a Housing Revenue Account surplus at a level which is not best use of resources.	High	Low	Low
3. The council did not use the most effective strategy for obtaining funds to purchase the housing stock causing delay in repaying the total debt and exposing the Council to undue risk.	Medium	Low	Low
4. The Council could make better use of sensitivity testing, benchmarking and the identification of any omissions from the HRA Business Plan to ensure effective asset and treasury management.	Medium	Low	Low

Summary of Significant Findings to the Service

The following were identified as key findings for the service and therefore categorised, in accordance with the definitions attached, as a level '4' or '5' in the action plan:

- There were no significant findings to the Service.

Further details of audits findings can be viewed in the full audit report, which follows this Management Summary.

Conclusion and Audit Opinion



I am able to offer reasonable assurance as most of the areas reviewed were found to be adequately controlled. Generally risks are well managed but some systems require the introduction or improvement of internal controls to ensure the achievement of objectives.

Relevant emergent risks have been identified and included in the Business Plan as far as reasonably possible. These include welfare reform, interest rate changes, capital receipt changes and other changes imposed by Central Government.

We identified only one omission from the Business Plan in respect of existing risks. Other existing risks, although included elsewhere in the Business Plan, were not captured centrally on the Risk Table, and may therefore escape regular monitoring.

Adoption of EDDC's corporate approach to risk management could be improved by:

- Ensuring that the risk ratings assigned to risks on the risk table in the Business Plan reflect current challenges faced by the Council and are consistent with the scores recorded on SPAR.net. Some risks included on the Business Plan risk table are not included on the Corporate Risk Register, SPAR.net.

An external consultant was engaged to ensure the revised Business Plan was based on sound assumptions, taking into account the new self-financing model. Sensitivity analysis was carried out by them at a suitably early stage in the process, and reported in detail to the Housing Review Board (HRB).

The Sensitivity Analysis in the Business Plan, however, could be improved to more clearly convey its purpose and its message.

The decision to increase the level of surplus appears to be in-line with similar decisions made by other district councils. However, no analysis showing variations to the level of surplus and its effect on the financial model was presented to members of the HRB.

Detailed Audit Report

Objectives & Risks

The key objective of the service and risks that could impact on the achievement of this objective were discussed and are identified below.

Objective: The Council have an effective HRA self-financing strategy and Business Plan that is able to improve resources, incentive and flexibility to improve housing stock.

- Risks:**
- The Council has not considered all the risks associated with implementing a new HRA self-financing strategy and HRA Business Plan, leaving the Council exposed to a potential financial loss in the future.
 - The Council maintains a Housing Revenue Account surplus at a level which is not best use of resources.

- The council did not use the most effective strategy for obtaining funds to purchase the housing stock, causing delay in repaying the total debt and exposing the Council to undue risk.
- The Council could make better use of sensitivity testing, benchmarking and the identification of any omissions from the HRA Business Plan to ensure effective asset and treasury management.

Method & Scope

This audit has been undertaken using an agreed risk based audit. This means that:

- the objectives and risks are discussed and agreed with management at the outset of the audit;
- the controls established to manage risks are discussed with key staff and relevant documentation reviewed;
- these controls are evaluated to assess whether they are proportionate to the risks and evidence sought to confirm controls are operating effectively;
- at the end of the audit, findings are discussed at a close-out meeting with the main contact and suggestions for improvement are agreed.

Findings

The following paragraphs detail all findings that warrant the attention of management.

1. Risk: The Council has not considered all the risks associated with implementing a new HRA self financing strategy and HRA Business Plan leaving the Council exposed to a potential financial loss in the future.

1.1 The purpose of the Risk Table on Page 18 of the HRA Business Plan is stated as being to examine the risks associated with the successful implementation of the Business Plan. Through comparison with other Councils risks in their business plans, we identified the following omission:

- Loss or corruption of data as a result of the migration to the new IT system could result in poor management information and reduced levels of customer service.

In addition to this, other risks although identified and mitigated and reported to the HRB (through the use of performance measures), were not captured in the risk table in the Business Plan. This related mainly to emerging risks such as; reduced levels of appropriate housing stock caused by Right to Buy, under occupying and under 35's seeking independent accommodation, as well as welfare reform.

The risks identified in the current Business Plan risk table do not easily reconcile with the issues included in HRB reports. Unless all the risks are captured and monitored centrally, it is difficult to demonstrate that they are being reviewed on a regular basis.

1.1a It was agreed that the Head of Housing will consider inclusion of the following risks on the Business Plan Risk Table;

- **Loss or corruption of data as a result of the migration to the new IT system could result in poor management information and reduced levels of customer service.**
- **Other risks currently reported on but omitted from the risk table, but reported to HRB.**

1.1b It was agreed that the Head of Housing presents the updated Risk Table to the HRB on a regular basis to enable all risks to be reported and monitored on a consistent basis.

1.2 One of the risks in the risk table does not reflect the current issue as it states that 'Right to buy sales are lower than planned'. Following changes in the maximum discount cap (increase to £75k) there is now a higher risk to the Council of a significant increase in right to buy applications which could lead to a loss of available Council Housing stock, rather than a reduction.

The Head of Housing was able to demonstrate that terms of the Right to Buy Initiative were changed after the Business Plan was finalised and that relevant reports have been presented to the HRB. However, this risk is not currently reflected in the risk table published in the HRA Business Plan.

1.2a It was agreed that the Head of Housing revises the risk associated with the Right to Buy scheme in order to correctly reflect new changes to the scheme.

- 1.3 The risk ratings assigned in the risk table do not appear to reflect current challenges faced by the Council and are inconsistent with the scores recorded on SPAR.net. For example, 'Rents do not rise or are not collected as anticipated' has been scored as a 2 which indicates that there is a low risk of either rent not rising or not being collected. Due to changes in welfare reform and the introduction of direct payment, the risk of income not being collected is now significantly higher than when the business model was introduced in 2006. Furthermore, loss of rental income is recorded as a separate risk on SPAR.net and it is scored as a 9.

There is a risk that the Council will not be able to manage all key risks associated with the HRA, in particular the loss of income if these have not been correctly assessed, recorded and prioritised.

Some risks included on the Business Plan risk table are not included in the Corporate Risk Register, SPAR.net. Given the finding above in relation to scoring, it was not clear whether there were any risks that should be reflected on SPAR.net that are currently omitted.

For clarity, alignment of the format of the risk table to look similar to SPAR.net may be beneficial. This would include having a control owner for each risk as well as a column for controls, rather than possible action.

- 1.3a It was agreed that the Head of Housing ensures that the contents of SPAR.net and the HRA Business Plan risk table are aligned in terms of risks included, ownership, associated controls and their scoring which should reflect the current situation.**

2. Risk: The Council maintains a housing fund surplus which is not best use of resources

- 2.1 EDDC have decided to increase their surplus on the operating account, which is in line with similar decisions made at other local district councils, and reflects concerns over uncertainty and assumptions relating to refinancing decisions. At EDDC the surplus was doubled from £250 per property to £500. However, it is not clear what information was made available to the Housing Review Board to base their decision on.

Elsewhere, for a given level of surplus, the effect of changing inflation or interest rates was compared against final settlement figures to show the number of years to repay, total cost and total interest payable. This resulted in a number of options where the surplus was set at different levels. The impact of having the surplus at a particular level was clear. It is not clear whether the decision at EDDC to double the surplus was properly considered in these terms.

There is a risk that the surplus level increase will restrict early loan repayment and possibly future projects, if it is unnecessarily high.

- 2.1a It was agreed that the Head of Housing provides the HRB with sufficient information on which to reassess the appropriateness of the surplus, in terms of its impact on loan repayment and funds for future projects.**

3. Risk: The council did not use the most effective strategy for obtaining funds to purchase the housing stock causing delay in repaying the total debt and exposing the Council to undue risk.

3.1 There are no significant issues to report.

4. Risk: The Council could make better use of sensitivity testing, benchmarking and the identification of any omissions from the HRA Business Plan to ensure effective asset and treasury management.

4.1 Sensitivity analysis was carried out at an early stage by expert consultants to test the assumptions inherent in the Business Plan. However, this has not been communicated effectively in the final Business Plan, where it appears as a table, with no explanatory text to explain that it demonstrates the effect on the operating account and viability of the Business Plan of inaccurate assumptions.

The following issues have been identified with the sensitivities table as it appears in the Business Plan:

- Inflation is not included in the sensitivities table, although it was identified as a key sensitivity in the analysis prepared by Sector in September 2011.
- The wording is very specific and excludes some scenarios because of this.
- The impact statement is not quantified in respect of the effect on the operating account and the viability of the Business Plan.
- Impact statements offer no real value - critical thresholds are not identified.
- The purpose of the sensitivity table is not stated in the Business Plan; therefore its significance may not be appreciated by the reader.
- The analysis relies on single assumption changes which may not reflect real life scenarios.

There is a risk that the Sensitivity Analysis table in the Business Plan is not effective at communicating the range of assumptions identified in the financial model, the impact of any changes to these assumptions on the operating account, and the likelihood of this happening.

4.1a It was agreed that the Head of Housing ensures that the purpose of the sensitivity analysis table is explained in the next update of the Business Plan. All sensitivities, including inflation should be included (in line with earlier reports), and critical thresholds should be identified (by quantifying the impact on the operating account and the viability of the Business plan).





Finding	Recommendation	Priority Rating	Management Response	Responsible Officer	Implementation Date
<p>Objective: The Council have an effective HRA self financing strategy and Business Plan that is able to improve resources, incentive and flexibility to improve housing stock.</p>					
<p>1. The Council has not considered all the risks associated with implementing a new HRA self financing strategy and HRA Business Plan leaving the Council exposed to a potential financial loss in the future.</p>					
<p>1.1a HRA Risk table does not include all significant risks associated with the HRA strategy.</p>	<p>I recommend the Head of Housing considers inclusion of the following risks on the Business Plan Risk Table.</p> <ul style="list-style-type: none"> • Loss or corruption of data as a result of the migration to the new IT system could result in poor management information and reduced levels of customer service. • Other risks currently reported on but omitted from the risk table, but reported to HRB. <p style="text-align: right;"><small>SWAP Ref: 18327</small></p>	<p>3</p>	<p>This additional risk will be included at the next update of the Business Plan.</p> <p>The Business Plan in its revised form is intended to be a dynamic document with the intention of it being updated regularly in response to changes in the external operating environment, changing priorities, unplanned income or expenditure, or other factors likely to affect the delivery of the Plan.</p>	<p>Head of Housing</p>	<p>December 2012</p>

Finding	Recommendation	Priority Rating	Management Response	Responsible Officer	Implementation Date
1.1b Reports to HRB do not report on all associated risks and controls	<p>I recommend the Head of Housing presents the updated Risk Table to the HRB on a regular basis to enable all risks to be reported and monitored on a consistent basis.</p> <p style="text-align: right;"><i>SWAP Ref: 18410</i></p>	3	<p>I welcome this recommendation as it is consistent with the message that we need to be more proactive in managing the housing business and finances.</p> <p>I propose that the updated risk table be incorporated into the detailed financial report produced by the Housing Accountant for each meeting of the Board.</p>	Head of Housing and Housing Accountant	November 2012
1.2a Current risk associated with Right to buy is not reflected in the risk table.	<p>I recommend the Head of Housing revises the risk associated with the Right to Buy scheme in order to correctly reflect new changes to the scheme.</p> <p style="text-align: right;"><i>SWAP Ref: 18408</i></p>	2	The changes to the scheme will be part of the updating process on the risk table.	Head of Housing	November 2012
1.3a Not all significant risks relating to the HRA plan are recorded on SPAR.net	<p>I recommend the Head of Housing ensures that the contents of SPAR.net and the HRA Business Plan risk table are aligned in terms of risks included, ownership, associated controls and their scoring which should reflect the current situation.</p> <p style="text-align: right;"><i>SWAP Ref: 18409</i></p>	3	A review of the risks will be undertaken to ensure consistency and alignment.	Head of Housing	December 2012

Finding	Recommendation	Priority Rating	Management Response	Responsible Officer	Implementation Date
2. The Council maintains a Housing Revenue Account surplus at a level which is not best use of resources					
2.1a Surplus	I recommend that the Head of Housing provides the HRB with sufficient information on which to reassess the appropriateness of the surplus, in terms of its impact on loan repayment. <i>SWAP Ref: 18526</i>	3	The operating surplus on the HRA will be reviewed as part of a future financial monitoring report	Head of Housing and Housing Accountant	December 2012
3. The council did not use the most effective strategy for obtaining funds to purchase the housing stock causing delay in repaying the total debt and exposing the Council to undue risk.					
There are no significant issues to report.					
4. The Council could make better use of sensitivity testing, benchmarking and the identification of any omissions from the HRA Business Plan to ensure effective asset and treasury management.					
4.1a Sensitivity Table	I recommend that the Head of Housing ensures that the purpose of the sensitivity analysis table is explained in the next update of the Business Plan. All sensitivities, including inflation should be included (in line with earlier reports), and critical thresholds should be identified (by quantifying the impact on the operating account and the viability of the Business plan). <i>SWAP Ref: 18316</i>	3	The purpose of the sensitivity table will be explained in the next Business Plan update. A more sophisticated version will be included to make the content more useful.	Head of Housing	December 2012

Audit Framework Definitions

Control Assurance Definitions

Substantial		I am able to offer Substantial assurance as the areas reviewed were found to be adequately controlled. Internal controls are in place and operating effectively and risks against the achievement of objectives are well managed.
Reasonable		I am able to offer reasonable assurance as most of the areas reviewed were found to be adequately controlled. Generally risks are well managed but some systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
Partial		I am able to offer Partial assurance in relation to the areas reviewed and the controls found to be in place. Some key risks are not well managed and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
None		I am not able to offer any assurance. The areas reviewed were found to be inadequately controlled. Risks are not well managed and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.

Categorisation Of Recommendations

When making recommendations to Management it is important that they know how important the recommendation is to their service. There should be a clear distinction between how we evaluate the risks identified for the service but scored at a corporate level and the priority assigned to the recommendation. No timeframes have been applied to each Priority as implementation will depend on several factors, however, the definitions imply the importance.

Priority 5: Findings that are fundamental to the integrity of the units business processes and require the immediate attention of management.

Priority 4: Important findings that need to be resolved by management.

Priority 3: The accuracy of records is at risk and requires attention.

Priority 2: Minor control issues have been identified which nevertheless need to be addressed.

Priority 1: Administrative errors identified that should be corrected. Simple, no-cost measures would serve to enhance an existing control.

Definitions of Corporate Risk

Risk	Reporting Implications
Low	Issues of a minor nature or best practice where some improvement can be made.
Medium	Issues which should be addressed by management in their areas of responsibility.
High	Issues that we consider need to be brought to the attention of senior management.
Very High	Issues that we consider need to be brought to the attention of both senior management and the Audit Committee.

Agenda Item: 12

Housing Review Board

8 November 2012

JG



Benchmarking of housing costs and performance

Summary

We are a member of HouseMark and participate in their housing benchmarking exercise. This report presents the results of a cost and performance benchmarking exercise using last financial year's data. The report compares us with our peers in a number of key areas of housing management service delivery. The data relates primarily to 2011/12 although the report also shows our costs and performance in 2010/11 as a comparison.

Recommendation

The Housing Review Board is invited to consider and comment on the results of the benchmarking survey.

a) Reasons for Recommendation

For the Board to see our costs and performance set against our peers and gain an appreciation of the relationship between cost and performance.

b) Alternative Options

Not to participate in the benchmarking survey.

c) Risk Considerations

There are no significant risks associated with this work.

d) Policy and Budgetary Considerations

Our adopted policy impacts on our costs and performance. At this stage the benchmarking survey is not indicating a change in policy or budget is required.

e) Date for Review of Decision

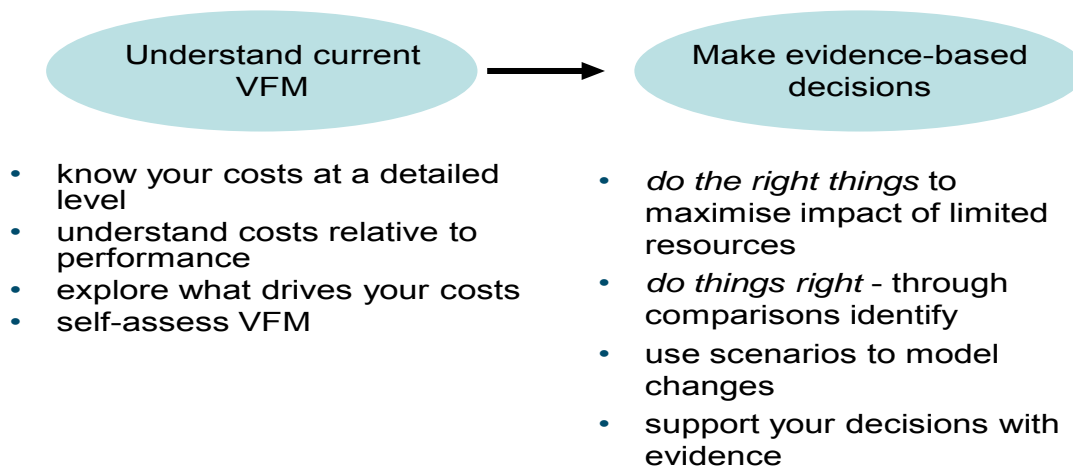
Annual survey.

1 Benchmarking results for 2011/12

- 1.1 Benchmarking has been used as an improvement tool for some considerable time and we have been members of the HouseMark Benchmarking family for several years. HouseMark have produced a useful benchmarking tool which ensures that we are comparing 'like with like' in relation to housing management activities. Having said that some of the peers in the survey are much larger local authority landlords and the data set includes some housing associations.

- 1.2 A few months ago we submitted our data to populate the benchmarking tool and a number of other social landlords did the same. This enabled HouseMark to produce the report reproduced in [annex 1](#). A further report will be issued in the future when all participants have had the time to populate the benchmarking spreadsheet.
- 1.3 The introduction to the report provides a useful context touching on some of the wider financial, political and social issues that are impacting on housing organisations. There is also a useful explanation of the purpose of benchmarking and how to make best use of benchmarking data. The slide below illustrates some of the benefits of benchmarking in value for money terms.

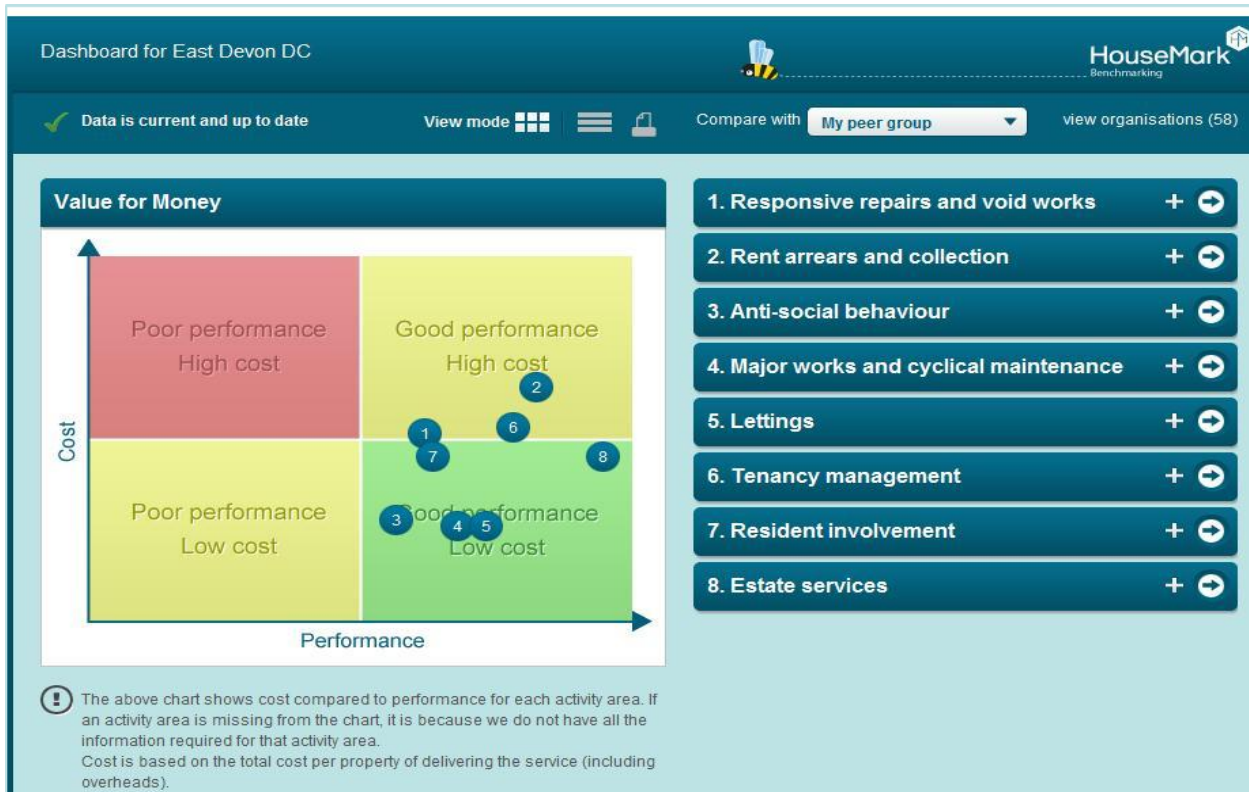
HouseMark – an essential VFM tool



© HouseMark

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- 1.4 The report is able to compare performance over two years because we participated in this exercise last year. There has been a noticeable improvement in many areas since we completed the exercise last year, although the results do not always show good and bad as there are reasons behind the scores. This is where the sophistication of having a combined performance and cost benchmarking approach makes the whole exercise more useful than a simple ranking of either one of these factors.
- 1.5 The Dashboard summary of the findings has been reproduced below which provides a powerful picture of our performance and cost with the majority of our indicators in or close to the good performance/low cost quadrant.



1.6 Another key table in the report is the summary showing cost and quality key performance indicators for 2010/11 and 2011/12 with a traffic light system of scoring.

1.7 The benchmarking results are useful in raising awareness of a particular issue and often require some further analysis. It is also helpful in seeing how other similar organisations are performing and questioning why we are different.

1.8 A number of factors stand out from the results including:

- Our relatively low overheads as a percentage of turnover and direct costs;
- Low percentage of staff turnover;
- High cost of void works;
- Relatively low percentage of responsive repairs completed on time;
- High proportion of urgent responsive repair jobs;
- Low cost of housing management per property;
- Low percentage of tenants whom the organisation has diversity information;
- Low cost of estate services.

1.9 These are areas that warrant a closer examination. For example, we know that we place a high proportion of responsive repair jobs in the urgent categories to provide tenants with a fast service. As a consequence contractors are more likely to miss the 'stretch' targets. Also our relatively high expenditure on void properties is probably explained by the fact that our properties are older than some of our peers and we take the opportunity to perform a full modernisation prior to reletting.

- 1.10 Service managers have received a presentation on the results of the benchmarking survey and whilst we have a good set of results managers have been invited to consider what the survey is saying and understand the relationship between cost and performance.
- 1.11 A further set of results is expected later in the year which compares our performance with other South West based Registered Providers.
-

Legal Implications

There are no legal implications identified.

Financial Implications

There are no direct financial implications arising from the recommendation.

Consultation on Reports to the Cabinet

None.

Background Papers

- [HouseMark benchmarking methodology and guidance.](#)
- [HouseMark summary of benchmarking results – Annex 1.](#)

John Golding
Head of Housing

Housing Review Board
8 November 2012

Agenda Item: 13

Housing Review Board

8 November 2012

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CIH Repairs Charter for Housing

Summary

This report outlines the contents of a new Repairs Charter published by the Chartered Institute of Housing, which represents good practice in the housing sector. I am therefore proposing that we 'sign up' and embrace the core commitments building them into our operational arrangements for service delivery.

Recommendation

To consider the contents of the Repairs Charter for Housing and authorise that we 'sign up' to formally adopt the Charter.

a) Reasons for Recommendation

The core commitments represent good practice in the housing sector.

b) Alternative Options

Not to 'sign up' to the Charter and stick with our existing corporate and housing specific commitments.

c) Risk Considerations

Damage to our reputation if we fail to meet the requirements of the legislation on equalities or good practice.

d) Policy and Budgetary Considerations

The policy position is explained in the report and there are no significant budgetary implications.

e) Date for Review of Decision

Annual review through the Annual Report to Tenants.

1 Repairs Charter for Housing

1.1 The recently published Chartered Institute of Housing (CIH) Repairs Charter is at **Annex A.**

1.2 The Tenant Representative Group has considered the Repairs Charter and support the Council signing up to the principles and good practice contained in the Charter.

- 1.3 We have also discussed the contents of the Charter with our Responsive Repair contractors and they both support the contents of the Charter. Several of the commitments fit nicely with our Systems Thinking principles and the document is written in a clear format.
- 1.4 The CIH Charter represents good practice in the housing sector and I would like the support of the Housing Review Board to 'sign up' to the commitments. The Board will recall that we recently adopted the CIH Equalities Charter for Housing.
- 1.5 We need to ensure that the new commitments are understood and become part of our normal day to day service delivery, and if adopted we will cascade the commitments to staff, tenants and contractors.
-

Legal Implications

There are no legal implications

Financial Implications

There are no financial implications.

Consultation on Reports to the Cabinet

None.

Background Papers

None.

Dennis Boobier
Housing Needs and Strategy Manager

Housing Review Board
8 November 2012



Repairs:
CIH charter for housing



Making People *Smile*



Repairs: CIH charter for housing

The CIH repairs charter is a flexible framework that helps you identify what outcomes a good quality repairs service can deliver. It is not intended to be a regulatory tool but can be used as a basis for internal challenge - through tenant scrutiny, peer or independent review for example.

The charter focuses on the delivery of **responsive repairs**. It does not cover voids, programmed improvements, or wider asset management functions. However, the underlying principles may be adapted to cover these areas.

The charter includes a set of commitments which are underpinned by a range of outcomes - together, the commitments and outcomes provide a framework against which organisations can assess where they are now and where they aspire to be.

By signing up to this charter, you are making a public commitment to deliver high a quality repairs services which are clearly focused on outcomes for tenants.

There are 6 core principles underpinning the repairs charter for housing:

1. Sign up is voluntary and based on self assessment
2. It has been developed using sector expertise
3. It is flexible and can be tailored to suit the outcomes that matter to you and your tenants
4. It is focused on outcomes, not on processes
5. It drives sector-led improvement
6. It complements existing frameworks or initiatives

What are we signing up to?

Core commitment	We can demonstrate
<p>Delivering an effective repairs service is a corporate and strategic priority</p>	<ul style="list-style-type: none"> • There is strong corporate commitment, leadership and accountability to deliver an effective repairs service. We have shared goals and objectives for the responsive repairs service developed in consultation with tenants and other key partners • Our responsive repairs service is an integral part of our asset management strategy which influences overall investment, disposal and development of tenants' homes • Our responsive repairs service supports other organisational strategies and objectives and is linked in with other departments (e.g. housing management and development) to deliver organisational priorities in a joined up way • We have robust governance and risk management arrangements in place to challenge and drive performance • We are flexible and quick to respond to the changing economic and regulatory environment • There is a clear understanding, right across our organisation, that our responsive repairs service is one of the most important and valued services we provide. Delivering a quality service is a key organisational objective for us and all of our delivery partners
<p>We equip everyone involved in the repairs service with the right skills, capacity and resources</p>	<ul style="list-style-type: none"> • We commit sufficient time, capacity and resources to ensure we can consistently deliver an effective and efficient responsive repairs service • We have a structure in place that has the right people, with the right skills in the right jobs to deliver the responsive repairs service effectively and avoids duplication of roles and processes • We invest in training and development to ensure that staff, tenants and partners at all levels have the appropriate knowledge and skills to deliver our responsive repairs service effectively • We provide relevant training and development, capacity building and support to our tenants so they are able to be directly involved in the development and improvement of our responsive repairs service and the scrutiny of our performance • We have reliable and flexible IT system, with real time integration which manages the critical flow of information to support the business, and enables us to meet customer expectations in relation to direct reporting, appointing and tracking of repairs via their preferred method of contact (e.g. the internet or smart phone)

What are we signing up to?

Core commitment	We can demonstrate
<p>We provide an accessible and accountable repairs service</p>	<ul style="list-style-type: none"> • All of our tenants can easily access the repairs service, we offer a range of options for how tenants can report a repair • We offer equal access to our responsive repairs service regardless of age, disability, gender, marriage or civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation • We collect relevant and meaningful information on the profile of our tenants which helps us to tailor how we deliver the responsive repairs services. Information collected is safely stored and used in accordance with data protection requirements • We ensure effective two way communication with our tenants • We clearly set out and communicate with tenants what our responsive repairs service can and cannot deliver, including what we will charge/ recharge for, to enable us to effectively manage expectations and we apply this approach consistently and fairly • We have clear policies, procedures and processes in place for delivering the responsive repairs service which set out the aims of the service and the roles and responsibilities of all parties
<p>We deliver a quality responsive repairs service</p>	<ul style="list-style-type: none"> • There is clear operational responsibility for the delivery of the responsive repairs service • We ensure that all statutory and regulatory requirements are consistently met, including health and safety obligations (including fire safety and asbestos requirements) • We offer flexibility about how the service is delivered, that meets the tenants needs • We ensure that the repair is done in one visit where feasible, to the required quality, and to the overall satisfaction of the tenant • We provide flexible appointments that balances the needs of our tenants with delivering a value for money service • We take opportunities to improve, and maintain the sustainability and energy efficiency of our stock • We have an effective quality assurance system in place to ensure the quality of work carried out consistently meets our required standards

What are we signing up to?

Core commitment

We ensure that a value for money approach is embedded throughout our repairs service

We continually strive to understand and improve our performance

We can demonstrate

- Value for money is understood and embedded across the responsive repairs service. It is part of our performance management framework, determines how we allocate resources and is widely communicated to staff and tenants who are encouraged to identify value for money opportunities
 - We understand the cost of delivering the responsive repairs service. We balance the need to minimise costs with maintaining a good quality of service
 - We understand how our cost and performance compares with other similar or local landlords and we use that information to improve our service
 - We have adopted a procurement strategy for the selection of our supply chain to deliver repairs services that are sustainable and provide value for money, for the duration of the contract
-
- We have an effective performance management framework in place to report, monitor and review performance. These include challenging performance targets which are at a team, service provider and individual level. Our repairs targets are subject to regular review and demonstrate continuous improvement
 - Tenants are encouraged and empowered to hold us to account about the delivery and performance of our responsive repairs service. We provide our tenants with regular information on comparative costs, performance and satisfaction in a format which has been agreed with them, to enable evidence-based value for money judgements to be made
 - We welcome all feedback about our responsive repairs service - including comments, compliments and complaints, and meaningful satisfaction information. We use this feedback intelligently to continuously review and improve our service
 - Good practice is sought and adopted from within and outside the sector
 - Our responsive repairs service is continuously reviewed to minimise waste and avoid duplication, and improve environmental sustainability

Signing up to the repairs charter

We recognise that the housing sector is diverse and that capacity, resources and priorities will vary from organisation to organisation. It's also really important that organisations have the space to innovate and be creative in their approach. As such, we recommend that you use the repairs charter as a framework which can be built on and adapted to respond to individual and local circumstances. It is up to you and your tenants how you use the repairs charter – to drive continued excellence or to act as a springboard for change - the key thing is that you work to deliver the right outcomes.

Organisations that sign up to the repairs charter will benefit from the following:

1. **Sharing practice and learning from others:** CIH will support a free, open-access website and participating organisations will be invited to up-load short, practice examples which align to the charter principles which they will share with the wider sector. This reflects the principles of transparency and sector-wide shared-learning which underpin the charter.
2. **Joining our repairs network:** organisations that sign up to the repairs charter can join our free repairs online network, where other charter signatories that can share ideas, expertise and knowledge to drive improvements in repairs across the housing sector.

To sign up to Repairs: CIH charter for housing visit the webpage www.cih.org/repairscharter

Support and assistance

While this charter can be used as a self-assessment framework, CIH has a team of experts who can provide external assistance and critical challenge. More information on our services can be found at www.cih.org/charters



Housing Review Board agenda item 14

BRIEFING NOTE FOR HOUSING REVIEW BOARD NOVEMBER 2012

CAR PARKING IMPROVEMENT SCHEMES

The HRB approved the work of the Car Parking TAFF on 12 January 2012 and agreed to progress the following improvement schemes. This paper provides an update for Members on each of the approved schemes.

1. Millwey Rise Axminster– provide off road parking on the grassed areas in front of the Council owned properties near the bend in the road. We are consulting the planners. They had previously refused a single application for providing off road parking but as this is intended to provide a number of ‘hard standings’ to get tenants cars off the road on the bend near Cawley Avenue, their views may be more supportive.
2. Orchard Close Talaton – resurface ‘lay-by’ and designate for disabled - **done**.
3. Churchill Court Lympstone – provide additional off road parking for tenants – **done**.
4. Dunning Court, Honiton – after consultation with residents it is not proposed to progress any works.
5. Courtney Drive Colyton – We have consulted the owner of the property on the corner of Courtney Drive that could provide access to the tenanted homes to enable us to provide off road parking. Consultation with owner has not yet secured approval. Housing Needs and Strategy Manager will write to owner and ask formally what he requires from us to enable us to take this forward. If he agrees then we will consult planners about permission (if required) to provide off road parking at No 33, 34 and 35.
6. St Andrews Orchard Colyton – Consult tenants on proposal to provide off road parking on frontages at end of road. Initial contact made – tenants not happy with proposals. Will consult further and see if a scheme can be put together.
7. St Gregorys Court Seaton– We consulted the tenants and they suggested an alternative to our proposals. We are consulting planning to see if they would allow parking to be providing on the grassed areas on the left and immediately in front of access road as you go into Gregory’s Court.
8. Mead View/Kendall House Honiton – no further action for time being. Tenants appear to be happy with current parking arrangements even though this looks like it is causing problems.
9. Albion Court Exmouth – remove bushes and provide additional parking spaces - **done**.

10. Brookfield Road East Budleigh– consult tenants of sheltered housing on proposal to provide off road parking on grassed area. Not done yet.
11. Acott Park – agreed to progress action in stages and monitor how each stage impacts on the problem. Stage 1 - Offer tenants at No 33, 36, 41 and 49 and other tenants where appropriate, the opportunity for us to provide off road parking. This work has been done. We will monitor situation and see whether any further problems for **tenants** arise in this area before progressing any further improvements.

Dennis Boobier
Housing Needs and Strategy Manager
9 October 2012