Select Committee Agenda

SCRUTINY

Epping Forest District Council

Communities Select Committee
Monday, 21st November, 2016

You are invited to attend the next meeting of **Communities Select Committee**, which will be held at:

Committee Room 1, Civic Offices, High Street, Epping
on **Monday, 21st November, 2016**
at **7.00 pm**

Glen Chipp
Chief Executive

Democratic Services Officer	M Jenkins mjenkins@eppingforestdc.gov.uk 01992 56 4607

Members:

Councillors Y Knight (Chairman), G Shiell (Vice-Chairman), R Baldwin, A Beales, K Chana, R Gadsby, L Girling, S Heap, L Hughes, S Jones, S Murray, A Mitchell, B Rolfe, B Surtees and H Whitbread

SUBSTITUTE NOMINATION DEADLINE:

18:00

1. APOLOGIES FOR ABSENCE

2. SUBSTITUTE MEMBERS (MINUTE ITEM 39 - 23.7.02)

(Director of Communities) To report the appointment of any substitute members for the meeting.

3. DECLARATIONS OF INTEREST

(Director of Governance). To declare interests in any items on the agenda.

In considering whether to declare a pecuniary or a non-pecuniary interest under the Code of Conduct, Overview & Scrutiny members are asked pay particular attention to paragraph 9 of the Code in addition to the more familiar requirements.

This requires the declaration of a non-pecuniary interest in any matter before an OS Committee which relates to a decision of or action by another Committee or Sub Committee of the Council, a Joint Committee or Joint Sub Committee in which the

Council is involved and of which the Councillor is also a member.

Paragraph 9 does not refer to Cabinet decisions or attendance at an OS meeting purely for the purpose of answering questions or providing information on such a matter.

4. TERMS OF REFERENCE/WORK PROGRAMME (Pages 3 - 12)

(Chairman / Lead Officer) The Overview and Scrutiny Committee has agreed the Terms of Reference of this Committee. This is attached along with an ongoing work programme. Members are asked at each meeting to review both documents.

5. REVIEW OF EPPING FOREST CARELINE ALARM MONITORING SERVICE (Pages 13 - 36)

(Director of Communities) To consider the attached report.

6. HRA FINANCIAL PLAN 2016/17 - SIX MONTH REVIEW (Pages 37 - 60)

(Director of Communities) To consider the attached report.

7. HOUSING REVENUE ACCOUNT BUSINESS PLAN KEY ACTION PLAN (2016/17) - 6 MONTH PROGRESS REPORT (Pages 61 - 70)

(Director of Communities) To consider the attached report.

8. COMMUNITIES - KEY PERFORMANCE INDICATORS (KPIS) - QUARTER 2

(Director of Communities) Report to follow.

9. CORPORATE PLAN KEY ACTION PLAN 2016/17 - QUARTER 2 PROGRESS REPORT

(Director of Communities) Report to follow.

10. REPORTS TO BE MADE TO THE NEXT MEETING OF THE OVERVIEW AND SCRUTINY COMMITTEE

To consider which reports are ready to be submitted to the Overview and Scrutiny Committee at its next meeting.

11. FUTURE MEETINGS

The next meeting of the Select Committee will be held on Tuesday 17 January 2017 at 7.00p.m. in Committee Room 1 and thereafter on:

Tuesday 14 March at 7.00p.m. in Committee Room 1.

COMMUNITIES SELECT COMMITTEE

TERMS OF REFERENCE 2016/17

Title: Communities Select Committee

Status: Select Committee

1. To undertake overview and scrutiny, utilising appropriate methods and techniques, of the services and functions of the Communities Directorate;

2. To develop a programme of work each year, informed by relevant service aims and member priorities, to ensure that the services and functions of the Communities Directorate are appropriate and responsive to the needs of residents, service users and others;

3. To consider any matter referred to the Select Committee by the Overview and Scrutiny Committee, the Cabinet or a relevant Portfolio Holder, and to report and make recommendations directly to the Committee, the Cabinet or such Portfolio Holder as appropriate;

4. To consider the effect of Government actions or initiatives on the services and functions of the Communities Directorate and any implications for the Council's residents, service users and others, and to respond to consultation activities as appropriate;

5. To establish working groups as necessary to undertake any activity within these terms of reference;

6. To undertake pre-scrutiny through the review of specific proposals of the Council and its partner organisations or other local service providers, insofar as they relate to the services and functions of the Communities Directorate, to help develop appropriate policy;

7. To undertake performance monitoring in relation to the services and functions of the Communities Directorate, against adopted key performance indicators and identified areas of concern;

8. To identify any matters within the services and functions of the Communities Directorate that require in-depth scrutiny, for referral to the Overview and Scrutiny Committee; and

9. To recommend the establishment of task and finish panels to the Overview and Scrutiny Committee as necessary, in order to undertake any activity within these terms of reference.

Chairman: Councillor Y Knight

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Communities Select Committee (Chairman – Cllr Yolanda Knight) Work Programme 2016/17			
Item	**Report Deadline/Priority**	**Progress/Comments**	**Programme of Meetings**
Standard (Periodic) Items			~~27th June 2016~~ ~~6th Sept 2016~~ ~~8th Nov 2016~~ 21st Nov 2016 17th Jan 2017 14th March 2017
(1) Performance against Housing Service Standards and Review *(Recommendations to Housing Portfolio Holder)*	June 2016 (Medium)	*(Housing Portfolio)* **Completed -** June 2016 meeting	
(2) 6-Month Progress Report on Housing Strategy Action Plan 2016	June 2016 (Medium)	*(Housing Portfolio)* **Completed -** June 2016 meeting	
(3) Communities Key Performance Indicators (KPIs) – 2015/16 Out-Turn	June 2016 (Low)	*(Housing Portfolio)* **Completed -** June 2016 meeting	
(4) Progress with Key Actions for the Corporate Plan led by the Communities Directorate – 2015/15 Out-Turn	June 2016 (Low)	*(All Portfolios)* **Completed -** June 2016 meeting	
(5) Summary of key housing provisions of the Housing and Planning Act 2016	June 2016 (Low)	*(Housing Portfolio)* **Completed -** June 2016 meeting	
(6) Annual Diversity Report of Housing Applicants and Lettings	September 2016 (Low)	*(Housing Portfolio)* **Completed –** September 2016 meeting	

(7) Annual Report on the HomeOptions Choice Based Lettings Scheme	September 2016 (Low)	*(Housing Portfolio)* **Completed –** September 2016 meeting
(8) Communities Key Performance Indicators (KPIs) – Quarter 1	September 2016 (Low)	*(Housing Portfolio)* **Completed –** September 2016 meeting
(9) Progress with Key Actions for the Corporate Plan led by the Communities Directorate – Quarter 1	September 2016 (Low)	*(All Portfolios)* **Completed –** September 2016 meeting
(10) Annual feedback on the success of the Crucial Crew initiative and proposals for future delivery	September 2016 (Low)	*(Safer Greener Transport Portfolio)* **Completed –** September 2016 meeting
(11) Annual Report of the Community Safety Partnership	8th November 2016 (Medium)	*(Safer Greener Transport Portfolio)* **Scheduled for 8th November meeting**
(12) Annual feedback on the success of the Summer Holiday Activity Programme and learning points for the future	8th November 2016 (Low)	*(Leisure and Community Service Portfolio)* **Scheduled for 8th November meeting**
(13) Six-monthly Progress Report on Housing Business Plan Action Plan 2016/17	21st November 2016 (Medium)	*(Housing Portfolio)* **Scheduled for 21st November meeting**
(14) Six-Month Review of the HRA Financial Plan 2016/17	21st November 2016 (High)	*(Housing Portfolio)* **Scheduled for 21st November meeting**
(15) Communities Key Performance Indicators (KPIs) – Quarter 2	21st November 2016 (Low)	*(Housing Portfolio)* **Scheduled for 21st November meeting**

(16) Progress with Key Actions for the Corporate Plan led by the Communities Directorate – Quarter 2	21st November 2016 (Low)	*(All Portfolios)* **Scheduled for 21st November meeting**	
(17) Annual feedback on the success of the Reality Roadshow initiative and learning points for the future	January 2017 (Low)	*(Leisure and Community Service Portfolio)*	
(18) Housing Strategy Key Action Plan 2016 – 12 Month Progress Report	January 2017 (Medium)	*(Housing Portfolio)*	
(19) Housing Strategy Key Action Plan 2017 *(Recommendations to Housing Portfolio Holder)*	January 2017 (Medium)	*(Housing Portfolio)*	
(20) Briefing on the proposed Council rent increase for 2017/18	January 2017 (Low)	*(Housing Portfolio)*	
(21) Housing service improvements and service enhancements – 2017/18 *(Recommendations to Cabinet)*	January 2017 (High)	*(Housing Portfolio)*	
(22) Communities Key Performance Indicators (KPIs) – Quarter 3	March 2017 (Low)	*(Housing Portfolio)*	
(23) Communities Key Performance Indicators (KPIs) – Targets for 2017/18	March 2017 (High)	*(Housing Portfolio)*	
(24) Progress with Key Actions for the Corporate Plan led by the Communities Directorate – Quarter 3	March 2017 (Low)	*(All Portfolios)*	

(25) 12-monthly Progress Report on Housing Business Plan Action Plan 2016/17	March 2017 (Medium)	*(Housing Portfolio)*
(26) HRA Business Plan 2017/18	March 2017 (High)	*(Housing Portfolio)*
(27) Annual Report from representatives of the Youth Council on completed and proposed activities	March 2017 (High)	*(Leisure and Community Service Portfolio)*
Special (Planned) Items		
(28) Presentation on Disabled Facilities Grants and current demand and expenditure	September 2016 (Medium)	*(Housing Portfolio)* **Completed –** September 2016 meeting
(29) Approach to promotion and marketing of support and financial incentives for under-occupying tenants wanting to transfer	September 2016 (Medium)	*(Housing Portfolio)* **Completed –** September 2016 meeting
(30) Attendance by Essex Police District Commander at next meeting - Discussion on issues to raise	September 2016 (Medium)	*(Safer Greener Transport Portfolio)* **Completed –** September 2016 meeting
(31) Presentation from Essex Police's District Commander on current policing and crime issues in the District	8th November 2016 (Medium)	*(Safer Greener Transport Portfolio)* **Scheduled for 8th November meeting**
(32) Review of the Council's Careline Service *(Recommendations to Cabinet)*	21st November 2016 (High)	*(Housing Portfolio)* **Scheduled for 21st November meeting**

(33) Presentation by Epping Forest CAB on its use of EFDC funding for their two Debt Advisors	~~21st November 2016~~ January 2017 (High)	*(Housing Portfolio)* **Deferred –** The CAB Manager was unable to make the date of the meeting	
(34) Consultation on the Council's HRA Financial Options Review – prior to consideration by the Finance and Performance Management Cabinet Committee *(Recommendations to the Finance and Performance Management Cabinet Committee)*	~~November 2016~~ January 2017 (High)	*(Housing Portfolio)* **Delayed –** Due to the Govt. not yet publishing its proposed arrangements for the required sale of higher value empty Council properties	
(35) Review of CCTV Action Plan	January 2017 (Medium)	*(Safer Greener Transport Portfolio)*	
(36) Review of the future use of sheltered/grouped housing scheme sites *(Recommendations to Cabinet / Housing Portfolio Holder)*	January 2017 (High)	*(Housing Portfolio)*	
(37) Housing Strategy 2017 – 2021 *(Recommendations to the Cabinet and Full Council)*	March 2017 (High)	*(Housing Portfolio)*	
Items added to Work Programme during the year			
(38) Approach to decommissioning CCTV systems	8th November 2016 (Medium)	*(Safer Greener Transport Portfolio)* **Scheduled for 8th November meeting**	
(39) Presentation on disabled adaptations to Council properties	January 2017 (Low)	*(Housing Portfolio)*	

(40) The homelessness situation in Epping Forest and potential mitigation strategies	January 2017 (High)	*(Housing Portfolio)*	
Planned Items for Future Years			
Review of the success of the pilot scheme to extend the opening hours of the Limes Centre, following 12 months' operation	July 2017 (Medium)	*(Leisure and Community Service and Safer Greener Transport Portfolios)*	
12-month review of homelessness loans and tenancy deposits funded by "Invest to Save"	July 2017 (Medium)	*(Housing Portfolio)*	
Review of the approach to the Scheme Management Service to sheltered housing and properties designated for older people *(Recommendations to Cabinet / Housing Portfolio Holder)*	July 2017 (High)	*(Housing Portfolio)*	
Attendance by Essex Police District Commander at next meeting - Discussion on issues to raise	September 2017 (Medium)	*(Safer Greener Transport Portfolio)*	
Review of Housing Allocations Scheme and Tenancy Policy after 2 years operation (with any changes effective from April 2018) *(Recommendations to the Cabinet)*	September 2017 (High)	*(Housing Portfolio)*	

Presentation from Essex Police's District Commander on current policing and crime issues in the District	November 2017 (Medium)	*(Safer Greener Transport Portfolio)*	
Review of Housing Service Strategy on Home Ownership and Leaseholder Services	January 2018 (Low)	*(Housing Portfolio)*	
Review of Housing Service Strategy on Anti-Social Behaviour and Harassment	March 2018 (Low)	*(Housing Portfolio)*	
Review of Housing Service Strategy on Tenant Participation	March 2019 (Low)	*(Housing Portfolio)*	
Review of Housing Service Strategy on Rent Arrears and Administration	November 2019 (Low)	*(Housing Portfolio)*	
Review of Housing Service Strategy on Older People's Housing	September 2020 (Low)	*(Housing Portfolio)*	
Review of Housing Service Strategy on Housing and Neighbourhood Management	September 2020 (Low)	*(Housing Portfolio)*	
Review of Housing Service Strategy on Empty Properties in the Private Sector	March 2021 (Low)	*(Housing Portfolio)*	

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Report to Communities Select Committee

Date of meeting: 21 November 2016

Portfolio: Housing – Councillor Syd Stavrou

Subject: Review of Epping Forest Careline Alarm Monitoring Service

Officer contact for further information: Roger Wilson extension 4419
Committee Secretary: Mark Jenkins extension 4607

Recommendations/Decisions Required:

(1) That the Communities Select Committee reports to a future meeting of the Cabinet recommending that under Option Three in the report the Council's Careline Monitoring Service be outsourced to an external provider through a competitive tendering exercise; and

(2) That if Recommendation (1) above is agreed by the Cabinet, further reports are submitted on

(a) A restructure of Housing Older Peoples Services following the Careline Service being outsourced; and
(b) Future charges to users based on the cost of the outsourced service.

Report:

Background

1. The Council's Careline Monitoring Centre is based at Parsonage Court, Loughton. The service was introduced in June 1984 and offers a twenty-four hour, 365 days per year, emergency alarm monitoring service to older and disabled people living within the District. The Service is also offered to other vulnerable groups including victims of domestic violence and younger people with disabilities. The Council's own sheltered housing schemes and other designated dwellings for older people on housing estates have a hard-wired system installed in their properties with a speech module mounted on the wall and a pull cord in each of the rooms. There are currently 2,572 properties (representing around 3,500 people) in the District linked to the centre in this way.

2. In addition to emergency alarms, Careline provides many other important services which include the following:

- Monitoring a range of associated sensors including smoke, carbon monoxide and flood detectors, bogus call buttons and inactivity mats
- CCTV systems at sheltered housing schemes
- Lone worker systems for Council staff
- Monitoring and supporting Scheme Managers who are on/off site

- Private sector dispersed alarms (see Paragraph 4 below)
- Monitoring of alarm systems of other housing providers
- Initiating call-outs for rest centre staff in the event of a civil emergency, in accordance with the Housing Emergency Plan

3. The Careline Monitoring Centre also gives valuable support to Scheme Managers. In the Scheme Manager's absence, Careline contacts residents over the alarm system at varying frequencies, based on their level of risk. Scheme Managers pass information about their schemes to Careline staff when going off duty, and are updated on any incidents when they return.

Private Sector Installations

4. Around 1,380 of the connections are private sector dwellings, which are connected via a dispersed alarm, which has an associated neck worn radio trigger. A range of various sensors are offered for example, on line smoke alarms fall and flood detectors etc. The user pays an annual rental to the Council for the service; in 2015/2016 the Council received a total income of around £185,000, inclusive of associated sensors. This includes income for monitoring alarms for a small number of Housing Association Schemes .The Council works in partnership with Essex County Council which funds the first 12 weeks rental for the user.

5. The charges made by all Essex authorities are set out at Appendix One. As can be seen, the charges currently made by the Council are very competitive compared to other authorities in Essex.

Careline Initiatives

6. The Council has introduced many Careline initiatives which include the following:

- A Disaster Recovery Plan which is an essential back up system. In the event of a major incident at the Careline Monitoring Centre, all calls can be diverted and handled at the equipment manufacturer's own control centre in Yorkshire where clients' information is securely stored and is regularly updated should this alternative system be needed

- Careline has an ongoing test programme ensuring all systems are working. This includes testing for any faults with the equipment itself, or the telephone line, which provides the link for the scheme

- Following the installation of a dispersed alarm system, the client's next of kin is notified in writing

- Client records are updated regularly, backed up on disc and stored away from the Careline Monitoring Centre with hard copies being filed at the Centre

- The Housing Manager (Older Peoples Services) gives presentations to local groups, and other agencies, promoting the service. In addition, leaflets and posters are placed at the Council's Information Points, Libraries, and Citizens Advice Bureaus, etc. The service is advertised in the local press, and the Council's tenants' magazine "Housing News". When an enquiry is received about the service, an application pack is sent out

- The Council pledges to install a basic dispersed alarm for any new private client when requested on an urgent basis within 2 working days of receiving the application. This timescale is regularly achieved

- Careline works in partnership with other agencies like the Police who promote Telecare when assisting victims of domestic violence or bogus callers and the Fire Service when undertaking home safety checks

- All conversations which take place over the alarm service are recorded and retained for a 12 month period. This is an important safeguard and enables the Council to investigate any complaints made about the service

- Careline monitors fire alarms within the sheltered housing schemes when the Scheme Manager is off duty

- All those residents who are nominated as "high risk" are called and accounted for every day

- The Council is the founder member of the Essex Emergency Communications User Group, which was set up in 1984. This is an important means of liaising with other alarm service providers throughout Essex

- Careline alarms are installed at the Council's homeless persons hostel Norway House, North Weald. Various passenger lifts are also monitored by Careline including those at sheltered housing schemes and on the Limes Farm housing estate, Chigwell

Reason for the Review

Expansion of the Careline Monitoring Service and Covering Arrangements

7. As the Careline Monitoring Centre has expanded in terms of the number of private sector connections and the advances in technology enabling service users to benefit from a range of associated sensors, the management and operational aspects of the service have become more complex. In addition, there have been difficulties in recruiting staff due to the nature of the work and the salary level. This has led to additional pressures on existing staff that have had to cover, not only vacant posts, but also annual leave and sickness absences. It should be noted that all new staff complete an 8 week training programme prior to commencing full duties, which adds to the burden of covering shifts.

Telecare Services Association (TSA)

8. In 2011 the Careline Monitoring Service became Telecare Services Association (TSA) accredited. TSA is a nationally recognised standards body for the delivery of technology enabled care and support services in the UK. Accreditation involves the service being inspected against a rigorous regime on an annual basis to ensure it meets with the TSA Code of Practice ensuring the highest possible quality service. The Council's Careline Service has to date met all of the Audit requirements.

British Standard

9. Importantly, the TSA have recently brought to the attention of the Council and authorities nationally the British Standard (BS8591), extracts of which currently states:

"There should be a minimum of two operators in an ARC [control centre] at all times, capable of carrying out all operational procedures, at least one of whom should be at their workstation at all times".

10. Officers have had discussions with the TSA who confirm that the above Standard is under review. Although they say this is work in progress, it is likely that it will be brought in line with the European Standard. Although 2 Operators on duty at all times is expected to be desired, this will result in Centres who do not have 2 Operators on duty at all times being required to put contingency measures in place should more than one emergency call be received at any one time. Such measures would be likely to include working with another centre or other 24 hour services so that such calls can be diverted, or having a duty worker at another site. There is no technical solution to such contingencies.

11. Authorities who do not comply with the Standard will not pass any TSA annual Audits when the Standard has been reviewed.

Other alarm monitoring centres in Essex

12. The table at Appendix Two sets out all the Control Monitoring Centres in Essex, their staffing arrangements, number of connections, and those who have outsourced the service.

13. As can be seen, 5 authorities have retained the service and all 5 have two Operators on duty at all times, whereas 5 authorities have outsourced alarm monitoring.

Review of the Careline Monitoring Service

14. Although the service currently provides an excellent and reliable service to residents, due to the reasons above it is considered important that this review is undertaken to ensure the future resilience of the service. There appears to be the following three options for the future delivery of the Careline service:

Option One – The Careline Monitoring Service continues to be provided by the Council under the current arrangements

15. The table at Appendix Three shows that the Council is making a surplus on the service by around £13,122 per annum, it should be noted that in real terms when taking into account both the increase in charges made to service users in the current financial year and the slight increase in staffing costs, there would always be a small tolerance in the calculations. Furthermore, the number of dispersed alarms (and number of Council properties with alarms that may be empty for any period) that are monitored at any one time cannot be predicted.

16. The disadvantages of continuing to provide the service under the current arrangements are considered to be as follows:

- The Council would not be meeting with the British Standard set out at Paragraph 10 of the report and would therefore be at high risk should any call not be dealt with correctly by any Careline Operator where a user's well-being is put at risk and a challenge is brought against the Council
- The cost of upgrading the existing call answering equipment to PNC 7 is required at a one-off cost of £46,000
- The difficulties of recruiting and retaining Careline staff and maintaining cover for staff absences, referred to earlier
- The inability to expand the service

17. Due to the disadvantages set out above (apart from the surplus referred to at Paragraph 15) it is felt that the Council can no longer continue to provide the service under the current arrangements. Therefore, it is suggested that Option One is not recommended to the Cabinet by the Committee.

Option Two - The Council provides an enhanced Careline Monitoring Service

18. Under this Option an enhanced service would include employing 5 (FTE) additional staff in order to meet with the British Standard referred to earlier in the report. Also, the existing call answering equipment would need to be upgraded.

19. The advantages of continuing to provide an enhanced Careline service under the current arrangements are considered to be as follows:

- Scheme Managers will continue to have a local service which supports them in their work
- Ability to expand the service without the need to employ further Operators
- The Service can continue to initiate the call-out of rest centre staff in the event of a civil emergency, in accordance with the Housing Emergency Plan
- Careline could provide the homelessness out of hours telephone response service
- All of the procurement costs under Option Three & Four would be avoided
- If the existing call answering equipment, (which is coming to the end of its life expectancy) is replaced by the latest PNC 7 technology this will enable enhanced functionality including; offering GPs and other care professionals lone worker solutions, linking to other agencies systems, enabling staff to update user information in their homes, better accessibility to vulnerable users, translation service and much more

20. The disadvantages of continuing to provide the service under the current arrangements are considered to be as follows:

21. Apart from the busiest time being 9:30 am to 12:30pm weekdays, the service is currently covered by just one Careline Operator. As can be seen from the table at Appendix Four, additional staffing costs have been added in order meet with the British Standard (BS8591), that there should be a minimum of two operators on duty at all times, capable of carrying out all operational procedures, at least one of whom should be at their workstation.

22. Although this would comply with the British Standard, there would be insufficient work to ensure that both Operators would be fully untilised.

23. Importantly, if the service was retained in order to meet with the British Standard the Council would need to increase the establishment by 5.0 (FTE), which would increase staffing costs by around £166,300 per annum which would either need to be absorbed by the Housing Revenue Account (HRA) or passed on to the customer, which could make the service uncompetitive and push service users towards other more cheaper suppliers.

24. The table at Appendix Four sets out the cost to the Housing Revenue Account (HRA) of continuing to provide an enhanced Careline service based upon the level of expenditure expected in 2016/2017. As can be seen, if the Council were to continue with an enhanced service it would result in an increased cost to the Council of around £148,178. Therefore, under this Option in order for the service to break even, based on the calculations in the following table it would be necessary to increase charges to users by around 58%.

Category of User	Current Annual Income (£)	Increased Annual Income (58% £)	Current Annual charges (£)	Increased Annual charges (58%) (£)
Council Tenants – Self Funders (270 x £3.60 pw)	50,500	79,790	187.20 (£3.60 pw)	295.77 (£5.68 pw)
Council Tenants in receipt of housing benefit (777 x 0.55p pw contribution)	22,222	35,110	28.60 (£0.55p pw)	45.18 (0.87p pw)
Private Users (1,380) basic alarm charge including sensors and include income from Housing Association Schemes	185,000	292,300	112.00	176.96
Total	**257,722**	**407,200**		

25. As can be seen, in order to break even there is the disadvantage that the increase in costs to private sector dispersed alarm users would make the service less competitive. The Council's charge would become the 6th highest in Essex. This could result in such users switching to another provider which could reduce income, resulting in higher charges having to be made for remaining users. However, in order to make charges more affordable, they could be reduced by an agreed percentage with any balance being subsidised by the HRA.

26. Further disadvantages are considered to be as follows:

- The cost of upgrading the PNC 5 call answering equipment to PNC 7 at a one-off cost of around £46,000.
- Charges to service users increasing and being uncompetitive in order to meet the additional costs of the enhanced service unless the deficit is funded from the HRA
- Difficulties with recruitment and retention and covering staff absences will increase due to the additional 5.0 (FTE) Posts
- Inability to free up office accommodation
- Missed opportunity to make savings on; staffing through a future staffing restructure of Housing Older Peoples Services;reduced service contract costs and disaster recovery arrangements

Option Three - Monitor the Service through another Provider 24/7

27. Under this Option, the Careline alarm monitoring service would be outsourced to an external provider. However, the Council would still need to provide the associated services set out in Paragraph 36 of the report.

28. Following informal market testing, in order to offer a basic monitoring service to the Council's 2,572 properties currently linked into Careline on a 24-hour basis, it is expected that a third party alarm monitoring service provider would charge approximately £80,000 per annum. However, if the service was to be out-sourced this would be subject to the outcome of any competitive tendering exercise. It is important to note that any potential redundancy costs (set out at Paragraph 35) could be added to any tender obtained.

29. The advantages of monitoring the Careline service through another provider are considered to be as follows:

30. The table at Appendix Five sets out a cost analysis of providing the Careline service externally, based upon 2015/2016 actual out-turn costs and an indicative external provider's monitoring cost. As can be seen, this Option would result in a surplus of around £215,822. Due to the surplus the Council could consider either reducing charges to all service users, providing the service at a much lower cost to sheltered housing tenants, the savings being added to HRA balances or a combination.

31. The following further advantages of outsourcing the monitoring service are considered to be as follows:

- Resolving the difficulties with staff recruitment and retention and covering for staff absences
- Removing the need for an in-house service to meet with the British Standard
- Avoiding costs of upgrading the PNC 5 call answering equipment to PNC 7 at a one-off cost of around £46,000
- Reduction in service contract costs of £14,000 due to the removal of the need for the PNC 5 call answering equipment
- There would be no need to have a disaster recovery plan which would result in an annual saving of £5,750 and the cost of telephone lines reducing.
- Ability to expand the service without the need to employ further Operators
- Ability to free up office accommodation

32. The disadvantages of outsourcing the service are considered to be as follows:

- Although this option would result in savings, there is no guarantee that these would remain at this level in future years and there is the risk that the Council could close the Careline Centre and then have to pay higher charges in future, however, this risk can be mitigated through the application of competition
- If it was decided to out-source the service under this option, it could prove difficult running the Careline centre leading up to the closure/transfer, as staff would be de-motivated by the process, knowing they could become redundant, Members attention is however drawn to the Risk Management Section later in the report
- Officers time involved in procuring the new provider including writing the specification and undertaking the client function
- Re-programming all existing alarm equipment and running dual centres until the hand over is complete will result in some additional one-off costs which is estimated to be around £10,000, however, this cost can be off-set against the cost of £46,000 for upgrading the call answering equipment if the service was retained

- The selected provider could provide a less effective and quality service than the Council
- The need to cover other Council services provided by the Careline Centre set out in the table at Paragraph 36

33. Human Resources advise that if the service was outsourced, existing staff (who spend more than 50% of their time on Careline duties) would transfer to the monitoring provider under the Transfer of Undertakings (Protection of Employment) (TUPE) Regulations. Should their new employer not require their services, then (based on a termination date of 31 March 2018) a total of around £50,000 in redundancy costs would almost certainly be added to the successful tenderer's the first year's monitoring charge. This could be reduced, should it be possible to re-deploy staff. This figure is based on 5.5 FTE's transferring.

34. If Option Three was agreed it would be necessary to cover a number of other services provided at the Careline Centre by other means. These services and the suggested alternative ways of providing the services are set out in the following table:

Service	**Alternative arrangements**
Monitoring CCTV systems at sheltered housing schemes	Monitored by the Corporate CCTV officer through digital recordings as with other Council systems
Lone worker systems for Council staff	Monitored through Mears or the new monitoring service provider
Initiating call-outs of rest centre staff in the event of a civil emergency, in accordance with the Housing Emergency Plan	To be initiated by office staff during office hours and the Homelessness Officer on call out of hours
Monitoring and supporting Scheme Managers who are on/off site including calling "risk" residents at Schemes	Monitoring Service to be provided by the new monitoring service provider supporting EFDC management and retained staff

35. If the service was outsourced, although an external provider would be monitoring the service, the Council would still need to employ a number of staff to carry out the following functions:

- Undertaking the client role in managing the new service provider
- Continuation of TSA accreditation for assessing and installing Telecare equipment
- Continuing to manage the rest of Older Peoples Services
- Performance monitoring
- Partnership working with Social Care, Police etc.
- Visiting users to update information
- Providing cover at sheltered schemes in the Scheme Manager's absence
- Installing and removing dispersed alarms
- Undertaking Telecare assessments and installing sensors
- Undertaking battery changes and testing equipment
- Presentations to local groups and promoting the service generally
- Undertaking general administration

Indicative Timescales

36. If Option three is agreed by the Cabinet early in the New Year, officers will commence work on the tendering process following the call-in period. Bearing in mind that the procurement process could be managed by the procurement arm of the Northern Housing Consortium, of which the Council is a member, the process would take around 12 months. As it would then be necessary undertake the transition including re-programming alarms to the new provider's centre, the handover should be completed around the summer of 2018.

Option Four - Monitoring the Service through another Provider overnight

37. One of the outcomes of the consultation with Careline Operators was that they felt a much more detailed analysis of the Option of monitoring the Careline Service through another provider overnight should be included.

38. Under this Option, the Careline alarm monitoring service would be outsourced to an external provider but only at night between the hours of 8:00 pm to 8:00 am. Existing Careline Operators (5.5 FTE) would monitor the service during the day with 2 on duty. This would meet with the British Standard without the need to employ further staff.

39. Following informal market testing, in order to offer a basic monitoring service of the Council's 2,572 properties currently linked into Careline on an overnight 12-hourly basis, it is expected that a third party alarm monitoring service provider would charge approximately £70,000 per annum. If the service was to be out-sourced overnight this would be subject to the outcome of any competitive tendering exercise.

40. The advantages of monitoring the Careline service through another provider at night are considered to be as follows:

- This would comply with the British Standard as existing staffing levels would enable 2 Operators to be on duty during daytime hours with the external provider monitoring at night.
- Removing the need to upgrade the PNC 5 call answering equipment to PNC 7 at a one-off cost of around £46,000 as calls during the daytime will be managed by the provider's Hosting system
- Scheme Managers will continue to have a local service which supports them in their work
- Ability to expand the service without the need to employ further Operators

41. The disadvantages of monitoring the Careline Service through another provider at night are considered to be as follows:

42. The table at Appendix 6 sets out the cost to the Housing Revenue Account (HRA) of monitoring the service through another provider at night based upon the level of expenditure expected in 2016/2017. As can be seen, if the Council were to outsource the service overnight it would result in an increased cost to the Council of around £50,778.

43. Therefore, under this Option in order for the service to break even, based on the calculations in the following table it would be necessary to increase charges to users by around 20%.

Category of User	Current Annual Income (£)	Increased Annual Income (20% £)	Current Annual charges (£)	Increased Annual charges (20%) (£)
Council Tenants – Self Funders (270 x £3.60 pw)	50,500	60,600	187.20 (£3.60 pw)	224.64 (£4.32 pw)
Council Tenants in receipt of housing benefit (777 x 0.55p pw contribution)	22,222	26,666	28.60 (£0.55 pw)	34.32 (£0.66 pw)
Private Users (1,380) basic alarm charge including sensors and income from Housing Association Schemes	185,000	222,000	112.00	134.40
Total	**257,722**	**309,266**		

44. As can be seen, in order to break even there is the disadvantage that the increase in costs to private sector dispersed alarm users would make the service less competitive. The Council's charge would become the 6th highest in Essex. This could result in such users switching to another provider which could reduce income, resulting in higher charges having to be made for remaining users. However, in order to make charges more affordable, they could be reduced by an agreed percentage with any balance being subsidised by the HRA.

45. Further disadvantages are considered to be as follows:

- Difficulties with recruitment and retention and covering staff absences will remain
- The cost of monitoring the service overnight is only slightly lower, this is due to the inclusion of the new call handling technology required in order for two centres to monitor the same systems
- There are risks associated with having two centres taking calls at different times of day including, delays in systems attempting to contact one centre before being re-diverted to the second centre and the reliance on technology to carry out additional functionality
- There is no guarantee that costs for monitoring the service overnight would remain at this level in future years, however, this risk can be mitigated through the application of competition

- Officers time involved in procuring the new provider including writing the specification and undertaking the client function
- Re-programming all existing alarm equipment will result in some additional one-off costs which is estimated to be around £10,000, however, this cost can be off-set against saving the one-off cost of £46,000 for upgrading the call answering equipment as different technology will be required via the Hosting System which is included in the monitoring cost
- The selected provider could provide a less effective and quality service than the Council overnight
- Inability to free up office accommodation
- Missed opportunity to make savings on staffing through a future staffing restructure of Housing Older Peoples Services
- Service contract costs and disaster recovery arrangements remaining the same
- There may be insufficient work to ensure that both Operators would be fully utilised during daytime hours
- Having to make alternative arrangements to provide associated services including monitoring CCTV systems at sheltered housing schemes, initiating call-outs of rest centre staff in the event of a civil emergency and monitoring the lone worker system overnight

46. Due to the disadvantages set out above, this Option is not being recommended.

Other options Considered

47. Two other options were considered and discounted. Firstly, continuing to provide the service locally but procuring a provider to monitor the service overnight. This option was originally discounted as it was considered this would be costly as it would be necessary to continue to employ all existing staff in order to have two Operators on duty during the day. Furthermore, the Careline call answering equipment would still need to be upgraded with no savings on service contract costs. However, following consultation with staff it was agreed that this would be explored in more detail and therefore has been included at Option Four in the report.

48. The second option discounted was that the Council no longer provided the service to its 1,380 dispersed alarm users who could link into an alternative service provider of their choice. However, under this option, the Council would still need an external provider to monitor its sheltered housing schemes and remaining designated properties for older people on housing estates.

Conclusion

49. It is recommended that the Communities Select Committee recommends to the Cabinet that the Careline Monitoring Service be outsourced to an external provider. It is further suggested that it be recommended to the Cabinet that a report is submitted at a later date on a restructure of Housing Older Peoples Services following the Careline Monitoring Service being outsourced and a review of charges to users, subject to the Cabinet agreeing the outcome of the proposed competitive tendering exercise.

Resource Implications:

As set out under each Option in the report

Legal and Governance Implications:

Housing Act 1985

Risk Management

1. If the Careline monitoring service is outsourced there is a risk that Careline Operators may find alternative employment due to their jobs becoming at risk. As the Council must continue to monitor alarms for older and vulnerable people in the District during any transition the following two steps will be taken to ensure that risk is mitigated.

2. Firstly, Management Board have agreed that if the Cabinet agree that the Careline alarm monitoring service is outsourced, to assist with ensuring continuity of the service during the transition period, Careline Operators will be made an ex-gratia retention payment subject to certain conditions. This payment will be around 20% of their annual salary being a figure recommended by UNISON and may ensure that existing staff remain until the service is handed over to the new provider.

3. Secondly, officers are seeking a quotation from Tunstall Telecom Limited for monitoring calls at night during the transition period. Should some of the Careline Operators leave as a result of any decision to outsource the service then the remaining staff can cover the daytime shifts until the service is handed over to the new provider.

Safer, Cleaner and Greener Implications:

None

Consultation Undertaken:

Careline Operators

1. Careline Operators were consulted on the report, the consultation process started with a meeting on 24 August 2016 and they were given a deadline of 30 days to respond. Their initial comments at the meeting were as follows:

- Careline Operators felt that a much more detailed analysis of the Option of monitoring the Careline Service through another provider overnight (Paragraph 39 refers) should have been set out in the report. In order to meet with their request, this has been included at Option Four in the report.

2. Another meeting was held with them on 4 October 2016 prior to them submitting the rest of their comments which in their own words are as follows:

3. Careline staff was given a report on 24.8.16 which will be presented to the Communities Select Committee in November 2016 regarding the future of Careline. Careline staff are shocked and very disappointed that their Managers are recommending the service be outsourced which would result in the loss of 4 full time posts and 3 part time posts. Staff had 30 days consultation period to respond and comment on the report. All Careline staff submitted their comments and below is a summary of their response.

Option 1 – Careline staff accept that this cannot be considered as an option and that the service cannot continue under the current arrangements.

Option 2 – This would be the preferred option by the Careline Team as existing staff would remain in post with the recruitment of 5 additional staff to meet British Standards and the Tunstall call equipment being upgraded. However, staff are aware of the cost implications of this option.

Option 3 – Careline staff agree that this is not an option they hope would be considered because of the obvious implication of job losses for all staff and the adverse effect this change would have for all service users. In addition, alternative arrangements would need to be made for tasks currently undertaken by the Careline team. These tasks are referred to in paragraphs 36 and 46 (last bullet point) of the report. Other tasks to be included are:

- Monitoring Limes Farm lifts – as well as responding to an emergency call when somebody is trapped in a lift by calling the Fire Service, Careline follow-up the call by contacting the Housing Officers in the Limes Farm Office and/or Facilities.
- Monitoring calls for Lee Valley Parks out of hours.
- Monitoring the main fire bells at Norway House – as well as calling the Fire Service if the main bells are activated it is necessary to contact member of staff from Norway House to attend.

Option 4 – Careline staff were disappointed to read in the original report that very little time had been given to the viability of this option and Management had dismissed this as an option. It was requested that Option 4 be presented in the report in more detail and as a result Careline were given an amended copy of the report. Careline staff request that this option be given serious consideration as it would mean that jobs would not be under threat. It must be noted, however, that if the night shifts were outsourced staff would lose a night allowance payment of approximately £198 per month for full time staff (6 nights) and between £33 - £66 per month for part time staff (1 or 2 nights).

Please refer to point 46 of the report which lists the disadvantages of option 4. Comments raised by Careline staff were:

- Many of the points listed as disadvantages for outsourcing the night shifts are also relevant if the service was monitored 24/7 by another provider.
- Staff do not agree that there would be insufficient work to ensure 2 Operators use their time effectively. The role of the Careline Operator is not just call handling – a considerable amount of administrative work is necessary to ensure the service runs efficiently.

The report refers to difficulties regarding recruiting new staff and the cost necessary to upgrade the Tunstall call equipment. The Careline team believes that:

- There could be a more positive response to job vacancies if applicants had the option of applying for a specific shift pattern i.e. applicant would work only early shifts, only late shifts or only night shifts.
- Financial provision should have been made to upgrade the Tunstall call equipment following the last upgrade to PNC5 – no equipment lasts forever.

4. The Careline team is proud of the service they provide and believe it is a credit to EFDC. They firmly believe that if the service is outsourced to another provider it would have a detrimental effect on how the service is delivered to users in terms of quality and response times.

Officers' response to the comments of Careline Operators

5. It is understandable that Careline Operators are very upset about the prospect of outsourcing the Careline Service and their hard work, commitment and dedication to the service is acknowledged and very much appreciated. They are discounting Option One and accept that the service cannot continue in the long term under the current arrangements. They also discount Option three monitoring the service through and external provider for the reasons stated in Paragraph 3 above.

Response to comments made by Careline Operators under Option Two - The Council provides an enhanced Careline Monitoring Service

6. Under Careline Operators preferred Option being Option Two the following disadvantages would remain:

- Having to recruit and retain 5.0 (FTE) additional Posts at an annual additional cost of £166,300
- Unless the additional expenditure for enhancing the service is funded from the HRA charges to service users would increase by around 58% making the service uncompetitive
- Although financial provision for the cost of upgrading the PNC 5 call answering equipment to PNC 7 at a one-off cost of around £46,000 can be made, if the service was outsourced under Option Three, this expenditure would be avoided
- Problems with covering staff absences will increase two-fold
- There would be a missed opportunity to make savings on staffing through a future staffing restructure of Housing Older Peoples Services
- No savings will be made on service contract costs and disaster recovery arrangements
- There would be insufficient work to ensure that both Operators would be fully untilised
- Although not essential, there would be a missed opportunity to free up office accommodation

Response to comments made by Careline Operators under Option Three - Monitor the Service through another Provider 24/7

7. All of the monitoring required under the bullet points listed will be included in the specification and covered by the external provider if the service was outsourced, apart from Lee Valley Park which could be dealt with by the Council's out-of-hours service provider Mears.

Response to comments made by Careline Operators under Option Four - Monitoring the Service through another Provider overnight

8. Careline Operators would lose their night allowance under this Option. It is also accepted that if there were two Operators on duty, the lack of work for two staff would not be such a problem compared to there being two Operators on duty 24/7. However, Members attention is drawn again to the difficulties of managing the service in this way which in particular are as follows:

- Difficulties with recruitment and retention and covering staff absences will remain
- The cost of monitoring the service overnight is only slightly lower, this is due to the inclusion of the new call handling technology required in order for two centres to monitor the same systems

- There are risks associated with having two centres taking calls at different times of day including, delays in systems attempting to contact one centre before being re-diverted to the second centre and the reliance on technology to carry out additional functionality

- There is no guarantee that costs for monitoring the service overnight would remain at this level in future years, however, this risk can be mitigated through the application of competition
- Officers time involved in procuring the new provider including writing the specification and undertaking the client function
- Unless the additional expenditure for enhancing the service is funded from the HRA charges to service users would increase by around 20% making the service uncompetitive

UNISON

9. UNISON was consulted on the report, the consultation process started on 24 August 2016 they were given a deadline of 30 days to respond. Their comments are as follows:

10. Having fully considered the Options 1-4 of the report and discarding Option 1, which is clearly untenable and Option 2, which is clearly too expensive, the EFDC Branch of Unison offers the following comments on Options 3 & 4:

Option Three - Monitor the Service through another Provider 24/7

- The Council will save the costs involved in upgrading the call answering equipment whether they choose Option 3 or 4
- There are no costings for the removal of the current equipment and "making good" the vacated office space
- The report makes no mention of the need to "free up" office accommodation; the Council already has a number of empty offices
- The Council loses a degree of autonomy over the service
- The Scheme Managers will lose the support of the staff and the service
- It is unlikely that external providers will be able to offer the urgent 48hrs installation service
- There are no costs attributed to the time that Council officers will spend dealing with staff being TUPE'd to the new provider
- Redundancy costs will need to be built into the tenders
- The Council will need to deal with the problems associated with keeping the service running through to the start of the transfer to an external provider
- The Council will need to fund the costs of providing the alternative methods of cover for the additional services being provided, detailed in item 36 of the report

Option Four - Monitoring the Service through another Provider overnight

It appears that it would be in the best interests of both the Council and employees to further explore Option 4. The reasons for this are:

- The Council retains a high degree autonomy over the service and the cost of providing it
- The Council retains the in-house support and expertise for Scheme Managers
- The Council will save both time and money as a result of staff not being TUPE'd to another service provider
- The Council will save a considerable sum, in terms of potential redundancy costs
- The Council is currently in the lower quartile across Essex, in terms of the costs for dispersed alarms and a 20% increase will keep EFDC in the lower half

- The Council will save the costs involved in upgrading the call answering equipment
- The Council will already be having the service covered at night
- This retains the ability to install alarms within 48hrs
- The Council will almost certainly eliminate recruitment and retention problems by removing the need for a night-shift
- The Council avoids the problems of keeping staff whilst the new contract is put in place
- Careline will continue to cover for the additional services being provided, detailed in item 36 of the report

Officers' response to the comments of UNISON

11. Option One is discounted as UNISON considers this is untenable. Furthermore, Careline Operators preferred Option being Option Two has also been discounted by UNISON as they consider it is too expensive.

Response to comments made by UNISON under Option Three - Monitor the Service through another Provider 24/7

12. The cost of removing the current equipment and "making good" the office space would be minimal and freeing up the additional office space was by far not an important point. The Council would retain its autonomy through ensuring the specification is comprehensive and sets out what the Council as the client requires for the external provide including support for Scheme Managers.

13. The 48 hour urgent installation service will continue as this service will be provided by existing Careline Assistants who will not be affected should the service be outsourced. It is accepted that outsourcing the service will result in additional staff time to write the specification and deal with a range of other matters. Although some external assistance may be needed to complete the contract documentation the cost will be minimal particularly when taking into account the savings over future years should the service be outsourced. UNISON is correct in saying that any redundancy costs may be added to any Tender.

14. The problems associated with keeping the service running during the transitional period have been considered and are set out in the Risk Management Section of the report. Finally, the additional services referred to with are covered as set out at Paragraph 36 of the report.

Response to comments made by UNISON under Option Four - Monitoring the Service through another Provider overnight

15. It is accepted that the Council would retain more autonomy over the service during the day, would provide the in-house support and expertise for Scheme Managers and it would avoid TUPE issues. Furthermore, although charges to users would increase it would be by a lesser amount that if the service was enhanced under Option Three and the cost of upgrading the call answering equipment would be avoided. Regardless of which Option is agreed, the ability to install alarms within 48hrs will not be affected.

16. However, officers do not agree that the recruitment and retention problems (and covering shifts) would be resolved by removing the need for a night-shift.

17. Although it is accepted that the transitional arrangements may be easier, Members attention is drawn again to the difficulties of managing the service in this way which in particular are as follows:

18. Member's attention is drawn again to the difficulties of managing the service in the way which in particular are as follows:

- Difficulties with recruitment and retention and covering staff absences will remain
- The cost of monitoring the service overnight is only slightly lower, this is due to the inclusion of the new call handling technology required in order for two centres to monitor the same systems
- There are risks associated with having two centres taking calls at different times of day including, delays in systems attempting to contact one centre before being re-diverted to the second centre and the reliance on technology to carry out additional functionality
- There is no guarantee that costs for monitoring the service overnight would remain at this level in future years, however, this risk can be mitigated through the application of competition
- Officers time involved in procuring the new provider including writing the specification and undertaking the client function
- Unless the additional expenditure for enhancing the service is funded from the HRA charges to service users would increase by around 20% making the service uncompetitive

The Tenants and Leaseholders Federation

The Tenants and Leaseholders Federation were advised of the Review at their meeting on 15 June 2016. They were updated again at their meeting on 31 August 2016. A copy of the report was submitted to their meeting on 2 November 2016 and their comments are as follows:

Having considered the options in detail we agree with the Recommendation that the Communities Select Committee reports to a future meeting of the Cabinet recommending that under Option Three in the report the Council's Careline Monitoring Service be outsourced to an external provider through a competitive tendering exercise.

The Chairman of the Tenants and Leaseholders' Federation will be present at the meeting and will have the opportunity to put forward any further detailed comments that he considers appropriate.

Sheltered Forum

The Sheltered Forum will be informed of the recommendations being made to the Cabinet by the Communities Select Committee at their next meeting on 8 December 2016. Any comments they have will be incorporated in the report to Cabinet.

Due Regard Record

This page shows **which groups of people are affected** by the subject of this report. It sets out **how they are affected** and how any **discrimination** they experience can be eliminated. It also includes information about how **access to the service(s)** subject to this report can be improved for the different groups of people; and how they can be assisted to **understand each other better** as a result of the subject of this report.

S149 Equality Act 2010 requires that due regard must be paid to this information when considering the subject of this report.

If the Communities Select Committee reports to a future meeting of the Cabinet and recommends that the Council's Careline Monitoring Service be outsourced to an external provider through a competitive tendering exercise, it will mean that all calls received from Careline users will be monitored in the same way but by an external provider.

Such a change will not affect the service or any particular group of people, or result in any discrimination. Furthermore, all customers will continue to have access to the alarm monitoring service.

APPENDIX ONE

Charges made for Dispersed Alarms (basic alarm and pendant) in the private sector by other Essex authorities in 2015/2016

Authority	**Charges for Dispersed Alarms (£ Per annum)**
Epping Forest District Council	109.32
Basildon District Council	206.96
Southend Borough Council	125.84
Braintree District Council	104.00
Colchester Borough Council	197.08
Tendring District Council	230.88
Harlow District Council	202.28
Uttlesford District Council	216.32
Chelmsford City Council	N/A
Castle Point District Council	60.00
Brentwood Borough Council	130.00

APPENDIX TWO

Control Centres in Essex, their staffing arrangements, number of connections and those who have outsourced the monitoring service

Authority	**Staffing arrangements**	**Approximate Number of Connections**
Epping Forest District Council	One member of staff on duty at all times, two on duty 9:30am to 12:30pm	2,572
Basildon District Council	Two staff on duty at all times	6,500 (inclusive of Castle Point DC)
Southend Borough Council	Two staff on duty at all times	3,000
Braintree District Council	Two staff on duty at all times, service monitored by Tendring District Council control centre overnight	4,000 (Plus 1,200 connections monitored for Uttlesford DC during the day)
Colchester Borough Council	Two staff on duty at all times	3,100
Tendring District Council	Two staff on duty at all times	2,900 (Plus 1,200 connections monitored for Uttlesford DC & 4,000 connections monitored for Braintree DC both overnight)
Harlow District Council	Monitoring service outsourced to Tunstall Telecom Limited's control Centre	2,000
Uttlesford District Council	Monitoring Service outsourced to Tendring District Council overnight and Braintree during the day	1,200
Chelmsford City Council	Monitoring service outsourced to Tunstall Telecom Limited's control Centre	N/A
Castle Point District Council	Monitoring Service outsourced to Basildon District Council	N/A
Brentwood Borough Council	Monitoring Service outsourced to North Herts Council	N/A

APPENDIX THREE

Current costs of the Careline Monitoring Service to the HRA based upon the 2015/2016 actual out-turn

Item of expenditure	Cost per annum (£)
Management of the service including proportion of Housing Manager (25% of FTE) & Assistant Housing Manager (Older Peoples Services) (45% of FTE)	30,100
Existing cost of Careline staff monitoring the centre including overtime costs, enhanced payments for bank holiday and night working and having 2 staff on duty for the 3 hour busiest period of the day (5.5 FTE)	183,800
Careline equipment budget	18,000
Service contract costs	56,000
Disaster recovery plan not including hourly rate of £125.00	5,700
Telephone lines etc.	32,000
Sub Total	**325,600**
Less income for monitoring dispersed alarms, associated sensors and Housing Association Schemes	185,000
Less income from sheltered housing tenants and tenants living in designated properties for older people who are self-funders not in receipt of housing benefit	50,500
Council Tenants in receipt of housing benefit (777 x 0.55p pw contribution)	22,222
Less Housing Related Support Grant	81,000
Total surplus	**13,122**

APPENDIX FOUR

Costs to the HRA of providing an enhanced Careline monitoring service

Item of expenditure	Cost per annum (£)
Management of the service including proportion of Housing Manager (25% of FTE) & Assistant Housing Manager (Older Peoples Services) (45% of FTE)	30,100
Existing cost of Careline staff monitoring the centre including overtime costs, night allowances and having 2 staff on duty for the 3 hour busiest period of the day (5.5 FTE)	183,800
Additional cost of 5.0 (FTE) further staff in order to meet with the British standard and have Operators on duty at all times	166,300
Careline equipment budget	18,000
Service contract costs	56,000
Disaster recovery plan not including hourly rate of £125.00	5,700
Telephone lines etc.	32,000
Sub Total	**491,900**
Less income for monitoring dispersed alarms, associated sensors and Housing Association Schemes	185,000
Saving of homelessness staff standby payments	5,000
Less income from sheltered housing tenants and tenants living in designated properties for older people who are self-funders not in receipt of housing benefit	50,500
Council Tenants in receipt of housing benefit (777 x 0.55p pw contribution)	22,222
Less Housing Related Support Grant	81,000
Total cost to the Council	**148,178**

APPENDIX FIVE

Cost to the HRA of providing an outsourced Careline monitoring service, based upon 2015/2016 actual out-turn costs and the indicative monitoring cost

Item of expenditure	Cost (£) per annum
Estimated cost of monitoring through another service provider	80,000
Cost of Housing Manager (Older Peoples Services) undertaking the client function (25% of FTE)	12,900
Service contract costs, not including Careline control equipment and disaster recovery	42,000
Careline equipment budget	18,000
Sub Total	**152,900**
Less income for monitoring dispersed alarms, associated sensors and Housing Association Schemes	185,000
Less income from sheltered housing tenants and tenants living in designated properties for older people who are self-funders not in receipt of housing benefit	50,500
Council Tenants in receipt of housing benefit (777 x 0.55p pw contribution)	22,222
Less Housing Related Support Grant	81,000
Less estimated saving in staffing costs associated with the Careline Service following a restructure of the Older Peoples Services Section	30,000
Total <u>surplus</u>	**215,822**

APPENDIX 6

Cost to the HRA of outsourcing the Careline Monitoring Service overnight

Item of expenditure	Cost per annum (£)
Estimated cost of monitoring through another service provider including hosting equipment	70,000
Management of the service, including 35% FTE of Housing Manager time to manage the service during the day including undertaking the client role for outsourcing overnight and Assistant Housing Manager (Older Peoples Services) (45% of FTE)	35,300
Existing cost of Careline staff monitoring the centre including estimated overtime costs, having 2 staff on duty 8am to 8pm (existing 5.5 FTE), but excluding night allowances	172,500
Careline equipment budget	18,000
Service contract costs	56,000
Disaster recovery plan not including hourly rate of £125.00	5,700
Telephone lines etc.	32,000
Sub Total	**389,500**
Less income for monitoring dispersed alarms, associated sensors and Housing Association Schemes	185,000
Less income from sheltered housing tenants and tenants living in designated properties for older people who are self-funders not in receipt of housing benefit	50,500
Council Tenants in receipt of housing benefit (777 x 0.55p pw contribution)	22,222
Less Housing Related Support Grant	81,000
Total cost to the Council	**50,778**

Report to Communities Select Committee

Date of meeting: 21 November 2016

Portfolio: Housing – Cllr S. Stavrou

Subject: HRA Financial Plan 2016/17 – Six-Month Review

Officer contact for further information:

Alan Hall – Director of Communities (01992 56 4004)

Committee Secretary: Mark Jenkins (01992 56 4607)

Recommendations Required:

(1) That the Six-Month Review of the HRA Financial Plan 2016/17 from SDS Consultancy, the Council's HRA Business Planning Consultants, attached as an Appendix be considered; and

(2) That the Select Committee provides any comments or concerns to the Housing Portfolio Holder and Director of Communities accordingly.

Report:

1. At its meeting in March 2016, the former Housing Scrutiny Panel considered the draft HRA Business Plan for 2016/17 and recommended its adoption to the Housing Portfolio Holder, which was subsequently approved. An important part of the HRA Business Plan is the HRA Financial Plan, which sets out the anticipated HRA income and expenditure over the next 30 years.

2. The Cabinet has asked the Communities Select Committee to review updates to the HRA Financial Plan twice each year, at its scheduled meetings in November and March. In addition, senior Housing and Finance officers also formally review the Financial Plan in July and January each year too.

3. Simon Smith from SDS Consultancy has acted as the Council's HRA Business Planning Consultants for many years. SDS Consultancy has undertaken its Six-Month Review of the current HRA Financial Plan, to take account of the Council's current financial position and national and local policies. Their Six-Month Review Report, setting out the changes and current financial position, is attached as an Appendix.

3. The Select Committee is asked to consider the Six-Month Review Report and to provide any comments or concerns to the Housing Portfolio Holder and Director of Communities accordingly.

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1. Introduction

1.1 SDS Consultancy has been appointed to continue the work previously carried out by CIH Consultancy to provide quarterly reviews of the HRA Financial Plan and advise of potential impacts of legislative and policy changes.

1.2 This review takes account of changes to the key assumptions and investment requirements since the February 2016 review and the annual Financial Plan. The Financial Plan demonstrated shortfalls in meeting the New Build Programme but was not extensive in terms of the options available to fund these given the potential impact of legislative changes, which are discussed later in this review. Therefore this review is based on what is certain and to identify funding shortfalls. It is proposed that a detailed options paper will be produced at a later stage once we are more certain with regards to these changes. For the avoidance of any doubt, therefore, this review takes no account of any potential effects of the Housing and Planning Act's proposals relating to the required sale of higher value voids, since the Government's intentions are not yet known.

1.3 This review does take into account the latest approved budgets for 2016.17 inclusive of the HRA, Capital and New Build Programme, in addition it shows the 2015.16 out-turn and the slippage on both the Capital and New Build Programme.

2. Base Budget Position

2.1 The table below shows the budgets to which our modelling is launched:

£'000	Note	Forecast 2015.16 Budget	Out-turn 2015.16 Budget	Original 2016.17 Budget
Rental Income	2.4	32,292	32,150	32,029
Service Charges	2.5	1,641	1,831	1,665
Non-Dwelling Income		862	856	887
Other Income		333	330	353
General Management	2.6	4,859	4,701	4,908
Special Management	2.6	3,777	3,522	3,902
Other Management		194	184	409
Bad Debt Provision	2.7	236	75	120
Revenue Repairs	2.8	5,300	5,855	6,200
Interest Paid		5,596	5,573	5,621
Finance Administration		67	68	70
Interest Received	2.9	(295)	(628)	(169)
Depreciation		7,533	7,627	7,561
Self-Financing Reserve		3,180	3,180	-
FRS 17 Adjustments		(150)	34	(150)
Capital Contributions	2.10	4,900	4,344	6,800
Surplus (Deficit)		**(69)**	**632**	**(338)**

2.2 The above table shows that the 2015.16 out-turn position for the HRA has a beneficial variance of £0.701million, which is for a variety of reasons, with the largest variances being savings on management costs, additional interest earnt and contributions to capital offset by additional contributions to the Housing Repairs Fund.

2.3 The accompanying text for the budgets explains the variances between the 2015.16 out-turn and forecast budget.

2.4 The final out-turn provides the actual rental income against the forecast, which is always difficult to accurately estimate given the number and type of properties sold and void performance.

2.5 The level of service charges recovered from leaseholders for works has contributed to the increase in revenue.

2.6 Actual management costs are lower on account of efficiency savings and delays in filling vacant posts.

2.7 Following a review of the rent arrears profile and delays in the Government's welfare reforms, the contribution to the bad debts reserve is lower than anticipated.

2.8 The Council has decided to increase the contribution to the Housing Repairs Fund to cover the expenditure for the year. This does not have a negative impact to the Business Plan given that the closing balance for the Repairs Fund has increased as detailed later on in this report.

2.9 The interest received accurately reflects the interest receivable on all reserves including the 'over-financed' position of the Council's HRA Capital Financing Requirement (CFR).

2.10 The direct revenue contribution to capital was reduced on account of the cost of works for gas pipe works being charged to the Repairs Fund due to reclassification, with the additional contribution to the Fund identified in Section 2.8 above to cover this.

2.11 This table demonstrates the latest position for HRA capital expenditure.

£'000	**2015.16 Budget**	**2015.16 Out-turn**		**2016.17 Budget**	**2016.17 Revised**
New House Build Programme	4,453	3,384		11,942	10,790
North Weald Hub	300	-		2,900	3,200
Planned Works	6,600	5,490		5,804	6,554
Replacements/Improvements	5,996	4,937		7,481	6,339
TOTAL	**17,349**	**13,811**		**28,127**	**26,883**

2.12 The core reason for under-spend on new-build in 2015.16 is due to the delays with completing Phase 1. The re-phasing of expenditure for Phases 2 & 3 has also affected the revised position for 2016.17.

2.13 The latest modelling actually increases the new build expenditure to £10.801million on account of the very latest projections.

3. Assumptions for Future Forecasts on Revenue Income and Expenditure

3.1 In order to project the future income and expenditure streams we need to make some basic and detailed assumptions that will influence these based on existing knowledge, but also assumed factors.

3.2 As a base principle, all income and expenditure will increase by the assumed RPI (Retail Price Index), which is assumed at 2.5% throughout, except where detailed below. The model is launched matching both years 1 and 2 to 2015.16 and 2016.17 budgets respectively, therefore inflationary factors are applied from year 3, 2017.18, onwards.

<u>Rental Income</u>

3.3 We have already referred to the Government's latest social rent policy which came into force in April 2016. The key outputs from this are that existing tenants will see their rent reduce by 1% each year over a four-year period, which commenced in April 2016. The only deviation from this is that new tenants will be charged the formula rent for the property rather than the outgoing rent. The formula rent for each property was originally calculated in 2002 with annual inflationary increases of RPI plus 0.5% applied since then, with the exception of 2015.16 which was CPI (Consumer Price Index) plus 1%. In accordance with Government policy at the time, the Council had been converging their current rents to formula rent since 2002, with a capped increase, with the aim of achieving this by 2017.18. However, the latest national rent policy has in effect put an end to this, which has resulted in a loss of key revenue for the HRA.

3.4 Other than existing properties being re-let at formula rents (which will reduce by 1% over the four year period due to the Government requirement), new build properties will be let at affordable levels with rents increasing by RPI plus 1% after the four year period.

3.5 From April 2020 rents are forecast to increase by CPI plus 1% per year following the public statement by the former Minister of State for Housing and Planning late last year.

3.6 The first half of 2016.17 has seen an increase in the number of Right to Buy sales. Some 23 properties have been sold already, compared to 11 for the same period last year and the 16 the year before. Therefore, the number of Right to Buy sales projected for 2016.17 has been increased to 40 from the budgeted 20, which results in lower rental income.

3.7 The provision for long-term void loss is set at 1% as per previous levels modelled.

3.8 Due to the changes to Government's welfare reforms in respect of universal credit we have been cautious in our approach to the provision of bad debts. Using the Government's target of implementing direct payments of benefits relating to housing in 2017 we have gradually increased the provision for bad debts to double the level estimated for 2016.17 and then reduced it over a period of 5 years. This is based on the experiences of pilot authorities and the expectation that tenants with rent arrears in excess of 8 weeks will have their housing benefit diverted back directly to their landlord.

Housing Repairs Fund

3.9 The Council operates a Housing Repairs Fund to account for the day to day, cyclical and planned revenue repairs expenditure. An annual contribution is made to the Fund from the HRA to cover actual expenditure.

3.10 In 2015.16 expenditure levels for repairs were £6.338million against the budgeted contribution of £5.3million to the Fund, due to the reclassification of gas pipeworks which were originally budgeted for in the Capital Programme. The actual contribution was £5.855million resulting in a revised closing balance of £1.010million, some £0.573million more than forecast on account of the additional contribution.

3.11 The budgeted contribution to the Fund for 2016.17 is £6.2million against forecast expenditure of £6.489million, resulting in a revised closing balance forecast of £0.721million in the Fund.

3.12 The model has used a reduced £5.974million per annum (inflated) following discussions with officers as basis of actual expenditure moving forward and assumed that the Housing Repairs Fund balance will be used up by 2019.20.

Interest Paid

3.13 Following the self-financing settlement in March 2012 the following loan facilities with the Public Works Loans Board (PWLB) were taken out by the Council to finance the transaction:

Loan (£m)	Interest Basis	Interest Rate	Maturity
31.800	Variable	0.62%	Mar 2022
30.000	Fixed	3.46%	Mar 2038
30.000	Fixed	3.47%	Mar 2039
30.000	Fixed	3.48%	Mar 2040
30.000	Fixed	3.49%	Mar 2041
33.656	Fixed	3.50%	Mar 2042

3.14 Given the vast majority of the loan value is fixed we are certain of most of the interest that will be charged to the HRA.

3.15 For the variable loan we have estimated that the current interest rate of 0.62% will increase by:

- 0.75% in 2017.18;
- 0.25% in 2018.19;
- 0.5% in 2019.20; and
- 0.5% in 2021.22 to a maximum of 2.62%.

This forecast will need to be continually reviewed given the current economic state which threatens a rise in inflation and a subsequent increase in the interest base rate.

3.16 The Council's HRA CFR (accounting debt level) was in fact in a negative position of £31.882million prior to self-financing due to the capital receipts from right to buy receipts. This means the actual HRACFR is currently £153.575million against the loan total of £181.456million, which results in the HRA being 'over-borrowed'. This arrangement was required to ensure that the General Fund was not adversely affected by the self-financing settlement at the time, which is a need that continues.

Depreciation

3.17 The Council has a depreciation policy based on proper accounting practice and HRA depreciation charges which have increased steeply in recent years. However the transitional measures within the self-financing settlement allow for these to be reversed.

3.18 This arrangement is transitional and CIPFA are due to release further guidance on how councils should depreciate based on componentisation techniques, which the Council already does. It is thought unlikely that any new proposals will affect the overall funding available for the HRA although the details will have to be scrutinised to ensure funding for the new build programme is not adversely affected.

Service Enhancements

3.19 Originally, when self-financing was introduced in March 2012, it was estimated that the Council could afford to provide for an annual provision of £0.770million for service enhancements throughout the life of the Financial Plan.

3.20 Since 2012 approximately £0.2million of improvements and service enhancements have been subsumed into the management budgets of the HRA for ongoing services. Following the identification that, for the next few years, available resources for the HRA are lower than anticipated against the backdrop of higher capital expenditure and reduced rental income, the residual £0.570million has not been provided for within the latest modelling. However, members have previously approved that, from 2017.18 onwards, £50,000 per annum will continue to fund small improvements above those allowed for in existing budgets.

3.21 We have discussed further in this report the reintroduction of service enhancements when the plan can afford to do so.

4. Assumptions for Future Forecasts on Capital Expenditure

4.1 The projections for capital expenditure have been split into four distinct areas and are detailed in the sections below:

Short to Medium Term Investment in Existing Stock

4.2 The budgeted forecast presented to Members in January 2016 has been updated and the next four years' forecast expenditure (and 2015.16 out-turn) is as follows and included within the model (excluding New Build and Acquisitions):

Existing Stock Capital Expenditure £'000	**Out-turn 2015.16**	**2016.17**	**2017.18**	**2018.19**	**2019.20**
North Weald Depot	£0	£3,200			
Heating/Rewiring/Water Tanks	£3,104	£3,735	£2,253	£2,525	£2,525
Windows/Doors	£854	£1,219	£1,074	£1,041	£1,041
Roofing	£1,151	£1,451	£1,190	£1,232	£1,232
Other Planned Maintenance	£380	£149	£386	£371	£371
Structural Schemes	£592	£800	£400	£400	£400
Small Capital Repairs/Voids	£0	£0	£1,138	£1,138	£1,138
Kitchen & Bathroom Replacements	£3,209	£3,448	£4,352	£4,412	£4,412
Garages & Environmental Improvements	£357	£1,165	£306	£312	£312
Disabled Adaptations	£462	£430	£450	£450	£450
Other Repairs & Maintenance	£227	£256	£115	£115	£115
Capital Service Enhancements	£89	£432	£100	£0	£0
Housing DLO Vehicles	£0	£108	£50	£50	£50

Less Work on Leaseholder Properties	£0	-£300	-£150	-£150	-£150
Efficiency Savings on Modern Standard	£0	£0	-£300	-£300	-£300
TOTAL	**£10,427**	**£16,093**	**£11,364**	**£11,596**	**£11,596**

Long-Term Investment in Existing Stock

4.3 The Council has a database which estimates the required level of investment in the Housing Stock. This database was updated in late August 2016 to reflect the review undertaken by officers from EFDC Housing to reduce the level of investment in the stock in response to the reduced capital resources available, due to the reduction of rents identified in the February 2016 review.

4.5 In summary the current forecast expenditure is as follows:

HOUSING (HRA) PORTFOLIO 30 YEAR CAPITAL PROGRAMME AVERAGE LIFECYCLES					
	Years 6-10 £000	Years 11-15 £000	Years 16-20 £000	Years 21-25 £000	Years 26-30 £000
Total Planned Maintenance	**32,188**	**29,472**	**13,357**	**16,911**	**14,071**
Roofing	11,505	6,811	4,081	1,159	1,429
Rewiring	876	4,237	1,819	876	3,382
Front entrance door replacement	270	299	525	576	1,177
PVCu Window replacement	5,448	4,495	1,259	672	4,986
Heating and boiler replacement	11,224	5,251	3,164	10,639	198
Asbestos removal	281	1,560	918	575	1,232
Energy efficiency	991	3,171	412	1,500	547
Norway House improvements	250	250	250	250	250
Balcony Resurfacing	150	-	150	105	150
Door Entry Security	-	27	167	100	13
Ventilation	200	200	200	200	160
Communal TV Upgrade					
Communal water tank replacement	991	3,171	412	259	547
Structural Schemes	**1,500**	**928**	**1,168**	**1,369**	**1,639**
Cyclical Maintenance	**75**	**75**	**75**	**75**	**75**
Small Capital Works	**1,750**	**1,750**	**1,750**	**1,750**	**1,750**
Cost reflective improvements	**15,682**	**15,385**	**13,506**	**14,033**	**18,165**
Kitchen & bathroom renewals	15,682	15,385	13,506	14,033	18,165
Non-cost-reflective repairs	**1,500**	**1,500**	**1,250**	**1,000**	**1,504**
Disabled Adaptations	**2,321**	**2,962**	**3,780**	**4,825**	**6,158**
Other repairs and maintenance	**500**	**500**	**500**	**500**	**500**
Feasibilities	**75**	**75**	**75**	**75**	**75**
Housing DLO Vehicles	**250**	**250**	**250**	**250**	**250**
TOTAL EXPENDITURE	**55,841**	**52,897**	**35,712**	**40,788**	**44,188**

4.6 These costs have been modelled into the Financial Plan with inflationary increases and an assumed 2.5% recovery for Leaseholders (an increase from the 1.3% assumed before, due to the re-profiling of the expenditure).

4.7 The table below shows the comparison in expenditure between this and the Quarter 1 Review.

30 YEAR CAPITAL PROGRAMME AVERAGE LIFECYCLES – February 2016 to August 2016					
	Years 6-10 £000	**Years 11-15 £000**	**Years 16-20 £000**	**Years 21-25 £000**	**Years 26-30 £000**
PREVIOUS TOTAL EXPENDITURE	60,766	46,361	44,868	43,124	43,753
CURRENT TOTAL EXPENDITURE	55,841	52,897	35,712	40,788	44,188
VARIANCE	(4,925)	6,536	(9,156)	(2,336)	435

4.8 In previous iterations and reviews of the HRA Financial Plan, additional service enhancements over and above the £0.57million detailed in Section 3.20 have been factored in to demonstrate the additional resources available to improve both services and the stock. The base iteration of this model excludes any of these provisions and only includes those contained within the existing capital budgets in the tables in Sections 2.11 and 4.2.

New Build Programme

4.9 The latest estimates for the new build programme are detailed below:

Schemes £'000	**2015.16**	**2016.17**	**2017.18**	**2018.19**	**2019.20**	**2020.21**
Marsden/Faversham	626					
Phase 1	1,956	1,668	1,105			
Phase 2	384	4,107	6,069	30		
s106 Purchases	7	982	556			
Phase 3	157	1,486	5,302	557		
Phase 4	186	182	5,108	2,511	66	
Phase 5	68	59	1,238	2,360	171	
Phase 6	1	162	220	6,949	3,422	83
Acquisitions		2,055				
Other		99	113	113	113	
TOTAL	**3,384**	**10,801**	**19,710**	**12,520**	**3,773**	**83**

4.10 In direct comparison with the Quarter 1 Review, new build and acquisition expenditure has decreased from £52.569million to £50.270million for Phases 1 to 6 from 2015.16 onwards.

4.11 The variances, and their reasons, are:

Marden/Faversham:	-£0.112million	- saving due to final costs
Phase 1:	£1.381million	- retender to complete the build
Phase 2:	£0.438million	- increased tender prices
Section 106:	£0.082million	- revision of price
Phase 3:	£0.744million	- allowance for increased prices
Phase 4:	-£1.374million	- revision of schemes
Phase 5:	-£4.412million	- revision of schemes
Phase 6:	£0.089million	- revision of schemes
Acquisitions:	£0.427million	- additional properties being purchased
'Other':	£0.438million	- this is the provision for additional staffing support on development work

5. Funding the Forecast Capital Expenditure and its Implications

5.1 The rental income from the HRA covers the key operating expenditure for management, day to day repairs and financing costs. In addition a depreciation charge is made, as discussed in Section 3.17, which credits the Major Repairs Reserve, which in turn funds the Capital Programme.

5.2 The HRA also makes a revenue contribution to capital expenditure, which in effect is a balancing charge to fund the annual capital expenditure after other resources have been accounted for.

5.3 For the projections moving forward, the revenue contribution continues to be a balancing charge, however, it is restrained by ensuring that the HRA balances do not go below the agreed £2million minimum balance. Given that the modelling is long-term, the minimum balance is increased by inflation from year 6 in the Plan.

5.4 The Council also holds a self-financing reserve with the intention of building up balances within it that would be sufficient to repay the loans identified in Section 3.13. Due to increased levels of capital expenditure for the next few years against the backdrop of reduced revenue, for illustrative purposes only (and subject to the planned HRA Financial Options Review later this year) we have considered two simple options of either continuing to keep the Reserve in order to repay the £31.8million loan due in year 7 or utilise the balances of £12.72million in order to fund the Capital Programme over the first four years of the Plan. The second option will result in the inability to repay the first loan, referred to in Section 3.13, of £31.8million. To date it has been budgeted that £3.852million will be used to finance the 2016.17 Capital Programme. We will discuss the impact of this further on in this report.

5.5 The Council has received certain grants and receipts from section 106 agreements which are being used to fund the new build programme. These have been fully accounted for in the first two years of the Plan totalling £1.744million. In addition, there are still significant agreed levels of S106 financial contributions due to the Council, amounting to around £4.8million, to be used for the Housebuilding Programme in the future, once specific "trigger points" are reached for the various private developments. As and when these S106 contributions are received, it will reduce the amount of funding required from the existing Capital Programme by an equivalent amount. However, it should be noted that if a development does not go ahead, or if the level of S106 financial contribution is subsequently re-negotiated, this total amount would reduce accordingly.

5.6 The Council was successful in its application for HCA grant funding towards 40 of the 51 properties in Phase 2 of the new build programme of £0.475million. However, on account of reasons explained in Section 5.14 below the Council has decided not to take up this grant.

Right to Buy Sales

5.7 Since the reinvigoration of the Government's Right to Buy policy, the Council has sold in excess of 155 additional properties due to the increase of discounts available.

5.8 The gross receipts are then separated into different categories for their treatment, guided by the policy and discussed below:

5.9 The first call on the receipts is the allowable (or attributable) debt which the authority keeps, derived from the level ascertained from the self-financing settlement for the expected number of sales. The receipts can either be distributed to the HRA or the General Fund. The Council's Cabinet has agreed that an equivalent value to 30% of 'assumed debt' within the self-financing settlement can be used for funding new build within the HRA with the balance going to the General Fund to protect against any future measures that may affect the Council, which are discussed in Section 5.11. For 2016.17 £0.366million will be attributed to the HRA and we estimate that £0.105million, each year, will be available for the following three years. This equates to a total of £0.682million against a previously recorded £1.140million when using a different basis for the level of receipts attributable to the HRA.

5.10 The Council is also allowed to retain £1,300 per property sold to cover administration costs and this is assumed to be accounted for within existing HRA budgets, offsetting expenditure incurred in delivery of the service.

5.11 Before self-financing, local authorities were able to retain 25% of net Right to Buy receipts with the remaining balance returned to Government. This is still accounted for within the treatment of the receipts but based on a pre-determined value by the Government. For Epping Forest this 25% factor is equal to £0.340million and is used for General Fund purposes. If the actual number of Right to Buy sales in future years falls below the pre-determined level within the self-financing settlement then this level of receipt is at risk to the Council's General Fund, hence the arrangement set out in Section 5.9 above.

5.12 The next call on the receipt is the amount that the Council can retain to help fund Right to Buy 'buy-backs' that were originally purchased within 10 years of the RTB sale. The formula allows, with quarterly restrictions, 50% of the amount that was spent by authorities on these 'buy-backs'. To date the Council has £0.294million retained on account of this and we have included this for funding capital works in year 3 of the plan.

5.13 Finally, if a balance remains within the quarter, this is transferred to a '1-4-1' reserve. The Government stipulate, as part of the signed agreement with EFDC, receipts have to be used within 3 years of accruing and have to be spent on funding a maximum of 30% on providing new homes.

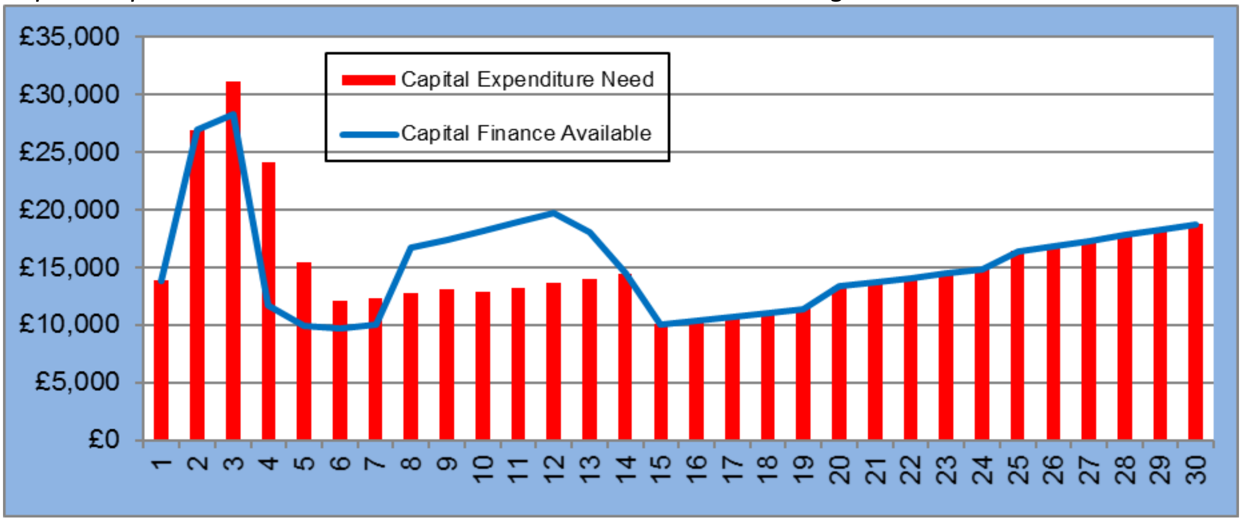
5.14 We have maximised the use of Right to Buy receipts throughout the modelling to ensure that 30% of new build expenditure levels has been fully utilised. Due to the re-profiling of new build expenditure (Phase 1 being a major reason), it became apparent that £0.270million of '1-4-1' receipts were at risk of being returned to the Government by the end of 2016.17 as insufficient eligible expenditure would have been achieved. Therefore, through the Council's decision not to take up the HCA grant for the major element of Phase 2, there has been a large increase to eligible expenditure, thus protecting these receipts that would have accrued over the previous three years, plus an interest charge of 4% above base rate for those three years.

5.15 Right to Buy levels have been assumed to reduce to 20 per year until year 4 (2018.19) and will then gradually further reduce. We will carefully monitor separate forecasts in terms of Right to Buy numbers, though other factors may well see an increase in sales as detailed further in this Quarter 2 Review. Whilst this will increase the level of '1-4-1' receipts and attributable debt allocations, the longer-term position will see a negative impact in terms of future revenue through loss of rents.

The Capital Funding Forecast

5.16 The graph below demonstrates the capital forecast expenditure for both the existing Capital Programme, new build programme, revised expenditure as identified in Sections 4.5 to 4.9 and the future investments needs, with inflation applied, from Section 4.2.

Capital Expenditure Forecasts – Base Position With No Borrowing £'000

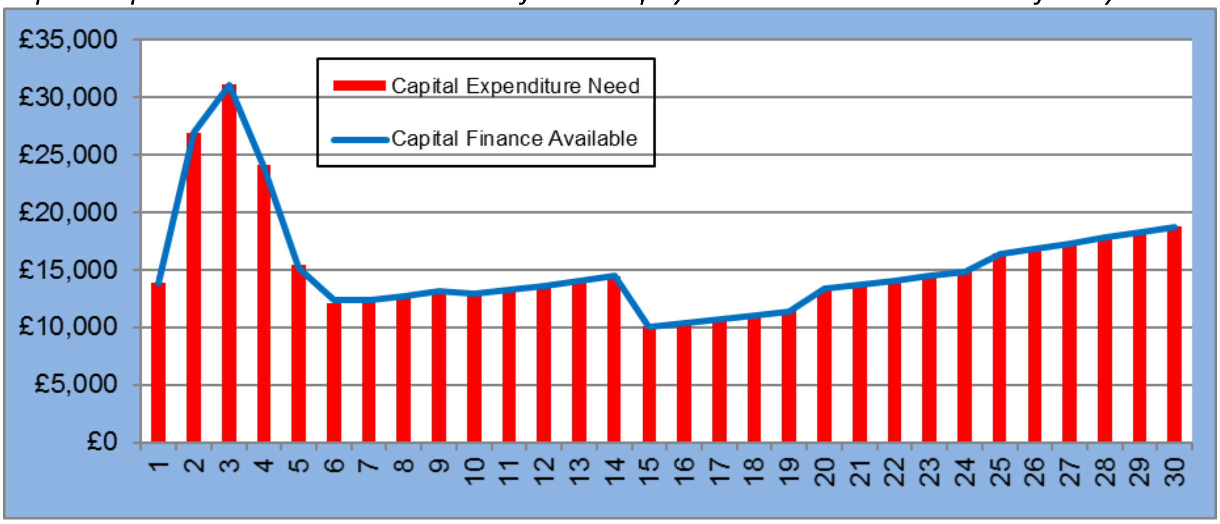


5.17 In years 3 to 7 there is a collective shortfall of £25.236million (£27.486million including inflation) to fund capital expenditure if no borrowing is undertaken by the HRA in these years.

5.18 If the expenditure were to be re-profiled then it could be fully funded by spreading it to year 13.

5.19 Therefore, for illustrative purposes only, we have modelled the position to show the effects of refinancing the £31.8million loan that is due to mature in year 7 for repayment in year 13 at a rate of 4% and utilising the £12.72million currently within the self-financing reserve.

Capital Expenditure Forecasts – With Deferred Repayment the £31.8millon loan for 6 years



5.20 This improves the shortfall considerably by reducing it to £0.257million in year 5, with the ability to catch this up over the following year.

5.21 Instead of extending the repayment of the £31.8million, short-term borrowing could be undertaken instead. The table below shows the borrowing required to ensure that there are no capital investment shortfalls and that the £31.8million loan repays in year 7.

Year	Borrowing Required
Year 3	£2.822million
Year 4	£13.059million
Year 5	£6.190million
Year 6	£3.287million
Year 7	£3.366million
Total	**£28.724million**

5.22 The loans are based on a fixed interest charge of 4% with repayment in year 14.

5.23 Actual decisions for whether additional borrowing, deferred loan repayment or if capital investment in the stock should be reduced will be considered in detail as part of the planned further HRA Financial Options Review later this year.

5.24 Clearly, though, if the amount of planned investment in the existing housing stock was reduced through, for example, not seeking to achieve the Council's recently-introduced Modern Home Standard, the amount of required refinancing could be reduced accordingly.

6. Forecast HRA Balances and Future Resources Available

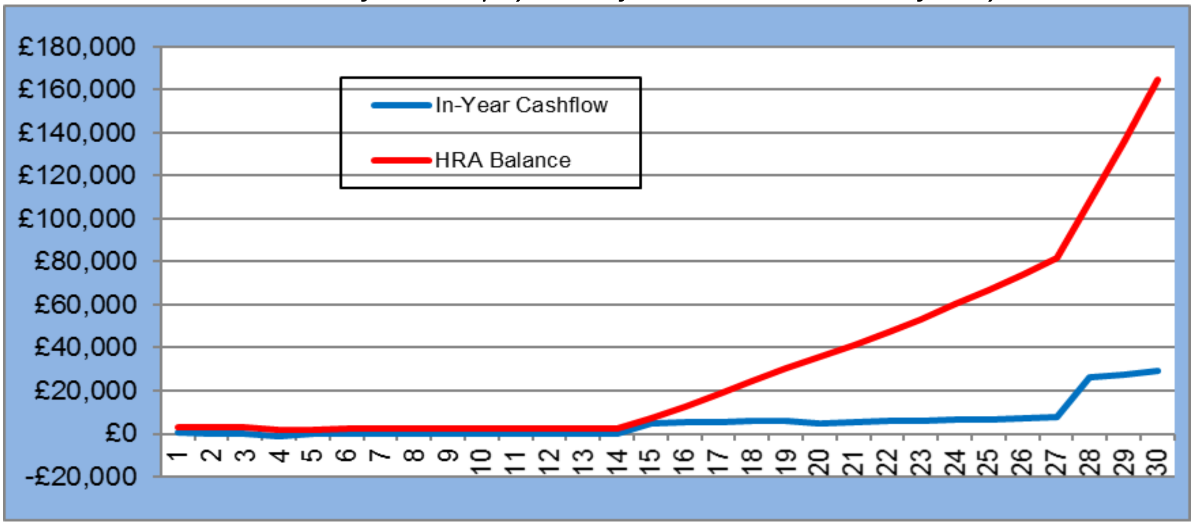
6.1 This section seeks to ensure that the HRA maintains its minimum balance of £2million, allowing for inflation moving forward.

6.2 For this assessment we have modelled on the assumption that the repayment of the £31.8million loan is deferred from year 7 to year 13 so that shortfalls on the capital expenditure are almost eliminated.

6.3 To ensure that the HRA has sufficient resources available to repay the loans as they fall due, the self-financing reserve is utilised to make annual contributions from year 14 onwards with a required annual increase applied to the initial contribution to ensure a balance is available to repay the final loan in year 27.

6.4 The graph below shows the balances that will begin to accrue within the HRA once the deferred £31.8million loan is repaid, capital shortfalls met and sufficient resources have been placed in the self-financing reserve to repay all the other HRA loans from the PWLB.

Forecast HRA Balances – Deferred Repayment of the £31.8million loan for 6 years



6.5 From year 27, after repayment of the existing debt profile, the HRA's balances substantially increase to over £160million as there is no longer a contribution required to the self-financing reserve, nor interest payments.

6.6 We have assessed, as a way of identifying available resources, the value of service enhancements that could be introduced in the latter stages of the plan. This includes a comparison against the February 2016 review (where additional debt was modelled to avoid any capital shortfalls).

	February 2016 Review Total Expenditure In Period (Inflated Values)	**October 2016 Review Total Expenditure In Period (Inflated Values)**
Years 11-15	£0.5 (£0.7) million	£3.4 (£4.8) million
Years 16-20	£4.9 (£7.8) million	£17.2 (£26.1) million
Years 21-25	£9.0 (£16.3) million	£15.1 (£26.0) million
Years 26-30	£42.7 (£87.4) million	£44.3 (£87.7) million
TOTAL	**£57.1 (£112.2) million**	**£80.0 (£144.6) million**

6.7 Due to the impact of the reduction in rental income and increased costs for the house building and Capital Programme the value of service enhancements from previous iterations of the Financial Plan have significantly reduced. However, as a result of the revised capital expenditure profile for investment in the stock and increased leaseholder contributions, the level of potential service enhancements has increased since the last review.

6.8 Again, the potential for incorporating provision within the Plan for service enhancements towards the latter stages, or spreading over the period of the Plan, will be considered in detail as part of the planned further HRA Financial Options Review later in 2016.

7. Summary and Other Considerations

7.1 The HRA projections based on the assumptions within the report demonstrate that, in the long term, the HRA is viable in that:

- The HRA remains above the minimum £2million (inflated) balance
- The HRA will be debt free and return to its prior position of a negative balance on the HRA CFR of £31.888million
- There are no unfunded capital works (provided that the repayment of the £31.8million is deferred by 6 years and £0.257million of works are re-profiled or £28.724million is borrowed and repaid by year 14)

7.2 The HRA in the latter years can also afford to make provision for service enhancements and improvements, in addition to the required levels of investment in the stock and new build, of £80million at today's prices.

7.3 There are, however, policy changes which are in the recent Housing and Planning Act 2016 that will have implications to the HRA, not least the expectation that vacant Council homes are sold to fund the required annual levy payment to the Government (see below).

Vacant Higher Value Local Authority Housing

7.4 Under the Housing and Planning Act 1996, the Right to Buy policy is being extended to housing association tenants, through a voluntary arrangement with housing associations. However, to enable this policy to work, housing associations have said that they would need to be fully compensated for the sale of their properties at the much higher discounted rates than the Right to Acquire rates currently applied.

7.5 To date, housing associations have signed up on a voluntary basis to avoid legislative change, which is an arrangement included in the Act, and certain restrictions have been put in place to ensure that the number of sales will be on a phased basis. Currently, this is only being operated on a trial basis with a small number of pilot housing associations.

7.6 To enable the Government to fund this policy it was proposed that councils could sell their higher value voids to assist with this, but could also potentially retain some of the payment to re-provide accommodation at a lower price.

7.7 The Act allows the Government to charge councils a levy that it will expect from councils on an annual basis, but with the possible opportunity (subject to the agreement of the Secretary of State) to enter into an agreement to reduce the payment to Government in order to build or provide new affordable housing locally within their District.

7.8 There is no indication at this stage as to how much the levy will be. The Act allows for this determination to be amended annually. Councils have provided statistical data which will be used by the Government to determine this value. We expect that this calculation will be issued via a consultation in terms of the data used and the methodology. However, there is provision in the Act for this to be introduced part way through a year, so we would anticipate this being introduced in either 2016.17 or 2017.18

7.9 The Government expects authorities to fund this determination by considering selling higher value voids as they fall vacant through a "free-standing duty". So the selling of higher value voids will come under guidance and not statute at this stage.

7.10 The very limited detail in respect of the arrangement is not sufficient to allow any form of modelling at this stage, along with the actual determination itself. However, it could mean that the Council could benefit by reducing the payment to Government by allocating any reduction allowed by the Government to the latter stages of the Council's new build programme, thereby reducing the funding requirement from the Council's Capital Programme further.

7.11 The impact of this determination will be modelled once the consultation has been issued in order to inform the Council's response. This will, undoubtedly, affect the revenue stream to the HRA, but there may be the potential for some of the receipt to be retained as attributable debt. All of this will be explored further as part of the planned further HRA Financial Option Review.

<u>Rents for High Income Social Tenants</u>

7.12 The Government is also introducing, through the Act, a 'Pay to Stay' policy, which means that Council properties that have a household income over £31,000 per annum (outside London) will be subject to being charged a market rent (or near market rent) rather than the current social rent. The Government has said that a sliding scale will be introduced where, for every £1,000p/a income above £31,000, tenants will pay an additional £150p/a up to the market rent level. This level will be set by regulation. The onus will be on landlords to identify the tenants affected through changes to tenancy agreements to supply earnings information, which will obviously involve additional time and costs to the current housing service. Apart from this cost, part of which is expected to be funded from the increased rental income, the Government's proposals should have a neutral effect on the Council's Plan, since the potential additional income is forwarded to the Government and not for the Council to retain, unlike the proposed voluntary arrangement with housing associations.

7.13 Under the Act, information sharing with HMRC will be possible to verify information provided by tenants. However, it is unlikely that this will be in place until sometime after the Government's currently stated implementation date of April 2017.

7.14 There is the potential, however, that Right to Buy sales may increase as a result of this policy. For example, the cost of a mortgage and maintenance costs may well be less expensive to a tenant if right to buy is pursued, when compared to the charge of a market equivalent rent.

Voluntary Return of '1-4-1' Receipts

7.15 Given the uncertainties identified above and the potential that the levy payable under the vacant higher value policy could be significantly reduced if used towards providing additional affordable housing the Council should consider its current position on the retention of '1-4-1' receipts.

7.16 This is particularly due to the high number of Right to Buy sales already witnessed this year and with a number of applications still being processed. In Quarter 2 of 2016/17 alone, £1.364million of receipts were attributed to the '1-4-1' reserve which puts an immense pressure on the housebuilding programme to deliver expenditure of £4.547million within the next three years, just to ensure that Quarter 2's receipts do not require returning to the Government, with interest accruing at least at £156 per day, which would be chargeable to the HRA.

7.17 Therefore on the 3rd November 2016 the Council's Cabinet is meeting to discuss whether to voluntarily pay these receipts over to the Government "temporarily" to avoid the uncertainty of having to return these in 3 years with a substantial interest charge.

Simon Smith
SDS Consultancy
October 2016

Appendix 1

Key Assumptions

1. All rents decreasing by 1% for 4 years commencing 2016.17
2. Rents increasing by CPI plus 1% after this period
3. 6% of tenancies (on a reducing balance) moving to formula rent
4. Void levels 1% throughout
5. Bad Debts Provision to match budgets then increase to 1% then reduce to 0.75%
6. Right to Buy levels at 20 per year for the next four years then gradually reduce
7. Un-pooled Right to Buy Receipt (up to Government cap) utilised by General Fund
8. 30% of the Assumed Debt element of receipt used to fund new homes
9. New Build of 219 properties years 1 to 5 (inclusive of s106 properties)
10. Service Charge income increasing by RPI only
11. Non Dwelling Rents (Garages) increasing by RPI only
12. Norway House Rents increasing by RPI only
13. Contributions from the General Fund (for service) increasing by RPI only
14. Management Costs increasing by RPI only
15. Repair Costs increasing by RPI only (after Repairs Fund adjustments)
16. Capital Improvement Costs increasing by RPI plus 0.25% from year 6
17. Base rate for variable interest calculations increasing from 0.5% to 2.0% by year 5

Appendix 2 – HRA Forecasts (With £31.8million Debt Repayment Deferral for 6 Years and Without Service Enhancements)

HOUSING REVENUE ACCOUNT PROJECTIONS
Epping Forest DC

Year	2015.16	2016.17	2017.18	2018.19	2019.20	2020.21	2021.22	2022.23	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30
£'000	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
INCOME:															
Gross Rental Income	32,417	32,202	32,482	32,656	32,618	33,660	34,682	35,744	36,841	37,967	39,126	40,319	41,545	42,804	44,097
Void Losses	-267	-225	-245	-247	-325	-336	-346	-356	-367	-379	-390	-402	-414	-427	-440
Charges for Services & Facilities	1,831	1,665	1,707	1,749	1,793	1,838	1,884	1,931	1,979	2,029	2,079	2,131	2,185	2,239	2,295
Non-Dwelling Rent	856	887	909	932	955	979	1,004	1,029	1,054	1,081	1,108	1,135	1,164	1,193	1,223
Contribution From General Fund	330	353	362	371	380	390	399	409	420	430	441	452	463	475	487
Total Income	35,167	34,882	35,215	35,461	35,421	36,531	37,623	38,756	39,927	41,128	42,364	43,636	44,942	46,284	47,662
EXPENDITURE:															
Supervision & Management - General	-4,701	-4,908	-5,031	-5,156	-5,285	-5,418	-5,553	-5,692	-5,834	-5,980	-6,129	-6,283	-6,440	-6,601	-6,766
Supervision & Management - Special	-3,522	-3,902	-4,000	-4,100	-4,202	-4,307	-4,415	-4,525	-4,638	-4,754	-4,873	-4,995	-5,120	-5,248	-5,379
Other Management Expenditure	-184	-409	-419	-430	-440	-451	-463	-474	-486	-498	-511	-524	-537	-550	-564
Provision for Bad/Doubtful Debts	-75	-120	-241	-319	-240	-248	-255	-263	-271	-279	-288	-296	-306	-315	-324
Contribution to Repairs Fund	-5,855	-6,200	-5,974	-5,974	-5,253	-5,974	-6,143	-6,380	-6,606	-6,799	-6,969	-7,144	-7,322	-7,505	-7,693
Total Revenue Expenditure	-14,337	-15,539	-15,664	-15,979	-15,421	-16,398	-16,829	-17,334	-17,835	-18,311	-18,770	-19,241	-19,724	-20,218	-20,726
Interest Payable on Loans	-5,573	-5,621	-5,744	-5,863	-6,022	-6,181	-6,185	-6,620	-6,620	-6,620	-6,620	-6,620	-5,984	-5,348	-5,348
Treasury Management Expenses	-68	-70	-72	-74	-75	-77	-79	-81	-83	-85	-87	-90	-92	-94	-96
Interest on Receipts & Balances	628	540	449	395	422	524	648	692	737	793	909	996	820	658	827
Net Depreciation	-7,627	-7,561	-7,561	-7,561	-7,561	-7,750	-7,944	-8,142	-8,346	-8,555	-8,768	-8,988	-9,212	-9,443	-9,679
Net Operating Income	8,190	6,631	6,623	6,380	6,764	6,649	7,234	7,271	7,780	8,350	9,027	9,694	10,750	11,839	12,640
APPROPRIATIONS:															
FRS 17 /Other HRA Reserve Adj	-34	150	154	158	162	166	170	174	178	183	187	192	197	202	207
Self Financing Reserve	-3,180	0	0	0	0	-2,500	-3,000	-3,000	-3,200	-4,000	-4,750	-5,375	-6,000	-7,060	-7,519
Revenue Provision (HRACFR)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital Expenditure Charged to Reven	-4,344	-6,800	-7,000	-7,504	-6,922	-4,194	-4,167	-4,566	-4,746	-4,317	-4,455	-4,610	-4,807	-5,000	-389
Total Appropriations	-7,558	-6,650	-6,846	-7,346	-6,760	-6,529	-6,997	-7,392	-7,768	-8,134	-9,018	-9,793	-10,610	-11,858	-7,701
ANNUAL CASHFLOW	632	-19	-223	-967	4	120	237	-121	12	216	9	-98	140	-19	4,939
Opening Balance	2,570	3,202	3,183	2,960	1,993	1,997	2,118	2,355	2,234	2,245	2,461	2,470	2,372	2,512	2,493
Closing Balance	3,202	3,183	2,960	1,993	1,997	2,118	2,355	2,234	2,245	2,461	2,470	2,372	2,512	2,493	7,432
Other HRA Reserve Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Self Financing Reserve	12,720	8,868	6,046	0	0	2,500	5,500	8,500	11,700	15,700	20,450	25,825	25	7,085	14,604
HRA New Build Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

HOUSING REVENUE ACCOUNT PROJECTIONS
Epping Forest DC

Year	2030.31	2031.32	2032.33	2033.34	2034.35	2035.36	2036.37	2037.38	2038.39	2039.40	2040.41	2041.42	2042.43	2043.44	2044.45
£'000	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
INCOME:															
Gross Rental Income	45,432	46,812	48,229	49,687	51,186	52,735	54,336	55,983	57,678	59,422	61,220	63,076	64,985	66,951	68,974
Void Losses	-453	-467	-481	-495	-510	-526	-542	-558	-575	-592	-610	-629	-648	-667	-688
Charges for Services & Facilities	2,353	2,411	2,472	2,533	2,597	2,662	2,728	2,797	2,866	2,938	3,012	3,087	3,164	3,243	3,324
Non-Dwelling Rent	1,253	1,285	1,317	1,350	1,383	1,418	1,453	1,490	1,527	1,565	1,604	1,644	1,686	1,728	1,771
Contribution From General Fund	499	511	524	537	551	564	578	593	608	623	638	654	671	688	705
Total Income	49,084	50,552	52,061	53,612	55,207	56,853	58,555	60,304	62,104	63,955	65,864	67,832	69,858	71,942	74,086
EXPENDITURE:															
Supervision & Management - General	-6,935	-7,108	-7,286	-7,468	-7,655	-7,846	-8,042	-8,243	-8,449	-8,661	-8,877	-9,099	-9,327	-9,560	-9,799
Supervision & Management - Special	-5,513	-5,651	-5,793	-5,937	-6,086	-6,238	-6,394	-6,554	-6,718	-6,886	-7,058	-7,234	-7,415	-7,600	-7,790
Other Management Expenditure	-578	-592	-607	-622	-638	-654	-670	-687	-704	-722	-740	-758	-777	-797	-817
Provision for Bad/Doubtful Debts	-334	-344	-355	-365	-376	-388	-400	-412	-424	-437	-450	-464	-478	-492	-507
Contribution to Repairs Fund	-7,885	-8,082	-8,284	-8,491	-8,704	-8,921	-9,144	-9,373	-9,607	-9,847	-10,094	-10,346	-10,605	-10,870	-11,141
Total Revenue Expenditure	-21,245	-21,778	-22,325	-22,885	-23,459	-24,047	-24,650	-25,269	-25,903	-26,552	-27,218	-27,901	-28,601	-29,319	-30,054
Interest Payable on Loans	-5,348	-5,348	-5,348	-5,348	-5,348	-5,348	-5,348	-5,339	-4,301	-3,260	-2,216	-1,168	0	0	0
Treasury Management Expenses	-99	-101	-104	-107	-109	-112	-115	-118	-121	-124	-127	-130	-133	-136	-140
Interest on Receipts & Balances	1,051	1,289	1,543	1,811	2,082	2,693	3,032	3,093	2,882	2,690	2,520	2,348	2,510	3,042	3,603
Net Depreciation	-9,921	-10,169	-10,423	-10,683	-10,951	-11,224	-11,505	-11,793	-12,087	-12,390	-12,699	-13,017	-13,342	-13,676	-14,018
Net Operating Income	13,522	14,445	15,405	16,401	17,422	18,815	19,969	20,880	22,574	24,320	26,124	27,964	30,292	31,853	33,477
APPROPRIATIONS:															
FRS 17 /Other HRA Reserve Adj	212	217	223	228	234	240	246	252	258	265	271	278	285	292	299
Self Financing Reserve	-8,007	-8,527	-9,081	-9,671	-10,299	-10,968	-11,681	-12,440	-13,248	-14,108	-15,025	-16,001	0	0	0
Revenue Provision (HRACFR)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital Expenditure Charged to Reven	-421	-475	-595	-702	-2,356	-2,444	-2,534	-2,627	-2,724	-4,012	-4,147	-4,286	-4,429	-4,577	-4,730
Total Appropriations	-8,216	-8,785	-9,453	-10,144	-12,422	-13,172	-13,969	-14,815	-15,713	-17,856	-18,900	-20,008	-4,144	-4,285	-4,431
ANNUAL CASHFLOW	5,306	5,661	5,951	6,257	5,001	5,643	6,000	6,065	6,861	6,465	7,224	7,956	26,147	27,568	29,046
Opening Balance	7,432	12,738	18,398	24,350	30,606	35,607	41,250	47,250	53,315	60,176	66,640	73,864	81,820	107,967	135,535
Closing Balance	12,738	18,398	24,350	30,606	35,607	41,250	47,250	53,315	60,176	66,640	73,864	81,820	107,967	135,535	164,582
Other HRA Reserve Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Self Financing Reserve	22,611	31,138	40,219	49,890	60,189	71,157	82,838	65,278	48,525	32,633	17,658	3	3	3	3
HRA New Build Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Page 58

HOUSING CAPITAL PROJECTIONS
Epping Forest DC

Year	2015.16	2016.17	2017.18	2018.19	2019.20	2020.21	2021.22	2022.23	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30
£'000	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
EXPENDITURE:															
New Build Lifecycle & Planned	0	0	0	0	0	0	-11	-55	-92	-109	-112	-127	-180	-225	-248
Existing Stock Lifecycle & Planne	-9,965	-15,555	-10,864	-11,096	-11,096	-11,458	-11,773	-12,097	-12,430	-12,037	-12,368	-12,708	-13,058	-13,417	-8,790
Disabled Adaptations	-462	-430	-450	-450	-450	-479	-491	-504	-516	-670	-687	-704	-722	-740	-968
Other Capital Expenditure	0	-108	-50	-50	-50	-50	-51	-53	-54	-55	-57	-58	-59	-61	-62
Acquisitions Expenditure	0	-2,055	0	0	0	0	0	0	0	0	0	0	0	0	0
New Build Development	-3,384	-8,745	-19,710	-12,520	-3,773	-83	0	0	0	0	0	0	0	0	0
Service Enhancements/Improvem	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Previous Year's B/F Shortfall	0	0	0	0	-58	-263	0	0	0	0	0	0	0	0	0
Total Capital Expenditure	**-13,811**	**-26,894**	**-31,074**	**-24,116**	**-15,426**	**-12,334**	**-12,327**	**-12,709**	**-13,092**	**-12,872**	**-13,224**	**-13,597**	**-14,019**	**-14,442**	**-10,068**
FUNDING:															
Major Repairs Reserve	6,498	12,509	14,896	7,561	7,561	7,750	7,944	8,142	8,346	8,555	8,768	8,988	9,212	9,443	9,679
Right to Buy Receipts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
HRA CFR Borrowing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Receipts/Grants	2,199	411	443	150	151	0	0	0	0	0	0	0	0	0	0
Right to Buy 1-4-1 Reserves	770	3,321	5,913	2,798	536	389	216	0	0	0	0	0	0	0	0
Self Financing Reserve	0	3,852	2,822	6,046	0	0	0	0	0	0	0	0	0	0	0
Revenue Contributions	4,344	6,800	7,000	7,504	6,922	4,194	4,167	4,566	4,746	4,317	4,455	4,610	4,807	5,000	389
Total Capital Funding	**13,811**	**26,894**	**31,074**	**24,059**	**15,170**	**12,334**	**12,327**	**12,709**	**13,092**	**12,872**	**13,224**	**13,597**	**14,019**	**14,442**	**10,068**
In-Year Net Cashflow	**0**	**0**	**0**	**-56**	**-257**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Cumulative Position	**0**	**0**	**0**	**-56**	**-257**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

MRR Account:															
Opening Balance	11,154	12,283	7,335	0	0	0	0	0	0	0	0	0	0	0	0
Net Contribution from Depreciati	7,627	7,561	7,561	7,561	7,561	7,750	7,944	8,142	8,346	8,555	8,768	8,988	9,212	9,443	9,679
Use of Reserve to Capital	-6,498	-12,509	-14,896	-7,561	-7,561	-7,750	-7,944	-8,142	-8,346	-8,555	-8,768	-8,988	-9,212	-9,443	-9,679
Closing Balance	**£12,283**	**£7,335**	**£0**	**£0**	**£0**	**£0**	**£0**	**£0**	**£0**	**£0**	**£0**	**£0**	**£0**	**£0**	**£0**

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HOUSING CAPITAL PROJECTIONS
Epping Forest DC

Year £'000	2030.31 16	2031.32 17	2032.33 18	2033.34 19	2034.35 20	2035.36 21	2036.37 22	2037.38 23	2038.39 24	2039.40 25	2040.41 26	2041.42 27	2042.43 28	2043.44 29	2044.45 30
EXPENDITURE:															
New Build Lifecycle & Planned	-254	-281	-372	-450	-490	-502	-515	-528	-541	-555	-568	-583	-597	-612	-627
Existing Stock Lifecycle & Plannec	-9,032	-9,280	-9,536	-9,798	-11,349	-11,661	-11,981	-12,311	-12,649	-13,749	-14,127	-14,516	-14,915	-15,325	-15,746
Disabled Adaptations	-992	-1,017	-1,042	-1,068	-1,398	-1,433	-1,468	-1,505	-1,543	-2,018	-2,069	-2,120	-2,173	-2,228	-2,283
Other Capital Expenditure	-64	-66	-67	-69	-71	-72	-74	-76	-78	-80	-82	-84	-86	-88	-90
Acquisitions Expenditure	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Build Development	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Service Enhancements/Improvem	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Previous Year's B/F Shortfall	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Capital Expenditure	**-10,342**	**-10,643**	**-11,018**	**-11,385**	**-13,307**	**-13,668**	**-14,039**	**-14,420**	**-14,811**	**-16,402**	**-16,846**	**-17,303**	**-17,771**	**-18,253**	**-18,748**
FUNDING:															
Major Repairs Reserve	9,921	10,169	10,423	10,683	10,951	11,224	11,505	11,793	12,087	12,390	12,699	13,017	13,342	13,676	14,018
Right to Buy Receipts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
HRA CFR Borrowing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Receipts/Grants	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Right to Buy 1-4-1 Reserves	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Self Financing Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Revenue Contributions	421	475	595	702	2,356	2,444	2,534	2,627	2,724	4,012	4,147	4,286	4,429	4,577	4,730
Total Capital Funding	**10,342**	**10,643**	**11,018**	**11,385**	**13,307**	**13,668**	**14,039**	**14,420**	**14,811**	**16,402**	**16,846**	**17,303**	**17,771**	**18,253**	**18,748**
In-Year Net Cashflow	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Cumulative Position	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

MRR Account:															
Opening Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Contribution from Depreciati	9,921	10,169	10,423	10,683	10,951	11,224	11,505	11,793	12,087	12,390	12,699	13,017	13,342	13,676	14,018
Use of Reserve to Capital	-9,921	-10,169	-10,423	-10,683	-10,951	-11,224	-11,505	-11,793	-12,087	-12,390	-12,699	-13,017	-13,342	-13,676	-14,018
Closing Balance	**£0**	**£0**	**£0**	**£0**	**£0**	**£0**	**£0**	**£0**	**£0**	**£0**	**£0**	**£0**	**£0**	**£0**	**£0**

Report to Communities Select Committee

Date of meeting: 21 November 2016

Portfolio: Housing – Cllr S. Stavrou

Subject: Housing Revenue Account Business Plan Key Action Plan (2016/17) - 6-Month Progress Report

Officer contact for further information: Alan Hall – Director of Communities (01992 56 4004)

Committee Secretary: Mark Jenkins (01992 56 4607)

Recommendations/Decisions Required:

That the Select Committee considers the Six-Month Progress Report for the Key Action Plan contained within the HRA Business Plan 2016/17 (attached as an Appendix) and provides any feedback to the Housing Portfolio Holder and Director of Communities accordingly.

Report:

1. In March 2016, the Council's latest Housing Revenue Account (HRA) Business Plan (2016/17) was produced, incorporating the Repairs & Maintenance Business Plan. This document set out the Council's objectives, strategies and plans as landlord, in relation to the management and maintenance of its own housing stock.

2. An important section of the HRA Business Plan is the Key Action Plan, which sets out the proposed actions the Council would be taking, primarily, over the year. Having included the Key Action Plan within the Business Plan, it is good practice that the progress made with the stated actions is monitored by the Select Committee during the year.

3. The Six-Month Progress Report on the actions contained within the Key Action Plan 2016/17 is attached as an Appendix to this report for consideration.

4. The Select Committee is asked to consider the Progress Report and to feed back to the Housing Portfolio Holder and Director of Communities any comments it considers appropriate.

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HRA Business Plan 2016/17
6-MONTH PROGRESS REPORT ON KEY ACTION PLAN

Action	Corporate Housing Objectives	Responsibility for Achievement	Target Date	6-Month Progress Report *(as at 1st November 2016)*
Housing General				
1) Review the HRA Financial Plan, through formal officer reviews on a quarterly basis and reviews by the Communities Select Committee on a half-yearly basis.	HO 1 / 2 / 3 / 4 / 5 / 6	Director of Communities	Mar 2017	**In Progress –** The Quarter 1 Review was received and considered by the Housing Portfolio Holder and offices. The Quarter 2 Review is being reported to the 21st November meeting of the Communities Select Committee for consideration
2) Undertake an HRA Financial Options Review, and agree actions to be taken to safeguard key housing services, whilst ensuring that the HRA does not fall into deficit at any time over the next 30 years	HO 1 / 2 / 3 / 4 / 5 / 6	Director of Communities	~~Sept 2016~~ Jan 2017	**Delayed –** It is not possible to undertake a proper review until the Government announces the detailed arrangements for its requirement that all councils sell their higher value empty properties, which has been delayed. However, preliminary work has commenced and some interim decisions made (e.g. not taking up the HCA Grant of £450,000 for Council housebuilding and paying over the 141 Receipts from Quarters 1 and 2 to the Government).
3) *(Subject to Cabinet approval)* Consider additional appropriate housing improvements and service enhancements, if affordable following the HRA Financial Options Review.	HO 1 / 2 / 3 / 4 / 5	Director of Communities	Jan 2016	**Not Required –** Due to the Government's requirement that all social landlords reduce their rents by 1% p/a from April 2016, there are currently insufficient resources for service enhancements. It may be possible to free up some resources through the HRA Financial Options Review for Service Enhancements, but this will be dependent on whether or not the Cabinet is prepared to refinance the first HRA loan due to mature in 2022.

4) Ensure that a sufficient number of vacant Council properties are sold on the open market, in order to pay the required levy to the Government to fund the extension of the Right to Buy to housing association tenants	HO 1 / 5	Director of Communities	Mar 2017	**Delayed –** See (2) above.
5) Engage with the Council's corporate Transformation Programme, particularly in relation to improved customer contact and customer service	HO 1 / 2 / 3	Director of Communities	Mar 2017	**In Progress –** There has been little involvement to date, other than attending working party meetings. However, the new Head of Customer Services takes up her post at the beginning of November 2016, when further progress is expected.
Council Housebuilding Programme				
6) Complete Phase 1 of the Council's Housebuilding Programme, to provide 23 new affordable rented homes in Waltham Abbey.	HO 1 / 2 / 3 / 5 / 6	Asst Director (Housing Property & Development)	July 2016	**In Progress –** Following the termination of the contract with the previous contractor, a new contractor was appointed at the end of October 2016 to complete the works
7) Commence Phase 2 of the Housebuilding Programme, to provide 51 new affordable rented homes at Burton Road, Loughton.	HO 1 / 2 / 3 / 5 / 6	Asst Director (Housing Property & Development)	Mar 2016	**In Progress –** The contractor commenced on site as planned, and works are currently in progress.
8) Procure a variety of works contractors, under separate contracts, and commence Phase 3 of the Housebuilding Programme, to provide 34 new affordable rented homes in Epping, Coopersale and North Weald	HO 1 / 2 / 3 / 5 / 6	Asst Director (Housing Property & Development)	~~Aug 2016~~ Jan 2017	**In Progress –** Tenders have been returned for most of the 7 separate contracts comprising Phase 3, which will be considered by the Council Housebuilding Cabinet Committee in December 2016. Works will commence early in 2017.
9) Obtain planning permission for up to 40 new affordable rented homes in Loughton, to comprise Phase 4 of the Council Housebuilding Programme	HO 1 / 2 / 3 / 5 / 6	Asst Director (Housing Property & Development)	July 2016	**Achieved –** Planning permission has now been secured on 10 sites for Phase 4, which will create 31 new affordable homes. However, no further progress has been undertaken beyond obtaining planning permission due to the temporary moratorium placed on the Council Housebuilding Programme.
10) Submit planning applications for up to 33 new affordable rented homes in Buckhurst Hill and Ongar, to comprise Phase 5 of the Council Housebuilding Programme	HO 1 / 2 / 3 / 5 / 6	Asst Director (Housing Property & Development)	Dec 2016	**In Progress –** Most of the planning applications for Phase 5 have been submitted and are currently in the process of being determined.

11) Enter into an agreement, in partnership with B3Living, to purchase 8 affordable rented homes proposed at Barnfield, Roydon, to fulfil the requirements of the Section 106 Planning Agreement for the development.	HO 1 / 2 / 3 / 5 / 6	Asst Director (Housing Property & Development)	April 2016	**Achieved –** The Agreement has been signed and works are currently on site.
12) Purchase a sufficient number of vacant properties from the open market to ensure that the Council utilises all of its "one-for-one" replacement RTB receipts	HO 1 / 2 / 3 / 5 / 6	Asst Director (Housing Property & Development)	Dec 2016	**Achieved –** The Council has completed the purchase of 6 properties from the open market.
13) Enter into discussions with the landowner of the Fyfield Research Park, Ongar about the possibility of the Council purchasing 32 affordable rented homes, to fulfil the requirements of the Section 106 Planning Agreement for the development of the site.	HO 1 / 2 / 3 / 5 / 6	Asst Director (Housing Property & Development)	June 2016	**Not Required –** It has been concluded that the development is currently too large for the Council Housebuilding Programme.
14) Complete the development and financial appraisals for the remaining Council sites with development potential and, through the Council's Housebuilding Cabinet Committee, determine which sites planning permission for development should be sought.	HO 1 / 2 / 3 / 5 / 6	Asst Director (Housing Property & Development)	Apr 2016	**Achieved –** All currently identified development and financial appraisals have been completed. Where the Council Housebuilding Cabinet Committee has agreed that development should be pursued, planning applications have been submitted.
15) Make appointments to the new 3-year fixed term posts of Housing Development Manager and Housing Development Officer	HO 6	Asst Director (Housing Property & Development)	~~June 2016~~ Jan 2017	**Unsuccessful –** An appointment was made to the post of Housing Development Manager. However, the post-holder resigned after a few weeks, due to the uncertainties over the future of the Council Housebuilding Programme. It was not possible to make an appointment to the Housing Development Officer post, and attempts are currently being made to source someone from an agency. The vacant Housing Development Manager post will not be filled until the future of the Council Housebuilding Programme has been determined.
Housing Management				
16) Prepare for the Government's "Pay to Stay" Scheme, whereby tenants with higher incomes will be required to pay higher rents	HO 2 / 5	Asst Director (Housing Property & Development)	~~Mar 2017~~ Mar 2018	**Delayed –** No preparations can be made until the Government announces the detailed arrangements, which have been delayed. The original implementation date was meant to be April 2017, but it is now

				likely that this will be deferred until April 2018
17) Prepare for the Government requirement to reduce the maximum length of fixed-term tenancies provided to new tenants from 10 years (as currently provided by the Council) to 5 years	HO 2	Asst Director (Housing (Operations)	~~March 2017~~ March 2018	**Delayed -** No preparations can be made until the Government announces the detailed arrangements, which have been delayed. It is now expected that the implementation date will be around April 2018.
18) Complete an Environmental Improvement Scheme for the Oakwood Hill Estate, Loughton, in partnership with Essex County Council, through a specially-formed Task Force of key individuals and partners	HO 2 / 3 / 4	Asst Director (Housing Property & Development)	~~June 2016~~ March 2017	**Delayed –** Following EFDC and residents being dissatisfied with the quality of the footpath surfacing laid by Essex CC for trial works, EFDC are awaiting details of options from Essex CC for the remaining works.
19) Introduce an IT system to improve the efficiency and effectiveness of the management of the Council's leasehold property portfolio, including the provision of direct debit facilities to Council leaseholders for the first time	HO 1 / 2 / 3 / 5 / 6	Communities Support Manager	April 2016	**Achieved –** The new system was successfully installed in April 2016 and appears to be working well.
20) Review the success and effectiveness of the extension of the opening hours of the Council Office at the Limes Centre, Chigwell into weekday afternoons and the increased the range of Council services accessible from the Office	HO 2	Area Housing Manager (South)	~~Sept 2016~~ July 2017	**Not yet Required –** Extended opening hours and increased range of Council services have been introduced and appear to be successful. However, following delays recruiting to the new Housing Officer post at the Limes Centre, the 12-month review is not required until July 2017.
21) Extend the funding for the Epping Forest Citizens Advice Bureau to enable the CAB to appoint their two Debt Advisors for a further year	HO 1 / 2	Asst Director (Housing (Operations)	April 2016	**Achieved –** The funding was extended for a further year, and the work of the two Debt Advisors continues to be valued by residents.
Tenant Participation				
22) Work with the Tenants and Leaseholders Federation to stabilise the scheme of "mystery shopping" on the Council's housing services by trained tenants.	HO 2 / 3 / 4	Tenant Participation Officer	~~July 2016~~ June 2017	**No Progress -** Following the resignation of the Tenant Participation Officer, it has not been possible to pursue this action yet.

23) Increase the number of recognised tenants associations within the District and, at the same time, increase the number of members of the Tenants and Leaseholders Federation.	HO 4	Tenant Participation Officer	Mar 2017	**Unsuccessful to Date –** Despite the efforts of the former Tenant Participation Officer, residents appear reluctant to devote the time to setting up new tenant associations.
Housing Related Support				
24) Under a review of the Council's Careline Service, in order to determine the most appropriate approach for the future	HO 1 / 2	Asst Director (Housing (Operations)	~~Jun 2016~~ Nov 2016	**In Progress –** The review has been undertaken and, in the first instance, is due to be considered by the Communities Select Committee at its meeting on 21st November 2016.
25) Undertake a review of the Council's Sheltered Housing Service, in order to determine the most appropriate approach for the future	HO 1 / 2 / 5	Asst Director (Housing (Operations)	Nov 2016	**Delayed –** No work will be undertaken on this review, until the outcome of the Careline Review is known.
26) Undertake a review of the Council's sheltered housing assets, in order to determine the most appropriate approach for the future	HO 1 / 2 / 3 / 4 / 5 / 6	Director of Communities	Sept 2016	**In Progress –** An Officer Working Party has been established and has met on a number of occasions. A number of proposals have been formulated, but they cannot be brought forward for consideration until the future of the Council Housebuilding Programme has been determined.
27) Complete a feasibility study into the condition and future use of the chalets at Norway House, the Council's Homeless Persons Hostel	HO 1 / 2 / 3 / 6	Asst. Director (Housing Property and Development)	June 2016	**Delayed –** This has been delayed due to the lack of staffing capacity within the Housing Development Team. In addition, other options for the provision of temporary accommodation for homeless families are being explored.
Housing Repairs and Maintenance				
28) Implement programme for repairs and maintenance expenditure over 5 and 30 years.	HO 3 / 5	Asst. Director (Housing Property and Development)	March 2017	**Achieved –** Following approval of the Business Plan, all work making up the Planned Maintenance Programme for 2016/17 has been put in place
29) Install mains operated smoke detectors in all Council owned properties over the next 5-years	HO 3	Housing Assets Manager	March 2017	**On Target -** This is due to be completed by the end of March 2017.

30) Timetable at least one meeting each year with the Tenants Federation to discuss the annual repairs and maintenance programme.	HO 2 / 3	Asst. Director (Housing Property and Development) / Mears	March 2017	**Not yet required –** This will be undertaken in March 2017, following the Draft Business Plan for next year being produced.
31) Seek planning permission for a new depot site from which to relocate the Housing Repairs Service to free up the existing Epping Depot for redevelopment.	HO 3	Asst. Director (Housing Property and Development)	August 2016	**Achieved –** Planning permission was secured in August 2016. However, a decision on whether or not to progress with the works has been held in abeyance, until the outcome of the Council-wide Strategic Accommodation Review has been decided.
32) Closely monitor the new materials supply contract with Grafton Buildbase, and if performance deteriorates to an unacceptable level, then implement arrangements with an alternative supplier.	HO 1 / 3	Mears	~~June 2016~~ January 2017	**On-going –** Due to poor performance by the supplier, the contract with Buildbase has now been determined by mutual agreement. Temporary arrangements are in place with a range of local suppliers until a new Framework Agreement for materials supplies can be introduced. This is planned for Spring 2017
33) Renew at least 3,300 key components each year to maintain its housing stock to a more modern standard based on industry standard life cycles.	HO 3	Housing Assets Manager	March 2017	**On-going –** As at Quarter 2, the Council is 350 components behind its target. However, it is anticipated that this will be made up and the target met by the end of Quarter 4.
34) Continue to hold meetings with the Repairs Focus Group	HO 2 / 3	Asst. Director (Housing Property and Development)	March 2017	**Not achieved –** Due to the departure of the Tenant Participation Officer and the demands of the Council Housebuilding Programme on the Asst. Director (Housing Property and Development) it has not been possible to schedule a meeting in 2016. It is hoped that a meeting can be held early in 2017, following the appointment of the new Tenant Participation Officer.
35) Continue to offer a 75% discount for leaseholders for 30-minute front entrance fire door installations to flats	HO 3	Housing Assets Manager	March 2017	**On-going –** The Council has been offering this to all leaseholders to coincide with its own Door Installation Programme. To date, 427 leaseholders have been offered fire doors since April 2014, of which 281 (66%) have been installed.

36) Implement the second set of "key deliverables" as agreed by the Repairs Advisory Group and the Housing Portfolio Holder:	HO 3	Mears	Sept 2016	**Part-Achieved:** 1) *Customer Focused Training* – This has now been completed for all staff 2) *HQN Assessment & Trading Account* – Some work was completed for the Assessment, but officers generally felt that the approach taken by HQN was not useful and it was not pursued any further. Following discussions between Housing and Finance, it has been determined that there would be no benefit in creating a trading account 3) *Asbestos Policy* – A new Asbestos Policy has been drafted and is with the Council's Health & Safety Officer for comment. A new leaflet for tenants n asbestos in their home has been produced and is available on-line
37) Seek to include at least one local business on the list of tenderers for all future contracts.	HO 3	Housing Assets Manager / Mears	March 2017	**On-going –** Wherever this is possible, a local supplier is added to all tender lists.
38) Analyse and report the SAP rating results of the National Home Energy Rating (NHER) software programme annually.	HO 3	Housing Assets Manager	March 2017	**Not yet required –** This will be undertaken towards the end of the year and reported in next year's Business Plan.
39) Continue to seek and apply for grant funding, such as Domestic Renewable Heat Incentive (RHI) and the Green Deal Home Improvement Fund, to fund energy efficiency measures	HO 1 / 3	Housing Assets Manager	March 2017	**On-going –** The Council continues to apply for, and be successful in securing, Domestic Renewable Heat Incentive (RHI) grant for its installation of air-sourced heat pumps to rural properties that do not have access to mains gas supplies
40) Provide Mechanical Ventilation with Heat Recovery (MVHR) solutions for properties suffering from severe condensation.	HO 3	Housing Assets Manager	March 2017	**On-going –** Properties in need of MVHR units are mainly identified during the winter months. All new-build properties on the Council Housebuilding Programme are having MVHR units fitted as standard.
41) Ensure all new homes, from Phase 2 onwards, built under the Council Housebuilding Programme are built to the Code for Sustainable Homes Code 4 or higher.	HO 3	Asst. Director (Housing Property and Development)	March 2017	**Achieved –** This is now set out in the specifications and Employers Requirements for new build contracts

42) Monitor opportunities to trial and utilise renewable heating technologies.	HO 3	Housing Assets Manager	March 2017	**On-going –** This is generally reviewed on an on-going basis. However, no new technologies have been trialled so far this year.
43) Review the budget headings and formats for the Repairs Service with a view of setting up accounting systems that will analyse, monitor and report on a surplus of deficit.	HO 1 / 3 / 5	Mears	~~June 2016~~ March 2017	**Delayed –** A formal review of the first 6-months' costs is currently taking place, as part of the Budget Review. However, it has been identified that part of the operating costs need to be passed to the capital programme for repairs. The latest up-to-date Schedule of Rates have been purchased and installed, to give a more accurate benchmark for repair costs.

Key to Corporate Housing Objectives

HO 1 - Value for Money
HO 2 - Housing Management
HO 3 - Repairs and Maintenance
HO 4 - Tenant Participation
HO 5 - Housing Finance
HO 6 - Housing Development