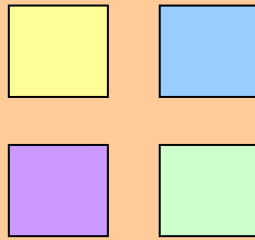


Housing Revenue Account



Business Plan

**2004-34
DRAFT**



Winchester
City Council

WINCHESTER CITY COUNCIL HOUSING REVENUE ACCOUNT BUSINESS PLAN – 2004 -2034

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Accessibility

This document can be viewed on www.winchester.gov.uk
 The Plan can also be made available to you in a variety of formats including - Braille, large print or tape or audio compact disk and in languages other than English.
 For further information please contact – Sarah Drinkwater on 01962 848165
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EXECUTIVE SUMMARY

The Housing Revenue Account (HRA) Business Plan for 2003-23 was considered by the Government Office for the South East (GOSE) in 2002 and assessed jointly with the Housing Strategy as "average". The Plan for 2004-34 builds on the positive aspects of the first Plan and also takes account of comments from GOSE on how it could be improved and also of the emerging issues in Housing generally. It is very much a working document. The original draft will be submitted to GOSE by 31 March 2004 but will be regularly updated to take account of key issues, such as the progress of the Options Review currently underway.

Option Appraisal - The Plan recognises the progress made with the project, with a Steering Group established, independent advice (ITA) to tenants procured and with all background data now available, along with stock condition information and a district wide tenant aspirations survey. Work is still needed to fully explore a local standard for Winchester and to identify how best to fund capital requirements. A series of joint Council/ITA roadshows is planned for the summer of 2004 and the Council is working closely with the Community Housing Task Force to progress this issue.

The Local Environment – The recently completed Housing Needs Survey indicated a clear affordability problem in the district and a requirement for 700 new homes annually. With demand for social housing high, opportunities for the Council's stock to contribute to meeting need are limited. However, through effective asset and land management, opportunities do exist and these assets will need to be considered in detail as part of the Options Appraisal review.

Housing Management - The 2004-34 Plan includes information on Housing demand and details of work and initiatives through which the Council are encouraging social harmony and social inclusion. This includes work to address anti social behaviour, encourage community development and health improvement and help to reduce crime. In 2004, a distinct Landlord team is being established to ensure that the Landlord vrs Strategic Housing split is clear to all stakeholders

Asset Management – The current Maintenance programme invests just over £6million per annum in the City Council's Housing stock. 70% of stock is "Decent" and costs to achieve the Decent Homes Standard is projected at £2 million. However, overall capital requirements to maintain stock at a decent standard is significant and programmes need to be determined that can be resourced in the long term. This is a key task for the next year.

Tenant Involvement - In the last year, the City Council has worked closely with its tenants and in addition to the existing Property and Contracts Forum, has established the Rents and Business Planning Forum with the aim of opening constructive dialogue and involving tenants in the business planning process. Tenants are represented on Council committees and have an equal representation to members on the Options Steering Group.

Resources – Financial projections indicate that whilst the Housing Revenue Account (HRA) is sustainable in the long term, there is a shortfall on capital resources against the "industry standard" projections from the Stock Condition Survey amounting to £7 million by 2010. However, it is clear that a number of options are available to address this, including determining a local standard, increasing revenue contributions to capital and reviewing the asset base, particularly in relation to non operational

assets. 2004 will be dominated by the work on developing these programmes to support the Options Appraisal review process.

Key Objectives – Objectives for 2004 and beyond concentrate on completing the Options Review, working towards achieving the Decent Homes Standard by 2010, implementing the Best Value Action Plan and developing potential for tenants and other customers to access the service provided.

Contacts - For details of key contacts for the Housing Service and for further information on issues detailed in this document, please see the contact details over the page.

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1 PURPOSE OF THE PLAN

- 1.1 The Housing Revenue Account Business Plan 2003 – 2033 produced last year gave five-year projections for service objectives and Housing finance. It was the first Housing Business Plan prepared in accordance with The Department of the Environment, Transport and the Regions (now the Office of the Deputy Prime Minister (ODPM)) guidance following the introduction of resource accounting for the Housing Revenue Account (HRA). The document was the first 30-year Plan produced by the City Council for the management of Housing Services.
- 1.2 This Plan updates the 2003-33 Plan, taking account of progress over the last year and work undertaken in light of the comments received from the Government Office for the South East on last year's document.
- 1.3 The main purpose of this Plan is:
- i) To clearly set out the City Council's aims as a social housing landlord
 - ii) To set out objectives and standards for the service
 - iii) To plan how to achieve the objectives and standards set
 - iv) To provide a framework for monitoring and evaluating progress of the housing "business"
 - v) To communicate the City Council's plans to Government, key stakeholders (particularly tenants), partners and the wider community
- 1.4 The Business Plan provides a financial forecast over the next thirty years. It is intended that the Plan is updated annually.
- 1.5 However, future options for the Housing Service in Winchester are dependent on a range of issues, information on which will arise over the next year. The Options Appraisal project is now well underway and the outcome of this, due in December 2004, will inform future investment strategies for the Service.
- 1.6 Whilst the 30 year projections are based on the most up to date information available, it is important to note the assumptions built into the projections, which in effect mean that projections for the later years of this Plan have less precision. However, once further information becomes available, particularly in relation to the Options Appraisal project, it will be built into the model on which the projections have been based and into future updates and revisions of this Plan. With more comprehensive information available, this Plan will be a key element in informing the future direction of the Housing Service in Winchester.

2 BACKGROUND TO HOUSING SERVICES

2.1 Housing Stock

- 2.1.1 The area of Winchester City Council extends over 250 square miles and now has a population approaching 110,000. At the end of March 2003, there were nearly 45,000 dwellings in the district, of which 5,227 (11.6%) were owned by the Council. There are also 281 "Right to Buy" leasehold flats which we continue to manage.

Bedsits	108
Bungalows	865
Houses	2379
Maisonettes	64
1-2 Storey Flats	1153
3-5 Storey Flats	510
6+ Storey Flats	148
Right to Buy Leaseholds	281

- 2.1.2 These figures include 1,002 units of accommodation in sheltered housing schemes for elderly persons.
- 2.1.3 During the year, 46 houses and flats were sold by the Council under Right to Buy.
- 2.1.4 Other social housing providers in the district, such as housing associations, have a further 1940 dwellings of varying types and sizes.
- 2.2 **Housing Allocations** – During 2002/03, there were 360 new secure tenancies including households coming from the Joint Housing Register. 108 tenants benefited from transfers or exchanges within the Council's own housing stock.
- 2.3 **Empty Properties** – At 31 March 2003, there were 83 empty properties – this is approximately 1.57% of the Council's total Housing. Of these, 72 were in the process of being let to new tenants or were awaiting minor repairs before re-letting (the others being "hard to let" flats in sheltered schemes). The lettings policy for flats in sheltered schemes has been revised to allow 1st floor flats to be let to general needs tenants resulting in 7 dwellings that had been void for over two years being relet.
- 2.4 **Housing Rents** – The average housing rent for all properties at the end of March 2003 was £55.90 per week (£53.98 per week in 2001/02). During 2002/03, the Council collected 98.58% of the rent due for the year that included arrears from previous years. This is a reduction of 0.69% from 99.27% in 2001/02. Arrears at 31 March 2003 were £102,000 for current tenants and £155,000 for former tenants.
- 2.5 **Repairs** – During 2002/03, over 86% of urgent repairs were completed within the target times set. The current repairs programme is for more than £6 million.
- 2.6 **Staffing and Structure**
- 2.6.1 A key objective for the coming year is to establish a "discreet" Landlord Service, bringing all HRA services into one division. The appointment of a new Head of Service is planned for early in the period. However, currently, Landlord Services

are provided by 114 full time equivalent posts structured across 4 core divisions of the Council's Health and Housing Department, namely:

- a) **Housing Policy and Strategy** - are responsible for the Councils private sector and public sector housing strategy, management of the Housing register, central control, homelessness and liaison with the Housing Associations and voluntary bodies
- b) **Health and Housing Management** – Responsible for estate management, rent arrears, tenant participation and for the provision of supported housing.
- c) **Property and Contracts** – Responsible Asset Management, for delivering the Council's Maintenance and Improvement programme and for the management of contracts, including cleaning and grounds maintenance
- d) **Business Services** – Responsible for rent collection, service and management charges, the Right to Buy process and the co-ordination of business planning and performance management and ICT.

2.6.2 **Training and Development** - The Training Strategy of the Department is based upon a number of basic principles and ideals and is put into practice by means of annual training plans which take into account current and anticipated demands, the funding provision available and the managers views on the priority of the staff's time. The Strategy is in line with the Council's Corporate approach to staff development that has recently been accredited with Investors in People status.

The basic principles and ideals are:

- The Department has a duty to the City Council to ensure that it is able to meet all the demands that are placed upon it.
- The Department as an employer has an obligation to develop the potential of its entire staff
- The rate of change in working life is accelerating which means that all staff have to become far more flexible than hitherto.
- Flexibility can only be achieved through regular and continual training and updating of skills.
- Training and updating of skills for all staff is compulsory but must be appropriate and relevant and take into account the competency, departmental requirements, personal circumstances and views of all staff.

2.6.3 **Key Training Plan Objectives** – Key objectives for the next year are:

- i) To continue to support those staff already undertaking professional training
- ii) To target resources at skills gaps that exist in each division, with particular emphasis on project management and the development of professional expertise in the key areas of Housing Management, tenant involvement and property management.

- iii) To target resources on technical update training and seminars and to ensure that all staff have the opportunity to satisfy their Continuous Professional Development requirements where appropriate.
- iv) To develop a management development programme for operational staff with clear management potential with a view to developing both financial, team management and project management skills.
- v) To arrange a programme of IT skills training days with an emphasis on basic skills for all staff and developing specialist skills for key support staff.

2.7 E Governance

- 2.7.1 The council operates a Microsoft network utilising Office products across all departments, with direct access for all office staff at various sites throughout the district. Where direct network links do not exist, such as with the Housing Central Control team and also home workers, broadband technology has been used to ensure effective co-ordination of services.
- 2.7.2 The Housing Service has also for some years operated the Orchard Housing Management database system to support all key housing functions, including rent accounting, void management, property repairs and maintenance, lettings and allocations and estate management. The database co-ordinates all key housing work and its business critical nature is recognised by effective recovery plans being in place supported by Steria, the Council's ICT providers based on effective back ups and off site provision within 24 hours in the event of an emergency.
- 2.7.3 In addition to assisting the Council to meet corporate IEG commitments, the Housing service faces a number of key e government initiatives in the coming two years including:
 - a) The introduction of Document Management systems to link with the corporate developments in this area. The Council's Anite system will be developed to provide a direct link to Orchard to prepare for digitising of all central tenancy files and application processes
 - b) The implementation of on line payment facilities for rent and other tenancy related payments
 - c) The development of integrated Orchard links with the Council's Customer Relationship Management system to be implemented later in 2004.

3 THE CORPORATE CONTEXT

- 3.1 The HRA Business Plan provides clear focus and direction for the Council's "Housing landlord" role. This role forms a key theme contributing to the overall Housing Strategy, which sets out objectives for housing the community across all tenures.
- 3.2 The Housing Strategy is designed to contribute towards fulfilling the Council's overall strategic objectives, by working with partners to deliver high quality services and to meet the Council's duty to promote the economic, social and environmental well-being of the district.
- 3.3 **The Community Strategy**
- 3.3.1 Since the late 1990's the Council has set out its overall vision for the District in a Corporate Strategy covering three-year periods. This document is updated and rolled forward on an annual basis the most recent entitled Winchester District – The Way Forward 2004-07.
- 3.3.2 In October 2002, a major consultation exercise took place on the Community Strategy resulting in revision and realignment of the corporate priorities for inclusion in the Corporate Strategy 2004-07, bringing them into line with the issues emerging from the exercise.
- 3.3.3 As part of the work on the Community Strategy a draft shared 'vision' for the district has emerged.
- 3.3.4 The Community Strategy overarches the Council's Corporate Vision, outlined below, which in itself aims to support the Community Strategy.
- 3.3.5 The aims and objectives contained in the Corporate Strategy are integrated into all other Council Strategies. The Council's Corporate Management Team in conjunction with the Strategic Liaison Group (Executive Members) work to ensure that a comprehensive and corporate approach is taken; with different service sections within the Council having the key task of developing, implementing and monitoring their individual strategies within the overall framework.
- 3.4 **Local Strategic Partnership**
- 3.4.1 The development of Local Strategic Partnerships (LSPs) is seen to be a key feature of the National Strategy for Neighbourhood Renewal published in January 2001.
- 3.4.2 Chaired by the Leader of the Council, it is the intention of the Winchester LSP to involve key local agencies, stakeholders and residents to produce the Community Strategy identifying what is needed locally with a commitment to working together to achieve it. With this aim in mind, there is the obvious potential for it to contribute significantly to the delivery of shared strategic housing objectives.
- 3.4.3 In pursuance of this objective the draft Housing Strategy, the Private Sector Housing Renewal Strategy and the Homelessness Strategy were all considered and endorsed by the Winchester LSP.

3.4.4 The Housing sector is led in the LSP by one of the Council's RSL partners and the sector is preparing a chapter for the Community Strategy to be published in the Spring 2004.

3.5 Capital Strategy and Asset Management Strategy

3.5.1 The Council published its Capital Strategy and Asset Management Strategy in July 2003. The Capital Strategy sets out the principal framework that underpins the Council's long term capital investment and expenditure proposals, to meet the Council's strategic objectives. The Capital Strategy outlines the capital programmes for all services delivered by the Council, including Tourism, Development Services, Waste Management, Contract Management, as well as Housing. The Strategy ensures that capital investment is directed at the Council's corporate priorities and sets out how capital investment needs are prioritised.

3.5.2 The Asset Management Plan details the management approach to the Council's valuable property portfolio, which includes the Council's housing stock, land for disposal, and property leased to Housing Associations for the provision of affordable housing. All detailed proposals for capital expenditure and asset disposal are reported to Cabinet with a thorough analysis of options considered, and reasons for the proposed course of action, and the consultation undertaken.

Copies of the Council's Capital Strategy and Asset Management Plan are available on request by contacting rbotham@winchester.gov.uk or can be accessed on the web site at www.winchester.gov.

3.6 Corporate Priorities

3.6.1 The shared vision of the City Council and its partners, for the District is

“Our vision for the Winchester District is of diverse and dynamic communities, where people work together to ensure that everyone has the opportunity to lead a fulfilling life now and in the future.”

3.6.2 The City Council's has identified its role to help to achieve this vision as:

“The City Councillors want people to be able to live, work and enjoy life in the district with a real sense of belonging here. They will provide leadership for the area and the Council will work with partners to ensure that services are provided in ways that best meet the needs of the residents, both current and future generations.”

3.6.3 The City Council's aim for the District is “to build a dynamic community, which can grasp the opportunities of the 21st century”.

3.6.4 Key priorities for 2004 – 2007 are detailed below:

- a) **Homes and Environment** : to provide affordable homes in safe and pleasant environments for all sectors of our community, we will:
 - make best use of Council owned land and use our planning policies to secure sufficient land and funding to provide, in partnership, a full range of high quality homes for rental or ownership to meet the needs of our residents

- refurbish our existing housing stock in order to meet the Decent Homes standard by the 2010 target date
 - work with partners to make our communities safer
 - introduce pilot schemes for better management of local environments through neighbourhood wardens
- b) **Green Agenda** : to minimise pollution and waste and to make efficient use of resources, we will:
- introduce improved waste collection and recycling services including the kerbside collection of garden waste
 - require through planning conditions, sustainable transport plans (in conjunction with HCC), landscaping and environmental improvements
 - reduce the need for our customers to travel to access our services
 - work with other authorities to introduce measures to ensure that the AQMA can be removed by end 2006
- c) **Social Inclusion** : to ensure that everyone can play a full part in the life of their community. Using our Social Inclusion Strategy to inform our decisions, we will:
- work with and support the voluntary sector to deliver the most appropriate services for the local communities
 - help people access the services they need
 - promote the full take-up of benefits entitlements
- d) **Customer Service** : **to provide a high standard of customer service in all that we do**, we will:
- establish a dedicated customer service unit responsible for dealing with enquiries and complaints effectively
 - make our services more readily available through the internet and more convenient hours of service
- e) **Economic Prosperity** : to achieve a strong and diverse urban and rural economy which builds on local strengths and offers opportunities for all, we will:
- use our planning policies to facilitate the establishment and growth of local businesses
 - provide, with partners, a single focus for business advice and support
 - promote the roll out of broadband technologies across the district
 - support the local economic strengths including tourism and creative industries
- f) **Cultural and Leisure Opportunities**: to increase access to cultural and sporting activities. Informed by our Cultural Strategy, we will:

- encourage healthier lifestyles and successful communities across the district and the age ranges through the promotion of sporting and cultural activities
- establish a Cultural Consortium to guide the implementation of our Cultural Strategy and develop Winchester's cultural and leisure opportunities by working with partners
- work with partners to secure more opportunities to increase the enjoyment of visual arts and understanding of local history

3.6.5 Detailed targets for achievement against these priorities will be found in the Council's Performance Plan and departmental Business Plans.

3.7 Delivering Corporate Priorities

3.7.1 Winchester adopted a Cabinet style decision-making structure to replace the committee model in 2000. One Executive Member is responsible for the Housing Portfolio enabling strong leadership on housing issues and representation at Cabinet level.

3.7.2 A Principal Scrutiny Committee and a number of Performance Improvement Committees including one for Housing, compliment the Cabinet structure, which contribute to and drive policy development and scrutinise decisions and performance.

3.8 Linking the HRA Business Plan and Housing Strategy with Corporate Priorities

3.8.1 This Housing Revenue Account (HRA) Business Plan is designed to contribute towards fulfilling the Council's overall strategic objectives, by working with our partners to deliver high quality public services identified as important by the community and our customers, within a framework based on innovative modernising principles.

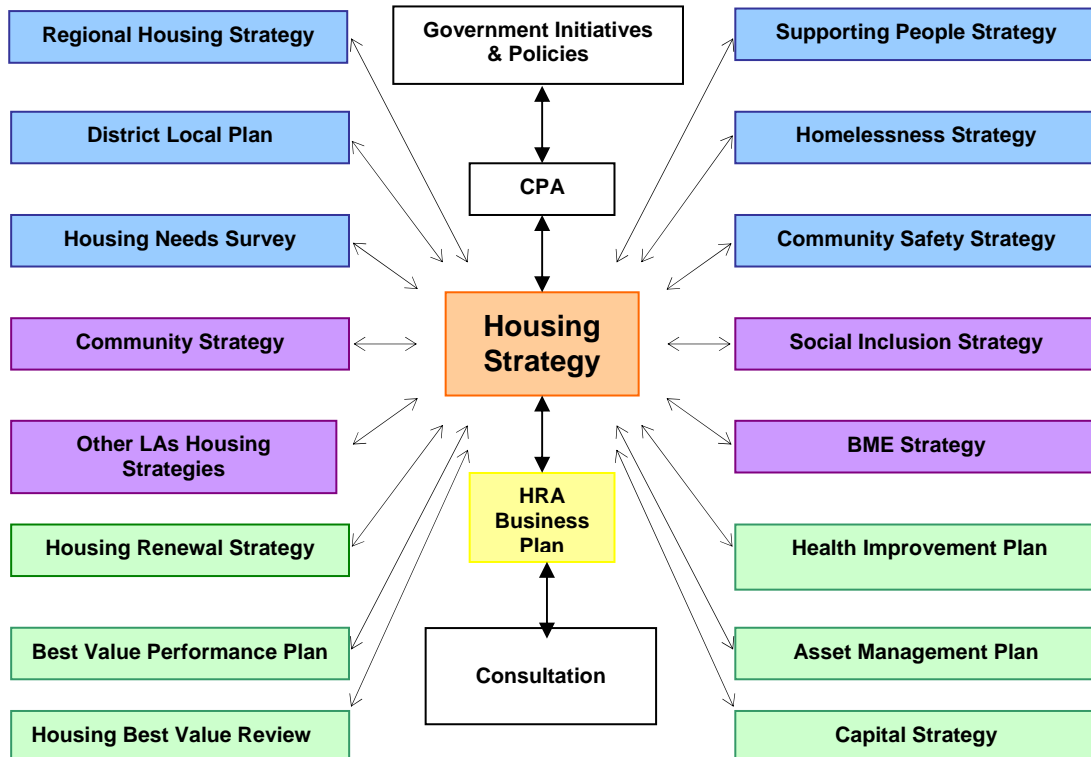
3.8.2 This HRA Business Plan has been developed in accordance with the Housing Strategy 2004 - 2007, but with a clear recognition of the difference between the two documents and more importantly, their requirements and uses. Although the Business Plan covers a broad range of housing related issues, they are particularly relevant to the use and development of the HRA. However, it is clear that the detail within the Business Plan must reflect the overall strategy and contribute to the development and delivery of that strategy.

3.8.3 The Housing Strategy outlines how the Council with its partners aim to balance what we do and what we can enable each other to do. In doing so we will increasingly consider what other issues and strategies impact on or are affected by housing. These will include, amongst others Economic Development, Social Inclusion, Community Safety, Planning and Development, Health Improvement. At the same time how a balance will be struck between some of the conflicting influences to ensure that the overall needs of the Winchester Community are met will have to be tackled.

3.8.4 Great importance is placed upon the Council's enabling and strategic roles and linking its policies and action with other strategies and service providers. The City

Council works with partners, especially through the Community Strategy process, to ensure our strategies and plans dovetail and compliment each other to meet the needs of our communities. These strategies support the integrated nature of the housing role through their contribution to the local assessment of need, engagement with partners and the community and the improvement of services.

3.8.5 Being part of a larger whole and creating links to other important strategies, services, National and local policies etc. becomes a theme in its own right and the links are all used to guide our strategy process, as indicated in the diagram below:



4 THE HOUSING STRATEGY

- 4.1 The Housing Strategy for Winchester sets out the Council's plans for meeting its community's housing needs over the next 3 years. In many areas the strategy builds upon the successful approach adopted in recent years with the aim of achieving the Government's new "Fit for Purpose" standard.
- 4.2 Despite the District's outward appearance of affluence there is considerable housing need throughout the area. A serious homelessness problem exists and the affordability situation is such that not only is owner occupation not possible for many people in our communities but even some form of part ownership is also difficult to achieve.
- 4.3 Housing is at the heart of the Council's Corporate Priorities. By its very nature housing impacts on all the main quality of life elements and affects all our life chances. As a consequence the links to other strategies both within the Council and outside to other agencies, is becoming an increasing focus.
- 4.4 In considering the development of the Housing Strategy, the Council and its partners have taken into account the priorities set at the National, Regional and Sub-Regional level. In doing so the Housing Strategy has been devised taking into account four themes, which reflect the national and regional priorities as well as local issues. These cross tenure themes are used in Chapters 4 and 6 to help make sense of the respective issues.
- (i) **Access and Choice**
To have enough homes in all tenures to meet future housing demand and to increase access and choice.
 - (ii) **Housing and Support**
To ensure that people across all tenures have access to support so that they can live independently.
 - (iii) **Decent Housing**
To ensure homes across all tenures are maintained and managed to a good standard.
 - (iv) **Sustainable Communities**
To work with communities and others to improve their social and economic well being and create safe and healthy towns and villages.
- 4.5 The strategy itself is a commitment to action and there are many tasks and targets associated with delivering it. It is therefore important that achievements are reported including areas where improvement is needed.
- 4.6 In summary, the Housing aims which form the key actions of the Strategy can be summarised as follows:
- The continuous assessment of housing needs and production of strategies to meet those needs.

- The efficient use of existing housing stock and buildings to maximise resources.
- The provision of affordable housing to meet local, special and economic needs including Key Workers.
- The provision of advice services to prevent homelessness and provide information on a range of housing options.
- Ensuring that all Council tenants have a decent home by 2010.
- Improving the standard of the physical environment to be clean, safe and attractive.
- Working towards Sustainability, by balancing housing growth with employment and regeneration.
- Improving energy efficiency to all dwellings in the district.
- Improving conditions for vulnerable households living in the private housing sector.
- Ensuring that tenants both social and private receive an excellent service from their respective landlords.
- Improving the housing services to rural communities.
- Developing effective partnerships in the fulfilment of the aims.

5. THE LOCAL ENVIRONMENT

- 5.1. Winchester currently faces a continuing increase in demand for social housing of all tenures, but particularly for affordable rented accommodation.
- 5.2. The table below illustrates the reduction in overall Social housing stock and the right to buy has outstripped the Council's capability to enable these social housing units to be replaced by housing associations.

Year (at 1 April)	Social Housing Stock		Total
	Council	HA	
1997	5678	1669	7347
1998	5608	1757	7365
1999	5517	1771	7288
2000	5390	1806	7196
2001	5326	1855	7181
2002	5273	1940	7213
2003	5249	1920	7169

- 5.3 The increase in 2001/02 is due to the completion of a redevelopment scheme of 51 units at Knowle Hospital on the border with Fareham where nominations will be shared jointly with Fareham Borough Council and the developing housing association.
- 5.4 In accordance with national/regional trends the City Council increasingly is only able to assist those in the greatest housing need while, unavoidably, those families are having to wait for increasing periods in unsatisfactory accommodation whether permanent or temporary.
- 5.5 Housing Need Assessment**
- 5.5.1 In addition to external national and regional data, the City Council has two primary sources of local information which are used together to assess demand for general needs housing.
- 5.5.2 The Joint Housing Register remains a useful indicator of housing need but its value is diminishing as it is clear that fewer households who are in housing need as defined by our allocations policies are applying to the Council. This is of particular relevance in rural parts of the community where it is often the case that all or almost all of a limited number of Council houses have been sold. We have clear evidence that, simply, families do not apply for what does not exist.
- 5.5.3 The most valuable source of housing needs data now available to the Council is the housing needs survey. As a response to the diminishing relevance of the Joint Housing Register, a detailed survey was carried out district wide during 1999 and this was repeated in 2002.
- 5.6 The Housing Needs Survey**
- 5.6.1 The Housing Needs Survey 2002 highlights the fact the proportion of private sector renters represents less than 6% of the total housing stock locally, compared to 8 or 9% nationally.

5.6.2 Key findings of the survey included:

- a) 89% of households live in adequate accommodation
- b) There is an affordability problem
- c) There is a House Type Supply/Demand mismatch
- d) There are 6220 special needs households in the district
- e) Over 700 new homes are needed each year
- f) Over 600 concealed households form each year

5.6.3 The Housing Needs Survey also reveals that on a rent of 30% gross income, a one bed flat in Alresford requires £13,500 pa and £16,000 pa in Bishops Waltham and Winchester.

5.6.4 The cost of a 2 bed flat would need an income of £27,000 on average and £24,000 for a terraced house (but £27,000 in Winchester).

5.6.5 Over the last 5 years the level of statutory homeless has remained fairly constant with the two single greatest causes of homelessness recorded as friends and families asking people to leave and insecurity in the private rented sector.

5.6.6 In 2001/02 some 36 households lost their private sector tenures with nowhere to go; yet last year 2002/03 this figure fell by over a third to 21. This trend coincided with a greater focus by the housing advice and homelessness service on early intervention with families before they become homeless.

5.6.7 The Council's ability to sustain this trend relies on maintaining closer relationship with private landlords and this at a time when private sector rents are rising and people are leaving the sector because the rent is too high.

5.7 Updating Needs Information

5.7.1 The Housing Needs information gathered through the survey will be updated on an annually on a "desktop" basis and reported through the Council's Performance Improvement Committee. It is also proposed to undertake a more detailed survey on a similar basis to the 2002 survey (jointly with neighbouring authorities) every 3 to 4 years.

5.8 Use of Housing Stock

5.8.1 With demand, particularly for family homes, at such a high level, opportunities for using housing stock in innovative ways to further meet housing need is limited. Incentive schemes to encourage tenants to move to more appropriate properties when circumstances change have had little impact overall. Whilst demand in general for Council stock is high, there are some "harder to let" units in sheltered accommodation and in 2003, a trial has been established to use some of these units for homeless families on a "short term licence" basis. This scheme contributes well to the Housing Strategy targets and subject to evaluation, may be extended to further schemes in 2004.

For a copy of the District's Housing Needs/Market Study contact Andrew Palmer by email: apalmer@winchester.gov.uk or visit www.winchester.gov.uk.

6. HOUSING AND THE LOCAL COMMUNITY

- 6.1. The City Council endeavours to ensure that the role of its stock is maximised in terms of its contribution towards overall social harmony. Council Housing has an important role to play in respect of a wide range of community based issues including health, social wellbeing and anti-social behaviour.
- 6.2. In taking forward this agenda the City Council has concentrated on a wide number of areas as detailed in this section.

6.3. Anti-social Behaviour

- 6.3.1. The City Council considers the issue of anti-social behaviour a priority as it can have a serious adverse effect on the lifestyles of those living within the community. Some time ago it established a Community Relations Officer post to co-ordinate work in relation to dealing with many community concerns, including anti-social behaviour. The postholder works closely with Area Housing Managers in dealing with cases and liaises with the Police and other agencies in agreeing solutions to particular problems. This includes the use of Acceptable Behaviour Contracts (ABC's) and Anti-Social Behaviour Orders (ASBO's) where required. The Head of Health and Housing Management acts as lead officer for ASBO cases and will call a case conference involving the City Council, Police, Probation Services and any other relevant agencies to consider the appropriate way forward.
- 6.3.2. However, an enforcement approach alone is not sufficient to deal with the problem and the City Council are exploring alternative means of resolving neighbour disputes including the use of mediation. A partnership with the voluntary sector is considering ways in which a district wide mediation scheme might be implemented for not only anti-social behaviour but other forms of complaint between neighbouring properties including planning disputes and boundary disagreements etc.
- 6.3.3. As part of the best value review of Housing Services specific consideration is also being given to the current approach to anti-social behaviour including consultation on satisfaction with outcomes resulting from existing methodologies.

6.4. Community Development

- 6.4.1. The City Council are currently undertaking a thematic best value review of community development which will include not only the role of council housing within this agenda but also a wider cross section of other tenures including owner occupation and privately rented property within each community.
- 6.4.2. The results of this best value review will include identification of the role that the council housing has to play within the overall community development framework and will inform future plans for this area.
- 6.4.3. In addition, the role of the Area Housing Manager within the Housing Management Team has been broadened to include a wide cross section of community issues, all of which contribute to social harmony. Area Housing Managers now have responsibility for all tenant participation work within their district and work closely with other agencies including Tenant Associations and TACT to consider community based initiatives within their own area. It is planned that this approach will be strengthened and linked to the overall Local Strategic Partnership agenda as this develops over the forth-coming year.

6.5. Health Improvement

- 6.5.1. Council Housing has a key role to play in relation to maintaining the overall health of the population within the district. With a large number of households within Council Housing across the district, protection of their health is an important priority within the overall provision of council housing stock.
- 6.5.2. Work on improving and maintaining the health of the residents is co-ordinated through the City Council's Health For All Partnership, which is developing new initiatives using area - based approaches to health improvement issues. A project has recently begun in Wickham, which is a known area of deprivation within the Winchester City Council district. The work is being undertaken as a pilot project to consider the impact of community based needs for health improvement.
- 6.5.3. In addition, a Corporate Health Improvement Group has been established in order to increase skills and knowledge amongst staff (including housing professionals) on their overall contribution towards the health improvement agenda.

6.6. Crime Reduction

- 6.6.1. The Head of Health and Housing Management is a member of the City Council's Community Safety Partnership. The purpose of this is to ensure that the council housing contribution to the overall crime reduction agenda is maximised in order to support ongoing work in partnership with the Police and other agencies.

6.7. Housing Enablement

- 6.7.1. With the City Council recently becoming debt free it has been possible to develop an expanded housing enablement programme across the district. Rather than approach this in an ad-hoc manner on a site by site basis, the City Council proposes to adopt a community-based methodology in order that any new development will accord with the community's wishes and add to overall social harmony. Consultants are to be used to engage with individual communities and develop proposals, which will support the overall community within their area.

6.8. Vulnerable Groups

- 6.8.1. Although specific approaches have been adopted across the overall housing agenda, it is important that the needs of vulnerable and hard to reach groups are considered within this agenda. Work to support this approach is already progressing within the Supporting People framework and the City Council plans to expand its resettlement service to provide enhanced support for vulnerable tenants to ensure that all of these groups are assisted with maintaining their tenancies within the community.
- 6.8.2. Links have been established with partners as providers of specialist support across a range of vulnerable groups including those with learning difficulties, mental health problems etc. Officers have been seconded from routine estate management responsibilities to develop this area and are proactively seeking clients who need support to ensure that no one remains outside of the overall assisted framework.
- 6.8.3. The City Council has developed a comprehensive Race Equality strategy for Housing and since 2003 has been compliant with the Commission for Racial Equality's code of practice in rented housing.

7 TENANT AND STAKEHOLDER PARTICIPATION

- 7.1 The views of a wide variety of stakeholders will impact upon the business planning process for Housing Services. Whilst tenants will be seen as a key stakeholder, others including City Council staff, elected members, local landlords, general fund taxpayers, parish councils, voluntary bodies and health organisations will all have views on the future of the housing service which will need consideration.
- 7.2 Consultation is well established with tenants and elected members as well as with other social landlords. In addition to tenant consultation described in 7.3 below, the City Council consults widely on its strategy and management through various measures including:
- a) Co-ordinated exercises through the City Council's magazine, "Insight" and tenant magazine, "Houseproud".
 - b) Formal consultation on general housing issues through the newly created "Citizens Panel".
 - c) Formal discussions with local registered social landlords through the Winchester Housing Needs Group.
 - d) Direct liaison with various partners and external bodies. It is recognised that action is required however, to provide a more formal consultation process and mechanism to obtain a wide range of views concerning the direction of future business plans and this is included as a key target within this Plan.
- 7.3 Consultation and liaison with tenants and leaseholders is well developed. TACT (the tenants and leaseholders district wide forum) have formal representation on the Council's Housing Performance Improvement Committee, and are able to make formal representations on housing related papers that are presented to Cabinet. Tenants are kept informed through "Houseproud" a newspaper specifically for tenants which, is delivered to all City Council properties three times a year. "Houseproud" is a key source of conducting positive and wide ranging consultation exercises on various issues such as responsive repairs standards, pets in flats, tenancy conditions, etc.
- 7.4 The Rents and Business Planning Forum, established in March 2002, is in accordance with the core standards set out in the Tenants Compact, which gives tenants a right to be involved in budgets, finance and rent setting. This new forum creates a constructive mechanism for tenants to identify, debate and agree ways to promote and improve the full range of Housing Revenue Account (HRA) services provided to them. Consulting tenants district-wide, on initiatives coming out of this forum will be carried out using "Houseproud".
- 7.5 The existing Property and Contracts Forum, established in 1999, is in accordance with the core standards set out in the Tenants Compact. The Forum, which meets bi-monthly, has for the past three years given tenants the opportunity to work with officers and third party contractors in policy development and operational service delivery of property related contracts. Members of the Forum also attend monthly meetings with the Council's principal Term Maintenance contractor, Serco, and report back to their respective TACT and Residents associations on current issues. The Forum has to date been the catalyst for district wide tenant consultation connected to property related issues.

- 7.6 Tenants Satisfaction - The District Wide Tenant Survey was completed in March 2001 to support the requirements of the Best Value performance reports. Over 60% of tenants responded and over 86% of those responses expressed satisfaction with the overall service. The survey also identified that 59.5% of tenants were satisfied with the opportunities for participation in management and decision-making. The next survey is planned for 2003/04. The aim is to raise further the level of tenant satisfaction and participation by implementing improvements identified under the Best Value Review and carrying out the actions contained within the district-wide Tenant Participation Compact.
- 7.7 Tenants Priorities – As referred to in 7.4 above, it is intended to consult all tenants on their service priorities in the autumn of 2002. This will inform the rent setting process for the 2004/05 year. Certain priorities have already been established through discussions with TACT and through the Tenant Satisfaction Survey completed in 2001. These include:
- a) Maintenance and repair of Council footpaths
 - b) The effective management of Council garages
 - c) Litter and dog fouling on certain estates
 - d) Rent levels following the introduction of Rent Restructuring.

These operational priorities will be addressed in the 2003/04 financial year although further account will be taken when setting the rent level for 2004/05 in December 2003.

- 7.8 Relocation of the Tenant Participation Function -The Best Value review identified that the location (under housing strategy) of the Tenant Liaison Officer was not best suited to service delivery. As tenant involvement is a key factor in the housing service, the Tenant Liaison Officer has been relocated to the Housing Management Section. This move will result in a more joined up approach to tenant involvement across the district, providing a Tenant Participation (TP) specialist who will work in conjunction with the Area Housing Managers. The aim is to raise the profile of TP and ensure a proactive approach to user involvement.
- 7.9 The signing of the district-wide Tenant Participation Compact in September 2000 marked the beginning of a new partnership between tenants elected members and staff. Since then steady progress has been made regarding the action plan, as agreed by tenants and the City Council.
- 7.10 The Compact covers the overall approach to tenant involvement in the Winchester District and lays down expected standards, levels of service for working together and plans to increase the opportunities and options for involvement by encouraging both individual and collective participation.
- 7.11 The overriding aim is to minimise barriers to involvement at all levels thereby benefiting tenants, leaseholders and the City Council as a whole.
- 7.12 This is reflected throughout the Compact and declared in the shared statement between elected members, tenants and officers:

“We the Council will provide guidance and support so that you the tenants can have a real effect on how your housing service is run. In this way we believe we can offer the best value service to the community as a whole”.

- 7.13 Tenant Compact Monitoring Group - In accordance with action point 20 contained within the Tenants Compact Action Plan, a monitoring group of tenants, staff, and elected members has been set up. This group has been monitoring progress on actions taken on the Compact and is in the process of:
- Putting together core standards of performance measurements for TACT and Tenants Associations
 - Agreeing a reporting mechanism, including frequency of reports to committee
 - Reviewing the Compact as a whole, updating and strengthening it, using examples of good practice. Such reviews will be carried out on an annual basis.
 - Working on a feasibility study to provide a Resource Centre for tenants

7.14 **Tenant Recruitment Campaign**

In January 2002 a working party involving TACT, officers, and the Health & Housing's PR Consultant started work planning a Tenant Recruitment Campaign using a multi media approach. This included adverts on local radio stations, adverts in local papers, a district-wide tenant involvement leaflet drop, posters and flyers.

The campaign ran during April and May 2002 and culminated in roadshows being held in Alresford, Colden Common, Weeke, Bishops Waltham, Winnall, and Wickham - areas of the Winchester district where there was no representation. In accordance with the district-wide Tenant Participation the aim of roadshows were to:

- Raise tenant awareness of TACT and Tenants Associations - who they are, and what they do
- Recruit new members into the group from areas that have no representations
- Set up new groups in areas where none exist at present

The campaign has been a success in raising the profile of TACT and Tenants Associations across the district. This has resulted in increased TACT membership of 38%, and a commitment to set up new tenants groups in Colden Common and Weeke.

It is intended to run similar campaigns on a regular basis, with the next one being planned for 2004/05

- 7.15 It is important to note that as a direct result of TACT and tenant involvement, the following tenant achievements can be recorded:
- Changes to the Tenancy Conditions
 - A complete review of the Tenants Handbook resulting in a new and improved version
 - Involvement in Best Value Reviews
 - Maintenance of footpaths
 - Running a successful Tenant Recruitment Campaign using a multi media approach
 - Setting up two new forums i.e. Rents and Business Planning and Property & Contracts
 - Instigating a review of garages

8 PROGRESS TO DATE

8.1 Since the production of the 2003-33 Business Plan, some significant progress has been made against the targets and objectives set out in that Plan. That document was written at time when the City Council was undertaking a wide range of reviews and seeking additional information to inform future strategies and plans. In the last year, developments have included:

- a) The completion of the best value review of Housing services and the commencement of actions agreed as part of the Improvement Action Plan
- b) The establishment of the Housing Options Steering Group
- c) Agreement of the proposals to restructure the landlord services
- d) The completion of a Housing Needs Survey, Stock Condition Survey and Tenant Aspiration Survey
- e) The completion of the Makins Court Sheltered scheme redevelopment
- f) Continued improvements against key performance indicators

8.2 Best Value

8.2.1 The Best Value review of Housing Services was completed in March 2003. The Improvement Action Plan set out a wide range of key targets aimed at improving the service. Progress against these targets is formally monitored on a quarterly basis by the Council's Housing Performance Improvement Committee and more regularly by the Health and Housing Departmental Management Team. Targets implemented to date have included:

- a) Supporting tenants with the establishment of the Rents and Business Planning Forum
- b) Establishing a partnership with Hampshire Social Services to review the effectiveness of the Disabled Adaptation Service
- c) The introduction of tenant surgeries at village locations
- d) The implementation of a comprehensive Sign up procedure to ensure new tenants receive all relevant information prior to a new tenancy being agreed
- e) The establishment of a discreet Landlord team providing tenants with a clear "champion" for their service
- f) The establishment of an independent Money Advice service to tenants

8.2.2 The review has not been subject to Audit Commission inspection, although was reviewed as part of the Comprehensive Performance Assessment completed in late 2003.

8.3 Housing Options

8.3.1 Progress with the Housing Options Review is detailed in section XX of this Plan and the detailed timetable is attached at Appendix 4.

8.3.2 The City Council has established a Steering Group, developed a Communications Strategy and has obtained a wide range of background information and supporting evidence to assist with the review process. With TPAS now appointed as independent tenant advisors, the first quarter of 2004/05 will be committed to getting around local communities to seek tenants views on the way forward. Final detailed consultation on preferred options is scheduled for October 2004 with the report due for completion by December.

8.4 Restructuring of Landlord Services

8.4.1 For the last four years, landlord related services had been managed across 4 separate divisions of the Health and Housing Department, with no division having purely HRA responsibilities. This has resulted in a lack of co-ordination of such work, particularly where it was service wide or cross-cutting in nature. In response to this, the Council has now agreed to establish a dedicated landlord service, with all HRA services being brought together under a new Head of Landlord Services post. This post will report to the Director of Health and Housing. The new structure is effective from April 2004.

8.5 Housing Needs Survey

8.5.1 Last year, the City Council procured consultancy support to update the Housing Needs Survey as part of a partnership exercise with other neighbouring authorities.

8.6 Stock Condition

8.6.1 In response to the Decent Homes Standard, a 30% stock survey of beacon properties was completed in 2003. This essential survey will inform future investment strategies, the business planning process and obviously the current Options Review. Results of the survey are detailed in section 10 of this Plan. It concluded that 70% of the existing stock already meets the standard and a further 23% could be brought up to standard through investing in additional loft insulation. Overall, achieving the standard for all properties would require an investment of less than £1m.

8.7 Tenant Aspirations Survey

8.7.1 In line with the Stock Condition Survey, a survey of all tenants to test their aspirations has been completed. The results of this survey are currently subject to evaluation and consideration by the Options Steering Group as part of the Housing Options Appraisal project.

8.8 Black and Multi Ethnic Strategy

8.8.1 In 2003, the City Council approved a Black and Multi Ethnic strategy for Housing services with a clear action plan for ensuring the Council meets its obligations to this stakeholder group. The City Council is now developing this as a "blueprint" for a corporate policy in this area. A focus group with representatives from minority

groups and supported by effective translation services has been established to monitor progress with the Strategy and action plan.

8.9 Comprehensive Performance Assessment

8.9.1 The City Council has been assessed as a “fair” authority and achieved a “C” score for the Decent Homes diagnostic assessment. Whilst recognising community leadership, tenant involvement, tenant satisfaction, maintenance programmes, IT systems and performance monitoring as particular strengths, the assessors consider the lack of stock information and a completed Options Appraisal as weaknesses which outweighed these strengths. Since the assessment was completed, the Council has now completed and reported on the stock condition survey, developed clear plans and timetables for the Options Appraisal process and made significant steps forward on that project.

8.10 Ongoing Performance Management

8.10.1 The City Council continues to strive towards excellent performance standards and has set ambitious targets for the provision of Housing Services. Rent collection performance continues to be within the top 25% nationally, as does energy efficiency of our stock and tenant satisfaction levels.

8.10.2 The Council’s Housing Performance Improvement Committee has monitored performance closely over the last year and has played a key role, along with TACT in securing improvements in void performance in particular.

8.10.3 Effective performance management systems are covered in section 8 of the Plan and targets for 2004/05 have been set at levels to achieve top 25% performance for all key best value performance indicators.

8.11 Committing Resources

8.11.1 The table below demonstrates the level of direct capital resources the Council has invested in recent years in delivering the HRA Business Plan. For 2002/03, a further £600k had been committed to major repair programmes although delays due to weather conditions had prevented completion of the programme. Also, The Makins Court project had been completed on site, although negotiations regarding final accounts resulted in financial completion falling into 2003/04.

HRA Capital Programme – Outturn in Recent Years				
DESCRIPTION	2000/01 Spend £000	2001/02 Spend £000	2002/03 Budget £000	2002/03 Spend £000
Major Repairs	-	2,593	3,692	3,031
Other Enhancements	553	18	152	93
Makins Court	646	1,061	350	64
Sewage Treatment Works	551	248	200	231
Total Housing	1,750	3,920	4,394	3,419

9 PERFORMANCE MANAGEMENT

- 9.1 The City Council has operated within a performance management framework for some years, with members taking active interest in the performance against key national and local indicators on at least a half yearly basis.
- 9.2 The application of Best Value principles has resulted in a new focus and approach to the quality and scope of the services provided by the Council, challenging its old style service delivery. Winchester is now well advanced with its rolling programme of service and thematic reviews, which include housing services and functions.
- 9.3 The Council's performance management culture is much stronger than in previous years with Members, Tenants and others scrutinising performance. Key actions within the Business Plan have been fed into the Best Value Performance Improvement Plan under the Housing Portfolio. The Housing Performance Improvement Committee monitor performance against the Business Plan and against national and local performance indicators every quarter. The Committee has authority to approve revisions to targets.
- 9.4 The Council's Best Value Performance Plan includes clear performance targets against national Best Value Indicators and a range of local indicators. All the indicators, along with last year's outturn and targets for 2003/04 are detailed in Service Summaries contained in Appendix 2 to the Plan and in the table below.
- 9.5 Areas where performance has been highlighted as below target, either by members, staff or by comparisons, have been highlighted for action in the current year. It is planned that performance will achieve all targets during the year 2003/04. Further consultation on the extent of local indicators and the target levels for all indicators is currently being carried out through TACT and this work will continue in 2004/05 as detailed in the objectives in Appendix 1 and 2 of the Plan.
- 9.6 **Monitoring Systems**
- 9.6.1 The Council support the provision of Housing Services through the Orchard Housing Management system, with core modules for estate management, rent and arrears, lettings and property maintenance. This powerful database is a business critical system and produces the majority of monitoring information. Monitoring information is produced monthly for managers and overview reports are produced quarterly for senior managers, members and tenant representatives. Performance of the Service is monitored at member level through the Housing Performance Improvement Committee. Two tenant representatives also attend and contribute to this meeting.
- 9.7 **Key Performance Indicators**
- 9.7.1 The estimated performance against best value and local performance indicators for 2003/04 is detailed in Appendix 6.
- 9.7.2 Performance in general is in line with the targets set. Rent collection and arrears for current tenants continues to perform at a very high level and is well within the top 25% nationally. Variances include:
- a) Repairs – BVPI85 relates to responsive repairs where an appointment is made and kept. Performance against this indicator is below target at 82.4% (against a target of 90%), largely due to ongoing operational problems with

the main repairs contractor. This is also impacting on the local indicator LPI HM 01 relating to the percentage of jobs subject to complaint (4.59% compared to a target of 2%). These ongoing problems are currently subject to review with the Council's main contractor and improvements in recent months have been noted.

- b) Disabled Adaptations – The time taken to complete adaptations is still significantly above the target. A detailed review of the service has now been completed. A report on the findings will be submitted to this Committee in March 2004. Also, additional resources to meet the increasing cost of works and the appointment of a dedicated occupational therapist have been included in the HRA for 2004/05.
- c) Former Tenant Arrears – These arrears are currently at £193,688 against a target of £100,000. This is partly due to a vacancy in the post responsible for administering the process. However, changes recommended by Internal Audit are now being implemented with the aim to achieving the target by the end of the 2004/05 financial year.

9.7.3 Void Management – Work is continuing on addressing the issue of long-term voids to properties with a view to improving performance in this area. 38 properties have currently been void for two months or more. Appendix 3 to this paper includes details of all void properties and the void periods. Following the implementation of the trial scheme for homeless families at Harwood Place and Coulsen Close, 9 previously void properties have been brought back into use. This approach may be suitable for other vacant property within sheltered schemes and the scope for this will be incorporated into the review of the trial. In the last year, a further 10 units in sheltered schemes have been let to tenants over 40 years of age. The potential income lost through these void properties is significant. The Council has a clear target to perform within the top 25% nationally by the end of 2004/05 and to contribute to this target, plans to address this over the next year include:

- a) Adapting units to make them more appropriate to current needs (such as the bedsits in Denmead)
- b) Expansion of the use of vacant properties for homeless families on a licence arrangement (subject to the success of the current trial)
- c) Advertising vacant properties through a wide range of media

9.8 Benchmarking with Other Providers

9.8.1 In addition to comparing performance to others through the Audit Commission information, The Council contributes to regular benchmarking exercises through the Housing Quality Network and CIPFA and is a member of the CIPFA Benchmarking Rents Club. Comparisons are reported to the Housing Performance Improvement Committee and to tenants through the Rents and Business Planning Forum. Detailed comparisons undertaken as part of the Best Value exercise indicated that the Council's compares reasonably to other providers in the majority of areas. Key indications arising from the comparisons include:

- a) Lost rent through voids and "write offs" is above average as expected due to "difficult to let" properties in certain sheltered schemes. The actions set out in 9.7.3 above are all aimed at addressing this.

- b) Investment in repairs is lower per property than average. However, the stock condition survey has concluded that stock is in good condition so this is not surprising.
- c) Support costs are above average and a review of all charges to the HRA is planned for completion by October 2004. although overhead costs are above average

9.9 Reporting to Tenants and Leaseholders

- 9.9.1 In addition to the tenant involvement in the performance management process through TACT and the performance improvement committee, an annual report is published and distributed to all tenants and leaseholders, detailing performance against all key indicators and main service areas. Recipients were consulted in 2002 about their information requirements and the 2002/03 annual report amended to take account of feedback.

10 STOCK CONDITION AND ASSET MANAGEMENT

Introduction

With 5,300 properties that have a capital value in excess of £280M, the Council's Housing stock is recognised as a strategically critical resource.

A complete Stock Re-Valuation in line with Government guidance was completed in 2000/01. The exercise has also resulted in a comprehensive asset register being developed in a format that has supported both best value reviews and effective performance monitoring and also be in accordance with the Council's Corporate Asset Management Plan.

Following a stock condition survey in 1988 and well-targeted investment since, the housing stock has been subjected to a 'second' survey by Surveying Consultants David Adamson (DAP) in 2003.

The survey based on national methodologies recommended by the Office of the Deputy Prime Minister has involved three distinct yet inter-related stages:-

A 30% sample house condition survey statistically to represent dwelling types in Winchester.

A 100% tenant stock condition and housing survey, conducted by Questionnaire.

An impressionistic and desk top survey programme reviewing non-residential housing assets and historical patterns of recurrent Council expenditure on responsive, cyclical and void property maintenance.

The Consultant Surveyors assess the repair condition of the housing stock as good. Where disrepair is evident this is generally localised or minor in nature.

This tends to be due externally to the need for ongoing routine maintenance and internally to the general ageing of services and fittings and of normal occupancy wear and tear.

Based on the 2479 (47%) of Tenant Questionnaires returned the tenant population is generally satisfied with housing conditions, the residential environment and overall services provided by the Council.

Approximately 90% of tenants are either very or quite satisfied with housing conditions. Criticisms of housing conditions reflect the general ageing of internal finishes and services rather than major physical problems. Approximately 10% of tenant households are less than satisfied with estate conditions, including anti-social behaviour, vandalism, litter and parking.

Further issues that will influence how the stock is managed over the period of this plan will include:-

The results of the Housing Best Value Reviews, including Property Maintenance, Void management, and Disabled Adaptation works.

Future availability of revenue and capital resources to support the Council's Housing Works Investment Plan, detailed in para 9.2.3 of this report.

Decent Homes Standards and Investment Needs

The 2003 stock survey has “benchmarked” the Council’s housing stock against the Government’s Decent Homes Standard (D.H.S).

The results of this assessment in headline form is as follows:-

As at 2003, 3646 dwellings (69.7%) of the housing stock comply with all requirements of the DHS and are by definition Decent.

The remaining 1586 dwellings (30.3%) fail at least one matter of the standard are non-decent. It is estimated that to bring these properties up to standard by 2010 will cost £1.664M.

When allowing for future major repairs, repairs to achieve decency, “catch-up” repairs, contingent major repairs and recurrent expenditure (eg responsive, voids, cyclic maintenance) and disabled adaptation works the Council will need to invest approximately £219M over the next 30 years.

The assessment takes full account of newly arising need against the Decent Homes standard over the long term and the costs detailed in the Works Plan below and the costs increase significantly in the period 2014-2018 largely due to the age profile of the stock.

The Housing Works Plan and Investment Profile 2004-2033 is as follows:

Housing Works Plan and Investment Profile 2004-2033 (£000's)							
Works Element	Planning Period (years)						Total £000's
	2004-2008	2009-2013	2014-2018	2019-2023	2024-2028	2029-2033	
Catch up repairs	3.791	--	--	--	--	--	3.791
Future major repairs	9.716	16.361	21.675	15.629	14.693	18.787	96.861
Action to achieve decency	1,664	--	--	--	--	--	1.664
non-residential Hsg Assets	2.247	1.719	1.601	1.601	2.703	2.368	12.239
Contingent Major Repairs	0.552	0.552	0.802	0.552	0.552	0.552	3.562
Recurrent Repairs Expenditure	14.775	14.775	14.775	14.775	14.775	14.775	88.650
Disabled Adaptation Works	2.000	2.000	2.000	2.000	2.000	2.000	12.000
Total	34.745	33.407	40.853	34.557	34.723	38.482	218.767

The above table excludes any elected member or tenant aspirations, general contingencies or inflation. The works investment profile will achieve Decent Housing by 2010, but does not achieve “full compliance” until 2033.

10.1.1 It can be seen that over the next 10 years expenditure to meet identified objectives totals £70.152M, an average spend of approximately £7M per annum.

10.1.2 Resources to finance expenditure in the 2004/05 budget levels are as follows:

	£000's p.a.
Major Repairs Allowance	= £3.200
Revenue funded repairs	= £2.910
Revenue funded Disabled Adaptations	= £0.300
Capital funded sewerage works	= £0.200
Total funding available	= £6.600M p.a.

- 10.1.3 A comprehensive Housing Options Appraisal is currently being undertaken to identify elected member and Tenant aspirations that may also need to be factored into the Housing Works Investment Plan. This will then in effect become an agreed "Winchester Standards" plan. The Appraisal will also focus on how this "inclusive" Housing Works Investment Plan can be funded.
- 10.1.4 In the longer term, within the Housing Works Investment Plan in years 2014-2023 and 2024-2033 expenditure is anticipated to rise to £75.57M and £73.21M respectively, averaging approximately £7.5M per annum.
- 10.1.5 Energy Efficiency – Energy efficiency of stock is very good with a SAP rating of 69 (well within the top 25% nationally). Heating, insulation and double glazing programmes have all been completed in recent years. Loft lagging now requires readdressing to improved standards and this forms much of the requirements to meet the Decency standard as set out in 10.2.2. b.

For a summary of the Stock Condition Survey, please email cbroomfield@winchester.gov.uk or view it on the Council's website at www.winchester.gov.uk

10.2 Updating the Survey Information

- 10.2.1 All survey data collated will be loaded onto the Council's Housing Management database to give a detailed position on all properties in the district. This information will then be updated to take account of all works throughout the year to ensure that an accurate record of stock condition and progress against the Decent Homes Standard is maintained at all times. It will obviously also be necessary to test this updated information and therefore an update of the survey will be required by 2010.

10.3 The 2004/05 Housing Property and Enhancement Programme and Beyond

- 10.3.1 The nature and extent of the programme to achieve D.H.S by 2010 commencing April 2004 has now been determined by the results of the 2003 Stock Condition Survey. As part of the Housing Option appraisal however, any further works generated by elected member or tenant aspirations will be additional to those determined by the survey.
- 10.3.2 Pending the final outcome of the Housing Options Appraisal later in 2004 and 2005, the 2004/05 works programme is proposed to follow a similar balanced approach to the current and previous years programmes. However, specific works identified by the stock condition survey relating to achieve Decent Homes Standard by 2010, will also need to be considered, and incorporated into this and subsequent years programmes. The value of this work is estimated at £1.664M.
- 10.3.3 Financial resources currently identified and projected to fund the Housing Property Maintenance and Enhancement Programme 2004 – 2009 :-

Funding	2004/05 £000's	2005/06 £000's	2006/07 £000's	2007/08 £000's	2008/09 £000's
Revenue (Repairs)	2.910	2.910	2.910	2.910	2.910
Revenue (Disabled Adaptations)	300	300	300	300	300
Major Repairs Allowance	3.200	3.200	3.200	3.200	3.200
Other Capital Contributions	200	200	200	200	200
Conversion of Sussex St Hostel	500	--	--	--	--
Proposed Programme	7.110	6,610	6,610	6,610	6,610

Housing Revenue Account
Business Plan 2004 - 2034

10.4 The Housing Property Maintenance and Enhancement Programme

10.4.1 Pending the outcome of the ongoing comprehensive Housing Options Appraisal, but having regard to the Housing Works Plan 2004 – 2033 (para 9.2.3 of this report refers), the following works programme for 2004/05 is proposed:-

	Works Element	Funding Source (Revenue R/Capital C)	£000's	Budget %
1	Responsive Maintenance (General Building and Voids)	R	1.500	23%
2	Cyclic Maintenance	R	1.485	23%
3	Planned Maintenance	C	3.115	46%
4	Disabled Adaptations	R	0.300	5%
5	Sewage Treatments Works	C	0.200	3%
	Total Programmed Works (2004/05)		£6.600	100%
6	Major Conversion Works Sussex Street Hostel	R and C	£0.500	

10.4.2 For information purposes references towards works elements contained within this report mean the following:

- Responsive Maintenance – works generated either by tenant request or instigated by a Property Surveyor, to restore building elements to an acceptable level, including work to turn around void properties within pre-determined target times. The majority of these repairs are administered through a Term Maintenance Schedule of Rates. Significant proportions of these repairs are required by statute.
- Cyclic Maintenance – Work items that occur on a rotational basis that are carried out at predetermined intervals. These works are normally administered through Schedule of Rates, Service or Works Contracts. The majority of mechanical and electrical services works are required by Statute.
- Planned Maintenance (Major Repairs) – works that are being carried out with forethought, using the 1988 and 2003 Housing Condition Surveys as base strategic information, to the benefit of the stock and its tenants.
- Disabled Adaptations – works generated by tenant or medical need, that following assessment by Occupational Health require works to be carried out to enable persons with disabilities to live in their homes. Such works include access ramps, level access showers, stair lifts, and other specialist conversion works.
- Sewerage Treatment Works – programmed works being carried out to meet the Council's long term liability to maintain private (that is non-mains drainage connected) sewage treatment works held within the H.R.A.

10.5 Incorporating “Re-thinking Construction” Initiatives into Asset Management

10.5.1 The Council has made progress in embracing the principles contained within the Government’s Local Government Task Force “Rethinking Construction” initiatives. In broad terms the initiatives encourage Authorities to challenge the effectiveness of their construction and allied procurement regimes and move towards partnering based approaches.

10.5.2 Initiatives implemented to date include:-

- Introduction of National Housing Federation Schedule of Rates for Responsive type Property Maintenance Works
- New Term Contracts based on Project Partnering Principles for the Servicing and Updating of heating appliances and Building Cleaning throughout the district commences 2004)
- Tenant representatives at Client/Contractor liaison meetings dealing with the term maintenance works
- Tenant choice and input into works specifications for Cyclical and Planned Maintenance and Enhancement works
- Contractor use of Council’s computer system for Building and Mechanical Services Term Maintenance Administration
- Encouraging Contractors to indicate proposals at the time of procurement to maximise safety and contract management efficiency
- Providing more information to residents about the equipment within their homes
- Encouraging Contractors to employ “modern day” apprentices on term contracts at contract procurement stage
- Implementation of systems to avoid “person to person” working
- Measurable performance targets and review mechanisms
- Utilising Contractors and Suppliers to advise on future component supply chains, to inform potential asset replacement policies
- Utilising the standard Project Partnering Contract (PPC 2000) to procure the replacement of all warden call and associated equipment and 10 year service contact throughout the district (implemented 2003)

10.5.3 Tenant Involvement – Tenants have a direct involvement in the repairs programme through TACT (the tenants district wide forum) and specifically through the Tenants Property and Contracts Forum, a sub-group of TACT. This group are fully consulted both on the balance of the programme and on their views concerning standards, key issues and expectations from contractors. The Forum will have an ongoing major role to play in the assessment of the results from the Stock Condition Survey and the implementation of the Government’s Decent Homes Standard.

11 ANALYSING THE OPTIONS

- 11.1 Along with all local authorities Winchester City Council is required by the Government to meet the Decent Homes standard by the year 2010. This standard means that all our homes will need to have reasonably modern facilities, be wind and watertight and be warm in winter.
- 11.2 An Options Appraisal Review is required which will investigate the alternative options that are available, with the objective of identifying which option achieves the Decent Home standard along with **all** our other housing priorities.
- 11.3 The Council is currently at an early stage in the review process and proposes to submit a robust Options Report to the ODPM by December 2004 (well in advance of the summer 2005 deadline for reports to be signed off). Despite being at an early stage, significant progress has been made and clear objectives for the review have been agreed.
- 11.4 The overall vision of this options review is **“Providing those who need it with a real choice of a decent home in a decent place where they choose to live for which they pay a truly affordable rent to a landlord who values them and delivers excellent value for money services”**.
- 11.5 An Options Appraisal Steering Group has been established. This group has agreed that the housing priorities to be investigated under the Options Appraisal Review are:
- a) Meeting the Decent Homes standard - this to include considering the sustainability of the options beyond 2010
 - b) Decent Homes Plus – Achieving a higher standard than basic minimum
 - c) Providing a High Quality Landlord service (top 25% performance)
 - d) Meeting Tenant Aspirations
 - e) Increasing Tenant Empowerment
 - f) Identifying and Undertaking Estate Improvements
 - g) Delivering Affordable Housing to meet identified need – 700 homes per annum (Housing Needs Survey 2002)
 - h) Sustainable 30 year business plan
 - i) Delivering Other Corporate Objectives.
- 11.6 The Steering Group’s priorities reflects the Government’s guidance that Option Appraisal Reviews should not only cover how the Council will meet the Decent Homes target but should also allow the broader concerns of tenants and leaseholders to be examined, for example
- a) Quality & delivery of housing service
 - b) The local environment
 - c) Community safety
 - d) Remodelling of sheltered accommodation
 - e) Accountability and governance

- f) Cultural and Leisure Opportunities.
 - g) How to become more involved in the detail of future decision making
- 11.7 Progress to Date - Work on the project is well underway and key progress to date has included:
- a) The establishment of a Steering Group with 5 members, 5 tenants, a staff representative.
 - b) The appointment of TPAS as Independent Tenant Advisors. Proposals for the development of a programme of roadshows to take the Options message out to all tenants are currently being agreed.
 - c) The collation of important survey information including
 - d) A detailed stock condition survey completed in 2003 by David Adamsons – The results of this are detailed in section 10 of this Plan, but broadly indicate that stock is in good condition and achieving the minimum standard should be possible within limited resources, although maintaining the standard could be difficult without increasing existing capital resources.
 - e) A tenant aspirations survey of all tenants – This indicated a general satisfaction with existing services and no significant demand for additional work although some environmental improvements such as car parking are required in some areas
 - f) A Housing Needs Survey completed by David Coutte Associates on behalf of 4 Hampshire authorities – as detailed elsewhere in the Plan, this indicates the need for an additional 700 affordable homes per annum.
 - g) A detailed review of the financial position by Butlers – This is detailed in section 13 of the Plan but broadly indicates that revenue resources are sustainable in the long term (albeit sensitive to external factors) although capital resources are not sufficient to meet demand.
 - h) The approval of a draft Communication Strategy which now requires approval by the Community Housing Task Force (CHTF).
- 11.8 **The Current Position**
- 11.8.1 The Steering group has agreed a clear timetable for the project with key actions detailed within it. The timetable is included in the Plan at Appendix 5.
- 11.9 **Tenant Roadshows**
- 11.9.1 A series of tenant roadshows are planned throughout the district to help communicate the options message to tenants. Both the ITA and the Council will be present and tenants will be provided with the opportunity to voice opinions about assumptions made by the Council and against results of tenant surveys and other research information.

11.10 Member/Staff Briefing

11.10.1 Members and staff have been kept briefed on the project through a number of channels. Both the Council's Intranet and Internet site contain background information on the Options process. A joint member/staff seminar has been held with briefings from Butlers (financial consultants) and David Adamson Partners (Stock condition surveyors) and further seminars will be held once more detailed information is available.

11.11 Summary

11.11.1 The importance of the Project has been recognised by the Council and also by tenants and representation on the Steering Group is testament to that, with 5 of each supported by the ITA and officers.

11.11.2 The project is well resourced, with clear separate funds identified and included in the 2003/04 and 2004/05 budget. The ITA has been appointed and key background information has now been procured and/or collated.

11.11.3 With the Steering Group currently assimilating all the data, a key task is now to work with tenants to identify a "local standard" for Winchester, against which future investment plans can be determined and agreed.

11.11.4 The Council has effective communication established by with GOSE and the CHTF. Draft communication and tenant empowerment strategies are currently being considered.

12 PRIORITIES FOR ACTION

12.1 In developing the targets for the Business Plan, the Council has considered a wide range of national and local priorities and consulted in detail with tenants and other stakeholders.

12.2 The corporate priorities detailed in section take full account of national and regional priorities for housing with meeting the Decent Homes Standard and meeting housing need as key elements.

12.3 Consultation

12.3.1 With clear national priorities for housing coupled with limited resources, consultation has concentrated on identifying tenant priorities. Tenants are co-opted to the Council's Housing Performance Improvement Committee and consultation is regularly carried out through tenant forums (e.g. Rents and Business Planning and Property and Contracts). District wide consultations have also been undertaken through tenant satisfaction surveys, tenant aspiration surveys and also the tenant priorities survey undertaken as part of the Best Value review. Tenants also have the opportunity to comment on all committee reports prior to their consideration by members through the "TACT COMMENT" section of all such reports. This measure has been particularly useful in assisting members to determine and assess priorities of tenants as part of the decision making process.

12.4 Tenant Priorities

12.4.1 This consultation process has revealed that tenant priorities do not differ from those of the Council. All survey results have highlighted:

- a) Satisfaction with the overall service (86%) and with accommodation (90%)
- b) A desire to see maintenance investment given top priority
- c) A general desire for estate improvements, particularly on larger City based estates and action to address litter and dog fouling.
- d) A demand to ensure "value for money" is achieved for the rent they pay. Tenants have particularly expressed concern over void levels for property and garages, maximising income recovery and improving customer service.

12.5 Best Value

12.5.1 The Best Value review of Housing Services completed in 2003 was carried out with members, tenants and external representatives on all review teams and this review approved a wide ranging and detailed Improvement Action Plan.

12.5.2 Key Objectives

12.6 The key objectives included in the Action Plan in Appendix 1 take full account of the national priorities for Housing, the corporate priorities and targets and the aspirations of tenants. They also take full account of the Best Value Improvement Plan and have been developed through close dialogue with tenants through the Rents and Business Planning Forum and with members through Cabinet and the Housing Performance Improvement Committee.

- 12.7 The key objectives concentrate mainly on the Options Appraisal project, decent homes and the priorities identified above. Operation targets are included in the Service Summaries in Appendix 2.
- 12.8 **Effective Prioritisation**
- 12.8.1 Establishing clear priorities for the service has been achieved through effective dialogue between key stakeholders and in particular between the Housing Portfolio holder and other members, tenant representatives and officers.
- 12.8.2 Achieving the Decent Homes Standard has been stated by members as a key corporate aim. Also, meeting statutory obligations of completing the Options Appraisal process, implementing rent restructuring by the target date. Other external pressures, including the implementation of the Supporting People regime and the need to consider “choice based lettings” have all impacted on the priorities. Added to this, more local priorities emerging from the Best Value review (improving void management and the tenant sign up process) and also member and tenant demands for estate improvements and to ensure that the Council can demonstrate value for money is achieved from all Housing expenditure, key priorities can be summarised as:
- a) Meeting the Decent Homes Standard
 - b) Completing the Housing Options Appraisal process by December 2004
 - c) Delivering a balanced maintenance and improvement programme
 - d) Implementing the Housing Best Value Improvement Action Plan
 - e) Achieving “top 25%” performance against all key national performance indicators for Housing by March 2005.
 - f) Maintaining existing high levels of satisfaction
 - g) Striving to encourage further tenant involvement through effective implementation of the Tenant Compact.
 - h) Improving estates through partnership working, more effective general management and working with local communities
 - i) Making best use of all housing resources to contribute to the strategic priority of “providing affordable homes in a safe and pleasant environment”.
- 12.8.3 In developing the strategic priorities, the Council has given equal weighting to all issues as highlighted in section 3 of this Plan. In further developing priorities for Housing as set out in this Plan and the Housing Strategy through debate with tenant representatives, at the Housing Performance Committee and at Cabinet, the Action Plan has been developed carefully to ensure appropriate resources are available to support its delivery. Again no weighting has been applied to each of the above priorities or any of the targets as all are seen as important to the overall service.

13 RESOURCES

- 13.1 **Background** - In the 1990's, financial projections for the City Council's HRA indicated that service levels could not be sustained in the long term. However, the introduction of the major repairs allowance (MRA), other subsidy changes and rent restructuring have all made positive contributions to those long-term projections.
- 13.2 **Rent Restructuring** - Winchester City Council introduced rent restructuring at an individual property level with effect from 1 April 2002. The authority has been consistent in using the standard formula across all of its' dwelling stock and is phasing in the changes over ten years. Roughly 5% of the Council's stock will not reach the target rent at the end of the phasing period.
- 13.2.1 Approximately 70% of the Council's tenants face rent increases directly due to rent restructuring, in addition to any inflationary increase from year to year. It is reasonable to say that the majority of properties seeing a saving in rent are flats and bungalows in modern sheltered schemes.
- 13.2.2 The increase in the Council's rental income from rent restructuring is estimated at £110,000 for 2002/03 and would exceed £1m over the ten years if there were no further Right to Buy sales. However, the loss in HRA subsidy for 2003/04 is likely to be near to £70,000, leaving a net gain to the HRA of around £40,000.
- 13.3 **The Capital Programme** - The approved capital programme for HRA services is detailed in the table below. The bulk of resources available are funded from the MRA with the remainder coming from useable receipts (although the Council has determined that these should be mainly for general fund investment).
- 13.3.1 The allocation of additional resources to HRA assets can be agreed subject to review by the Capital Strategy Corporate Group through an approved appraisal process. It is generally limited to issues that meet a range of requirements across both HRA and other strategies, such as with the redevelopment of the Council's Sussex Street Hostel to provide support for young people coming out of care thus meeting key requirements of the Housing, Homelessness and Supporting People Strategies.

The Capital Programme 2003-2009 (extract from table on p 52 of Housing Strategy)

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
	£000	£000	£000	£000	£000	£000
<u>Housing</u>						
<i>Housing Revenue Account</i>						
Sale of Council Houses Admin	50	50	50	50	50	50
Major repairs	3,896	3,205	3,215	3,215	3,215	3,215
Enhancements	80	0	0	0	0	0
Makins Court	146	0	0	0	0	0
Sussex St Hostel	250					
Sewage Treatment Works	350	200	200	200	200	200
<i>Total</i>	<u>4,772</u>	<u>3,455</u>	<u>3,465</u>	<u>3,465</u>	<u>3,465</u>	<u>3,465</u>

13.4 HRA Budget 2004/05 and key growth items

13.4.1 The HRA for 2004/05 is reasonably healthy and contributes to maintaining a repairs programme in excess of £6million annually. It is operating at a deficit of £200,000, although balances at the end of 2004/05 are projected at £1.4 million. The budget for 2004/05 compared to the outturn of 2002/03 and the revised budget for 2003/04 are attached at appendix 3.

13.4.2 For 2004/05, resources have been identified to fund or contribute towards funding a number of new priorities. These include:

- a) Community Wardens
- b) Disabled Adaptations
- c) Additional estate maintenance
- d) A new post of Head of Landlord Services

13.5 **Links to the Housing Strategy** - The HRA Capital programme forms a core element of the resources invested in Housing as set out in the Council's Housing Strategy. The resources detailed in 13.3 above and the future projections detailed below are all addressed in detail in the Strategy. As part of the Options Appraisal exercise, the Council has commissioned a review of potential to fund future affordable housing programmes. A key element of this review will be the scope for HRA assets to be utilised as a resource to support this key target. This could be through sales, use of land, redesignation of use or some form of transfer.

13.6 **Future projections - Revenue & Capital** - The Council has prepared initial financial forecasts based on the continuation of the existing housing finance and subsidy regimes. For full details of the projections, please see Appendix 4. These have been based on the assumptions are detailed below.

13.6.1 **Revenue assumptions**

- a) In general, we have projected forward from 2004/05 budgets with a price base of 2004/05, excluding general inflation based on stock levels projected at 1st April 2004 (of 5,188 units).
- b) Rent restructuring results in average rent increases of 2.44% above inflation from April 2005 to April 2011 moving average rents from £60.47 (on a 52 week basis) in 2004/05 to £71.62 (at today's prices) at the end of the rent restructuring period in 2011/12. Current rents are on average around £4 below target leading to this large above inflation increase year on year. Right to Buys have been steady and we have assumed a continuation at the rate of 40 sales in the short term, falling to 30 in 10 years time. In the base analysis, subsidy management and maintenance allowances are assumed to increase 6% in real terms in 2005/06 in line with recent national spending announcements. Thereafter, we have assumed 2% real increases in allowances to compensate for rent restructuring at a national level.

13.6.2 **Capital Expenditure assumptions**

- a) The base "need to spend" is that from the Stock Condition Survey. The headline investment needs include an allowance for fees at 10% and a

reduction in raw profiles to reflect Right to Buy. These reductions though significant, are not expected to reflect a complete pro-rata downwards with stock numbers and represent up to a 5% reduction in projected need over the longer term. The total needs based on 5,188 units at 1st April 2004 are £30.7m to 2010/11, £43.9m to 2013/14, £92.3m over 20 years and £137.8m over 30 years.

- b) Liabilities towards the Decent Homes Standard to 2010 have also been calculated within the overall totals and these appear to be estimated based on a strict "minimum" interpretation of the Standard totalling £1.7m.

13.6.3 **Capital resources** - We have assumed that the level of capital resources for the HRA capital programme will be the Major Repairs Allowance, any surplus revenue available within the HRA and, following the current capital programme already agreed, around 20% of longer term useable capital receipts. Supported Capital Expenditure of £0.67m in 2004/05 and 2005/06 is assumed to be utilised in General Fund programmes.

13.7 **Base forecast** - The base forecast on these assumptions is summarised in the charts below. Detailed tables setting out the revenue and capital forecasts are included at appendix 4.

Chart: 10 year revenue forecast from 2004/05

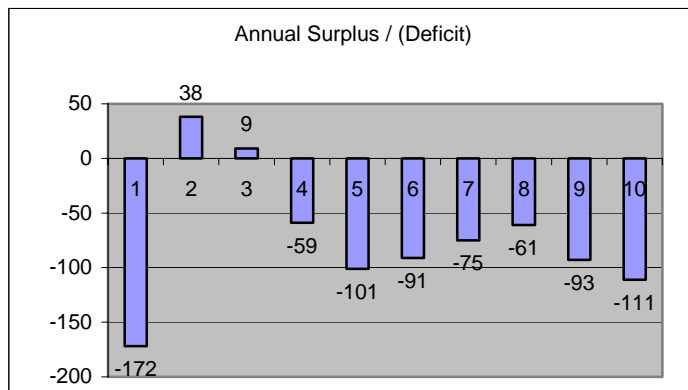
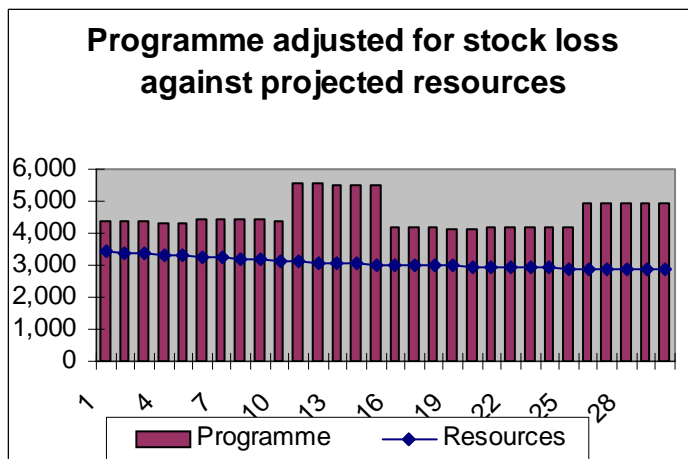


Chart: Capital profiles and resources 2004-2034



13.8 Financial Analysis

- 13.8.1 The forecast revenue position generates annual surpluses/deficits before Revenue Contributions to Capital Outlay (RCCO) to illustrate revenue resources available at the current level of service spending. No RCCO is anticipated throughout the lifetime of the forecast.
- 13.8.2 The in-year position of 2004/05 is improved in 2005/06 primarily due to a forecast increase in maintenance allowances in line with the recent recalculation of subsidy formulae.
- 13.8.3 The position deteriorates following 2005/06 primarily as a result of the real inflation assumptions for management and repairs, which are reflected also in the improvement of the in year position towards the end of the rent restructuring period when assumptions about service cost increases are at inflation only.
- 13.8.4 The HRA is therefore forecast to remain at or around the current in year position for the remainder of the rent-restructuring period. Providing an appropriate level of budgetary and financial control is exercised, there should be no major need for service savings during the period, despite a 5% drop in property numbers due to Right to Buy.
- 13.8.5 Conversely, the stock investment profile is unfundable to 2010 with a shortfall estimated at £7m. The investment profile is cumulatively more and more unfundable throughout the 30-year period with an overall £45m shortfall on capital over 30 years.
- 13.8.6 The specific liabilities towards the minimum requirements of the Decent Homes Standard are estimated in the stock survey to be around £1.6m. Whilst clearly affordable, this highlights the need for a review of the spend position.

13.9 Sensitivities

- 13.9.1 The above base forecast has been subjected to sensitivities to illustrate the following scenarios and where any revenue surpluses are assumed to become available to the capital programme. These are included in detail in appendix 4 and are summarised below.
- a) **Maximum resources to the HRA** : The deployment of all useable capital receipts from Right to Buy sales as well as Supported Capital Expenditure allowed for within housing subsidy to the HRA programme results in a small decrease of resources in the HRA. The resources for capital increase over the longer term although a 30 year shortfall of over £30m remains. Conversely, the industry standard profile can all but be afforded by 2010/11 with this combination of resources.
- b) **Right to Buy sales increase by 10% all 30 years** : Whilst the account would stay in surplus for the remainder of the decade, surpluses would be lower and deficits would arise earlier. A marginal increase in capital resources would have little or no impact on the overall capital prospects.

- c) **VOIDS WORSE BY 1% PA** : the main impact on revenue is to maintain the HRA in deficit year on year resulting in the need for savings in service expenditure. There is no impact on the capital position.
 - d) **THE IMPACT OF MANAGEMENT AND MAINTENANCE ALLOWANCES** : if the Government commits to real increases in management and maintenance allowances through to 2012 at 4% pa rather than 2% pa, the HRA would not only remain in surplus but a significant level of extra resources for investment in stock and services would be available. Conversely, inflation only increases from 2006 would give rise to massive deficits and the need for significant service savings.
- 13.9.2 The above analysis highlights the extreme sensitivity of the revenue forecast to medium term government subsidy policy. Should successive settlements put pressure on M&M allowances, the prognosis would be for year on year service savings. More investment at the national level would allow service enhancements locally.
- 13.9.3 None of the sensitivities run significantly enhance the capability to achieve the stock survey investment profile, although the allocation of 100% of useable receipts and Supported Capital Expenditure to the HRA programme could all but fund the profile to 2010/11. This would of course be at the expense of General Fund investment programmes.
- 13.10 **Key Issues for 2004**
- 13.10.1 With a sustainable HRA and a shortfall on capital projected, the key task for the next year is to review options on how best to address the shortfall. Whilst the Options review addresses this from strategic viewpoint, a number of more immediate options can be considered, including:
- a) **A review of Non operational assets** – With non operational assets amounting to £2.5 million in value, a review is underway to consider how best this resource can contribute towards future investment
 - b) **Generating additional income** – The trial use of “hard to let” accommodation has generated additional income and the extension of this scheme if successful will improve this further. It is also proposed that further de-pooling of service charges for cleaning will generate additional income in 2004/05
 - c) **Reducing costs and overheads to the HRA** – There is scope for further base budget savings, including a clearer separation of potential general fund activities (Community alarm, community wardens, joint housing register etc). Further reductions may be made in 2004/05 through further rationalising sheltered staffing through the use of “peripatetic scheme managers.
 - d) **Determining a “deliverable” Capital Programme** – There is clearly scope for reducing the burden on the capital programme through a number of measures, including meeting the cost of fees and some disabled adaptations from revenue and reducing commitments to areas not contributing to the “Decent Homes” standard such as sewage treatment, non operational assets etc.

Copies of the Council's Housing Strategy, Capital Strategy and Asset Management Plan are available on request by contacting rbotham@winchester.gov.uk or can be accessed on the web site at www.winchester.gov.uk

APPENDIX 1

KEY OBJECTIVES ACTION PLAN

YEAR	KEY ISSUE (Link to Strategic Priority)	ACTION REQUIRED	Expected Outcome (link to priorities set out in section 12.8 provided for each target)	Date	Resources	Lead
2004/05	To provide affordable homes in a safe and pleasant environment	To refurbish our existing housing stock in order to meet the Decent Homes standard by the 2010 target date	The completion of the Options Appraisal project and submission of a robust Options study to the Govt Office for assessment which identifies best option for the future management of the Housing Service (12.8.2 b)	Dec 04	£83k funding in 2003/04 budget and £50k funding in 04/05	RB
			To complete a detailed analysis of all financial projections and recommend approval of future programmes which can be resourced (12.8.2 b)	Dec 04	£7m shortfall by 2010 based on "industry standard"	RB
			The delivery of the annual Repairs and Maintenance programme (12.8.2 c)	Mar 05	£6m capital & revenue funding included in 2004/05 budget	CB
			The reduction of the % of stock classified as non-decent by a further 25% (12.8.2 a)	Mar 05	Incorporated in above funding	CB
			The establishment of a dedicated "Landlord" team with a clear HRA/Strategic split (12.8.2 b, e, i)	Apr 04	£39k growth included in 2004/05 budget	BM
			To complete a review of all "non-operational" assets and recommend to Housing PIC actions required as appropriate (12.8.2 i)	Oct 04	Contained in existing resources	RB
			To review HRA expenditure to ensure only true "landlord" issues are charged to it	Oct 04	Contained in existing resources	RB

YEAR	KEY ISSUE (Link to Strategic Priority)	ACTION REQUIRED	Expected Outcome (link to priorities set out in section 12.8 provided for each target)	Date	Resources	Lead
2004/05 (cont.)	To provide affordable homes in a safe and pleasant environment (cont.) Social Inclusion - ensure that everyone can play a full part in the life of their community	To refurbish our existing housing stock in order to meet the Decent Homes standard by the 2010 target date (Cont.)	To update the Business Plan in light of emerging priorities and the outcome of the Options Review (12.8.2 a,b e, i)	Jan 05	Contained within existing resources	RB
			To carry out a "desktop" update the Housing Needs Survey (12.8.2 i)	Jan 05	Contained within existing resources	KK
		Pilot schemes for better management of local environments	The employment of Community Wardens for two main estates in Winchester on a two year trial and the identification of the most appropriate role for the posts (12.8.2 h)	Apr 04	£60k included in 04/05 budget with 50% being met from HRA	ST
			The continued provision of support to the Stanmore and Highcliffe the working groups to review actions arising from the Community Planning Study and identify priorities for environmental/community improvement on the estates (12.8.2 h)	Mar 05	£75k contribution to capital from HRA in 2003/04.	ST
		To work with partners to make our Community safer	The delivery the approved Tenants Compact Action Plan (12.8.2 g)	Mar 05	Contained within existing resources	BM
			To implement revised sign-up procedures for all new tenancies, including establishing appointment system, advanced rent payment and on-line support (12.8.2 d)	Apr 04	Contained within existing resources	BM
			To report to Housing PIC on feasibility of Choice Based Lettings to Winchester (12.8.2 d)	July 04	Existing resources (no funds currently for implementation)	KK

YEAR	KEY ISSUE (Link to Strategic Priority)	ACTION REQUIRED	Expected Outcome (link to priorities set out in section 12.8 provided for each target)	Date	Resources	Lead
2004/05 (cont.)	Social Inclusion - ensure that everyone can play a full part in the life of their community (Cont.) Customer Service - To provide a high standard of customer service	To help people access the services they need (Cont.)	Subject to successful completion of trial scheme, to extend the use of "Hard to Let" accommodation for Homeless families (12.8.2 d, i)	July 04	Scheme would generate significant additional rental income	BM
		To establish a dedicated customer service unit responsible for dealing with enquiries and complaints effectively	The development of effective and integrated links between Orchard and CRM software (12.8.2 f, e)	Mar 05	Contained within existing resources	RB
			Clear procedures agreed for the receipt and response of all Housing related enquiries (12.8.2 d, e, i)	Dec 04	Contained within existing resources	RB
		To make our services more readily available through the internet and more convenient hours of service	The introduction On-line rent payment facilities for tenants (12.8.2 d, e)	May 04	Contained within existing resources	RB
			The extension of the trial of Tenant surgeries in rural locations to all Housing Management areas outside Winchester (12.8.2 d)	Jul 04	Contained within existing resources	BM
		Improved Performance	All national key performance indicators to achieve a target based on a minimum of the top 25% as measured at 2001/02 (12.8.2 e)	Mar 05	Contained within existing resources	BM
		To deliver the Best Value Action Plan for Housing Services	All actions falling due in the 2004/05 year to be implemented/achieved (12.8.2 d)	Mar 05	Resources included in base budget as part of Best Value process	BM

YEAR	KEY ISSUE (Link to Strategic Priority)	ACTION REQUIRED	Expected Outcome (link to priorities set out in section 12.8 provided for each target)	Resources	Lead
2005-10	To provide affordable homes in a safe and pleasant environment	To achieve the Decent Homes Standard by 2010	Implement actions approved as part of the Options Appraisal review (12.8.2 b)	To be agreed	BM
			To deliver the approved annual Repairs and Maintenance programme for 2004/05 (12.8.2 c)	£6m programme	CB
			To reduce the % of non-decent stock by a further 25% (12.8.2 a)	Incorporated in above	CB
			To update the assessment of Stock Condition in light of Asset Management data contained on Housing database (12.8.2.a)	Contained within existing resources	CB
			To carry out a "desktop" update the Housing Needs Survey (12.8.2 i)	Contained within existing resources	KK
			To commission a full update of the Housing Needs Survey by 2007 (12.8.2 i)	To be determined	KK
	Customer Service - To provide a high standard of customer service	To deliver the Best Value Action Plan	To update the Business Plan at least annually in light of emerging priorities (12.8.2 a,b e, i)	Contained within existing resources	RB
		All actions falling due after 2004/05 to be implemented/achieved (12.8.2 d)	Contained within existing resources	BM	

Key to Officers:

BM	Bob Merrett	Director of Health and Housing
KK	Ken Kershaw	Head of Housing Strategy and Policy
CB	Clive Broomfield	Head of Property and Contracts
RB	Richard Botham	Head of Business Services
ST	Steve Tilbury	Director of Community Services

APPENDIX 2

SERVICE SUMMARIES AND OPERATIONAL OBJECTIVES

Service	COMMUNITY ALARM SERVICE			
Aims of the Service	To provide appropriate support services to older persons who for a variety of reasons need additional assistance to remain in the community of their choice.			
Links to the Corporate Strategy	Promoting healthier, safer and more caring Community.			
Strengths/Weaknesses	<p><i>Strengths</i> – Dedicated, motivated staff.</p> <p><i>Weaknesses</i> – Service operates within a very commercial environment.</p>			
Local Performance Indicators	To be determined through Best Value Review Process.			
Equal Access & Sustainability	The service is available to all residents of the District irrespective of tenure choice, locality of residence or financial status.			
Comparisons	Housing Quality Network Benchmarking Group with other private and LA service provider.			
Service Improvements/Targets	No	What	When	Who
	1	To deliver all actions detailed in the Best Value Action Plan for Community Alarm Service	March 05	Community Alarm Centre Manager
		To identify actual costs to all customers and recommend revised charges as necessary to Housing PIC to ensure accurate cost recovery	December 04	Community Alarm Centre Manager/Housing Finance Manager
		To consider the potential to transfer service to General Fund from HRA in recognition of community based nature of the service and make recommendations to Housing PIC	November 04	Community Alarm Centre Manager/Housing Finance Manager
		To seek additional external contract work to ensure that all spare capacity is used to generate further income	Ongoing to March 05	Community Alarm Centre Manager

Service	ESTATE MANAGEMENT
Aims of the Service	<p>To provide a high quality, efficient, cost effective service to tenants, licensees and leaseholders that meets expectations within available resources. This service covers a wide range of housing issues such as tenancy matters, communal areas and facilities and community safety, with the aim of ensuring that an acceptable environment is provided for all residents so that they can have quiet enjoyment of their homes.</p> <p>To encourage tenants to become involved in the management of their homes and play an active role in the development of tenant and residents associations and community groups.</p> <p>To consult with stakeholders to enable them to directly influence the services they receive.</p> <p>To maximise independence and choice by ensuring sensitive support services, which meet specific needs for more vulnerable residents, are available and easily accessible.</p>
Links to the Corporate Strategy	The Estate Management Service supports the promotion of a healthier safer and more caring community as well as helping to look after the built and natural environment for the benefit of future generations. It has a key role to play in Community Planning work.
Strengths and Weaknesses of the Service	<p><u>Strengths</u> Generic Area Housing Managers provide an integrated approach to estate management issues Area Housing Managers provide stakeholders with one specified point of contact – a one stop shop Community Relations Officer enables a proactive approach to safer communities, networking with other statutory and voluntary agencies and providing specialist advice to service users Specialist Tenant Participation Manager oversees TP process. Specialist advice and assistance to both staff and stakeholders Specialist Resettlement Service ensuring that adequate support is available to vulnerable persons in both specialised and general needs accommodation Extra care schemes with own domiciliary care service</p> <p><u>Weaknesses</u> Sheltered Housing Service</p> <ul style="list-style-type: none"> ▪ Management of void properties and garages

Best Value Performance Indicators	Reference	Performance Indicator	Actual Performance	Target	Target
			2002/03	2003/04	2004/05
	LPI RA 04	The average weekly management costs per local authority dwelling		£14.06	£14.34
	BVPI 74	Satisfaction of tenants of council housing with the overall service provided by their landlord	86.25%	90%	Not to be measured
	BVPI 74 bn	Satisfaction of tenants of council housing with the overall service provided by their landlord (base number)	3200		
	BVPI 74 ci	Satisfaction of tenants of council housing with the overall service provided by their landlord (confidence intervals)	1.41%		
	BVPI 74i bme	Satisfaction of tenants of council housing with the overall service provided by their landlord BME (confidence interval)	82.1%		
	BVPI 74i bme bn	Satisfaction of tenants of council housing with the overall service provided by their landlord BME (base number)	39		
	BVPI 74i bme ci	Satisfaction of tenants of council housing with the overall service provided by their landlord BME (confidence interval)	N/A		
	BVPI 74ii non bme	Satisfaction of tenants of council housing with the overall service provided by their landlord NON-BME	86.4%	90%	Not to be measured
	BVPI 74ii non bme bn	Satisfaction of tenants of council housing with the overall service provided by their landlord NON-BME (base number)	3153		
	BVPI 74ii non bme ci	Satisfaction of tenants of council housing with the overall service provided by their landlord NON-BME (confidence intervals)			

Local Performance Indicators	Reference	Performance Indicator	Actual Performance	Target	Target
			2002/03	2003/04	2004/05
	1	To provide for the introduction of tenant compacts across the district from April 2000 and monitor their future involvement in housing management delivery.	TP Compact signed	TP Compact in effect	To have developed Tenant Compact to involve tenants fully in hsg management
Equal Access & Sustainability	<ul style="list-style-type: none"> ▪ A commitment to promote and achieve equal opportunities by recognising, respecting and responding to the different needs of the community regardless of race, ethnic origin, nationality , religion, cultural background, sex, sexual orientation, domestic circumstances, age , disability or illness ▪ A commitment to fulfil statutory duties and comply with codes of practice and guidance as issued by govt/relevant agencies ▪ All stakeholders therefore are treated equally and in a way to respect their rights ▪ In any enforcement proceedings tenants are referred to support agencies that can provide independent advice ▪ Working in partnership with external agencies and voluntary groups, the intensive resettlement service specifically serves vulnerable persons by helping them to successfully manage their tenancy ▪ For sheltered scheme residents, scheme mangers and mobile wardens respond to needs and refer cases onto other agencies if required ▪ Estate management staff are always available to visit tenants within their homes in order to discuss issues if access to City Offices is a problem. Visits can be arranged outside of core hours ▪ The feasibility of establishing surgeries across the whole of the Winchester District is currently being explored as part of the best value review ▪ Environmental sustainability issues for accommodation fall within the remit of the Property Services Team but Area Housing Managers are increasingly involved with community workers on community development or sustainability projects within their district. 				
Comparisons	<p>Estate Management and Sheltered Housing Services have been scrutinised as part of the Southern 10 benchmarking club of the Housing Quality Network and a similar exercise is being carried out using 2001/02 fiscal year statistics. The key finding of this benchmarking were that the total cost of estate management services (for 2000/01) per tenant was £29-60 which was the lowest figure within the group at that time.</p> <p>The Housing Quality Network has also benchmarked sheltered accommodation services for 51 local authority and RSL providers (again 2000/01) which produced the following key findings:</p> <ul style="list-style-type: none"> ▪ The number of tenancy terminations was third highest in the country but offers and re-lets were lower than the average; 				

Service Improvements and targets	▪ The number of FTE wardens per dwelling is higher and the cost is lower than the national average.			
	No	What	When	Who
	1.	BEST VALUE -		Whom
	1.1	Better management of void properties – to have implemented the various recommendations contained with in the BV plan and summarised within a final report, which has addressed the issues and determined new revised performance targets.	March 05	Team Leader (Housing Management)
	1.2	Review the tenant compact and set up local compacts and estate agreements.	April 2005	Tenant Participation Manager
	1.3	District surgeries for Area Housing Managers: <ul style="list-style-type: none"> • evaluation of trials • increase number across district (if required) 	September 04 April 05	Team Leader (Housing Management)
	1.4	Investigate the introduction of an incentive scheme for tenants.	April 05	DHH
	1.5	To review sheltered housing provision (see also sheltered housing)	April 04	DHH
	1.6	Provision of a communal areas officer responsible for ad hoc grounds maintenance , rubbish clearance etc.	April 05	Team Leader (Housing Management)
1.7	To ensure that annual contact is made with all tenants	March 05	DHH	

1.8	<p>Anti – Social Behaviour</p> <ul style="list-style-type: none"> • Review case response and use of mediation • Review current database and information recording systems • Facilitate training with the police specifically on approach to domestic abuse • Review printed information available to service users • Establish customer satisfaction survey 	<p>August 04 August 04 September 04 September 04 October 04</p>	<p>Team Leader (Housing Management)/Community Relationship Officer</p>
2.	ESTATE MANAGEMENT		
2.1	<p><i>To increase participation of tenants and others stakeholders in estate management issues and projects:</i></p> <ul style="list-style-type: none"> • To establish one new tenant association • To establish resident information sessions on four sheltered housing schemes • To ensure AHMs consult with residents when using estate improvement budgets 	<p>April 05</p>	<p>Tenant participation Manager/Area Housing Manager Tenant participation Manager/Area Housing Manager Area Housing Manager</p>
2.2	Review local performance indicators	<p>April 05</p>	<p>Housing Finance Manager</p>
	<p>To integrate working practices and approaches to local issues with other providers both voluntary organisations and statutory agencies:</p> <ul style="list-style-type: none"> • Money Advice and Debt Counselling Service • Mediation Service • Health Service - “Extend” project • Social Services – accreditation for domiciliary care service 	<p>Report on 6 monthly basis July 04 August 04 July 04</p>	<p>Team Leader (Housing Management)</p>

	2.3	Winchester Housing & Community Safety Partnership To establish a protocol covering the use of Acceptable Behaviour Contracts To establish a training programme To develop publicity information	November 04 May 04 April 05	Team Leader (Housing Management) CRO
	2.4	Update policy and procedure manual in line with changing legislation and Good Practice.	April 05	Team Leader (Housing Management)
	3.	SUPPORTED HOUSING		
	3.1	To sensitively manage the 'running down' of the Sussex Street Hostel to ensure redevelopment work can commence.	May 04	Supported Housing Manager
	3.2	To oversee the allocation and management of "hard to let " properties to homeless families, who traditionally would have been placed in bed and breakfast accommodation.	April 05	Supported Housing Manager
	3.3	To develop administering requirements in response to the Supporting People Programme	May 04	Team Leader (Housing Management)
	3.4	Secure additional unit of hostel accommodation at Lent Hill Court	May 04	Supported Housing Manager.
	4.	SHELTERED SERVICES		
	4.1	To review and restructure the management arrangements at the extra care sheltered schemes	August 04	Supported Housing Manager. Team Leader (Housing Management)

	4.2	To gain accreditation for the domiciliary care service	Sept 04	Supported Housing Manager.
	4.3	Re-negotiate contract with Social Services for domiciliary care provision	April 04	Supported Housing Manager. Team Leader (Housing Management)
	4.4	To produce a policy and procedure manual covering the whole of the sheltered housing service (discluding the extra care schemes)	May 04	Team Leader (Housing Management)
	4.5	To develop administering requirements in response to the Supporting People Programme as per 3. But specifically for the sheltered service and incorporating the Central Control Centre. Involves completion of workbooks and QAF forms on a monthly basis	May 04	Head of Business Services Team Leader (Housing Management)
	4.6	To carry out a self-assessment of the sheltered service in line with the expectations of Supporting People. To include an action plan drawn up in conjunction with the County Supporting People officer.	August 04	Team Leader (Housing Management)
	4.7	To review overall sheltered housing provision having considered the results of the decent homes survey, the impacts of the Supporting People Programme and the use of hard to lets as homelessness accommodation.	April 05	Team Leader (Housing Management)
	5	TENANT PARTICIPATION		
		To deliver the tenant Compact Action Plan	March 05	Tenant Participation Manager

Service	PROPERTY MAINTENANCE ENHANCEMENT AND DISABLED ADAPTATIONS				
Aims of the Service	<p>To maintain and improve the housing and corporate stock at a sufficiently high level to protect the longevity of the property and ensure the continued use and enjoyment by tenants.</p> <p>To provide suitable adaptations to properties in the Council's ownership to enable tenants or their relatives who suffer from any form of physical disability to enjoy the comforts of their home.</p>				
Links to the Corporate Strategy	The service supports the promotion of a healthier safer and more caring community as well as helping to look after the built and natural environment for the benefit of future generations.				
Strengths and Weaknesses of the Service	To be determined by the Best Value Review Panel				
Best Value Performance Indicators	Reference	Performance Indicator	Actual Performance	Target	Target
			2002/03	2003/04	2004/05
	BVPI 63	Energy efficiency – the average SAP rating of local authority owned dwellings	N/A	72	73
	BVPI184	Proportion of LA homes which were non-decent at start of year % change in proportion of non-decent homes in year	24.6% Not measured	20% 17%	16%17%
BVPI185	% of responsive repairs for which the authority both made and kept an appointment	88.8%	90%	90%	
Local Performance Indicators	Reference	Performance Indicator	Actual Performance	Target	Target
			2002/03	2003/04	2004/05
	LPI HM 01	To reduce complaints on all jobs (as reported by customer care return cards or other means).	2.5%	2.0%	1.75%

	LPI HM 02	To reduce the time taken from receiving confirmation of works to the completion of works to an average of 32.5 days	77.92	32.5	32.5
	LPI HM 03	The percentage of urgent repairs completed within government time limits	90.32%	92%	93%
	LPI Hm 04	The average time taken to complete non-urgent responsive repairs	16.56	15	15
Equal Access & Sustainability	Work with Social Services and other agencies to carry out disabled adaptations where needed. Energy efficiency a key element of the maintenance programme and will be incorporated into stock condition survey.				
Comparisons	Housing Quality Network Benchmarking Group with other LA's.				
Service Improvements/Targets	No	What	When	Who	
	1.	To review and analyse the results of the Property Condition Survey completed in 2003, to ascertain the condition and future investment requirements of the Council's housing stock and incorporate findings into the Repairs Programme where appropriate.	July 04	Head of Property Services & consultancy project team	
	2.	Delivery of the overall property maintenance and enhancement programme to the Council's property portfolio.	March 05	Head of Property Services & all divisional staff	
	3.	Responsive Repairs – Continued development of 'partnership' working with Serco to maintain and, where possible, improve service delivery and customer satisfaction for this service.	March 05	Head of Property Services /Principal Surveyor/Tenants, Property & Contracts Forum	
	4.	To implement the Best Value Improvement Plan as agreed by the 2002/03 Best Value Review of Property Services	December 04	All divisional staff	

Service	RENTS AND ARREARS
Aims of the Service	<p>To maximise rent collected and to minimise rent arrears by:</p> <ul style="list-style-type: none"> ▪ Providing an accurate service for accounting for amounts due to the Council in respect of rents and service charges income. ▪ Utilising firm but fair procedures in implementing the Council's policy on rent arrears. <p>Keeping rent arrears to a minimum benefits both the Council and the tenants. Dealing with arrears takes resources away from other housing management tasks and servicing the debt has a financial cost, which tenants ultimately pay through higher rents or reduced services.</p>
Links to the Corporate Strategy	<p>Ensuring that all tenants have equal access to services and facilities, thus helping address poverty by ensuring that tenants are advised on entitlement to benefits where this will assist in them paying rent.</p>
Strengths /Weaknesses	<p><i>Strengths</i></p> <ul style="list-style-type: none"> ▪ Comprehensive ▪ Rents and Business Planning Forum allows tenant input into developing and monitoring services ▪ Commitment to Customer Care arrears strategy set up in consultation with TACT. ▪ Area Housing Managers provide one point of contact. ▪ Links with the statutory and voluntary sectors. ▪ Specialist Resettlement and Support Service. ▪ Convenient and flexible rent payment methods available. ▪ Current and Former arrears treated separately. ▪ Specialist Money Advice and Debt Counselling Service in partnership with the CAB ▪ Good inter-authority working with Legal Department and Housing Benefit ▪ Commitment to officer training producing skilled and motivated staff ▪ Effective use of IT systems ▪ Good performance management and service improvement plan (BV action plan) <p><i>Weaknesses</i></p> <ul style="list-style-type: none"> ▪ Former Tenant arrears

Best Value Performance Indicators	Reference	Performance Indicator	Actual Performance	Target	Target
			2002/03	2003/04	2004/05
	BVPI 66a	Local Authority rent collection and arrears: Proportion of rent collected	98.76%	99.33%	99.66%
Local Performance Indicators	Reference	Performance Indicator	Actual Performance	Target	Target
			2002/03	2003/04	2004/05
	LPI RA 01	To maintain former tenant arrears at below £100,000	£155,381	£160,000	£130,000
	LPI RA 02	Actual amount of rent owed at end of the financial year.	£102,146	£125,000	£110,000
	LPI RA 03	Percentage of all current tenants owing over 13 weeks rent (net of HB) at 31 March 2003, excluding those owing less than £250	1.20%	1.40%	1.35%
	LPI RA 05	Local authority rent collection and arrears: Rent arrears of current tenants as a proportion of the authority's rent roll	0.61%	1.85%	1.80%
	LPI RA 06	Local authority rent collection and arrears: Rent written off as not collectable as a proportion of the authority's rent roll	0.28%	0.45%	0.43%
	LPI RA 07	Percentage of rent lost through local authority dwellings becoming vacant	1.26%	1.59%	1.46%
Equal Access & Sustainability	<ul style="list-style-type: none"> • A commitment to promote and achieve equal opportunity and comply with relevant codes of practice. • Ensuring that all tenants are aware of their obligations to pay rent and advising them of the amount required as and when the weekly sum changes. • Where cost effective and practical to do so, ensuring that a range of convenient and flexible rent payment methods are available to tenants, maximising the opportunities for them to pay their rent and to suit their individual needs. • Visiting all new tenants within the first month of the tenancy to find out whether they having any difficulties paying the rent, assessing support services, obtaining housing benefit entitlement or any other housing management issues. • Having an effective working arrangement with other agencies such as the Citizens Advice Bureau and Social Services. • Ensuring that all tenants have access to appropriately trained officers. Where access to the City Offices is a problem site visits by relevant staff are arranged. • The availability of the Supported Housing Management Service for more vulnerable tenants, for example those with mental health problems, the elderly, those with young children, or those with learning or language difficulties. • Specialist money advice and debt counselling service aims to tackle poverty through maximising income and minimising debt 				

Comparisons	The Council can draw comparisons for rent accounting and arrears performance from CIPFA and ODPM statistics as well as benchmarking against local housing providers (both local authorities and similar sized RSLs). It is a member of the CIPFA Rents Benchmarking Club and a summary of comparisons is attached to this service plan			
Service Improvements/Targets	No	What	When	Who
	1	To minimise rent loss from vacant properties	Target 1% by 2005	Lettings / Team Leader (Housing Management)
	2	To offer a wider range of payment options	Second collection date for rent payment by Direct Debit introduced autumn 2003.	Rent Accounting Section
	3	Tenant responsibilities to be made clearer at sign up	New procedures to be implemented by January 2004	Team Leader (Housing Management) Area Housing Managers
	4	To establish district wide surgeries operated by Housing Management and Housing Benefit staff	District wide by December 04	Team Leader (Housing Management) Area Housing Managers
<u>Arrears Recovery</u>	5	Reduction of Former Tenant Arrears (FTAs)	£155,000 achieved at 31 st March 2003. Target £100,000	Former Tenant Arrears Recovery Officer
	6	<i>To re-write the Policy and Procedure documentation for the FTA process. To include:</i> <ul style="list-style-type: none"> • A clear process documenting staff responsibilities • A clear process for the write-off of arrears 	June 04	Team Leader (Housing Management)/Former Tenant Arrears Recovery Officer
	7	Complete the Audit Commission self evaluation checklist covering rent collection and arrears management	September 04	Team Leader (Housing Management)
	8	To update the Policy and Procedures Manual for arrears in response to the self evaluation exercise	April 05	<i>Team Leader (Housing Management)/ Arrears Officer</i>

	9	To reduce the numbers of tenants going into arrears within first 6 months of their tenancy.	October 04	Team Leader (Housing Management)/Area Housing Managers
	10	To increase the quality of pre-tenancy information to ensure that all residents can be assessed for any Housing Benefit entitlement when they sign up for a new tenancy	October 04	Team Leader (Housing Management)/Area Housing Managers/Housing Benefit Officers

APPENDIX 3

HOUSING REVENUE ACCOUNT BUDGET 2004/05

HRA Budget – 2004/05

Service Summary	2004/05 Budget
Housing Management – Special	
Sheltered housing	902,170
Communal services	86,650
Homelessness	(38,840)
Estate maintenance	189,040
Miscellaneous works	631,210
Total – Special	1,770,230
Housing Management – General	2,332,290
Repairs – administration	1,157,770
Repairs – works	2,940,000
Item 8	3,754,830
HRA subsidy	5,623,460
Total Expenditure	17,578,580
Income	
Dwelling rents	(15,945,420)
Garage rents	(429,990)
Sheltered charges	(726,010)
Other income	(277,000)
Total Income	(17,378,420)
HRA net deficit	£ 200,160

Subjective Summary	2004/05 Budget
Employees	2,938,750
Premises	3,855,570
Transport	147,760
Supplies & services	455,820
Third party payments	115,750
Capital financing	3,966,590
Management overheads	1,549,880
Total Expenditure	13,030,120
Fees & charges	(12,365,420)
Recharges to services	(218,140)
Total Income	(12,583,560)
Transfers	(246,400)
HRA net deficit	£ 200,160

HRA Working Balance	
Balance brought forward 1/4/2004	(1,643,821)
Net HRA deficit	200,160
Balance carried forward 31/3/2005	(1,443,661)

APPENDIX 4

FINANCIAL PROJECTIONS

2004 – 2034

HOUSING REVENUE ACCOUNT FINANCIAL PROJECTIONS

Retention forecast

The following projections have been prepared to review the Council's potential for funding future investment in Housing based on existing resource provision. Key assumptions made are detailed at the end of the appendix.

The projections have been subjected to key sensitivity analysis and the outcome of this analysis is also included in this appendix.

Revenue Projections

	1	2	3	4	5	6	7	8	9	10
	2004.05	2005.06	2006.07	2007.08	2008.09	2009.10	2010.11	2011.12	2012.13	2013.14
Dwelling rent income	15,959	16,229	16,497	16,773	17,057	17,353	17,656	17,969	18,137	18,134
Less Bad Debt Provision	0	0	0	0	0	0	0	0	0	0
Other income	1,449	1,449	1,449	1,449	1,449	1,449	1,449	1,449	1,449	1,456
Interest income	119	111	113	111	106	101	97	93	90	86
Housing Subsidy	-5,716	-5,761	-6,052	-6,384	-6,694	-7,046	-7,351	-7,667	-7,884	-7,920
Income	11,811	12,028	12,007	11,949	11,918	11,857	11,851	11,844	11,792	11,756
Management & Other costs	-3,930	-3,969	-4,008	-4,048	-4,089	-4,089	-4,089	-4,089	-4,089	-4,089
Repairs & Maintenance	-4,098	-4,139	-4,180	-4,222	-4,264	-4,264	-4,264	-4,264	-4,264	-4,264
Capital Charges	-740	-692	-645	-597	-550	-502	-502	-502	-502	-502
Major Repairs Allowance	-3,215	-3,190	-3,165	-3,141	-3,116	-3,093	-3,071	-3,050	-3,030	-3,012
Expenditure	-11,983	-11,990	-11,998	-12,008	-12,019	-11,948	-11,926	-11,905	-11,885	-11,867
Surplus / (Deficit)	-172	38	9	-59	-101	-91	-75	-61	-93	-111

Capital Projections

	Year 1	Yrs 1-7	Yrs 1-10	Yrs 1-20	Yrs 1-30
	2004.05	- 2010/11	- 2013/14	- 2023/24	- 2033/24
Total programme	4,392	30,684	43,922	92,341	137,842
Capital resources	3,415	23,329	32,854	63,218	92,272
Revenue surpluses	0	0	0	0	0
Total resource potential	3,415	23,329	32,854	63,218	92,272
Excess / shortfall	-977	-7,355	-11,068	-29,123	-45,570

Sensitivity Analysis

Key sensitivities:

1. "A" reflects an increased allocation of RTB capital receipts to the HRA programme at the full 100% level. This is illustrative only.
2. "B" reflects an increase in Right to Buy sales 10% every year of the forecast.
3. "C" reflects a worse voids position by 1% per year.
4. "D" reflects changes to the assumptions for increases in M&M allowances from 2006-2012; "D1" at 4% pa, "D2" at no real increase pa.

Revenue Sensitivity

£'000's	2004.05	2005.06	2006.07	2007.08	2008.09	2011.12
Base forecast	-172	38	9	-59	-101	-61
A : Maximum capital resources to HRA	-188	-10	-56	-127	-173	-142
B : RTB's 10% higher	-178	16	-21	-98	-150	-141
C : Void rate plus 1% pa	-334	-134	-175	-254	-309	-307
D1 : M&M allowances at 4% real pa 2006-12	-172	38	94	181	310	857
D2 : M&M allowances at 0% real pa 2006-12	-172	38	-77	-237	-496	-919

Capital Sensitivity

£'000's	Year 1 2003.04	Yrs 1-7 - 2010	Yrs 1-10 - 2013	Yrs 1-20 - 2023	Yrs 1-30 - 2033
Total programme	4,392	30,684	43,922	92,341	137,842
Base forecast resources	3,415	23,329	32,854	63,218	92,272
Base forecast excess/(shortfall)	-977	-7,355	-11,068	-29,123	-45,570
A : Maximum capital resources to HRA	4,881	30,013	41,271	75,434	106,266
B : RTB's 10% higher	3,440	23,464	33,006	63,243	91,896
C : Void rate plus 1% pa	-952	-7,176	-10,820	-28,659	-44,938
D1 : M&M allowances at 4% real pa 2006-12	3,415	23,329	32,854	63,218	92,272
D2 : M&M allowances at 0% real pa 2006-12	-977	-7,355	-11,068	-29,123	-45,570

Housing Options Key Assumptions

All analyses are at 2004/05 prices, with starting stock numbers estimated as at 1st April 2004. Key assumptions about volume and cost behaviour and inflation plus movements year on year are common to all options.

Description	Amount	Comments
Stock numbers 1/4/04	5,188	
Average rent (52 week basis) 2004/05	60.47	Assumed to be at limit rent
Average EUV at January 2001	69,484	
Adjustment for unpooled service charges	0	
Void rate	1.79%	Based on opening 2003 position constant through 30 years
Bad debt rate	0%	Info outstanding at this stage
Management costs real increase	1%	Per annum for 5 years; no reductions for stock changes
Repairs costs real increase	1%	Per annum for 5 years; no reductions for stock changes
All revenue budgets at 2004/05 budget level		
Stock Condition Survey – capital elements only (including Disabled Adaptations)		DAP 30 yrs from 2003 assumed to start 2004
Raw profile	Less RTB plus fees	
2004-2011 £28.2m	£30.7m	Excludes real inflation
2004-2014 £40.6m	£43.9m	Excludes real inflation
2004-2024 £86.5m	£92.3m	Excludes real inflation
2004-2034 £130.1m	£137.8m	Excludes real inflation
Real inflation added to stock profile	0%	All years from 2004
Fees added to stock survey profile	10%	Included in above
The investment profile does not include improvements such as environmental works and remodelling of stock. Within the totals above, the amount required to meet the absolute barest minimum of the Decent Homes Standard by 2010 is quoted by DAP as £1.6m. It would be more usual to expect a “decency” cost in excess of this amount given the overall investment need. Some work will be needed on determining the precise nature of the investment needs identified.		
Real increase in national guideline rents	1.50%	Per annum to 2011/12
Target rent 2004/05	64.53	
Target rent 2011/12 (2004/05 prices)	71.62	
Real increases in rent 2004-2011/12	2.44%	
Right to Buy sales	40	Falling to 30 by 2011/12
Use of RTB sales receipts for HRA	20%	Based on 2004/05 financing of £200k outside of MRA
Level of Supported Capital Expenditure	0	£666k in 2004/05 subsidy for 2 years
Major Repairs Allowance real increases	0%	
M&M allowances real increases	8%	2005/06 only
M&M allowances real increases	2%	Per annum 2006/07-2011/12

APPENDIX 5

PROGRESS AGAINST THE OPTIONS APPRAISAL PROJECT TIMETABLE

Housing Options Project Timetable

Date	Task	Progress/Action	Lead
12 October 2003	Appoint ITA	Completed. TPAS appointed and now working with TACT. Also attending Steering Group meetings	RB
27 October 2003	Steering Group Inaugural meeting	Completed	BM
	Approval of Outline Timetable	Outline timetable approved	BM
	Sharing of documents already available	Intranet and Internet sites updated. Master file of documents in Members library. Summary file to all Group members	JP
17 November 2003	Identifying the Scope of the Review	Completed. Now set out in draft Communications Strategy	BM
	Preparing a file of background information	Completed as above	JP
10 December 2003	Initial Analysis of Stock Condition results	Completed - Summary report on initial findings and results of Tenant Aspiration Survey considered by Steering Group	CB
	Consideration of Tenant Aspiration Survey	Completed - Included in above report	CB
	Appointing Council Consultant (Cabinet 17/12/03)	Completed - Butlers (existing Treasury Mgt consultants) commissioned to review existing financial situation and to assess potential impact of each option	RB
			RB
26 January 2004	Consideration of Draft Communication Strategy	Completed - Draft Communication Strategy considered by Steering Group and way forward determined.	JP
	Detailed Results of Stock Condition Survey	Completed – Report presented to Steering Group giving long term projections on requirements to meet and maintain Decent Homes Standard	CB

Date	Task	Progress/Action	Lead
February 04	Draft report on Analysis of Financial Position and Impact of each Option to be prepared	Completed – Draft report received and dispatched to Steering Group for consideration.	Butlers/RB
	Prepare Houseproud Options article	Completed. Draft distributed to Steering Group for comment	RB
March 2004	Steering Group to consider Butlers Report on HRA Financial Analysis	Completed – Steve Partridge presented report to meeting on 2 March 2004	Butlers/ DAP RB CHTF RB/CB
	Member Training Seminar	Completed - Butlers/Adamsons attended and presented background to Options and Stock Survey to all members (2/03/04)	
	Update Meeting with CHTF	Completed - Meeting held on 12/3/04	
	Review Results of Tenant Satisfaction Survey	To be considered at 29/3/04 meeting	
	Feedback from CHTF on draft Communication Strategy	Mary Marshall to provide comments on draft by 19/3/04	
	Test financial assumptions and draft commentary on Butlers Report Steering Group Meeting 29/3/04	Officers to review content of Butlers report and Stock Survey, test assumptions and prepare commentary on way forward To discuss: Timetable Review Way forward in light of Butlers info Tenants surveys and member briefing Communication Strategy Proposals for special edition of Houseproud	

Date	Task	PROGRESS/ACTION	Lead
April 04	Draft an "Options" special edition of Houseproud Develop Tenant Empowerment Strategy Draft report on options for funding Affordable Housing programme Progress report to Cabinet/LSP to approve Communication Strategy Steering Group Meeting 27/4/04	Draft text to be considered by Steering Group on 27/04/04. Draft to be considered by ITA/Tenants Forum on 21/04/04 To be prepared by Butlers for circulation by end April and to Steering Group in May Draft communication strategy currently with CHTF for comment To consider: Further detail as required on future HRA capital programme Draft Houseproud articles	RB GC/ TPAS Butlers RB
May 2004	Commence roadshow of joint ITA/Council seminars on the Stock Options review Steering Group Meeting 25/05/04	Detailed programme of events still to be determined. (Need to carefully consider impact of election period (from 5/5/04) To finalise review of Options and agree discuss issues relating to tenant roadshows Also to consider draft Tenant Empowerment Strategy and Butlers paper on Affordable Housing	TPAS/GC
June 04	Continued rollout of seminars Distribute special edition of Houseproud to all tenants and leaseholders	Detailed programme of events still to be determined. To include questionnaire on Options (detail to be agreed by Steering Group on 27/4/04)	TPAS/GC GC

Date	Task	PROGRESS/ACTION	Lead
July 04	Review of ITA Interim report	TPAS to submit interim report following initial tenant events	BM
	Identifying a "Winchester Standard" the for Housing Service	Will include analysis of all background information, feedback from seminars and ITA interim report	BM
	Identifying the preferred option(s) to meet the "Winchester Standard" and other project objectives	To be determined through Steering Group debate in light of available information	RB
	Steering Group Meeting 20/7/04	To consider all above July tasks	
Aug/Sept 2004	Houseproud Newsletter to be distributed to tenants/ leaseholders updating them on current position	Newsletter to summarise options for achieving the "Winchester Standard"	
	Detailed Consultation on Preferred Solution/s with tenants/leaseholders	Suggested that specialist consultants be appointed to facilitate this as with Tenant Satisfaction Survey to ensure high return rate These events will provide opportunities for tenants and other stakeholders to debate the Council's preferred option(s)	RB
	Second stage of joint ITA/Council roadshows		TPAS/GC
	Review of Consultation Results	Review by Steering Group based on summary report from Survey consultants	RB
	Final ITA Report Steering Group Meeting 16/9/04	Report to summarise results from 2 nd stage of roadshow process Debate survey results and consider final recommendations on way forward	TPAS

Date	Task	PROGRESS/ACTION	Lead
October 2004	Consideration of Draft Final Options Report Steering Group Meeting 19/10/04	Final report to Steering Group on proposed way forward To agree content of final report for ODPM	RB
November 2004	Steering Group Meeting 16/11/04	To consider draft final report for ODPM	RB
December 2004	Steering Group Meeting 14/12/04 Submission of final report to ODPM	Backup meeting to cater for delays in the process	

Key:

RB - R Botham

TPAS – Independent tenant advisors

BM – B Merrett

CB – C Broomfield

GC – G Cole

JP – J Palmer

Butlers – Finance Consultants

DAP – David Adamson Partnership – Stock Condition Consultants

APPENDIX 6

PERFORMANCE –

KEY NATIONAL & LOCAL

INDICATORS AND

BENCHMARKING DATA

2003/04

HOUSING REVENUE ACCOUNT PERFORMANCE INDICATORS - 2003/04

Indicator	Description	Actual 2002/03	Target 2003/04	Estimated 2003/04	Top 25%
BV63	Average SAP rating of Council owned dwellings	69	69	69	61
BV66a	Proportion of rent collected	99%	99.66%	95.90%	98.60%
BV74	Tenant satisfaction (%)	86.25%	90%	86%	86%
BV74 BME	Tenant satisfaction – Black & Minority Ethnic	82.10%	90%	88%	New
BV74 ii	Tenant satisfaction - Non BME (%)	86%	90%	86%	New
BV164	CRE code of practice in rented housing	Yes	Yes	N/A	Yes
BV184 a	LA homes which were non-decent	N/A	24.60%	24.6%	New
BV 184 b	% Change in Decent Homes standard	N/A	0	0%	New
BV185	Responsive repairs where appt made and kept	88.60%	90%	82.40%	New
LPI HM 01	% of Repair jobs subject to Complaints	2.50%	2%	4.59%	
LPI HM 02	To complete Adaptations works within 33 days	80.09 days	32.5	59.79	
LPI RA 01	former tenant arrears at year end	£192,546	£100,000	£193,688	
LPI RA 02	Total rent owed at the end of the financial year	£106,835	£100,000	N/A	
LPI RA 03	Current tenants owing over 13 weeks rent	1.45%	1.35%	0.92%	
LPI RA 05	Current arrears as % of rent roll	0.64%	1.00%	1.25%	1.80%
LPI RA 06	Rent written off as % of rent roll	0.28%	0.43%	0.26%	0.20%
LPI RA 07	% Rent lost through dwellings becoming vacant	1.68%	1.46%	2.12%	0.90%
LPI HN 02	The stock empty at the end of the financial year	1.80%	<2%	1.73%	
LPI HN 03	Percentage of lettings made to older persons	39.10%	No target	35.79%	
LPI HN 04(a)	Average re-let time for general housing stock	19.1 days	15	43.5 days	
LPI HN 04(b)	% of general stock let within target	75.70%	90%	69.20%	
LPI HN 05	New tenancies given to vulnerable people	2.35%	No target	0.34%	
LPI HN 09	Average Re-let time (previously BVPI 68)	62.99 days	60 days	73.39 days	26

Comparisons – CIPFA Benchmarking Club 2003

The following housing providers have a stock level greater than 5,000 units and have been selected by CIPFA as effective comparative providers to Winchester. A detailed analysis of comparisons across all data is being prepared for the Housing Performance Improvement Committee with analysis and interpretation of the results.

	Guildford BC	New Forest DC	Nuneaton BC	Weaver Vale Trust	Winchester CC
Stock 1.4.03	5,469	5,255	6,737	6,548	5,207
Total sheltered units	369	750	1342	1962	1768
Average rent	3,537	3,194	2,286	2,593	2,861
Former Tenant Arrears	173	106	682	463	155
Current Tenants' Arrears	272	173	402	473	102
Current tenants in arrears	1346	1300	2396	2079	426
Total lost rent from vacancies/write-offs	183	184	306	124	270
Total Mgt Costs (£000s)	3,288	2,688	2,730	2,617	3,057
Total Repairs Costs (£000s)	4967	3,644	3,809	9,118	3,586
Total Support Costs (£000s)	1137	307	636	-	878
Total HRA Costs (£000s)	21319	16,715	14,845	16,605	16,285
Total FTEs	105	76.3	177	114	114

Key headline indications include:

- Lost rent through voids and “write offs” is above average as expected due to “difficult to let” properties in certain sheltered schemes.
- Investment in repairs is lower per property than average. However, the stock condition survey has concluded that stock is in good condition so this is not surprising.
- Support costs are above average and a review of all charges to the HRA is planned for completion by October 2004.