

# Housing Revenue Account Business Plan 2016-17



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**Epping Forest  
District Council**

[www.eppingforestdc.gov.uk](http://www.eppingforestdc.gov.uk)

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# Plain English Summary

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## 1. Introduction

This Plain English Summary of the Housing Revenue Account Business Plan is provided annually as a “stand-alone” document for all the Council’s Housing staff, interested tenants and others to read. This is to ensure that they are aware of the main points of the Business Plan, how well the Council’s Housing Service is performing and what our main objectives and priorities are for the coming year.

In very simple terms, the Housing Revenue Account (HRA) is the “bank account” that we keep to record income and expenditure on our Council homes. It is different from the “bank account” that we keep to record our income and expenditure on other Council services, which is called the General Fund. There are strict rules that say councils cannot pass money between the two accounts.

In the Business Plan, we:

- cover all of the important issues relating to the way we manage and maintain the Council’s homes;
- set out our aims and objectives for the housing service that we provide, and explain our priorities;
- explain the current position and our performance as landlord in previous years;
- estimate the money that we need over the next 30 years to manage our tenants’ homes and ensure that they are properly maintained; and
- compare how much money we need with the amount that will probably be available.

The Government expects all councils to produce HRA Business Plans – but we find it very useful to have a Business Plan anyway, because we think it’s important to plan for the future.

We have talked to the Tenants and Leaseholders Federation about the Business Plan, who have confirmed their support for the objectives and proposals.

Since April 2014, the Council’s Housing Service has formed part of the Communities Directorate.

## 2. Who makes the decisions ?

We have a “Cabinet” of senior elected councillors who make most of the Council’s important decisions. They are guided by the “Housing Portfolio Holder”, who is a member of the Cabinet with special responsibility for housing matters. He/she makes most of the policy decisions on housing.

Council officers are professional people who advise councillors on housing matters, carry out their decisions, and manage the Council on their behalf. The most senior officer is the Chief Executive. The Director of Communities is responsible for the Housing Service and for the way the Council’s homes are managed and maintained. The Director of Resources is overall responsible for managing the Council’s finances.

## 3. Our housing objectives

We have six main objectives for housing. Each one has a number of more detailed objectives, which are explained in the main Business Plan. The main ones can be summarised as follows:

- Manage our homes efficiently and effectively;
- Provide a high quality housing service, having regard to the cost of providing the service;
- Ensure that all our tenants live in a decent home, and that we properly maintain our homes to eventually reach a point where all of our homes meet our (higher) Modern Home Standard;
- Help tenants and leaseholders get involved with decisions about their housing. Provide them with clear information, and consult them on things that affect them;
- Manage the Council’s money effectively and efficiently; and
- Build new affordable rented Council housing in an efficient and effective manner, in order to increase the Council’s own housing stock

#### 4. About the Council's housing

In April 2015, we owned 6,389 homes, excluding our Homeless Persons Hostel. Some interesting information about these is given below:

- Around 2,140 are in Loughton, and about 1,560 are in Waltham Abbey. Around 470 Council homes are in "sheltered housing", receiving a support service and having an alarm system;
- We lease around 1,000 flats and maisonettes that have previously been sold under the Right to Buy. We still have certain responsibilities for these homes, including certain repairs and housing services, which the leaseholders pay for; and
- In April 2015, we had 69 empty Council homes

We allocate our Council homes by giving housing applicants choice about which home is let to them, using our HomeOptions Scheme, which is an approach called "choice based lettings". We work with our five neighbouring councils and the housing associations that work in our area to operate the scheme jointly. This reduces the costs of the scheme.

We have a computer system that covers all of the main housing services. This gives a lot of information to housing managers, to help them monitor how our housing services are being provided and see where there are problems that need to be dealt with. Many housing services can now be obtained from our housing website, including paying rent.

Most of our housing files are now computerised, so that our staff can easily look at files, and receive and respond to post, electronically from their desks.

We are currently working on implementing a new computerised module for our leasehold services.

#### 5. Our Achievements Last Year

In 2015/15, our key housing achievements as a landlord were as follows:

- We completed the major conversion scheme at Marden Close and Faversham Hall, Chigwell Row to convert 20 difficult-to-let bedsits and an under-used hall to provide 12 self-contained flats for applicants on the Council's Housing Register
- We progressed the Council's Housebuilding Programme to a point where:
  - Ø Phase 2 of the Programme, to provide 51 new homes at Burton Road, Loughton are due to commence;
  - Ø Planning permission has been obtained for the 8 separate sites that comprise Phase 3; and
  - Ø Development sites have been identified for Phase 4.
- We successfully implemented the agreed programme of new housing improvements and service enhancements for 2015/16, funded from the additional resources made available to the HRA.
- We successfully implemented further significant changes to the Council's Housing Allocations Scheme, resulting in:
  - Ø The period that applicants must have been resident within the District being increased from 3 to 5 years (with some exceptions);
  - Ø The maximum amount of income, savings and equity that applicants can have to join the Housing Register being significantly reduced to £76,000;
  - Ø Increased financial incentives for existing Council tenants to downsize their accommodation; and
  - Ø The strengthening of penalties for applicants who refuse offers of accommodation in which they have expressed an interest
- We successfully implemented a revised Tenancy Policy, resulting in the provision of 10-year flexible (fixed term) tenancies being extended to **all** Council properties re-let to new tenants (except sheltered properties and those down-sizing).

- We introduced a new complaints handling procedure for the Housing Service, co-ordinated by a new post of Customer Relationship Officer - who now deals with all complaints from housing clients at Step 1 and assists with the administration of complaints at Steps 2 and 3 of the Council's Compliments and Complaints Scheme. She also co-ordinates responses to requests under the Freedom of Information Act.
- We identified a site, formulated a feasibility study and obtained approval to proceed with the design stage for the construction of a new Housing Repairs and Maintenance Hub at Blenheim Way, North Weald to which the Housing Repairs Service and Housing Assets Team can relocate.
- We extended the opening hours for the Council Office at the Limes Centre, Chigwell into weekday afternoons.
- We introduced a new smartphone app to enable tenants to repair report repairs whilst mobile.

## **6. Our Key Housing Priorities for Next Year (2016/17)**

We have lots of things that we want to do next year. It is therefore important to identify what are our **Key** Housing Priorities for 2015/17. Our Key Priorities are that we will:

- Continue to manage and maintain the Council's homes effectively and efficiently
- Complete Phase 1 of the Council's Housebuilding Programme, to provide 23 new affordable rented homes in Waltham Abbey, and start on site with Phases 2 and 3 to provide 85 further affordable rented homes in Loughton, Coopersale, Epping and North Weald
- Purchase 8 affordable rented homes at Barnfield, Roydon, and up to 10 vacant properties from the open market, to ensure that the Council utilises all of its "one-for-one" replacement RTB receipts
- 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
- 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
- Commence preparations for the Government's "Pay to Stay" Scheme, whereby tenants with higher incomes will be required to pay higher rents
- 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
- Maintenance of high levels of tenant satisfaction (87%), following completion of the tri-annual Tenant Satisfaction Survey
- Undertake reviews of the Council's Careline Service, Sheltered Housing Service and sheltered housing assets, in order to determine the most appropriate approach for the future
- Complete the design, and obtain planning permission, for a new Housing Repairs and Maintenance Hub at North Weald to which the Housing Repairs Service and Housing Assets Team can be co-located

## **7. Involving tenants and leaseholders**

We have worked hard to enable tenants to become involved with decisions about their housing, and things that affect them, if they want to. We have a Tenant Participation Officer, who has set up a number of tenants associations around the District – there are currently 5 "recognised" tenants associations and one "tenants panel", but more are being developed. We have written "Tenant Participation Agreements" with these tenants associations, which explain the help we will give them. They also explain how we will consult the tenants in their areas about housing issues that affect them.

We have also set up a Leaseholders Association that represents all of the Council's leaseholders and a Sheltered Housing Forum comprising representatives from the Council's sheltered housing schemes. They all meet regularly with Council officers.

A district-wide Tenants and Leaseholders Federation has been operating for many years. This has a committee made up of two representatives from each of the tenants associations, the Leaseholders Association and the Sheltered Housing Forum. The Federation meets every six weeks with the Housing Portfolio Holder and senior housing officers. The Federation is asked their views on possible changes to housing policies and procedures, and tells us what they think about the Housing Service. We also have a Tenant Participation Agreement with the Federation.

## **8. Ensuring all tenants live in a “decent” and a “modern” home**

Probably the most important part of the HRA Business Plan is the Repairs and Maintenance Business Plan. This is one of the appendices and includes a detailed section that explains how we will ensure that all our tenants continue to live in a “decent” and well-maintained home.

A number of years ago, the Government introduced the “Decent Home Standard”. We ensured that all of our homes met the Decent Home Standard well before the Government's target date. However, many other councils have still not yet met the Decent Home Standard. Since that time we have planned – and will continue to plan – to ensure that we never have any non-decent homes.

Because we now have more money than we used to, we have been able to introduce our Modern Home Standard - which we want all our homes to meet over the next 15 years or so. Our Modern Home Standard means that a property is modern, well maintained, in good condition, decent, warm and safe.

## **9. People needing housing**

There were around 1,570 applicants on the Council's Housing Register in March 2015. In 2014/15, we let around 390 Council properties to housing applicants. This was around 8 more than the previous year. Around 60 other applicants were housed by housing associations. This was about 35 more than the previous year.

## **10. Providing a Quality Housing Service**

We do a number of things to make sure that we provide a high quality housing service. This has been particularly recognised in two ways:

- For many years, we have been awarded with the Government's Customer Service Excellence Award. This is a national award, which confirms that we provide an excellent service to our customers. It is judged by an Independent Assessor. The Award lasts for 3 years at a time .
- The whole of our Housing Service has been awarded the ISO 9001:2008 “quality assurance accreditation” for many years. This confirms that we provide a consistently high quality housing service. This is also judged by an Independent Assessor.

But, following a recent corporate review of such accreditations, we have decided not to seek a further Customer Service Excellence Award, or continue with our ISO 9001:2008 accreditation after the current award and accreditation expire in 2016.

We will make sure, though, that the Housing Service will continue to provide the same high level of service as we have always done.

## **11. Tenant satisfaction**

We carry out a very detailed Tenant Satisfaction Survey every 3 years. The last time we carried out a Survey was in 2015. This was to find out what tenants think about the housing service we provide. It was done by an independent market research company. A good response was received, with over half of all tenants surveyed responding. We found that, 87% of tenants are generally satisfied with the overall housing service provided by the Council - this compares with 88% when we last carried out a survey in 2012.

We will be carrying out our next Tenant Satisfaction Survey in 2018



## **12. Our staff**

Our staff are the most important ingredient to providing a good Housing Service. Therefore, we have procedures in place to help our staff improve and develop themselves. We also collect general information about them, to help plan for our staffing requirements in the future. In other words, we try to make sure that we have the right number of people, with the right skills, in the right place and at the right time.

We know that, in relation to staff working for the Housing Service:

- Around 60% are women
- Over 70% are over 45 years of age, and only 10% are under 35 years of age
- Around 10% have a disability
- Over 90% are White
- Around 4% leave their posts each year (around half of these due to retirement)

We operate a Performance Development Review (PDR) process. PDR interviews are held between line managers and all their staff on an annual basis. This is mainly to review the member of staff's performance, consider whether they demonstrate the Council's values and behaviours, set objectives for the following year, and discuss any training needs.

We have a Corporate Training Programme for staff and councillors, comprising a range of training courses, from one day courses to twelve day supervisor/management development programmes.

## **13. Housing Improvements and Service Enhancements**

Since April 2012, we have had much more money to spend on our Housing Service. This is because of changes the Government made to the way Council housing is funded (see Section 22 below). This has enabled us to set up a Housing Improvements and Service Improvements Fund.

Over the last year, with the money we have in the Fund, we have:

- Continued our Front Door Fire Safety Replacement Programme for leaseholders in blocks of flats
- Started an Estate Enhancement Scheme at Oakwood Hill, Loughton
- Completed a programme to refurbish communal kitchens at sheltered housing schemes
- Provided electric mobility scooter stores at some of our sheltered housing schemes
- Extended our Mow and Grow Scheme to provide older and disabled Council tenants with assistance with gardening
- Provided new furniture at sheltered housing schemes
- Provided additional financial incentives for tenants who wish to "downsize" their accommodation
- Increased staffing for our Corporate Fraud Team, to further combat social housing fraud
- Introduced improved direct debit facilities for tenants, leaseholders and other housing clients
- Extended the opening hours at the Limes Farm Office, Chigwell
- Continued to fund the CAB to employ two Debt Advisers

Due to uncertainties about future income and expenditure within the HRA, though, the Cabinet has put a stop on the use of the Fund until we have carried out a review of the financial options available to the Council for the HRA. We will be carrying out this review in Summer 2016.

However, the Cabinet has agreed to continue to fund the Mow and Grow Scheme and the CAB's two Debt Advisers.

## **14. New Council Housebuilding Programme**

With the extra money that is now available for Council housing, we have started a modest Council Housebuilding Programme to build around 315 new affordable Council homes over the next few years. These are mainly garage sites that are difficult to let.

We have started to build the first 23 new rented homes – which should be completed in Summer 2016. We will also start building 51 more rented homes, in Spring 2016, at Burton Road in Loughton and 35 more new rented homes in Epping, Coopersale and North Weald in Autumn 2016.

We are planning two further phases for our Housebuilding Programme - to provide a further 40 new rented homes in Loughton and 33 new rented homes in Buckhurst Hill and Ongar.

In addition, we hope to purchase 8 rented homes from the developer of a site in Barnfield Roydon, when completed. We are also talking to another developer about possibly buying more rented homes in Ongar. These are all being built by the developers to provide affordable housing as a requirement of their planning permissions.

To make sure that we don't have to pass any money to the Government from the sale of Council properties under the Right to Buy, we also intend to purchase a number of vacant properties from the open market by December 2016.

## **15. Setting tenants' rents and housing fees and charges**

As a result of us building new Council homes ourselves, we will now be charging two types of rents for Council properties – “social rents” and “affordable rents”.

### *Social rents*

We will continue to charge social rents for properties that have *not* been built under our Council Housebuilding Programme – which is the vast majority of our homes. Social rents are based on “Target Rents” that are set for each property, based on:

- the property's value;
- average local wages; and
- the number of bedrooms.

We already charge the Target Rents for many of our Council homes, but there are still many more that have not yet reached their Target Rent. If we are not already charging the Target Rent for a vacant property, we start charging the Target Rent when it is re-let – which means that we charge more than we did to the previous tenant, and often more than neighbouring properties of the same type.

In the past, our rents have generally been increased each year by inflation plus 1%. However, a new law (the Welfare Reform and Work Act 2016) requires all councils and housing associations to reduce our rents by 1% per annum, for four years from April 2016.

Therefore, all our Council rents will be reduced, on average, by around £1.00 per week, to around £96.50 per week for 2016/17.

### *Affordable rents*

Councils and housing associations are now encouraged by the Government to charge “affordable rents” for new properties when they are first built and when they are re-let. These rents are much higher than social rents. We have decided to charge affordable rents for new homes built under our Housebuilding Programme, and when they are re-let in the future.

The Government says that affordable rents should be set up to 80% of the rents charged for private-rented homes in the area. They must also include the cost of any service charges. From April 2015, affordable rents must then be reduced by 1% per annum, for the next four years, until the tenant vacates. When the property is re-let, the rent level has to be reviewed and re-set at up to 80% of private-rented homes.

We have agreed an Affordable Rent Policy, which explains how we will set our affordable rents. Our Policy says that we will charge the lowest of:

- 80% of private rents for the area where property is situated
- The “Local Housing Allowance” for the area; and
- A “Rent Cap”

The Local Housing Allowance is set by the Valuation Service, and varies from area to area. It is used to decide the maximum amount of housing benefit a tenant should receive for different sizes of properties in the area. If they then take on a tenancy for a property with a higher rent than the Local Housing Allowance, they have to pay the difference themselves.

The Rent Cap is the maximum rent we will charge for any property. We review this level every year and, as a result, of this annual review, the Rent Cap for 2016/17 will stay at £180 per week. Generally, the Rent Cap only needs to be applied for the rents of 3 bedroomed properties.

## **16. Careline Service**

We currently provide our own Careline Service to around 2,500 older people and other adults who need help throughout the District. Many of these are not Council tenants, and own their own homes. Careline provides a 24-hour speech alarm monitoring service to deal with any emergencies. We also provide a "Telecare" Service. This uses technology to monitor older people in a number of ways. For example, it can detect if an older person has not moved in their home for a long time, or if they have fallen over.

We will be carrying out a review of our Careline Service during 2016, to make sure that it continues to offer good value for money and to determine the most appropriate approach for the future.

## **17. Right to Buy and replacing Council homes that are sold**

We are required, by law, to sell Council homes at a discount to tenants who want to buy their homes. This is called the Right to Buy (RTB). Between 1977 and 2015, the Council sold around 6,280 Council homes under the Right to Buy. In 2014/15, we sold 46 Council homes, at an average purchase price (after discount) of around £110,000 per property.

The maximum RTB discount provided to our tenants is currently around £77,000 (which is increased by inflation each year). The Government has also said that every additional home sold under the Right to Buy can be replaced by a new affordable rented home. We are therefore using all of the additional money from RTB sales to help fund our Housebuilding Programme. We have entered into an agreement with the Government to say that this additional money will not be used to fund more than a third of the cost of providing each replacement home. We also have to spend the money within 3 years of receiving it.

## **18. Providing Value for Money and comparing the Council with other landlords**

"Value for Money" looks at an organisation's performance and costs, compared with similar organisations. In simple terms, high performance and low costs usually suggest that an organisation gives good value for money. Low performance and high costs usually suggest that poor value for money is being given.

We regularly compare our performance and costs with other organisations, in a number of ways. The most useful way is through a "benchmarking" club, called HouseMark.

## **19. Equality and Diversity**

We know that we live in a community with different types of people. So, we want to ensure that we provide services that do not discriminate against groups of people. As well as generally promoting equality in the way we provide our services, the Council has a number of corporate policies relating to race, disability and gender equalities.

We have two particular strategies to ensure diversity and equality in the way we provide the housing service, and to deal with harassment in housing. We have also looked in detail at our policies relating to specific housing services, and produced "Equality Impact Assessments" for each housing service.

The law says that public bodies, like the Council, have to consider the effects on certain individuals when carrying out their day-to-day work, shaping policy, and delivering services. There are nine "protected characteristics" which refer to the types of people who must be considered. These cover things like disability, race, sex and age.

For housing allocations, we compare the "protected characteristics" of those people who we have housed, with those people on the Housing Register. This is to see if there are indications that the Council may be discriminating against any particular group of people.

This exercise has shown that, generally, the "protected characteristics" of housing applicants who have been housed in Council accommodation are similar to those registered on the Housing Register. So, we have not needed to make any amendments to our Housing Allocations Scheme to avoid any discrimination.

## **20. Knowing our Tenants**

It is important that we know about our tenants. This is to make sure that we shape our services to meet their different needs.

In 2013, we undertook a “Tenants Census”, to collect lots of information from all of our tenants about everyone who lived in their home. This included information on “protected characteristics”.

Just over half of all tenants responded. The main key findings from those who responded were:

- Just under half were under 60 years of age
- Around 20% were over 80 years of age
- Around two thirds were women
- Around 85% were heterosexual
- Only 2% did not have English as their first language
- Around 97% were White
- Around 70% were Christian, and around 25% had no faith
- Around 30% said they had some form of disability

## **21. Risk Management**

Risk management is the process of looking at risks to an organisation, and working out what bad things could happen as a result of doing things in a certain way. It also considers how likely these bad things are to occur and, if they do, what the effects would be.

The Council takes risk management very seriously. We have a group of officers that meets regularly to assess and record risks. This record is called the Risk Register. The Housing Service is covered by the Communities Risk Register. We have identified 14 Key Housing Risks within the Communities Risk Register. For each of these we have considered, firstly, how likely the risk is to happen and, secondly, if it does, the impact that it will have. We have looked more carefully at those risks that are more likely and/or will have a higher impact. We have drawn up an action plan to reduce these risks as much as possible.

## **22. The overall financial picture**

In April 2012, the Government introduced a new funding system for council housing, called “self-financing”. Under this system, the Government compared the cost at that time of running each council’s housing service over the following 30 years, with the income it expected to receive from rents over the same period.

If, like us, the expected income was more than the estimated costs, councils had to make a payment to the Government for the difference. Nearly all councils in this position had to take out loans to fund the payment to the Government, which we will repay over a number of years from our tenants’ rents. For us, the Government said we had to pay them around £186 million in April 2012, and we borrowed the money from a Government agency called the Public Works Loans Board (PWLB).

Each year, we produce a 30-Year Financial Plan for the HRA. This forecasts how much we will spend on housing each year, compared to how much income we will receive. This has shown us that, under the new self-financing arrangements, our HRA remains viable throughout all the 30 years of our Financial Plan. This is the case, even after spending enough money to maintain our housing stock to our Modern Homes Standard, and to build new Council homes.

Because things can easily change quite quickly, we review this Financial Plan every 3 months, and make any changes to our future plans as a result if we need to.

## **23. Key Action Plan**

The Business Plan has a “Key Action Plan” which explains what we will be doing, and when, over the next year to:

- meet our objectives;
- improve our housing services; and
- make the changes we have to deal with because of new laws or Government policies.

# 1. Introduction

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## 1.1 Introduction

This Housing Revenue Account (HRA) Business Plan has been produced in accordance with both the “Guidance on Business Plans” and the guidance on “Effective Housing Strategies and Plans” issued by the predecessor to the Department for Communities and Local Government. The Plan has been developed primarily by the Council's Communities Directorate, with information provided by other directorates as required. The Plan was adopted after consultation with the Council's Housing Scrutiny Panel and the Epping Forest District Tenants and Leaseholders Federation.

An important part of this Business Plan relates to the Council's objectives, strategies, plans and standards relating to the repair and maintenance of the Council's housing stock and, in particular, how the Council's decision to maintain its housing stock to its new Modern Home Standard is being implemented and how, in the meantime, the Government's (lesser) Decent Homes Standard will continue to be met. In view of its importance, as in previous years, the Council has produced a separate Repairs and Maintenance Business Plan, which complements and is an integral part of the HRA Business Plan. The Repairs and Maintenance Business Plan is attached as Appendix 1.

It is a requirement of the Council's Audit and Governance Committee that all of the Council's Business Plans are completed and published by 31 March each year - before the start of the following financial year. In order to assist readers, a comprehensive Glossary of Terms is provided at Appendix 2.

A Plain English Summary has been provided at the beginning of the Business Plan, which is also produced separately as a “stand-alone” document. It is provided to all the Council's staff within the Housing Service, on an annual basis, to ensure that they are aware of the main points of the Business Plan, how well the Council's Housing Service is performing and what are the Council's main objectives and priorities for the coming year. It is also useful for the Council's tenant representatives to read, for the same reason.

Following a restructure of the Council's Management Structure, from 1<sup>st</sup> April 2014, the Council's Housing Service now forms part of the Communities Directorate.

## 1.2 Links with the Council's Housing Strategy

In October 2009, the Council published its latest *Housing Strategy 2009-2012*, which followed an extensive consultation exercise. The Housing Strategy assesses the overall housing needs of the District, and sets out the Council's objectives and plans for meeting those needs. Since around 12% of the District's properties are currently owned by the Council, the management and maintenance of its stock plays an important part in meeting the Council's strategic objectives for housing. In particular, there are important overlaps between the two documents in the following areas:

- Provision of affordable housing for rent
- Meeting the Decent Homes Standard and the Decent Homes Targets
- Social housing rent levels
- Dealing with anti-social behaviour

Due to the extent of the effects and implications that the Council's Local Plan will have on the Council's Housing Strategy, the former of which has been delayed and is currently under consideration, the Housing Strategy was not reviewed and updated between 2012 and 2015, as originally envisaged, but will be updated towards the end of 2016 for a further 3 year period, once the Draft Local Plan Preferred Approach has been published.

## 1.3 Purpose of the Business Plan

The purpose of this Business Plan is to:

- Set out the Council's overall medium term aims and objectives for the housing service, as landlord
- Analyse the current position
- Plan how to achieve the objectives, through the formulation of an Action Plan
- Provide a framework for monitoring and evaluating progress in delivering the Business Plan

## 1.4 Development of the Business Plan in 2016

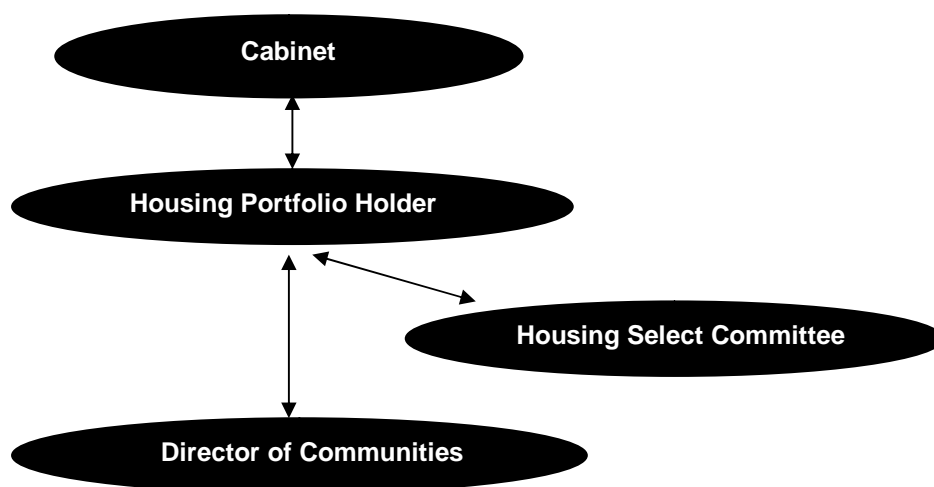
The Council has consistently developed and updated its Business Plan, since the time the first one was produced in 2001. All the statistics and information within this latest Business Plan referred to as the “last financial year” - and the most up to date information - relates to 2014/15, which is the last year that full year statistics are available.

The development of the Business Plan and the main changes this year include:

- Updated Plain English Summary
- Updated statistics for 2014/15 throughout the document
- General updated information throughout the Business Plan to ensure that it remains current
- Updated comments of the Tenants and Leaseholders Federation on the latest Business Plan (Section 1.6)
- Updated Summary of Key Activities and Achievements in 2014/15 (Section 3.5)
- Updated section on Key Housing Priorities and Action Plan to Meet the Objectives (Section 3.6)
- Updated section on the Housing Improvements and Service Enhancements Fund (Section 4.13)
- Updated section of the Council Housebuilding Programme (Section 4.14), with details of the latest planned developments
- Updated section on Tenant Satisfaction, providing a summary of the latest Tenant Satisfaction Survey undertaken in 2015 (Section 5.3)
- Updated section on Social Rents – explaining the Government’s latest requirement that social rents be reduced from April 2016, and the financial implications (Section 8.1(a) and (b))
- Updated section on Housing Related Support Charges – explaining the Council’s agreed approach to such charges (Section 8.1(f))
- Review of the Council’s Rent Cap for affordable rents, under the Council’s Affordable Rent Policy applied to the rents for homes built under the Council’s Council Housebuilding Programme (Section 8.2(d))
- Updated section on Key Housing Operational Risks and Housing Risk Matrix (Section 9.4)
- Updated Chapter on the HRA Financial Plan and cash flows (Chapter 10 and Appendices 5(a) and 5(b))
- New Key Action Plan (Chapter 12)
- Updated Repairs & Maintenance Business Plan (Appendix 1)
- Updated Appendix on Performance on Performance Indicators and Future Targets (Appendix 4)

## 1.5 Management Structure – Policy and Priority Setting

Although the HRA Business Plan is produced by the Communities Directorate, it is a corporate document. The hierarchy of responsibility can be summarised, as shown on the next page:



*Cabinet*

Comprises senior councillors. Overall responsible for policy making and setting priorities

<i>Housing Portfolio Holder</i>	Responsible for approving the Business Plan and recommending to the Cabinet policy changes and priorities.
<i>Housing Select Committee</i>	Responsible for scrutinising and commenting on the draft HRA Business Plan before approval, and for formally monitoring progress with the Key Action Plan on a 6-monthly basis
<i>Director of Communities</i>	The Director responsible for the Housing Service and for producing the Business Plan and delivering the elements of the Plan relating to HRA residential properties - including the implementation of policy and achieving the Council's agreed priorities

## 1.6 Comments of the Epping Forest Tenants and Leaseholders Federation

Section 4.7 explains the role of the Epping Forest Tenants and Leaseholders Federation. The Federation has been consulted on this latest version of the Business Plan. Having considered the Business Plan, the Federation said *(to be updated for 2016/17 – for reference, last year's comments were as follows)* :

- The Business Plan continues to be a comprehensive document, which is well thought out, interesting and well written, especially the Plain English Summary which is easy to read and helps to put the detailed Business Plan in context;
- We agree and support the objectives, the key housing priorities, and the Key Action Plan;
- We are pleased with, and recognise the progress made, with the Council's House-Building Programme and look forward to the completion of the first site;
- We welcome the work being done to spend all of the "one-for-one replacement" Right to Buy receipts for new affordable housing for the residents of the Epping Forest District;
- We appreciate the support the Council has given to tenants affected by the welfare reforms, and wish this support to continue, particularly should there be any future welfare reform changes;
- We are grateful to the Council for the continued support it has given to our new Tenant Scrutiny Panel; and
- We recognise the way in which the Council has mitigated the effects of the cuts made by Essex County Council to its funding of the Council's Careline Service. We are concerned about any further cuts made in the future.

## 2. Strategic Context and Linkage to Other Plans

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### 2.1 The Epping Forest District

The Epping Forest District comprises a mix of rural and urban character, covering an area of 131 square miles, with a population of around 127,170. There is no major centre of the District. There are around 12 towns and larger villages, ranging in population size from 2,000 to 30,000. It is an attractive area, with good road and rail links to London, so is popular with commuters. Around 94% of the District is designated as Metropolitan Green Belt.

The southern parts of the District border Greater London and are more populous and urbanised, including Loughton, Chigwell, Buckhurst Hill and Waltham Abbey. There were a total of 55,314 dwellings in the District as at April 2015, of which 11.6% were Council-owned.

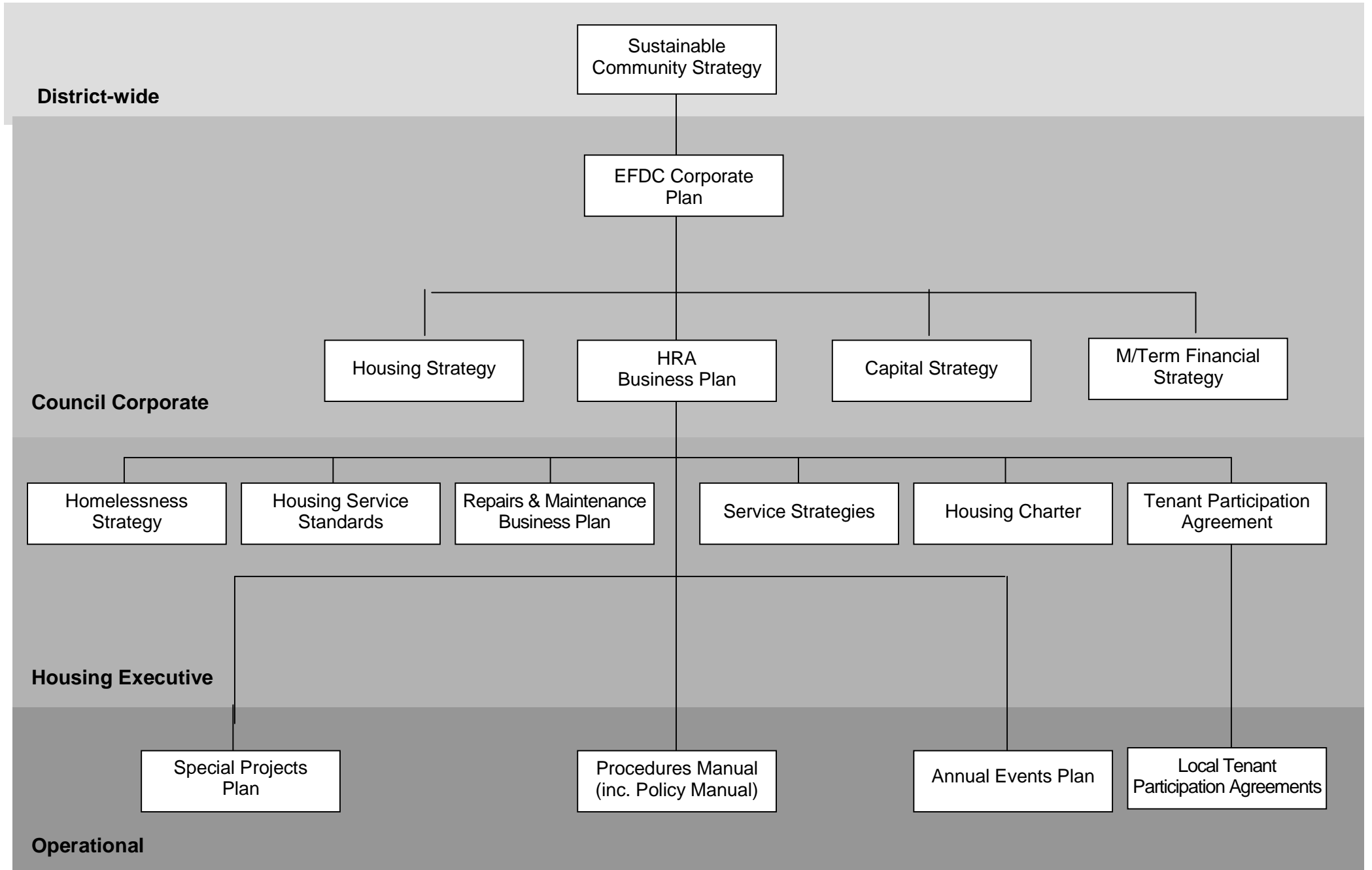
### 2.2 Housing Service Planning Matrix

The HRA Business Plan is only one of a range of complementary and inter-related strategic documents and plans produced by the Council. In producing this Business Plan, careful regard has been had to relevant corporate objectives and strategies and housing objectives and strategies. This section of the Business Plan sets out where the Plan sits in relation to other strategies and plans, and how they inter-relate.

The Housing Planning Matrix reproduced on the next page illustrates, in graphical form, how the Council's housing services are planned and delivered. A brief explanation of the main strategies and plans, including a number not shown on the matrix, is provided on the following page.

# Housing Service

## Service Planning Matrix





<b><i>Sustainable Community Strategy</i></b>	The long term vision for the District, produced by One Epping Forest, the Local Strategic Partnership for the District. One Epping Forest comprises all of the statutory agencies working in the District, including the Council, together with representatives of the voluntary sector.
<b><i>Corporate Plan</i></b>	The Council's prime strategic document, that sets out the Council's strategic direction for the planning and delivery of all its services over a four-year period. The Council has adopted a new Corporate Plan from April 2015, covering the 5-year period until 2020.
<b><i>Housing Strategy</i></b>	See Section 1.2 above.
<b><i>Capital Strategy</i></b>	Provides the Council's strategies on how capital projects will be planned, funded, delivered and monitored, together with details of the Council's HRA and General Fund Capital Programmes.
<b><i>Medium Term Financial Strategy</i></b>	Sets out the approach the Council intends to take in relation to revenue and capital expenditure, income and fees and charges, for both the HRA and the General Fund.
<b><i>Housing Service Standards</i></b>	A set of housing standards that clients of the Housing Directorate can expect in relation to the delivery of their housing service.
<b><i>Housing Service Strategies</i></b>	A series of separate documents, produced to a common format, that set out how individual housing services and strategies are delivered in detail (eg. rent arrears, tenant participation, empty properties).
<b><i>Housing Charter</i></b>	Sets out the principles by which housing services will be delivered from the clients' point of view and what clients can expect.
<b><i>Tenant Participation Agreement</i></b>	An agreement (compact) between the Council (as landlord) and the Epping Forest District Tenants and Leaseholders Federation (on behalf of the Council's tenants and leaseholders), first signed in March 2000 and updated every three years since then, most recently updated in January 2015 for a three year period. It sets out the approach the Council and the Federation will take to ensure that tenants and leaseholders are able to participate in the delivery of their housing services, receive good quality information and are consulted on housing issues. The Council has also entered into six Local Tenant Participation Agreements with individual recognised tenants associations on how tenant participation will be delivered locally (see Section 4.6).

### **2.3 Capital Strategy - Housing as a Corporate Priority for Investment**

The Council's Capital Strategy, last updated in February 2012, sets out the Council's nine key strategic priorities for capital investment, in a ranked priority order. "Improving the Council's housing stock" has been ranked as one of the two highest key strategic priorities for investment since its introduction.

## **3. Business Plan Objectives**

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### **3.1 The Council's Corporate Plan 2015-2020 and the Key Strategic Aims and Objectives**

The Council has just adopted its new Corporate Plan for 2015-2020, which sets out a framework for Council policy and decision making over that five-year period. The Corporate Plan:

- Sets out a vision of where the Council wishes the District to be in five years' time
- Outlines key aims and objectives for the Council which are designed to ensure that the vision becomes a reality
- Indicates to its partners in service provision the path the Council intends to take

- Informs the local community about what the Council wants to achieve, allowing council taxpayers and others who live or work in the district to monitor progress and judge how successful the Council is in meeting local needs.

The documents itself provides:

- A District Overview and Vision
- A summary of the Council's Vision for the District in 2020
- The Council's Key Strategic Aims and Objectives
- Details of how the Council's performance will be reported
- Information on how the Council will work in partnership with other organisations

Importantly, the Council's Key Strategic Aims and Objectives do **not** provide a list of all the things the Council currently does, or intends to do over the five-year period of the Corporate Plan - since the Council provides many services which will continue to be provided throughout the life of the Plan and beyond. They are the Council's **top** strategic priorities, which it wants to address over the lifetime of the Plan.

The three Key Strategic Aims and Objectives are shown in the following table:

<b>Aim 1 - To ensure that the Council has appropriate resources, on an ongoing basis, to fund its statutory duties and appropriate discretionary services whilst continuing to keep the Council Tax low</b>
<p><b>(a) Budgets</b></p> <p>To ensure that the Council's Medium Term Financial Strategy plans meet the Council's financial and service requirements for any forward five year period, whilst minimising any reliance on Government funding.</p>
<p><b>(b) Property Assets</b></p> <p>To continue reviewing and developing the Council's own property and landholdings for appropriate uses, in order to maximise revenue streams and capital receipts, and to deliver the following key projects:</p> <ul style="list-style-type: none"> <li>• The Epping Forest Shopping Park, Loughton</li> <li>• The Council House Building Programme</li> <li>• St John's Redevelopment Scheme, Epping</li> <li>• North Weald Airfield</li> </ul>
<p><b>(c) Joint Working</b></p> <p>To explore appropriate opportunities to make savings and increase income through the shared delivery of services with other organisations, where such arrangements would provide improved and/or more cost effective outcomes</p>
<b>Aim 2 - To ensure that the Council has a sound and approved Local Plan and commences its subsequent delivery</b>
<p><b>(a) Local Plan</b></p> <p>To undertake consultation with local residents and work with neighbouring Councils, and to publish a sound Local Plan which meets the needs of our communities whilst minimising the impact on the district's Green Belt</p>
<p><b>(b) Economic Development Strategy</b></p> <p>To increase opportunities for sustainable economic development and new local employment in the district.</p>
<p><b>(c) Leisure &amp; Cultural Strategy</b></p> <p>To deliver the Council's new Leisure and Cultural Strategy, in order to maximise participation and value for money in leisure and cultural services for local residents and visitor</p>

**Aim 3 - To ensure that the Council adopts a modern approach to the delivery of its services and that they are efficient, effective and fit for purpose**

**(a) Customer Contact**

To have efficient arrangements in place to enable customers to easily contact the Council in a variety of convenient ways, and in most cases have their service needs met effectively on first contact.

**(b) Modernising Council Operations**

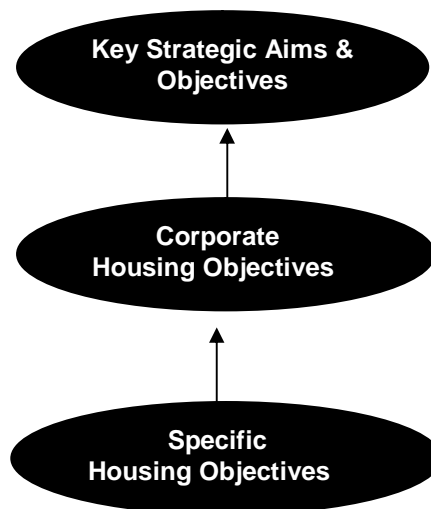
To utilise modern technology to enable Council officers and members to work more effectively, in order to provide enhanced services to customers and make Council services and information easier to access

**(c) District Demographic Profile**

To ensure that the Council understands the effects of an ageing population and works with other agencies to make appropriate plans and arrangements to respond to this need

**3.2 Hierarchy of Objectives**

In order to make the best use of its housing assets and deliver an effective housing service, the Council has set Business Plan Objectives at various levels within the organisation, from the high level Key Strategic Aims and Objectives to individual housing objectives. The hierarchy of objectives can be summarised as follows:



**3.3 Corporate Housing Objectives**

The Council's Corporate Housing Objectives set out the ultimate objectives that the Council strives to achieve on housing issues. The Corporate Housing Objectives relevant to this Business Plan are:

- |                                      |  |
|--------------------------------------|--|
| <b>HO1 – Value for Money</b>         | Provide a high quality housing service, having due regard to the cost of providing the service.  |
| <b>HO2 - Housing Management</b>      | Manage the Council's housing stock efficiently and effectively, obtaining good value for money, to deliver high quality housing services.  |
| <b>HO3 - Repairs and Maintenance</b> | Ensure that all tenants live in a decent home, and that the Council aims to maintain its properties and housing estates to its Modern Home Standard that protects and enhances their value, and provides a safe and satisfactory environment for tenants and leaseholders. |
| <b>HO4 - Tenant Participation</b>    | Enable the Council's tenants and leaseholders to participate in the delivery of their housing service, through the receipt of good quality information, adequate and appropriate consultation on relevant housing  |

issues and opportunities to provide feedback to the Council, in accordance with the *Epping Forest Tenant Participation Agreement*.

#### **HO5 - Housing Finance**

Manage the Council's financial housing resources effectively, efficiently and prudently, through the formulation of effective revenue and capital spending priorities and plans and the achievement of good financial performance against targets.

#### **HO6 – Housing Development**

Build new affordable rented Council housing in an efficient and effective manner, having regard to the financial resources available and other housing priorities, in order to both increase/replace the Council's own housing stock and help increase the overall amount of affordable housing within the District.

### **3.4 Specific Housing Objectives**

In pursuit of the Council's Corporate Housing Objectives, the Council has more detailed Specific Housing Objectives. The Specific Housing Objectives of this Business Plan are as follows:

#### *(a) Value for Money:*

- (a) Provide consistent quality housing services
- (b) Understand the relationship between housing performance and the cost of service provision
- (c) Involve representatives of the Tenants and Leaseholders Federation in consideration of housing performance and new policy development.
- (d) Seek to continuously reduce costs, whilst maintaining or improving performance

#### *(b) Housing Management:*

- (a) Provide a decentralised housing management service through two area housing offices based in Epping and Loughton and an Estate Office at the Limes Centre, Chigwell.
- (b) Ensure that the Council's housing estates provide an attractive environment for local residents.
- (c) Review the Council's *Housing Allocations Scheme* annually to ensure it continues to be appropriate and gives choice to applicants, following consultation with private registered providers of housing (RPs), local councils and the Tenants and Leaseholders Federation.
- (d) Keep the number of empty Council properties, the period they are left empty, and the associated rental loss to a minimum.
- (e) Keep underoccupation of the Council's housing stock to a minimum.
- (f) Minimise the extent of breaches of tenancy conditions.
- (g) Take firm action against anti social behaviour, through notification, mediation or legal action as necessary.

#### *(c) Repairs and Maintenance:*

These objectives are set out in detail as part of the Council's *Repairs and Maintenance Business Plan* attached as Appendix 1 to this Business Plan.

#### *(d) Tenant Participation:*

- (a) Consult individuals, groups and organisations on important matters relating to the provision of housing services, particularly on issues where clients have an element of choice or where decisions will have a major effect on them.

- (b) Comply with the Council's *Housing Charter* relating to the approach and philosophy towards the provision of housing services.
  - (c) Comply with the commitments set out in the *Epping Forest Tenant Participation Agreement*.
  - (d) Provide information to tenants that is timely, in plain English, of good quality and tailored to both the general and individual needs of tenants.
  - (e) Recognise the special needs of certain tenants and respond positively to those needs.
  - (f) Obtain feedback from tenants, in a variety of ways, on the Council's performance in the delivery of housing services.
  - (g) Encourage, support and develop tenants associations within the District.
  - (h) Keep the Council's tenant participation structure under review.
  - (i) Consult tenants on major improvement schemes, housing initiatives and matters of general housing management to ensure full awareness of proposals and to obtain their views.
  - (j) Encourage, support, consult and develop the District Tenants and Leaseholders Federation, and work in partnership with the Federation to maximise the benefits that can be achieved from tenant participation to improve the delivery of housing services.
  - (l) Consult the Federation on the Council's housing services and policies in accordance with the District-wide Tenant Participation Agreement.
  - (m) Ensure that appropriate training is made available for tenants.
- (e) *Housing Finance:*
- (a) Manage the Council's financial housing resources effectively, efficiently and prudently.
  - (b) Review and update the HRA Financial Plan on a quarterly basis, with formal reviews by the Housing Scrutiny Panel every six months
  - (c) Make appropriate provision to repay on maturity the Council's fixed rate and variable rate loans from the Public Works Loan Board (taken out to fund the £186m HRA self-financing settlement in March 2012).
  - (d) Plan to ensure that the HRA remains in surplus, each year, for a period of at least 30 years.
  - (e) Consider the level of fees and charges to be made for housing services on an annual basis.
  - (f) Ensure that working balances for the Housing Revenue Account are not forecast to fall below £2m or to exceed £3m in any one year.
- (f) *Housing Development*
- (a) Plan and deliver a Council Housebuilding Programme, to increase/replace the Council's own housing stock and help increase the overall amount of affordable housing within the District, in a systematic manner.
  - (b) Deliver the Housebuilding Programme in an efficient and effective manner, ensuring maximum value for money
  - (c) Have regard to the financial resources available and other housing priorities, in order to determine the amount of new housebuilding that should be undertaken.
  - (d) Ensure that the costs of developments are recouped within a period of at least 30 years, through the provision of financial subsidy if required

- (e) Build new Council homes to a good standard, that also minimises the costs of ongoing repairs and maintenance

### 3.5 Summary of Key Activities and Achievements in 2015/16

The key housing achievements and activities for the Business Plan in 2015/16 are as follows:

- Completion of the major conversion scheme at Marden Close and Faversham Hall, Chigwell Row to convert 20 difficult-to-let bedsits and an under-used hall to provide 12 self-contained flats for applicants on the Council's Housing Register
- Progressing the Council's Housebuilding Programme to a point where: Phase 2 of the Programme, to provide 51 new homes at Burton Road, Loughton is due to commence; planning permission has been obtained for the 8 sites that comprise Phase 3; and development sites identified for Phase 4.
- Successful implementation of the agreed programme of new housing improvements and service enhancements for 2015/16, funded from the additional resources made available by HRA self-financing.
- Successful implementation of further significant changes to the Council's Housing Allocations Scheme, resulting in:
  - The period that applicants must have been resident within the District being increased from 3 to 5 years (with some exceptions)
  - The maximum amount of income, savings and equity that applicants can have to join the Housing Register being significantly reduced to £76,000
  - Increased financial incentives for existing Council tenants to downsize their accommodation
  - The strengthening of penalties for applicants who refuse offers of accommodation in which they have expressed an interest
- Successful implementation of a revised Tenancy Policy, resulting in the provision of 10-year flexible (fixed term) tenancies being extended to all Council properties re-let to new tenants (except sheltered properties and those down-sizing).
- Introduction of a new complaints handling procedure for the Housing Service, co-ordinated by a new post of Customer Relationship Officer, who now deals with all complaints from housing clients at Step 1 and assists with the administration of complaints at Steps 2 and 3 of the Council's Compliments and Complaints Scheme.
- Identification of a site, formulation of a feasibility study and approval to proceed with the design stage for the construction of a new Housing Repairs and Maintenance Hub at Blenheim Way, North Weald to which the Housing Repairs Service and Housing Assets Team can relocate.
- Extension of the opening hours for the Council Office at the Limes Centre, Chigwell into weekday afternoons.
- Introduction of a new smartphone app to enable tenants to repair report repairs whilst mobile.

### 3.6 Key Housing Priorities and Action Plan to Meet the Objectives

The Council's Key Housing Priorities for its landlord service next year (2016/17) are set out below.

- Continue to manage and maintain the Council's homes effectively and efficiently
- Complete Phase 1 of the Council's Housebuilding Programme, to provide 23 new affordable rented homes in Waltham Abbey, and start on site with Phases 2 and 3 to provide 85 further affordable rented homes in Loughton, Coopersale, Epping and North Weald
- Purchase 8 affordable rented homes at Barnfield, Roydon and up to 10 vacant properties from the open market, to ensure that the Council utilises all of its "one-for-one" replacement RTB receipts

- 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
- 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
- Commence preparations for the Government's "Pay to Stay" Scheme, whereby tenants with higher incomes will be required to pay higher rents
- 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
- Maintenance of high levels of tenant satisfaction (87%), following completion of the tri-annual Tenant Satisfaction Survey
- Undertake reviews of the Council's Careline Service, Sheltered Housing Service and sheltered housing assets, in order to determine the most appropriate approach for the future
- Complete the design, and obtain planning permission, for a new Housing Repairs and Maintenance Hub at North Weald to which the Housing Repairs Service and Housing Assets Team can be co-located

There are a number of factors and sources that have influenced the Key Housing Priorities, which were formulated in conjunction with the District-wide Tenants and Leaseholders Federation.

The Key Housing Priorities were selected by the Council having regard to:

- The views of the Tenants and Leaseholders Federation
- National housing policies and priorities
- The Council's Key Strategic Aims and Objectives within its new Corporate Plan
- The recommendations of the Council's Housing Portfolio Holder and Director of Communities, based on the "Business Plan Analysis" within Chapter 4 of the Business Plan

## 4. Business Plan Analysis

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### 4.1 Introduction

In formulating the objectives and plans in respect of the HRA, the Council's strengths and weaknesses relating to HRA activities have been examined. At the same time, an analysis has been undertaken of the impact that the external environment has, or will have, on the HRA, and available options have been identified and analysed, in order to formulate cohesive and achievable strategies.

### 4.2 The Council's Housing Stock

The Council owned the following HRA stock as at 31<sup>st</sup> March 2015, for which the Council's Housing Service is responsible for management and maintenance:

- 6,389 residential properties (\*)
- 998 leasehold properties
- 2,726 garages
- 1 Homeless Persons Hostel comprising 38 rooms and 10 chalets

A number of these properties were transferred to the Council from the former Greater London Council (GLC) in 1980. The housing stock continues to decline due to the effects of the Right to Buy; 6,283 properties have

been sold since 1977 (See Section 4.11 below). An analysis of the Council's housing stock as at April 2015 (excluding the 48 rooms at the Council's Hostel, 2 staff properties and 22 properties "out of charge") is detailed below.

<b>COUNCIL HOUSING STOCK BY TYPE AND YEAR</b> (Excluding Homeless Persons Hostel)					
	April 2015	April 2014	April 2013	April 2012	April 2011
<b>Houses</b>	2,686	2,696	2,723	2,725	2,730
<b>Flats</b>	2,389	2,408	2,426	2,434	2,448
<b>Maisonettes</b>	528	534	537	536	522
<b>Bungalows</b>	786	790	791	791	791
<b>TOTAL</b>	<b>6,389</b>	<b>6,428</b>	<b>6,477</b>	<b>6,486</b>	<b>6,491</b>

<b>COMPARISON OF PRE AND POST WAR COUNCIL HOUSING STOCK BY TYPE</b> (As at 1st April 2015)					
	Pre-1944		Post 1945		TOTAL
	No.	%	No.	%	
<b>Houses</b>	349	5 %	2,334	37 %	<b>2,683</b>
<b>Flats</b>	12	< 1 %	2,378	37 %	<b>2,390</b>
<b>Maisonettes</b>	0	0	530	8 %	<b>530</b>
<b>Bungalows</b>	11	< 1 %	775	12 %	<b>786</b>
<b>TOTAL</b>	<b>372</b>	<b>6 %</b>	<b>6,017</b>	<b>94 %</b>	<b>6,389</b>

<b>PROPERTY MIX OF COUNCIL HOUSING STOCK BY BEDROOM SIZE</b> (As at 1st April 2015)		
	No.	%
<b>Bedsits</b>	310	5 %
<b>1 Bedroom</b>	2,283	36 %
<b>2 Bedroom</b>	1,783	28 %
<b>3 Bedroom</b>	1,855	29 %
<b>4/5 Bedroom</b>	158	2 %
<b>TOTAL</b>	<b>6,389</b>	

<b>GEOGRAPHICAL SPREAD OF COUNCIL HOUSING STOCK</b> (As at 1st April 2015)								
	Buckhurst Hill / Chigwell		Loughton		Waltham Abbey		Epping / Ongar / Rural Areas	
	No.	%	No.	%	No.	%	No.	%
<b>Houses</b>	186	7 %	920	34 %	587	22 %	990	37 %
<b>Flats</b>	293	12 %	877	37 %	761	32 %	459	19 %
<b>Maisonettes</b>	257	49 %	195	37 %	68	13 %	10	2 %
<b>Bungalows</b>	15	2 %	145	19 %	145	18 %	481	61 %
<b>TOTAL</b>	<b>751</b>		<b>2,137</b>		<b>1,561</b>		<b>1,940</b>	
<b>% of Stock Total</b>		<b>12 %</b>		<b>34 %</b>		<b>24 %</b>		<b>30 %</b>

### 4.3 Stock Valuation

Under CLG guidelines, the valuation of residential properties is based on Social Housing - Existing Use (SH-EH) value. In 2001, the Council first commissioned the Valuation Office to undertake a formal valuation of the Council's housing stock, as at April 2000. Desk-top revaluations have been undertaken annually since 2002, and in 2006 and 2011 the Valuation Office undertook full revaluations.



#### 4.4 Overview of the Management of the Council's Housing Stock

##### *(a) Introduction*

The Council's housing stock is a major asset, and it is therefore essential that it is properly managed and maintained. This section of the Business Plan sets out how the Council's stock is managed.

##### *(b) Communities Directorate*

The management and maintenance of the Council's housing stock forms part of the Housing Service, which is within the Communities Directorate, under the management of the Director of Communities.

The permanent Staff Establishment of the Housing Service comprises around 210 full and part-time members of staff. Of these, only 11 private sector housing staff and 6 homelessness staff are involved in non-HRA activities. Appendix 3 sets out the Staffing Structure of the senior management of the Communities Directorate, including the Housing Service, highlighting those teams involved with landlord housing services and listing the main responsibilities of each team.

Most of the staff providing the Housing Service are centrally based at the Civic Offices in Epping. However, the following services are decentralised.

**Area Housing Office (South)** Based in the heart of The Broadway Shopping Centre, Loughton, the office provides a comprehensive housing and estate management service to tenants in the south of the District (See Section 4.5(a) below).

**Limes Farm Housing Office** Based at the Limes Centre, Chigwell, the Office provides a localised housing & estate management service to the tenants of the Estate, including a number of other Council services. The office is staffed daily during the week, managed by the Assistant Area Housing Manager.

**Careline Control Centre** The Council provides an older peoples alarm network, Careline, which is managed from Careline Control based at Parsonage Court, Loughton. The service is managed by the Housing Manager (Older People's Services), based at Careline Control (See Section 4.5(j) below).

**Sheltered Housing** The Council has 12 sheltered housing schemes for older people, each managed by a Scheme Manager. In addition, an Area Scheme Manager provides a visiting service to older tenants on housing estates (See Section 4.5(k) below).

##### *(c) Management Board*

The Management Board comprises the Chief Executive and the four Service Directors. Its purpose is to ensure a corporate approach to the delivery of Council services. The Management Board meets on a weekly basis.

##### *(e) Support Services*

The Housing Service is supported by a number of other services within the Council to deliver its housing management and maintenance. The following lists the main support services:

**Accountancy** The Council's Resources Directorate provides a comprehensive accountancy service under the management of the Director of Resources, including the provision of financial advice, budget formulation and monitoring, invoicing, payments, sundry debtors and creditors.

**Audit** The Council's audit function is undertaken by the Chief Internal Auditor in accordance with the Council's Audit Plan.

**Grounds Maintenance** The Council's grounds maintenance is undertaken by the Neighbourhoods Directorate. The arboricultural contract is undertaken by a private contractor.

<b>Housing Benefits</b>	Housing Benefits is administered within the Resources Directorate under the management of the Asst Director (Benefits).
<b>Information &amp; Communication Technology (ICT)</b>	Although the database for the integrated housing system is supported by the Communities Directorate, the network is managed by the Resources Directorate.
<b>Legal</b>	The Governance Directorate provides a comprehensive legal service to the Housing Service, including conveyancing, litigation, advocacy, contract administration and legal advice.
<b>Human Resources</b>	The Resources Directorate is responsible for strategic HR issues, industrial relations, recruitment and other HR operations.
<b>Performance Management</b>	The Performance Improvement Team, within the Governance Directorate, is responsible for the co-ordination of performance management data.
<b>Public Relations &amp; Marketing</b>	Although the Communities Directorate has an Information and Customer Relationship Team, a corporate public relations service is provided by the Public Relations and Marketing Team Section within the Governance Directorate.

#### **4.5 Delivery of Housing Services**

##### *(a) Estate Management*

Estate management is undertaken by the two Area Housing Offices under the direction of the Area Housing Managers. The Area Housing Office (North), based at the Civic Offices, Epping, manages around 3,510 properties in the north of the District, including the towns of Epping, Waltham Abbey and Ongar. Most of the properties in the rural part of the District are also managed by this office. As outlined above, the Area Housing Office (South) is based in The Broadway Shopping Centre, Loughton and manages around 2,910 properties in Loughton, Buckhurst Hill, Chigwell and the immediately surrounding areas. The office also provides a cash office facility, managed by the Resources Directorate, for the payment of all Council charges, including rents.

Within the Area Housing Offices, Housing Officers (Management) manage around 700 properties each. They are responsible for dealing with breaches of tenancy conditions, including rent arrears recovery and estate management. In addition to ad-hoc estate inspections, staff in the Area Housing Offices undertake an annual programme of planned estate inspections covering the whole of the District.

The Council undertakes the cleaning/cleansing of estate and sheltered housing schemes in-house, and employs three full time caretakers for two large estates in the District and 16 full and part-time cleaners.

##### *(b) Rent Collection*

The collectable rent debit in 2014/15 was £34m (an increase of 1.8% from 2013/14, which was a 53-week year). Rent is collected through a variety of methods. The Council's rent collection administrator, Allpay, provides a number of rent payment points in convenient locations (e.g. supermarkets, garages etc.) throughout the District. The Council also provides two cash desks based in Epping and Loughton. Direct debit and standing orders are also offered to tenants, as well as a facility for rent payments to be made by debit card (for a small processing fee), credit card, on line or by text.

The rent collection rate in 2014/15 was 99.1%, higher than the collection rate of 97.6% in 2013/14.

##### *(c) Current and Former Rent Arrears*

The Council's approach towards rent arrears recovery is set out in the Housing Service Strategy on Rent Arrears. The Council has a historically good record of rent arrears recovery, especially when compared to the national trend of rent arrears increases. The level of current rent arrears amounted to £241,584 as at 1 April 2015, representing 0.71% of the annual debit – a substantial reduction in the level of arrears in April 2014.

Former tenant arrears amounted to £331,528 as at 1 April 2015, of which £237,494 were due to former dwellings arrears (the rest due to former garage, housing benefit, court costs and replacement tenancy arrears). During 2014/15, a total of £105,716 of former tenant arrears (comprising former dwelling, garage, housing benefit overpayment and court cost arrears) were written off. Former tenant arrears of £87,122 were collected in 2014/15.

*(d) Empty Properties*

In order to maximise rental income and effectively meet housing need, it is essential that the number of empty properties, and the associated re-let period, is kept to a minimum. There were 69 empty properties as at 1<sup>st</sup> April 2015 (including 6 properties “out of charge”). The rental loss from empty properties in 2014/15 amounted to just 0.95% of the annual debit, a little higher than the rental loss of 0.94% in 2013/14.

*(e) Difficult to Let Properties – Low Demand*

Generally, the Council does not experience any of the problems faced by many other authorities of “low demand” and has a high demand for most properties. However, some difficulties are experienced in letting certain types of properties in sheltered housing and schemes for frail older people. As at 1<sup>st</sup> April 2014, there were only 3 vacant properties meeting the “difficult to let” criteria (primarily in sheltered housing schemes).

*(f) Choice Based Lettings (HomeOptions Scheme)*

The Council operates its HomeOptions Scheme, a choice based lettings scheme operated in partnership with five neighbouring councils (Brentwood, Uttlesford, Chelmsford, East Herts and Broxbourne) whereby housing applicants are able to choose the property that is let to them, rather than being “allocated” properties. Offers of accommodation are made to applicants who have expressed an interest in specific vacant properties who are in the highest priority band, in date order. The scheme is provided by Locata Housing Services, a choice based lettings agency, who were awarded a further long-term contract following an EU competitive procurement exercise in 2015.

*(g) Review of the Housing Register*

In order to ensure that the Housing Register is up to date, reviews of applicants that have not expressed any interest in properties through the HomeOptions choice based lettings schemes are undertaken on an annual basis.

*(h) Homeless Persons Hostel*

The Council’s Homeless Persons Hostel in North Weald comprises 38 rooms and 10 “chalets” with shared kitchen and bathroom facilities. Managed by a Hostel Manager, who is supported by two Assistant Hostel Managers, it provides an invaluable facility to provide temporary accommodation to homeless families, to reduce the use of bed and breakfast accommodation.

*(i) Leasehold Services and Service Charges*

The Council had 998 properties leased under the Right to Buy as at 31 March 2015, compared to 972 properties the previous year. Leaseholders are charged two main types of service charges; annual charges are made for the provision of ongoing communal services (eg cleaning, grounds maintenance, responsive repairs etc); charges are also made for larger planned repairs and improvements following consultation in accordance with the Housing Act 1985.

*(j) Careline Service*

The Council operates an alarm network for older people and other adults with care and support needs (Careline Service) to the following categories of people in the District (as at 1 April 2014):

Council tenants	1,231
Private occupiers	1,131
Housing association tenants	108
<b>Total</b>	<b>2,470</b>

The number of users receiving the service decreased by 1.4% during 2014/15. The monitoring and response service is provided by Careline to private occupiers on a permanent basis, and to other residents when their Scheme Manager goes off duty. The Careline Service is available 24 hours per day, 365 days per year and is based at Parsonage Court, Loughton. Response times are monitored and, in 2014/15, 99.8% of all calls were responded to within 60 seconds. The average time to respond to calls was just 5.5 seconds.

At present, the Council receives annual “housing related support” funding from Essex County Council towards the costs of the service. However, Essex County Council will be reducing this funding by around £50,000 per annum from April 2016. Charges are also made to Council tenants, including (since April 2015) tenants in receipt of housing benefit. The Careline Service is also available to non-Council tenants, for a charge, which increases the viability of Careline.

The Council's Careline Service has been accredited by the Telecare Services Association (TSA) for a number of years, which demonstrates that the Service meets national minimum service standards and quality thresholds. In fact, the Careline Service consistently exceeds these minimum standards.

A review of the Careline Service will be undertaken during 2016, to make sure that it continues to offer good value for money and to determine the most appropriate approach for the future.

*(k) Sheltered Housing*

In April 2015, the Council had 466 sheltered housing properties within 12 sheltered and grouped housing schemes throughout the District, with each one managed by a Scheme Manager. At present, the Council receives annual “housing related support” funding from Essex County Council towards the costs of the service. However, Essex County Council will be reducing this funding by around £80,000 (46%) from April 2016. Sheltered housing tenants (including, since April 2016, those in receipt of housing benefit) pay a “support charge” to meet the remaining costs of the sheltered housing service.

A number of the Scheme Managers, together with an Area Scheme Manager, also visit tenants living in properties situated within general needs housing estates that have been designated as especially suitable for older people. These visits are made on a “call category” basis, dependent on the assessed level of risk, as follows:

Category	Frequency of Visits
<b>A</b>	Twice each week
<b>B</b>	Once a week
<b>C</b>	Once a fortnight

Tenants of these properties also pay a support charge for their scheme management service, although this is lower than for sheltered housing, because the amount of support received is much lower.

*(i) Social Housing Fraud*

Since April 2015, the Council has had a Corporate Fraud Team, under the management of the Chief Internal Auditor, bringing all of the Council's various anti-fraud functions together.

The Corporate Fraud Team is responsible for detecting and dealing with social housing fraud. The Team investigates all aspects of social housing fraud, including illegal subletting, unauthorised occupation, non-occupation and Right to Buy (RTB) fraud. To date, the identification of cases relating to RTB fraud alone has led to an associated saving in RTB discount well in excess of the cost of resourcing anti-social housing fraud activity. The savings from uncovering fraudulent RTB applications generally subsidises the cost of identifying and uncovering other types of social housing fraud that do not result in a financial benefit, but enables the more appropriate use of Council properties for those in most need.

**4.6 Tenant and Leaseholder Participation and Consultation**

The Council is committed to involving tenants with the delivery of their housing services and has made good progress with developing tenant participation. The Council has a detailed Tenant Participation Strategy (which is regularly reviewed – most recently in March 2014) and has a dedicated Tenant Participation Officer to deliver the commitments set out in the Tenant Participation Agreement (see below) and to further develop tenant participation in the District. From February 2016, the Council's Area Housing Managers have become

responsible for delivering the Tenant Participation Strategy, under the strategic leadership of the Assistant Director (Operations).

The Council has facilitated the formation of five recognised tenants association and one tenants panel throughout the District. In addition, the Council has established the district-wide Leaseholders Association, which represents the views of the Council's leaseholders (and with whom the Council can consult on leasehold issues, including service charges) and the Epping Forest Sheltered Forum, comprising representatives from most of the Council's sheltered housing schemes across the District.

The Council originally established and now works with the Epping Forest Tenants and Leaseholders Federation, which represents all the Council's tenants and leaseholders, with whom the Council consults and briefs on matters of interest. The Federation comprises an Executive Committee, with two representatives from each of the five recognised tenants associations, and two representatives from Tenants Panels, the Leaseholders Association and the Sheltered Forum. The Federation meets with the Housing Portfolio Holder and senior housing officers every six weeks, and is chaired by one of the Federation's representatives.

The Federation is consulted by the Housing Portfolio Holder and senior housing officers on all proposed changes to housing policy or procedures that affect all (or the majority of) tenants, before decisions are made. The Federation's comments on such proposals are included in reports to Portfolio Holders and the Cabinet. The Chairman of the Federation is also a member of the Council's Housing Scrutiny Panel.

The Council's first District-wide Tenant Participation Agreement between the Council and the Tenants and Leaseholders Federation was signed in March 2000. Following regular reviews and consultation with all tenants, the Agreement has been updated and signed every three years, and most recently in January 2015. The Agreement is a statement of commitment by both the Council and the Federation, which sets out in writing the intentions of the Council and the Federation in the approach they will take for;

- the provision of information to tenants
- consultation with tenants on housing policy issues
- the operation of the Federation.

In addition, *Local* Tenant Participation Agreements are signed each year with each of the recognised tenants associations. A unique Leaseholders Participation Agreement has also been signed between the Council and the Leaseholders Association, which sets out how leaseholders will be informed of, and consulted on, relevant issues.

The Council has a good record of consulting tenants and others on housing issues that affect them, both at the District level and at the local level. Elsewhere in this Business Plan, details are given of the consultation undertaken on:

- Tenant satisfaction
- "Consultation" Section of the Housing web pages
- This Business Plan
- Tenant Participation Agreement
- New housing policies
- Tenants & Leaseholders Federation

The Federation also monitors the Housing Service's performance in detail, on a quarterly basis, through key performance indicators that the Federation has selected as being of particular interest to tenants. In addition, the Federation undertakes occasional service reviews of specific housing services. For example, the Federation reviewed the way that the Housing Service dealt with complaints - which led to a number of recommendations, most of which were accepted and implemented by the Council. One of the main changes as a result of the Service Review was the creation of a new Customer Relationship Officer post, to co-ordinate responses to all complaints about the Housing Service.

#### **4.7 Fees and Charges**

In addition to rents, the Council makes a number of other charges for housing services, which are reviewed annually in November by members in order to feed into the budget-making process. Usually, fees and charges are increased annually in line with inflation, although each charge is considered on its own merits and variations are made to this approach for strategic reasons.

#### **4.8 Repairs, Maintenance and Improvements**

In addition to the Financial Plan, probably the most important elements of this Business Plan are the:

- Analysis of the condition of the Council's housing stock
- Plans to ensure that all the Council's properties continue to meet the Government's "Decent Home Standard"
- Plans to properly maintain the Council's housing stock to the Council's Modern Home Standard
- Formulation of standards and policies for repairs, maintenance and improvements

In view of this importance, the Council has developed a Repairs and Maintenance Business Plan which, although a free-standing document, forms an integral part of the overall HRA Business Plan. The Repairs and Maintenance Business Plan is attached as Appendix 1.

#### **4.9 Right to Buy and Rent to Mortgage Sales**

Under the Housing Act 1985, the Council is required to sell Council properties to eligible sitting tenants at a discount. Local authorities also have discretion to sell properties on a voluntary basis outside the right to buy provisions. Many years ago, the Council operated such a voluntary sales policy, but no longer does so. Between 1st April 1977 and 31st March 2015 (38 years), the Council has received 11,868 applications to purchase, resulting in 6,283 sales (53%), of which 4,723 were under the Right to Buy.

In 2014/15, 68 applications to purchase under the right to buy were received (20 less than in 2013/14), which resulted in 46 sales (compared to 53 sales in 2013/14 and 13 in 2012/13). The average open market valuation in 2014/15 was £182,728 per property, compared to £182,590 in 2013/14. The maximum right to buy discount out of London in 2014/15 was £77,000. The average purchase price was £109,355 per property (compared with £109,687 per property in 2013/14), resulting in an average discount in 2014/15 of £73,373.

In 2012, the Government significantly increased the maximum RTB discount in the East of England from the previous £34,000 to a national discount (excluding London), which is increased annually in line with increases in the Consumer Prices Index (CPI). The maximum discount for 2015/16 was increased to £77,900.

Also in 2012, the Government introduced a scheme to ensure that every additional home sold under the Right to Buy is replaced by a new home for Affordable Rent and that additional receipts from sales are recycled towards the cost of replacement. The Council is utilising all of these additional receipts (after deducting an amount to repay the notional debt linked to the property) to help fund its Council Housebuilding Programme (see Section 4.14). The Council has entered into an agreement with the Government stating, as required, that the additional RTB receipts it receives do not fund any more than 30% of the cost of providing each replacement affordable home. Under the Agreement, all additional capital receipts to fund Council housebuilding must be spent within 3 years of them being received.

#### **4.10 The District's Housing Needs Relevant to the HRA Business Plan**

##### *(a) Introduction*

It is important that the HRA Business Plan reflects the known housing need in the area and the predictions of how this might be expected to change in the future. In particular, if the projected housing need is low or diminishing, it could affect future rental income streams. However, the District does have a high level of housing need, that cannot be met by the current and projected supply of affordable accommodation. Unlike other areas of the country, it is predicted that this position will not change in either the short or longer term.

##### *(b) Strategic Housing Market Assessments (SHMAs)*

The Government has previously issued guidance to all local authorities that they should undertake strategic housing market assessments (SHMAs), in collaboration with other local authorities that operate within the same housing market.

Generally, housing need can be defined as *the quantity of housing required for households who are unable to access suitable housing without financial assistance* and housing demand defined as *the quantity of housing that households are willing and able to buy or rent*. Housing market areas are defined as *geographical areas defined by household demand and preferences for housing*. They reflect the key functional linkages between places where people live and work'.

SHMAs help local authorities to develop a shared evidence base to inform the development of spatial housing policies and Local Plans. In addition, they help to inform decisions about the policies required in

housing strategies and provide valuable insights into how housing markets operate, both now and in the future.

The Council has commissioned a number of SHMAs over recent years, in collaboration with three neighbouring councils, to assess the level of “objectively assessed housing need” for both the District and the SHMA area. However, the SHMA is particularly important at the present time, since this assessment of housing need is required to inform the Council’s emerging Local Plan on the number of new homes that should be provided in the District over the next 20 years, and their tenure.

The latest SHMA was completed in late-2015, and identified an objectively assessed housing need of 10,300 new homes for the District. From this assessment, the Council will set a housing target for the District, in co-operation with neighbouring authorities.

*(c) New Affordable Housing Provision*

As at March 2016:

- 40 new affordable homes are due for completion in 2015/16
- A further 23 new affordable homes, currently on-site, are expected to be completed in 2016/17
- A further 213 affordable homes on 8 site sites with planning permission are expected to be completed over the next 2-3 years.

*(d) Housing Register Data*

There were 1,572 applicants registered on the Housing Register as at 1<sup>st</sup> April 2015 (compared to 1,593 applicants on 1<sup>st</sup> April 2014). In addition, a further 208 older applicants (mainly with either no, or less than 3 years’ residency in the District) were registered on the Council’s Supplementary Waiting List. Such applicants receive offers of accommodation, in date order, for vacant properties where no eligible applicants have expressed an interest through the HomeOptions choice based lettings scheme.

Since that time, the Council has restricted access to the Council’s Housing Register even further, by:

- Increasing the period that applicants must have been resident within the District from 3 to 5 years (with some exceptions)
- Significantly reducing the maximum amount of income, savings and equity that applicants can have to join the Housing Register to £76,000
- Increasing the financial incentives available to existing Council tenants to downsize their accommodation
- Strengthening the penalties for applicants who refuse offers of accommodation in which they have expressed an interest

*(e) Social Housing Turnover*

Social housing turnover (in both the Council’s own stock and that of registered providers of housing) has also been taken into account in the preparation of this Business Plan. The following table compares turnover of Housing Register, homeless and other applicants for vacancies in the Council’s housing stock over the last two years. As can be seen, turnover increased by around 6% in 2014/15 compared to the previous year.

<b>HRA HOUSING STOCK TURNOVER (2013/14 and 2014/15)</b>		
	<b>2014/15</b>	<b>2013/14</b>
<b>Housing Register (inc homeless)</b>	387	379
<b>Mutual exchanges</b>	126	105
<b>TOTAL</b>	<b>513</b>	<b>484</b>

In addition, 57 applicants were nominated in 2014/15 for vacancies in stock owned by housing associations – an increase of around 128%, compared with the 25 applicants nominated and accepted in 2013/14.

**4.11 Workforce Development Planning**

The Communities Directorate adopts a systematic approach towards workforce planning. Workforce planning helps an organisation to estimate its future workforce requirements and calculate the numbers, nature and

sources of potential employees who might meet that demand. In other words, it's about getting the right number of people, with the right skills, in the right place and at the right time.

The latest breakdown of the workforce available for the Housing Service (excluding Private Sector Housing staff, which is covered in the separate Private Sector Housing Business Plan) is as follows:

<i>Gender &amp; Full-Time/Part-Time</i>		<i>Age</i>	
<b>Male</b>	<b>42 %</b>	16 – 24	5 %
<i>Full-time</i>	33 %	25 – 34	5 %
<i>Part-time</i>	2 %	35 – 44	18 %
<b>Female</b>	<b>58%</b>	45 – 54	40 %
<i>Full-time</i>	40 %	55 – 64	28 %
<i>Part-time</i>	25 %	65 +	4 %
<i>Disability (Self-declared)</i>		<i>Ethnicity</i>	
	<b>11 %</b>	White English	84.8 %
<i>Turnover (Reasons and Overall)</i>		White Other	4.6 %
Voluntary Leavers	1.5 %	White Irish	2.0 %
Retired	2.0 %	Chinese	1.0 %
Other	0.5 %	Mixed	1.0 %
<b>Annual Turnover</b>	<b>4.0 %</b>	Black Caribbean	0.5 %
		Other/Unspecified	6.0 %

The Communities Directorate's objectives for, and approach to, Workforce Development Planning can be summarised as follows:

- Understand the characteristics of the Directorate's workforce, in terms of sex, hours of work, age, disability, ethnicity and turnover
- Understand the reasons for staff leaving employment and take any appropriate action as a result to reduce future turnover
- Ensure that there is an appropriate mix of full-time and part-time staff within individual sections of the Communities Directorate
- Seek to minimise any barriers to staff achieving their full potential, by taking pro-active action to maximise their potential
- Identify training and development requirements through the Performance Development Review (PDR) process (see Section 4.12 below) and meet these requirements in the most appropriate way
- Seek to ensure that the ethnicity of the staff within the Directorate is broadly representative of the wider population and the Council's tenants and housing applicants
- Identify staff who are likely to retire, or who may leave the Council's employment, within the foreseeable future, together with key/unique posts, and plan and implement the arrangements for postholders' succession

#### 4.12 Staff Training and Development

The Council operates a comprehensive Performance Development Review (PDR) process. Formal, structured PDR interviews are held between line managers and all their staff on an annual basis. The PDR process covers:

- Performance over the previous year (including achievements, progress on meeting targets, obstacles encountered, areas of weakness and compliance with the Council's Values and Behaviours)
- Personal development, and training received, over the previous year
- Assessment of areas for development over the forthcoming year, including training needs, with targets



- Sickness absence levels
- Any safeguarding issues
- Formulation of a Personal Action Plan for the forthcoming year, with targets.

The Council also has a Corporate Training Programme and a Member Training Programme, which is formulated each year following an assessment of the most common identified training needs. The Programme comprises a range of training courses, from one day courses to twelve day supervisor/management development programmes held over the period of a year.

#### **4.13 Housing Improvements and Service Enhancements**

As part of the strategic approach to the HRA Financial Plan, the Council assesses the amount of expenditure it requires over the following 30 years to:

- Repay its loans to the Public Works Loan Board (currently totalling around £186million);
- Manage its housing service;
- Maintain its housing stock to its Modern Homes Standard; and
- Undertake its Council Housebuilding Programme

Any surplus funding available after meeting these commitments is then used to further improve and enhance the Council's housing service and stock, through a Housing Improvements and Service Enhancements Fund.

Usually, in March each year, the Cabinet considers progress and expenditure on that year's housing improvements and service enhancements, and agrees the list of improvements and enhancements for the following year, based on the recommendations of the Housing Select Committee.

For 2015/16, the Cabinet agreed the following list of service enhancements for the Housing Service:

- Continuation of a Front Door Fire Safety Replacement Programme for leaseholders in blocks of flats
- An Estate Enhancement Scheme at Oakwood Hill, Loughton
- Completion of a programme to refurbish communal kitchens at sheltered housing schemes
- Provision of electric mobility scooter stores
- Extension of the Council's Mow and Grow Scheme to provide older and disabled Council tenants with assistance with gardening
- Provision of new furniture at sheltered housing schemes
- Additional financial incentives for tenants who wish to "downsize" their accommodation
- Increased staffing for the Corporate Fraud Team to further combat social housing fraud
- Introduction of enhanced direct debit facilities for tenants, leaseholders and other housing clients
- Extension of the opening hours at the Limes Farm Office, Chigwell
- Continuation of funding to the CAB to employ two Debt Advisers

However, due to the uncertainties of future income and expenditure within the HRA, the Cabinet has agreed a one-year moratorium on the use of the Housing Improvements and Service Enhancements Fund in 2016/17, although it has agreed its use to continue with funding for the Mow and Grow Scheme and the CAB's Debt Advisers.

The availability of resources to the Fund in future years will be determined following a Review of Financial HRA Options to be undertaken by the Council's Finance and Performance Management Cabinet Committee in Summer 2016, once the Government's intentions on the proposed levy required from stock-retained councils are clearer.

#### **4.14 Council Housebuilding Programme**

With the introduction of self-financing and the increased resources this brings, the Council has agreed to implement a new Council Housebuilding Programme. The main reasons for this are that:

- The Council's HRA land can be developed for much-needed affordable housing (with around 1,500 applicants currently on the Housing Register);
- The Council receives the associated New Homes Bonus (NHB) – equivalent to around £6,700 per property over the (current) six-year NHB period, to use for any Council purpose;

- The land and constructed buildings are retained as a Council asset - rather than transferring the land to a housing association at a subsidised price, for the housing association to develop the affordable housing;
- The Council benefits from the net rental income in the future, once the development loan has been covered;
- The Council can receive capital grant funding from the Homes and Communities Agency;
- The Council has greater control over the future use of the affordable homes;
- The cost of construction is less than for a housing association, since the Council can recover the cost of VAT for fees from Her Majesty's Revenue and Customs (HMRC), which housing associations cannot and can borrow money from the Public Works Loans Board (PWLB) at lower interest rates than housing associations can obtain; and
- It enables the Council to increase its housing stock, instead of continually reducing the stock through the Right to Buy - and thereby slowly reduce the associated unit costs of managing and maintaining the Council's housing stock.

The Council has a number of difficult-to-let garage sites and other sites that may have development potential and has a Council Housebuilding Programme to provide 315 new affordable rented homes on these sites over the next few years.

The Programme is overseen by a specially-appointed Cabinet Committee and the Council has appointed East Thames (one of its existing Preferred Housing Association Partners) as its Development Agent, through a competitive tender process, to provide all the required development and project management services, including the provision of all professional building services.

A Development Strategy has been adopted by the Council, which was last updated in February 2015, setting out the proposed approach to the Housebuilding Programme. Development appraisals for each of the identified sites have been undertaken to assess whether or not development potential does exist, and where appropriate, the anticipated costs and income are then evaluated. The Council has decided that rents charged for the new developments would be at "Affordable Rent" levels, up to 80% of market rent levels. Further information is provided in Chapter 8 (Rents Strategy).

The current Programme comprises:

Phase 1	23 new homes in Waltham Abbey, which is on site and due to complete in July 2016.
Phase 2	51 new homes in Burton Road, Loughton, for which planning permission has been obtained, and is due to commence in Spring 2016.
Phase 3	34 new homes in Epping, Coopersale and North Weald, for which planning permission has been obtained and tenders are to be invited, with a start on site planned for August 2016.
Phase 4	Around 40 new homes in Loughton, for which planning applications have been submitted and, subject to planning permission, works will start on site around April 2017.
Phase 5	Around 33 new homes in Buckhurst Hill and Ongar, for which pre-application planning discussions have been held and planning applications are due to be submitted by March 2016 – which are planned to start on site around October 2017.

In addition, in order to ensure that the Council utilises all of its "one-for-one" replacement capital receipts, the Council:

- Has had a joint offer with B3Living accepted by the proposed developer of a site in Barnfield, Roydon for the Council to purchase 8 affordable rented homes and for B3 Living to purchase 3 shared ownership properties - to fulfil the requirements of the Section 106 Planning Agreement for the development;

- Intends to purchase a sufficient number of vacant properties from the open market by December 2016; and
- Is in discussions with the landowner of the Fyfield Research Park 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.

In order to meet the Development Strategy's requirement that each development must break-even within 30 years, most of the developments will require some form of subsidy. This will be provided from the following sources:

- Primarily, the use of capital receipts arising from additional Right to Buy Receipts, under the Government's "One for One Replacement" initiative
- Financial contributions received through Section 106 Agreements for the provision of affordable housing
- The proceeds of sales of HRA land and buildings
- Grant funding from the Homes and Communities Agency's (HCA's) Affordable Homes Programme 2015-2020.

#### **4.15 Corporate Values and Behaviours**

In 2014, the Council set out its corporate values and associated behaviours for its staff - which provide a clear vision of the service delivery standards that the Council aspires to. Following an extensive staff consultation exercise, the following Values and Behaviours have been adopted:

- **Trust** - Being open and honest with each other and our customers. We will treat everyone with respect and take responsibility for our actions.
- **Performance** - Taking pride in our work and celebrating our achievements. We will learn from our mistakes and always do what we say we will do.
- **One Team** - Working together as one Council, supporting each other and our partners to achieve better results for everyone.
- **Customer** - Putting the customer at the heart of everything we do, and providing services that are tailored to the different needs of our communities.
- **Innovation** – Seeking new ways of working to improve and change to meet new challenges

These Values and Behaviours have already been incorporated within the Performance Development Review process (see Section 4.12 above) and within new Person Specifications and have now become fully embedded within the Council's culture.

#### **4.16 Safeguarding of Children and Adults with Care or Support Needs**

The Council is committed to safeguarding the welfare of children, young people, families and adults with care or support needs. The Council's Safeguarding Policy was updated in March 2015, and sets out the roles and responsibilities of the Council to work together with other professionals and agencies in promoting the welfare of children, young people and adults with needs for care and support and safeguarding them from abuse and neglect. A new Safeguarding Strategy was adopted in September 2015, including a Key Action Plan, following the latest Safeguarding Audit.

The Council has a duty to cooperate with Essex County Council in discharging its safeguarding duties as a Children's Services Authority. The Council also has responsibilities under Sections 27 and 47 of the Children Act 1989 and Sections 10, 11 and 13 of the Children Act 2004. These duties include keeping children and young people safe whilst carrying out all its functions and taking part in the work of the Essex Safeguarding Children's Board. The Council also has extra duties under the Care Act 2014, which came into effect in April 2015.

As part of the Council's commitment to robust safeguarding, it has a Corporate Safeguarding Group consisting of representatives from each Directorate, who have responsibility for ensuring that staff across the Council are aware of its Safeguarding Policy and associated procedures.

The Council's Mission Statement is as follows:

*“Epping Forest District Council is committed to safeguarding and promoting the welfare of all children, young people and adults with needs for care and support, as service users, residents and visitors to the area. The Council acknowledges the importance of working with partner agencies to ensure that children have safe, healthy and happy childhoods and that young people and adults with care or support needs are given the support they need to enjoy quality of life and well-being”.*

This Mission Statement is underpinned by the following:

- Valuing, listening to and respecting children, young people and adults as well as promoting their welfare and protection;
- Provision of a current and comprehensive Safeguarding Policy and related procedures which are accessible and promoted to all staff;
- Strategic planning and decision-making which considers the impact on children, young people and adults with care or support needs.

In order to meet its safeguarding duties and responsibilities, the Council will:

- Ensure that unsuitable people are prevented from working with children, young people and adults with needs for care and support through robust use of the Council's Recruitment and Induction Procedures and through Disclosure and Barring Service (DBS) checking
- Provide training to staff appropriate to their level of involvement with children, young people and adults with needs for care and support to ensure that employees understand the different forms of abuse as well as their roles and responsibilities with regard to the relevant Council policies and procedures
- Conduct regular reviews of safeguarding practice throughout the organisation
- Ensure that the welfare and needs of children, young people and adults with needs for care and support are considered by all Members (councillors), employees, volunteers and contracted services when taking decisions in relation to service provision
- Take seriously and respond appropriately and expediently to all concerns, incidents and allegations
- Prevent abuse by promoting good practice amongst staff; creating a safe and healthy environment for children, young people and adults with needs for care and support and encourage a whistleblowing environment where staff feel confident and safe in reporting any concerns
- Work in partnership with other agencies in order to safeguard children, young people and adults with needs for care and support and share information where required and appropriate
- Undertake a complete review of safeguarding policies and procedures annually and in line with any changes in legislation.

In respect of the Housing Service, the Communities Directorate recognises that, by achieving the Decent Homes Standard and seeking to achieve a Modern Home Standard, the Council directly improves the health and life chances of children, young people and vulnerable adults. The Housing Service is also responsible for the provision and allocation of suitable housing to those in most need, including children, young people and those with disabilities, and to provide necessary adaptations to enable them to have a good quality of life. During their everyday work, housing staff are in a position to identify safeguarding issues, including domestic violence - which is becoming significantly more common and has a direct impact on children, young people and vulnerable adults.

All staff involved with activities that may involve the need to identify and act upon safeguarding concerns and issues have undergone training to equip them with the knowledge and skills to act accordingly.

## 5. Provision of Quality Housing Services

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### 5.1 Customer Service Excellence Award – Housing Service

Since 2010, the whole of the Council's Housing Service has been awarded the Cabinet Office's prestigious Customer Service Excellence Award for two consecutive three-year periods. This award replaced the Government's Charter Mark Award, which the Housing Service first received in 2004, and again received for a further three years in 2007.

The Customer Service Excellence Award is the national standard for customer service for organisations delivering public services. It is independently evaluated and assessed. To meet the standard, organisations must demonstrate that they: listen to their customers; learn what aspects of their service are most important to them; deliver a service that is tailored to customers' needs; and continuously improve.

Very few local authority housing departments nationally have achieved the new Customer Service Excellence Award for the whole of their Housing Service. Having the award gives confidence to the Council's tenants, applicants and other clients that the Housing Service provides a customer-focused service to them that also strives to continuously improve.

Following a recent corporate review of such accreditations, it has been decided not to seek a further Customer Service Excellence Award after the current award expires in Summer 2016. However, the Housing Service will continue to provide the high level of service for which the award has recognised to date.

### 5.2 ISO 9001:2008 Quality Accreditation – Housing Service

It is essential that the Council has processes and procedures in place to ensure that quality housing services are provided to its clients on a consistent basis. Therefore, the Housing Service has invested time and effort to ensure that a robust system is in place to ensure that quality services are provided.

Since 2002, the whole of the Housing Service has been accredited with ISO 9001:2008 (previously 9001:2000) - which is an internationally recognised quality assurance accreditation that confirms that, following a rigorous assessment by a licensed external assessor, the service provided is of a consistently high quality. Indeed, Epping Forest was one of the first local authorities in the country to receive the award for *all* of its public sector housing services.

However, again, following the recent corporate review of such accreditations, it has been decided not to continue with the ISO 9001:2008 accreditation. However, the Housing Service will continue to have processes and procedures in place to ensure that quality housing services are provided to its clients on a consistent basis.

### 5.3 Tenant Satisfaction

The Council undertakes a detailed Tenants Satisfaction Survey every 3 years. The Council's first survey was undertaken in 2001, with the latest undertaken in 2015.

The Council places great importance on gauging tenant satisfaction levels and comparing with other social landlords. Therefore, it has worked with Housemark, the national housing benchmarking club, to develop a common tenant satisfaction survey called STAR (in a similar form to the Government's previous STATUS survey), in order to benchmark the results of the Council's Tenant Satisfaction Survey with other landlords subscribing to Housemark.

The findings of the Council's last survey in Summer 2015 (using the STAR questionnaire) were analysed by the independent consultancy that undertook the survey, ARP Research, who produced a detailed report on the findings.

In total, 798 tenants took part in the survey (from a total 2,215 invited), which represented a 36% response rate (error margin +/- 2.8) overall.

Somewhat reassuringly, the 2015 survey results were, in most cases, similar to those achieved in the previous survey carried out in 2012. In addition, in the majority of cases where benchmark data is available,

the Council appears in the top two quartiles of results - when compared to the HouseMark benchmark database of similar landlords.

Overall satisfaction with the services that the Council's tenants receive from the Council remained essentially the same as in 2012, with 87% of tenants being satisfied, including 46% who were 'very satisfied'. This score was slightly above the median for other landlords within the HouseMark benchmark database (85%).

Areas where the scores were particularly positive included the repairs and maintenance service, including very good scores for the last completed repair and a significant increase in ratings for how the Council deals with anti-social behaviour and customer services - which saw a significant increase in satisfaction with the outcome of enquiries. Conversely, satisfaction with the quality of the home was lower than in 2012 and that the Housing Service listened to tenants' views was lower than average. There was also dissatisfaction amongst some tenants with communal cleaning.

A summary of the tenant satisfaction levels, compared to 2012 levels and Housemark benchmark, are shown in the table below

<b>Tenant Satisfaction Levels 2015 (compared to 2012 levels and the Housemark Benchmark)</b>			
<b>Area of Satisfaction</b>	<b>2015 Level</b>	<b>2012 Level</b>	<b>Housemark Benchmark</b>
Overall satisfaction	87 %	88 %	87 %
Quality of home	85 %	89 %	85 %
Value for money of rent	82 %	84 %	82 %
Value for money of service charge	73 %	N/A	73 %
Listens & acts on views	62 %	61 %	71 %
Kept informed	82 %	83 %	79 %
Final outcome of enquiry	77 %	72 %	70 %
Repairs & maintenance overall	84 %	82 %	82 %
Last completed repair	87 %	N/A	82 %
Neighbourhood as a place to live	87 %	88 %	85 %

#### 5.4 Project Management

All special (i.e. non routine) housing projects are detailed in the Communities Directorate's Continuous Improvement Plan. This is a project management tool that, for each project, sets out:

- The task
- The officer responsible
- The latest anticipated completion date of the task
- The percentage of the task completed to date

Housing Managers provide information on progress with each project for which they are responsible on a quarterly basis. The Project Plan is then updated and reviewed at quarterly Continuous Improvement Meetings (see Section 5.6 below) between individual housing managers and the relevant Assistant Director.

A similar plan, the Annual Events Plan, details all activities undertaken by the Communities Directorate on a periodic basis (e.g. annually, quarterly etc) and is also updated and monitored quarterly at the same meeting.

#### 5.5 Performance Indicators and 2016/17 Targets

The Housing Directorate uses a range of performance indicators to monitor its performance. There are three main types:

Key Performance Indicators (KPIs)	Performance Indicators that the Council itself considers to be the most important to monitor the Council's key activities. These 11 KPIs are reported to, and monitored by, the relevant Select Committee. The Housing KPIs are monitored by the Housing Select Committee each quarter.
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Tenant-Selected Indicators	Selected by the Tenants and Leaseholders Federation as being areas of performance considered important to tenants, they currently comprise 15 indicators. Performance against each of the Tenant-Selected Indicators is reported to the Tenants and Leaseholders Federation on a quarterly basis. Annual performance is also reported in the Council's Annual Report to Tenants each September.
Management Indicators	Defined and monitored by the senior management of the Communities Directorate, as being indicators that provide important management information on the service, that are used to identify problem areas and the need for improvement – There are over 150 management indicators related to the Council's HRA landlord services alone

Appendix 4 sets out all of the Tenant-Selected Indicators, as well the associated performance (up to Quarter 3) for 2015/16 and the proposed targets for 2016/17.

## 5.6 Performance Management and Continuous Improvement Meetings

In order to ensure that clients are receiving good levels of service, and to identify any deteriorating performance at an early stage so that actions can be put in place to remedy emerging problems, it is essential to have effective systems to monitor performance. The Council therefore has a corporate Performance Management Framework.

The Communities Directorate also has its own Performance Management System to monitor key areas of performance throughout the year. Under the regime, performance indicators are collected and collated on a quarterly basis (sometimes more frequently),

In pursuit of the Housing Service's objective of seeking continuous improvement, the Service has had in place for many years a regime of formal, individual Continuous Improvement Meetings. These are held quarterly between individual housing managers and the relevant Assistant Director.

Notes of the meetings are kept and the following standard items are reviewed and discussed at every quarterly meetings:

- Progress with Action Points from the previous meeting
- Performance in the previous Quarter and resultant actions required for the forthcoming quarter
- Benchmarking data received in the previous Quarter
- Review of key trends / lessons learnt from Step 1 and Step 2 Complaints in previous Quarter
- Review of staff sickness within the previous Quarter and the identification of concerns and required actions, including references to Harlow Occupational Health Service
- Continuous Improvement Plan and Annual Events Plan - Discussion of key tasks behind schedule, any actions required as a result and identification of new tasks to be added
- Quality Issues - Consideration of any required actions, and progress, resulting from recent ISO9001:2008 internal audit or external surveillance reports and recent Internal audit reports

## 6. Value for Money

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### 6.1 Corporate Approach to Value for Money

The Council has a corporate approach to ensuring value for money in the delivery of its services.

The Council's Cabinet updates and adopts its Value for Money Strategy every three years. The Strategy's Policy Statement recognises the Council's responsibilities as a custodian of public funds to strive for value for money in the delivery of services.

It explains that the Council seeks to achieve, and where possible improve, value for money by ensuring that:

- Costs compare well with other local authorities, and where appropriate other sectors, allowing for external factors
- Costs are commensurate with service delivery, performance and outcomes achieved
- Costs reflect policy decisions
- Performance in relation to value for money is monitored and reviewed
- Improved value for money and efficiency gains are achieved
- Full long term costs are taken into account when making procurement and other spending decisions.

The strategy sets out the Council's approach to achieving these aims, together with the responsibilities of members and officers for the delivery of value for money.

## **6.2 Benchmarking Housing Performance and Costs (Housemark)**

The Council places great importance on benchmarking its housing performance and costs against other housing providers (both councils and registered social landlords), and has been a member of "Housemark" for a number of years.

Housemark is a national housing benchmarking organisation, which enables housing organisations to submit detailed information on their performance and costs, and then to compare these with other housing organisations nationally. It enables member organisations to compare themselves with user-defined data sets. For example, the Council can compare itself with all housing organisations nationally; all district councils; all local authorities; or all housing associations. Housemark can also define the locations (by regions) of those organisations to be included within the comparison, and can restrict the comparison to housing organisations of more or less than a defined number of properties.

Each year, Housemark produces a detailed Benchmarking Report for the Council, comparing the Council's performance with other housing providers across the country.

# **7. Diversity & Equality in the Provision of Housing Services**

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## **7.1 The Council's Corporate Approach to Diversity and Equality**

The Council is sensitive to the needs of the diverse communities that it serves, and is committed to provide facilities and services that are free from unlawful discrimination. The Council recognises its position as a large provider of services and employer in the District and its particular role in the community. It is committed to providing services to the community that reflect the needs and diversity of all its customers and service users. The Council recognises that discrimination in society exists and seek to provide services fairly to all.

The Council promotes equality of provision in Council services, provided either directly by the Council, its contractors, partners or related agencies. Additionally, many individual services produce their own service equality statements, giving details of how their services comply with equal opportunities best practice

The Local Government Association produced an Equality Framework for Local Government (EFLG) to ensure that councils and other public bodies meet their equalities obligations, as well as delivering appropriate levels of service for local people. In line with this, in 2012, the Council adopted a range of equality objectives for 2012-2016 and developed an Action Plan against which the Council could measure its progress towards meeting those objectives.

A review of the Action Plan in January 2016 demonstrated that good progress had been made but, as the Action Plan was in the last stages of its term, a new draft Action Plan was developed for the period 2016-2010. The proposed objectives of this are:

- To integrate the Council's public sector equality duty into our partnership working;
- To apply robust equality requirements in commissioning, procurement and contract management;



- To develop our capacity so that our employees have the knowledge, skills and confidence to deliver our plans; and,
- To improve and develop equality in our business activities.

Specific actions have already been proposed for each of the objectives and these will be developed further and, ultimately, feed into individual Directorates' business plans. The Council's performance against the Action Plan will be reported six-monthly to the Governance Select Committee.

As with the 2012-2016 Action Plan, progress against the Equality Objectives will be co-ordinated and reviewed through the Corporate Equality Working Group, which includes a 'Champion' from each Directorate and is chaired by the Director of Governance. The Communities Directorate Champion is currently the Assistant Director (Private Sector Housing & Communities Support).

Once the Action Plan has been agreed and relevant actions have been incorporated into business plans and the objectives set at individual officers' PDRs, progress will be monitored at quarterly Continuous Improvement Meetings between service area managers and the relevant Assistant Director.

## **7.2 The Housing Service's Approach to Diversity and Equality**

In pursuit of the Council's corporate commitment, the Council has formulated and adopted two relevant housing service strategies relating to diversity and equality:

- Housing Service Strategy on Diversity and Equality
- Housing Service Strategy on Harassment

The Service Strategy on Diversity and Equality sets out the Housing Service's approach to promoting equality and diversity in line with the Council's corporate equality schemes and its statutory duties to promote equality. This includes actions (progress with which are regularly monitored) designed to:

- Eliminate unlawful discrimination and promote equality of opportunity
- Recognise and value the needs and contributions of individuals and identifiable groups within the wider community served by the Council
- Ensure that everyone who needs housing advice and services is fully able to access them
- Promote understanding and tolerance of different cultures and good relations within the communities served by the Council.

The Council is a member of a "Hate Management Panel" comprising representatives of the Police, Social Care and the Council, which oversees and develops policy relating to the management of hate incidents (eg racial and homophobic harassment), and meets on a regular basis to discuss reported hate incidents, and to agree and monitor an action plan for each case.

## **7.3 Equality Analysis**

The Council has an Equality Analysis Toolkit as its main mechanism for assessing the impact on equality of Council decisions and service delivery. By carrying out assessments, the Council shows it understands the potential impact of its decisions and service delivery on people with different protected characteristics. The assessments also identify any potentially mitigating steps to reduce or remove adverse impacts.

Equality Impact Assessments have been produced in respect of the following housing-related services, which also include action plans:

- Housing Strategy and Development
- Housing Information and Tenant Participation
- Housing Options
- Housing Management
- Housing Repairs and Maintenance
- Older People's Housing Services

Equality Impact Assessments are also produced as part of any proposed major policy changes.

## **7.4 Diversity Profile of the Council's Tenants**

It is important that the Council, as a social landlord, is aware of the profile of its tenants, in order to ensure that its shapes its services appropriately to meet their diverse needs.

In 2013, the Council undertook a Tenants Census, to collect from all of its tenants a range of information and data relating to their households. A key part of this exercise was to capture relevant information related to households with protected characteristics defined by the Equality Act.

The total number of households covered by the Tenants Census was 6,390 occupied properties at the time of the mailing, which was sent out in August 2013. An excellent response rate of 56% was achieved. The information below is based on all the forms received by the end of January 2014. From January 2014, all new tenants are asked to complete a similar form, and the Council's Housing Database is updated as these forms are received.

All Council tenants, including joint tenants, were asked to give their details. In addition, some details were requested relating to other occupants of the property. The data below relates to information given by the 4,355 tenants (including joint tenants) occupying the 3,586 properties for which forms were received.

<b>Age</b>		
Under 60 years of age	1,909	44%
Aged 60 years or older	2,446	56%
<i>Of those aged 60 years or older, 19% (841) were aged 80 years or older.</i>		
<b>Gender</b>		
Female	2,626	61%
Male	1,660	39%
<b>Sexual Orientation</b>		
Heterosexual	2,709	84%
Gay	19	0.6%
Bi-Sexual	8	0.2%
Other*	53	1.6%
Prefer not to say	442	14%
<b>Transgender</b>		
11 tenants identified themselves as Transgender		
<b>First language</b>		
English	4,254	98%
Other*	101	2%
No significant numbers in any other language group - the highest number being tenants speaking Lithuanian as their first language (16 tenants)		
<b>Ethnicity</b> (* Percentages not given for numbers fewer than 10)		
White British	3,785	94.3%
White Irish	36	0.9%
White other	87	2.2%
Black African	23	0.6%
Black Caribbean	11	0.3%
Black other	4	*
Indian	7	*
Pakistani	3	*
Bangladeshi	5	*

Other Asian	9	*
Mixed white and black African	3	*
Mixed white and black other	1	*
Mixed white and Asian	12	0.3%
Other mixed	16	0.4%
Chinese	1	*
Other ethnic origin	9	*
Gypsy/Roma/Traveller	3	*
<b>Faith or religion</b>		
Christian (including Catholic)	2,633	71.0%
Jewish	28	0.9%
Muslim	33	0.9%
Buddhist	15	0.4%
Other faith or religion*	82	1.9%
None	933	25.0%
* No significant numbers in any other group		
<b>Disability</b>		
1,317 respondents said they had a disability that limits their activities in some way		
<b>Sight problems</b>		
The following nos. of respondents said they would like to receive information in different formats		
Audio tape	7	
Braille	2	
Large print	240	
<b>Hearing problems</b>		
The following nos. of respondents said they needed assistance in communicating.		
British Sign Language	14	
Lipreading	45	

A research organisation was commissioned to use the raw headline set out data above to produce a detailed Tenant Profile Analysis Report on the survey results, cross referencing the different responses provide by tenants to identify any common or concerning trends or factors. This report was presented to both the Housing Scrutiny Panel and the Tenants and Leaseholders Federation in 2014.

### 7.5 Protected Characteristics of the Council's Housing Applicants and Applicants Accommodated

Under the Equality Act 2010 and the associated Public Sector Equality Duty, public bodies have to consider all individuals when carrying out their day-to-day work, shaping policy, and delivering services. Under the Act, there are nine "protected characteristics" which must be considered as follows:

- Age
- Religion and Belief
- Marriage and Civil Partnership
- Disability
- Sex
- Pregnancy and Maternity
- Gender reassignment
- Sexual Orientation
- Race

The Housing Select Committee undertakes a regular review of the protected characteristics of housing applicants on the Housing Register compared to those housed, in order to consider if there has been any disparity and whether there are any indications to suggest the Council may be discriminating against any one group – in which case the Select Committee considers if any changes should be made to the Housing Allocations Scheme.

The last review was undertaken in respect of lettings for the period 1 September 2013 to 31 August 2014 (Statistics are not available for marriage & civil partnership and pregnancy & maternity):

<b>Ethnic origin of applicants on the Housing Register and applicants housed</b>					
<b>Ethnic Origin</b>	<b>Applicants Housed</b>		<b>Applicants on Housing Register</b>		<b>EFDC Population (Census 2011)</b>
White British/Irish/Other	274	(89.3%)	1,410	(90.2%)	112,869 (86.5%)
Bangladeshi/Pakistani/Indian	1	(0.3%)	24	(1.5%)	5,922 (4.8%)
African/Caribbean	8	(2.6%)	35	(2.2%)	2,404 (1.9%)
Mixed Race	2	(0.6%)	43	(2.8%)	2,649 (2.1%)
Other	3	(1.0%)	21	(1.3%)	815 (0.6%)
Not Stated	19	(6.2%)	30	(1.9%)	-
<b>Total</b>	<b>307</b>		<b>1,563</b>		<b>124,659</b>
<b>Protected Characteristic - Religion</b>					
<b>Religion</b>	<b>Applicants Housed</b>		<b>Applicants on Housing Register</b>		
Buddhist	-		5	(0.3%)	
Christian	169	(56.1%)	812	(51.9%)	
Hindu	-		2	(0.1%)	
Muslim	3	(1.0%)	25	(1.6%)	
No Religion	57	(18.9%)	361	(23.1%)	
Other	30	(10.0%)	124	(7.9%)	
Not stated	48	(14.0%)	234	(15.0%)	
<b>Total</b>	<b>307</b>		<b>1,563</b>		
<b>Protected Characteristic - Gender Re-assignment</b>					
<b>Gender Re-Assignment</b>	<b>Applicants Housed</b>		<b>Applicants on Housing Register</b>		
Gender Re-assigned	-		6	(0.4%)	
Non-Gender Re-assigned	231	(75.2%)	1,268	(81.1%)	
Not stated	76	(24.8%)	289	(18.5%)	
<b>Total</b>	<b>307</b>		<b>1,563</b>		
<b>Protected Characteristic - Sexual Orientation</b>					
<b>Sexual Orientation</b>	<b>Applicants Housed</b>		<b>Applicants on Housing Register</b>		
Bi Sexual	4	(1.3%)	11	(0.7%)	
Gay/Lesbian	4	(1.3%)	4	(0.4%)	
Heterosexual	223	(72.8%)	1,157	(74.0%)	
Bi Sexual	4	(1.3%)	11	(0.7%)	
Not stated	76	(24.6%)	391	(25.0%)	
<b>Total</b>	<b>307</b>		<b>1,563</b>		

Protected Characteristic - Sex (Lead Applicant)		
Sex	Applicants Housed	Applicants on Housing Register
Male	107 (34.8%)	521 (33.3%)
Female	200 (65.2%)	1,042 (66.7%)
<b>Total</b>	<b>307</b>	<b>1,563</b>
Protected Characteristic - Age		
Age (Years)	Applicants Housed	Applicants on Housing Register
18-39	144 (46.9%)	932 (59.6%)
40-49	46 (15.0%)	249 (15.9%)
50-54	27 (8.8%)	80 (5.1%)
55-59	18 (5.9%)	57 (3.7%)
60 and over	72 (23.4%)	245 (15.7%)
<b>Total</b>	<b>307</b>	<b>1,563</b>
Protected Characteristic - Disability		
Disability	Applicants Housed	Applicants on Housing Register
Physical	42 (13.8%)	203 (13.0%)
Learning	11 (3.6%)	78 (5.0%)
Visual	9 (2.9%)	40 (2.7%)
Mental Health	55 (17.9%)	226 (14.5%)
Hearing	12 (3.9%)	42 (2.7%)
None or Not stated	178 (58.0%)	974 (62.3%)
<b>Total</b>	<b>307</b>	<b>1,563</b>

The statistics appear to confirm that, generally, the protected characteristics of housing applicants housed in Council accommodation are similar to those registered on the Housing Register. Therefore, as a result of the last review in October 2014, it was determined that no amendments were required to the Council's Housing Allocations Scheme.

## 8. Rents Strategy

### 8.1 Social Rents

#### (a) Background

The Government has previously determined that the setting of social rents by local authorities and housing associations should be based on a common system based on relative property values and local earnings, and that rents should move towards comparable rents using an approach which could be readily and easily understood. This is referred to as "rent convergence". In March 2001 the Government issued the *Guide to Social Rent Reforms* which set out how the reforms would be achieved and detailing a standard methodology (or formula) for use by both housing associations and local authorities for the calculation of rents.

However, the Government ceased its rent convergence policy in April 2015, which has had a detrimental financial effect on the Council. The Council's HRA business planning consultant has assessed that the HRA will lose around £35million as a result of the Government's cessation of its Rent Convergence Policy – since many of the Council's social property rents did not reach their target rent level by April 2015. Therefore, rents will not be able to increase each year by as much as previously allowed and assumed - thereby reducing income to the HRA by this amount.

Moreover, as part of the Chancellor's Summer Budget, it was announced that provision will be included within the Welfare Reform and Work Bill (which, at the time of writing, is still passing through Parliament) requiring local authorities and housing associations to *reduce* rents by 1% per annum for 4 years from April 2016 whereas, previously, the Government's policy has been to allow local authorities and housing associations to *increase* their rents by CPI + 1% per annum. The estimated loss in rental income to the HRA as a result of this requirement is around £14million over the next four years and around £228million over the next 30 years (compared to the Council's previous HRA Financial Plan expectations).

In February 2016, the Government announced that rents for supported housing (including sheltered housing) could increase by CPI + 1% for one year (2016/17), whilst it considered the implications of rent reductions on supported housing.

*(b) The Government's Social Rents Policy*

Social rents are charged for all Council properties that have not been provided through the Council's Housebuilding Programme.

The basis of the Government's formula for calculating social rents is as follows:

- 30% of a property's rent should be based on relative property values compared to national property values;
- 70% of a property's rent should be based on relative local earnings compared to national earnings;
- a bedroom factor so that, all other things being equal, smaller properties have lower rents.

The formula also takes account of national average Council and housing association rent levels, and produces a target rent for each property.

*(c) The Council's Social Rents Policy*

(i) Properties let to existing tenants

The Council's Social Rents Policy is to reduce all rents, including sheltered housing, from April 2016 by 1% per annum for the next 4 years, as required by the expected enactment of the Welfare Reform and Work Bill prior to April 2016. The Cabinet considered the concession that rents for sheltered housing could increase by CPI + 1% for one year, but determined that it would be inequitable to treat sheltered housing tenants differently from other Council tenants

(ii) Properties re-let to new tenants

In order to help reduce the financial impact of the Government's cessation of its Rent Convergence Policy on the Council's HRA to some degree, and with the endorsement of the Tenants and Leaseholders Federation, vacant properties have been re-let at their Target Rent (if they are not already at the Target Rent), and not the same rent level as charged to the previous tenant, since April 2014. This is the practice adopted by nearly all housing associations and many other councils for a number of years. It was estimated at the time that this will increase the amount of rental income received over the following five years by an average of £250,000 per annum – without affecting the rents of any existing tenants. New tenants know the proposed rent they are asked to pay, when they bid through the HomeOptions choice based lettings scheme.

*(d) Property Valuations*

The relative property values used to calculate Target Rents under the Government's Social Housing Policy are based on 'existing use value'. The valuation base was set at January 1999. The Valuation Office, on behalf of the Council, valued 198 separate "beacon properties" in 2002 for this exercise. Each beacon property was an example of a main property type owned by the Council in each of the main towns and villages and were representative of the total housing stock. These valuations were then used for all the other similar properties sharing the same characteristics and location.

These are not revisited, unless an individual property's characteristics have considerably changed.

*(e) Service Charges*

Social rents are only allowed to take into account all property related services and those services that may relate to a group of dwellings. Examples of services covered by social rents include:

- Repairs and maintenance
- Publicity and consultation
- Management of properties
- Administration of rents

Examples of services provided to tenants, not covered include:

- Grounds maintenance
- Lighting of communal areas
- Cleaning of communal areas
- Intensive housing management at sheltered schemes

The other services not covered by rents are subject to further Government guidance on their treatment. This guidance advocates the separation of service charges from rents, to enable a more transparent charging regime for tenants. Although not compulsory, the Council has followed the guidance and a number of years ago separated out the costs of services relating to non-property related services for all its blocks of flats, and applied separate service charges to tenants. Under the Government's Social Rents Policy, service charges cannot be increased by more than CPI + 1%, which is the Council's policy.

*(f) Housing Related Support Charges and Funding from Essex County Council*

Since April 2003, following the introduction of the Government's Supporting People programme at that time, the Council has separated out from its rents the revenue costs of providing housing related support and made a separate Housing Related Support Charge for tenants receiving this support.

The Council's housing related support covers:

- The Council's Scheme Management Service – whereby the Council's Scheme Managers provide support to older people in sheltered housing schemes and other housing designated for older people; and
- The Council's Careline Service – which provide a 24-hour telecare services (see Section 4.5(j) above)

The Council receives reimbursement for some of these charges from Essex County Council, but only for tenants in receipt of housing benefit - and not for the full charge. Tenants not in receipt of housing benefit must pay the charge themselves.

The Council's Careline Service is currently self-funding, with the income received from clients generally meeting the costs of providing the service. However, the funding received from the County Council for the Careline Service is being cut by around £52,000 per annum from April 2016.

Moreover, due to the funding received from Essex County Council for housing related support not keeping pace with increases in costs since 2003, the income received for the Scheme Management Service no longer meets the costs, resulting in a deficit in the provision of the service. The current deficit is around £50,000 per annum. Furthermore, the funding received from the County Council for the Scheme Management Service is being cut by around £81,000 per annum from April 2016.

Following a review by the Council's Finance and Performance Management Cabinet Committee, the Cabinet has therefore agreed that this deficit and lost income should be recovered through the charges made to service users, spread over five years from April 2016, with tenants in receipt of housing benefit (who, until April 2015, paid nothing towards the cost) meeting the additional charges themselves.

The agreed principles to reviewing and increasing these charges each year, is as follows:

- The expected amount of reduction in ECC funding for the forthcoming year is added to the current service deficit (or subtracted from the current service surplus);
- The deficit for the Scheme Management Service is to be recovered over a 5 year period and divided by the number of years remaining between April 2016 and April 2021;
- Any deficit/surplus for the Careline Service is recovered/repaid in the following year;
- The prevailing level of annual pay increases, as calculated by the Office of National Statistics (ONS), is applied to the total current income received from current charges and added/deducted to/from the service deficit/surplus to be recovered/repaid, in the forthcoming year;

- The total amount to be recovered/repaid is spread across service users, in the same proportions as currently, as follows:
  - Ø Scheme management and intensive housing management charges - Sheltered tenants and area tenants; and
  - Ø Careline charges – Council tenants and private users;
- The resultant monetary increase (but not the percentage increase) for those both in receipt and not in receipt of housing benefit is the same;

*(g) Social Rent Levels and Rent Reductions– 2016/17*

As a result of reducing all of its social rents by 1% from April 2016, the average rent is reduced by an average of £0.98 per week, to around £96.56 per week for 2016/17.

## **8.2 Affordable Rents**

*(a) Background – Government and HCA Policy*

To enable the Government to significantly reduce the amount of grant required to develop new affordable housing, the Homes and Communities Agency (HCA – the Government agency that funds and regulates all registered providers of housing, which includes the Council) requires all new affordable rented homes built by housing associations and councils with grant from the HCA to charge “affordable rents”.

Even if HCA grant is not provided, in order to minimise the amount of subsidy required from other sources, most developing housing associations now charge affordable rents for newly-developed affordable rented housing.

Affordable rents are defined by the HCA as being up to 80% of market rents (including service charges). This can be compared to social rents which, very generally, are usually around half the level of market rents. Once properties are let, the anticipated Welfare Reform and Work Act 2016 requires affordable rents to be reduced by 1% per annum for 4 years from April 2016, after which they can be increased annually by a maximum of CPI (as at the preceding September) + 1%, until the property is vacated.

On re-let, the rent has to be re-based, taking account of market rents at that time.

*(b) Background to the Council’s Affordable Rent Policy*

Prior to embarking on its Housebuilding Programme, the Council decided that affordable rents should be charged for all new and re-let properties built under the Housebuilding Programme. This is for two main reasons:

- To ensure that developments are viable, since they would require even greater subsidy if social rents were charged instead of affordable rents; and
- To charge similar rents to housing associations for similar newly-built affordable rented properties – i.e. to provide “an even playing field”.

In making this decision, the Council recognised that it would be charging significantly different (i.e. higher) rents for properties built under its Housebuilding Programme, compared to all the Council’s existing properties let at social rents. It was also recognised that it was likely that only applicants with either reasonable incomes or who were in receipt of housing benefit would be able to afford newly-built properties, let at affordable rents. This was because working applicants on lower incomes, but who are ineligible for housing benefit, may struggle to pay affordable rent levels, and would therefore be less likely to bid for them through the Choice Based Lettings Scheme, and only bid for existing Council properties let at social rents.

In July 2013, the Council agreed its Affordable Rent Policy, which was developed further in February 2014. This took account of:

- the Government’s and HCA’s requirements;
- the approach taken by other Registered Providers;
- Local Housing Allowances (LHAs); and



- the effect of the Government's Welfare Reforms on housing applicants' and tenants' ability to meet the cost of affordable rents.

If an affordable rent is charged at a level that is higher than the LHA for the "Broad Market Rental Area" (BMRA) in which the property is situated (set by the Valuation Service, based on the 30th percentile of market rents in the BMRA), the difference between the rent and the LHA cannot be met from housing benefit. Therefore, if a tenant is in receipt of housing benefit, they have to pay the difference between the LHA and the affordable rent themselves.

Under the Government's Welfare Reforms, a Benefits Cap has been introduced from July 2013 whereby benefit claimants, whose total income from a range of benefits (including housing benefit) is, currently, in excess of £500 per week (£350 per week for single claimants without children), have their housing benefit reduced to bring their total benefits income down to a cap of £500 (or £350) per week.

From April 2016, the Benefits Cap will be reduced to £384.62 a week for couples, or single people with children, and to £257.69 a week for single people living outside London.

*(c) The Council's Affordable Rent Policy*

The Council's policy on the use of affordable rents is that:

- (i) When properties are built under its Housebuilding Programme, they be (re)let at affordable rents set at a level equivalent to the lowest of:
  - 80% of market rents for the locality in which the property is situated, as assessed by the Council's Estates and Valuations Division;
  - The Local Housing Allowance level for the Broad Market Rental Area in which the property is situated; and
  - A Rent Cap.
- (ii) To comply with the anticipated Welfare Reform and Work Act 2016, affordable rents will be reduced from April 2016 by 1% per annum for 4 years, and then increased annually by CPI (as at the preceding September) + 1% until the tenant vacates
- (iii) When an affordable rented property is vacated and re-let, the rent will be re-based in accordance with the HCA's Affordable Rent Model and (i) above;
- (iv) The level of Rent Cap be reviewed annually and set out within this Rents Strategy each year; and
- (v) This Policy is applied to both:
  - Financial Appraisals for potential developments; and
  - To the actual rents charged for properties when they are let;

in relation to the market rents, LHAs and Rents Cap applicable at that time.

*(d) Rent Cap 2016/17*

In order to ensure that all tenants in receipt of housing benefit can afford the Council's affordable rents, even those subject to the Benefits Cap, the Council has agreed a "Rent Cap" - which is the highest level of affordable rent that the Council will charge.

The level of the Rent Cap is reviewed each year. As a result, of this annual review, and bearing in mind that, generally, affordable rents will be reducing by 1% per annum from April 2016 for the next 4 years, the Rent Cap for 2016/17 will stay at £180 per week. Generally, the Rent Cap only needs to be applied for the rents of 3 bedroomed properties.

It should be noted that, for its Affordable Housing Programme 2015-2018, the HCA has said, effectively, that Rent Caps should not be applied to schemes funded by the HCA. However, since (at present) the Council has only obtained HCA funding for some of the properties within Phase 2 of its Housebuilding Programme, none of the properties for which funding has been sought would have the Rent Cap applied anyway. However, this is an issue that will be kept under review, should the Council seek HCA funding in future years.

# 9. Risk Management

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## 9.1 Introduction

Risk management can be defined as the consideration of the social, economic, political and other factors involved in risk analysis, to determine both the acceptability of damage that could result from an event or exposure and what action, if any, should be taken to minimise the risk of that damage.

## 9.2 Corporate Risk Register

A corporate Risk Management & Assurance Group has been established, made up of officers from each Directorate, to produce and regularly review a Corporate Risk Register, and to collate service based risk assessments. The Corporate Risk Register is also periodically reviewed by the Council's Finance and Performance Management Cabinet Committee.

## 9.3 Communities Risk Register

The Communities Directorate has a Risk Register, which is updated annually, and identifies the strategic and operational risks affecting the Housing Service. Strategic risks are those that have an effect on the Council as a whole, where individuals, sections or even the whole of the Housing Service have no total control over the outcome of risk management. Operational risks are those that affect individuals or sections of the Housing Service, or the Housing Service as a whole, and will have little or no impact on other services of the Council. The Risk Register was last updated in December 2015.

Within the Communities Directorate, all managers have responsibility and accountability for identifying, assessing and managing the risks that threaten their own area of activity.

Information is provided in the Communities Risk Register on the following for each risk:

<b><i>Vulnerability</i></b>	A description of why and how the Housing Service is vulnerable to the risk
<b><i>Trigger</i></b>	The identification of what occurrence(s) may set off the risk. There may be more than one trigger for each risk.
<b><i>Consequence</i></b>	An assessment of the consequences if the risk is triggered, which may include multiple consequences. Some consequences may be local or operational, some may be strategic.
<b><i>Action Plan</i></b>	Details of what actions are, or need to be, taken in order to minimise the risk
<b><i>Responsible Officer</i></b>	The designation of the office responsible for monitoring the risk and mitigating the likelihood and impact of the risk being triggered
<b><i>Risk Assessment</i></b>	A score that takes account of both the "likelihood" of the risk being triggered and the "impact if it is triggered (see below).
<b><i>Control Effectiveness</i></b>	The effectiveness of the controls already in place
<b><i>Further Management Action Required</i></b>	Any actions required to improve the effectiveness of the controls, including the designation of the person responsible
<b><i>Critical Success Factors and Measures</i></b>	The position/outcome that demonstrates that the risk management has been successful
<b><i>Review Frequency</i></b>	How often the risk and its controls are reviewed, and the date of the next review.

The Risk Assessment makes the following judgements in terms of likelihood and impact:

**Likelihood:**

- A - Very High
- B - High
- C - Medium
- D - Low

**Impact**

- 1 - Major
- 2 - Moderate
- 3 - Minor
- 4 - Insignificant

Risk management is applied to each of the identified risks, through exploring the best options to reduce either likelihood or impact or both. Not all risks can be reduced, but they can be managed. Any new actions that need to be taken are included within the Communities Directorate's Continuous Improvement Plan. Periodic actions are included within the Communities Annual Events Plan (See Section 5.4)

The main risks within the Housing Risk Register are included within the Council's Corporate Risk Register.

**9.4 Key Housing Risks and Housing Risk Profile**

The Communities Risk Register identifies 14 Key Housing Risks relating to the Housing Service. For each Key Risk, the entry in the Risk Register provides the information set out at Section 9.3 above.

A summary of the Key Housing Risks, showing the current Risk Assessment, is given below:

<b>Key Housing Risks 2016/17</b>		
<b>No.</b>	<b>Risk Assessment</b>	<b>Vulnerability / Risk</b>
1	C2	The HRA goes into deficit.
2	C2	Decentralised offices and premises are not staffed out of hours.
3	D2	Services provided by contractors and consultants, and partnership working.
4	D2	Failure to meet safeguarding requirements under the Care Act 2014 and Sections 11 and 47 of the Children Act 2004
5	D2	Duty of care to the health and safety and welfare of staff, tenants and contractors.
6	D3	The operation of the Council's Careline Service
7	C2	Officers and contractors meeting with the public, both in interview rooms and at service users' homes
8	C2 B2 B2	The Council's House Building Programme – in relation to: <ul style="list-style-type: none"> <li>• Performance</li> <li>• Finance</li> <li>• Legal issues</li> </ul>
9	C3	Energy costs
10	C3	Funding reductions
11	D2	Anti-social behaviour
12	D1	Safety of services – including electrics, gas and water.
13	B1	Sale of the Epping Depot premises.
14	B3	Effect of Government's welfare and other reforms

In the Risk Register, the Risks Assessments for these Key Housing Risks are plotted within a Risk Profile. Those risks with a high likelihood and/or impact have further scrutiny and action. The Risk Register includes 2 Key Housing Risks that are within in the "red zone" of the Risk Profile, as they are considered to be 'highly likely' and have either 'moderate' or 'major' impact. These are:

- Finance and legal issues relating to the Council House Building Programme; and,
- The sale of the Epping Depot premises.

**9.5 Housing Business Continuity Plan**

As part of the Communities Directorate's approach to risk management, a Housing Business Continuity Plan has been produced, which complements the Council's Corporate Business Continuity Plan. This sets out in detail:

- Roles and responsibilities of senior staff with corporate management responsibility, and individual service areas

- Working practices by individual service area
- Anticipated threats to service delivery, including the full or partial loss of staff, accommodation, ICT facilities and paper records for each of the areas within the Housing Service
- The approach to be taken in the event of a flu pandemic
- Ways of minimising the threat/risk
- Disaster recovery and priorities - service-wide and for each section
- Initial actions to be taken within the first week following a disaster

## 9.6 Housing Emergency Plan

Separate from the Housing Business Continuity Plan (which considers the way the Housing Service will respond to a disaster affecting the Council as an organisation), a Housing Emergency Plan has been produced, which complements the Council's main Emergency Plan, and prescribes the Housing Service's arrangements for preparing for, and dealing with, housing-related emergencies that affect the local community. The Housing Emergency Plan also provides essential information that is likely to be required by housing staff in the event of emergencies.

The Housing Emergency Plan covers both minor emergencies out of office hours and major emergencies in or out of office hours. A major emergency is defined as any circumstance where the lives or safety of the public, or their property, may be considered to be endangered by any incident of such magnitude as to be beyond the normal resources of the emergency services, and requires the additional manpower of the District Council. An out of hours minor emergency is defined as an event that cannot wait to be dealt with until the following working day.

The main types of emergencies that may occur and needing a response by the Housing Service are:

- Major Emergencies
- Homelessness
- Careline faults
- Minor housing maintenance
- Evacuation / Re-housing
- Severe weather and associated repairs

In the event of a major emergency, the Council's Emergency Response Team (ERT) will be activated. The Director of Communities and two Asst. Directors from the Communities Directorate are members of the ERT. They provide the link between the ERT and housing staff dealing with the emergency and will normally be based at the Emergency Control Centre in the Civic Offices. The Asst Director (Housing Operations) will normally lead on the establishment and operation of a rest centre.

# 10. HRA Financial Plan

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## Introduction

1. The Council's Housing Revenue Account (HRA) business planning consultants have prepared this HRA Financial Plan, following detailed consideration by the Council's Housing Select Committee and the Tenants and Leaseholders Federation. The Financial Plan was initiated in November 2011 and has been continually reviewed from the implementation of self-financing; it remains subject to quarterly reviews.

2. This is the fourth Financial Plan since the introduction of self-financing and provides for a firm base of certainty, given that the level of debt taken on the 28<sup>th</sup> March 2012 and interest rates of the fixed loans that funded this transaction have commenced.

## Executive Summary

3. The HRA self-financing regime commenced April 2012 with a debt allocation to the Council of £185.456million. This latest version of the Financial Plan demonstrates that the HRA remains viable throughout all the years of the Plan, although extensive re-profiling of capital investment is required in the short to mid-term in order to avoid additional borrowing, if the expansion of the Council Housebuilding Programme and the ability to fund long-term housing improvements and service enhancements is to be achievable. The Plan has the potential to repay the allocated debt within a period of 28 years, according to the schedule of fixed loan repayments, based on the assumptions contained within the Plan.

4. The Financial Plan will continue to require ongoing updating on the basis of the changes to levels of right to buy sales, implantation of new Government policy, amendments to the housebuilding programme, future inflation, in-year budget amendments, changes to investment levels and interest earned on balances.

### Underlying assumptions

5. A detailed HRA Financial Plan model has been produced for the Council by its HRA Business Planning consultants, launched from 2015/16, and is based on the latest out-turn forecasts for 2015/16 and the agreed budgets for 2016/17, with the following approach and key assumptions:

- Balanced to the forecast out-turn HRA budgets for 2015/16 and approved budgets for 2016/17;
- Balanced to the forecast HRA Capital Programme for major works for 2015/16 - 2019/20, with additional expenditure where required;
- Rents not increasing as set out in the Government's original policy of CPI plus 1%, but under the expected requirement of the Welfare Reform and Work Bill of 1% reduction - up to and including April 2019. The exception being new tenancies being re-let at their formula rent, with the 1% reduction being applied. From April 2020, the assumption is that rent will increase once again by CPI plus 1%, based on recent ministerial statements;
- General Inflation set at 2.5% (the exception being rents, the 2016/17 budgets and HRA Capital Programme up to 2019/20);
- Right to Buy sales estimated at 20 sales for both 2015/16 and 2016/17, then holding for a further two years at that level with a gradual reduction thereafter;
- Required internal borrowing for the General Fund from the HRA, to ensure a neutral position for the General Fund compared to the situation prior to self-financing;
- Interest rates as per the treasury schedule (below) with internal borrowing rates rising from 1% to 2%;

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

- Housing improvements and service enhancements to benefit tenants in the later stages of the Plan;
- An expanded Council Housebuilding Programme of 232 units over 5 years (averaging 46 per annum) to maximise the use of receipts from higher than anticipated right to buy sales; and
- The purchase from the open market of 5 properties to ensure that no right to buy receipts are returned to the Government

6. The most critical assumption relates to the required stock investment and needs. A Modern Homes Standard has been introduced for the Council's housing stock, which was adopted by the Council in December 2011 with the database continually being updated. The February 2016 iteration is included within this Plan. The Modern Homes Standard exceeds the Decent Homes Standard, introducing shorter replacement life-cycles on a more realistic basis.

### Headline Outputs

7. This latest version of the Financial Plan has been modelled with the assumptions detailed above. Due to the required rent reductions and increases in expenditure for the capital programme and Housebuilding Programme the following assumptions have been made:

- Repayment of the debt within 28 years (or 27 years from April 2015), as per the current loan portfolio, whilst holding a revised minimum balance within the HRA of £2million (inflated)
- Continuation of a Self-Financing Reserve, to hold sufficient funds to meet loan maturity dates
- Gradual reduction over 5 years of reserves held in the Major Repairs Reserve and the Housing Repairs Fund
- Levels of housing improvements and service enhancements, as set out in the table below, which can be funded by the Plan over a 30 year period (at today's prices):

Years 1-5	£-
Years 6-10	£-
Years 11-15	£-
Years 16-20	£5.6 million
Years 21-25	£11.1 million
Years 26-30	£45.8 million
<b>Total over 30 Years</b>	<b>£62.5 million</b>

8. The 2015/16 Financial Plan identified that £182.73million was available for housing improvements and service enhancements over 30 years, so the significant impact of the changes to the Plan since last year can be seen through the extent of this reduction. As highlighted above, reviews of the Plan will continue on a quarterly basis, since these may well impact on the deliverability of the service enhancements.

9. The following charts set out:

- The in-year cashflow and balance projections for the HRA;
- The capital investment requirements (including the above service enhancements) and availability;
- The debt repayment profile; and
- The position with the HRA Self-Financing Reserve.

Chart 1 - HRA Projections (£'000s)

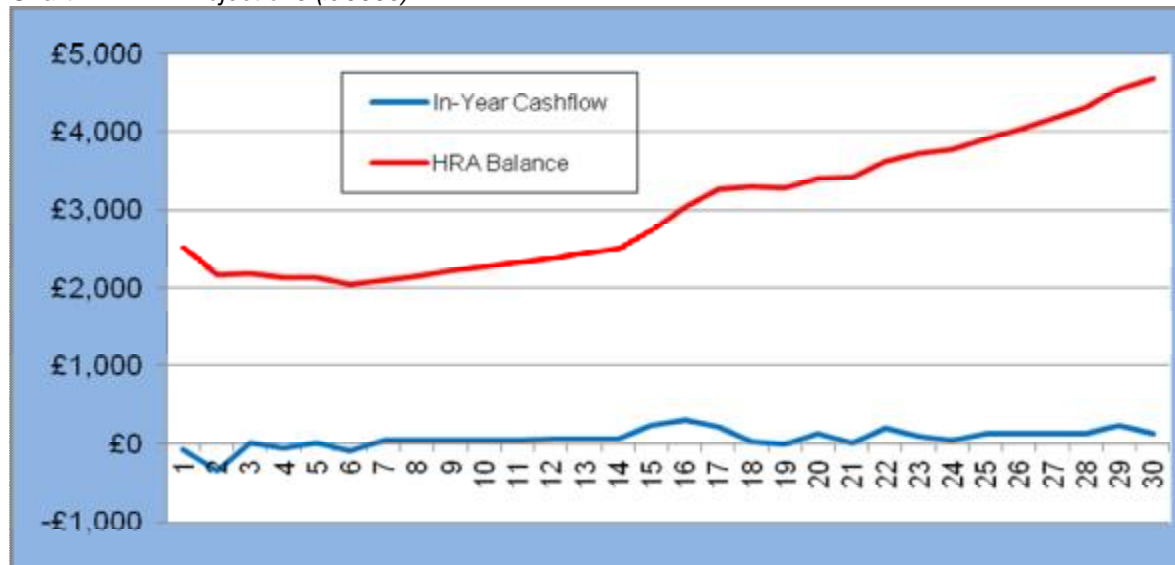


Chart 2 - Capital Expenditure Profile and Funding (£'000s)

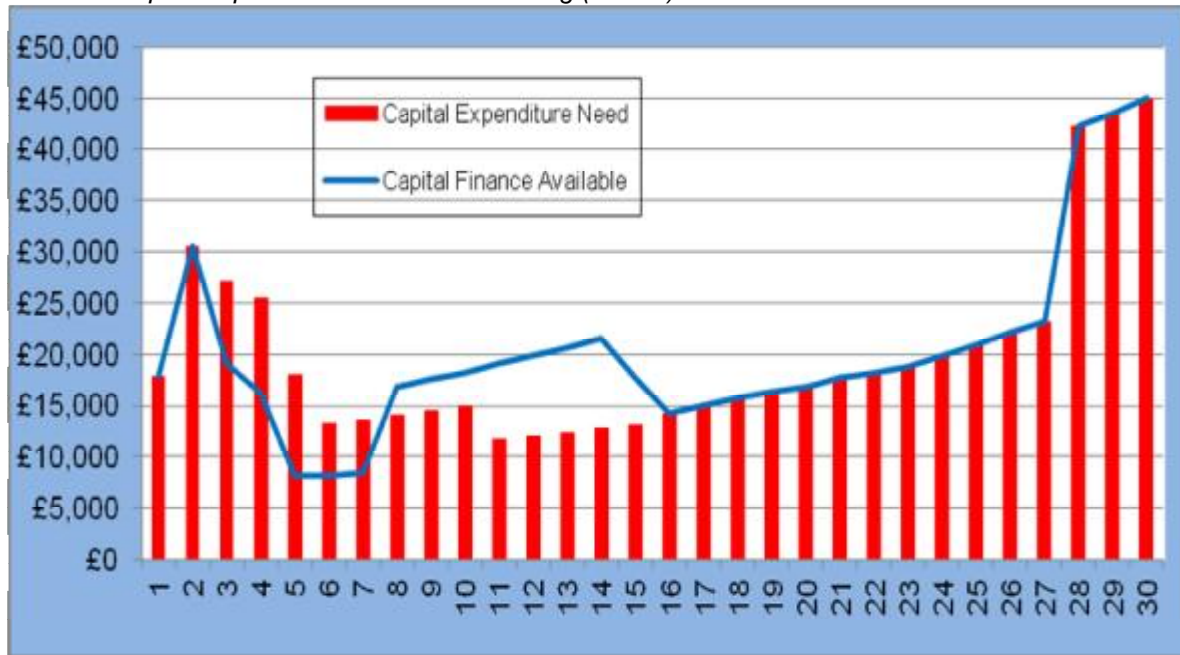


Chart 3 - Projected Debt Profile (£'000s)

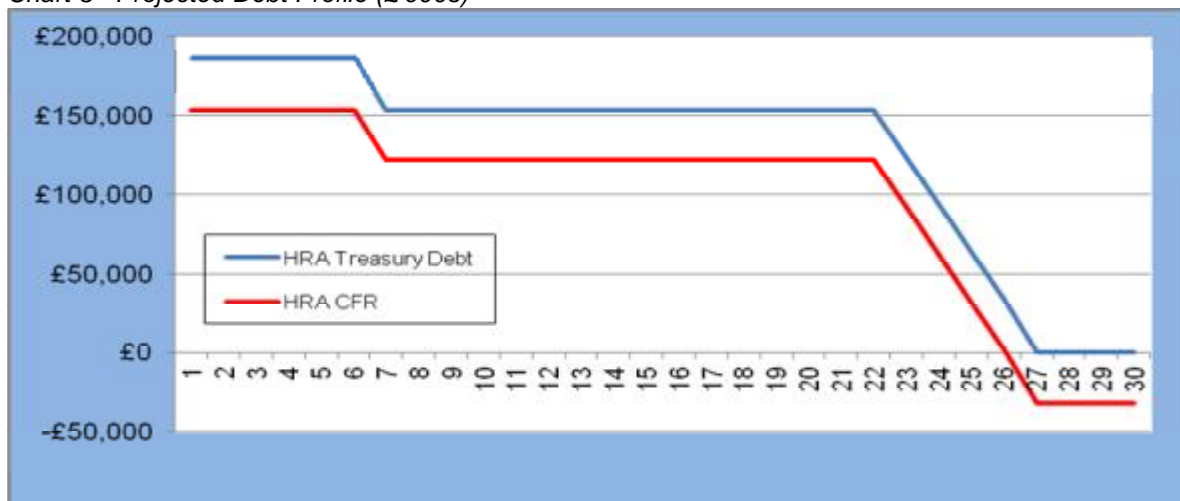
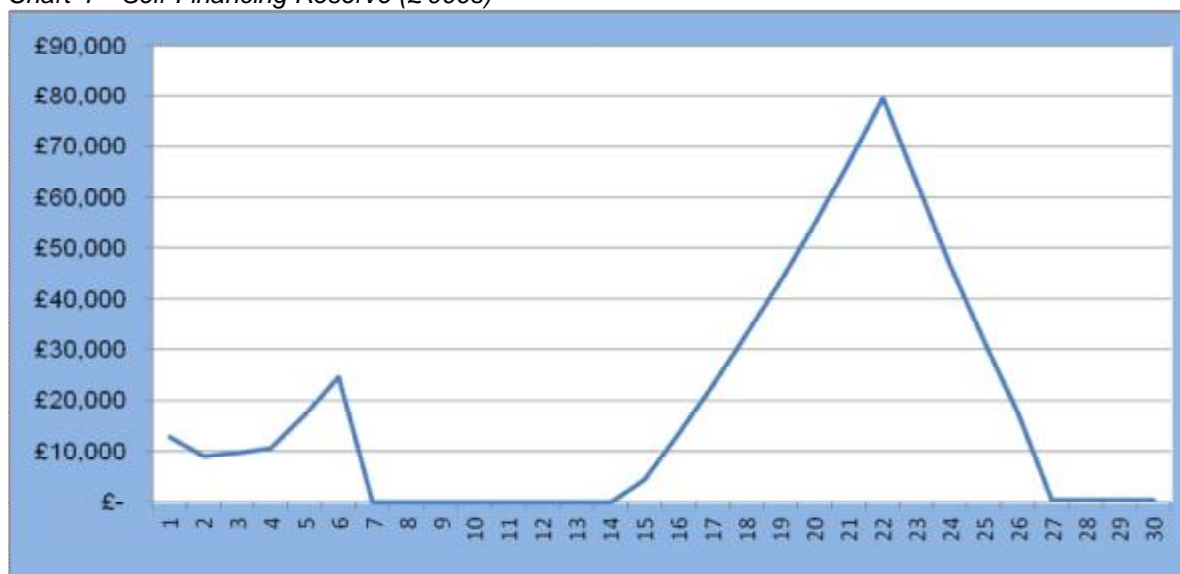


Chart 4 - Self-Financing Reserve (£'000s)



10. The charts above firstly demonstrate that the HRA remains in positive balance throughout the 30 years of the Plan. However, in order to achieve this and to avoid additional borrowing or refinancing, there will be shortfalls of available financing to fund the full Capital Programme. In Chart 2, between Years 3 and 7 (where the blue horizontal line is lower than the red vertical line) the total shortfall is £38million. The Plan then seeks to finance these shortfalls by carrying over the accumulated deficit, with inflation, until the backlog of capital investment is fully funded. As identified in Chart 2, this occurs between Years 8 and 16 (where the blue horizontal line is greater than the red vertical lines). From Year 17, the capital expenditure is fully funded.

11. The Plan, based on these assumptions, also has the potential to repay the HRA element of debt (the HRA Capital Financing Requirement - CFR) within 27 years (or 26 years from April 2016) and includes actual interest rates, assumptions as to interest levels for internal borrowing between the HRA and the General Fund and provision for improvements / service enhancements. At the end of 27 years, the HRA will be in the same position as prior to self-financing - with no attributable debt and a negative HRA CFR.

12. The Self-Financing Reserve is funded directly from HRA contributions, which are forecast to increase on an annual basis from the HRA (with exceptions for Years 1 to 14, in order to fund the backlog of the capital investment programme) and reduced when loans mature. Interest earned on the balances is credited to the HRA.

### **Sensitivities**

13. Given that the Financial Plan has been specifically modelled to repay the debt settlement over a 27-year period (by decreasing the levels of funding from the previously-agreed levels for service enhancements and re-profiling the capital expenditure), it proves that the Plan is viable, but not resilient to changes in the key assumptions. This is particularly relevant, as some significant increases will impact on increasing the shortfall for the Capital Programme in the short to mid-term and impact on service enhancements in the longer-term.

14. It must be noted that all management, maintenance and capital expenditure are forecast to increase by base inflation only and, therefore, any real increases above these provisions will have to be met by efficiency savings or reductions in future service enhancement levels.

### **Next steps for the Council**

15. The Government re-invigorated its Right to Buy (RTB) policy, coinciding with the commencement of the last Financial Plan. The Council has seen an increase in the number of right to buy sales, which have a positive impact on the Plan (in terms of providing additional resources for the provision of new build or open market acquisitions) but will also see additional receipts and loss of future rental income from the higher level of properties sold. Whilst the Plan allows for an increased volume of sales, the situation will continue to be carefully monitored. This is particularly important in ensuring that all receipts are utilised in a timely manner to avoid passing these to the Government.

16. The Government, through the Housing and Planning Bill, will require councils to pay - through an annual determination - an amount yet to be calculated, which should not be dissimilar the receipts that would be gained from selling higher value voids. This is part of an initiative for the Government to fund discounts for right to sales for housing association tenants. The Council has already expressed an interest to the Government in discussing the potential for a scheme that would reduce the amount payable if these funds were used towards the provision of new affordable housing. Future iterations of the Financial Plan will be developed to assess the impact of these changes.

17. As a result of the required four-year reduction in rents, in September 2015, the Council's Finance and Performance Management Cabinet Committee considered a report from its HRA Business Planning Consultants on the options available to the Council to ensure that our HRA does not fall into deficit. The report identified a number of options available to the Council to recast its HRA Financial Plan for the future, including:

- Ceasing all or some of the funding currently available within the Financial Plan for future housing improvements and service enhancements for HRA services;
- Reducing investment in improvements to the Council's housing stock (and reducing the Council's Modern Home Standard accordingly);



- Reducing/ceasing the Council's own Housebuilding Programme;
- Undertaking further borrowing for the HRA, repaid by the end of the Financial Plan period;
- Combinations of the above.

18. The report also explained that the implications of the Government's proposal to require local authorities to sell higher value void properties cannot yet be quantified, since the Government has not yet provided any further details of this requirement.

19. After considering the detailed report and options, the Cabinet Committee agreed that, since no immediate corrective action was required at that time, no decisions should be made to re-cast the HRA Financial Plan - until further information becomes available on the effect of the sale of higher value void properties - and that the options for the HRA Financial Plan should be reviewed again in 2016, with decisions for the future made at that time. In order to inform the review later in 2016, the Cabinet Committee also agreed that both the Council's Housing Select Committee and the Tenants and Leaseholders Federation should be consulted for their views on the options.

20. It is therefore expected that the further review later in 2016 will result in decisions on the following, which will inform the long-term direction of the HRA Financial Plan and will be incorporated in the next HRA Financial Plan, for 2017/18:

- Future levels of investment in the housing stock
- Future expenditure on housing improvements and service enhancements
- Future expenditure on the Council Housebuilding Programme
- Future borrowing

21. The Government is also introducing, through the Bill, a 'Pay to Stay' policy, which means that tenants of properties that have a household income over £30,000 per annum (outside London) will be required to pay market rents (or near market rents) rather than the current social rent. The onus will be on landlords to identify the tenants affected to supply earnings information (through changes to tenancy agreements), 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 Financial Plan, since the potential additional income is forwarded to the Government and will not be for the Council to retain - unlike the proposed voluntary arrangement with housing associations. There is the potential, however, that right to buy sales may increase as a result of this policy and this will be closely monitored.

22. CIPFA are yet to finalise the calculation of future depreciation charges under componentisation of assets and therefore the transitional arrangements have been used throughout the life of the Plan, but it is expected that there will be little or no impact from any changes made.

### Risk and Reward

23. Having moved to self-financing for the HRA it has significantly altered the risk profile in HRA Financial Plans and for the Council's Housing Service.

24. We have classified the following risks under the following headings shown:

Description	Impact	Likelihood	Mitigation and residual risk
Insufficient knowledge of current stock causes unknown liabilities	HIGH	MEDIUM	Increase surveys, full understanding of asset management database -> reduce impact to LOW
Cost inflation is higher than income inflation	HIGH	LOW	Effective budget and financial control -> reduce impact to MEDIUM or LOW
Interest rates rise	MEDIUM	LOW	Flexible approach to debt funding giving opportunities to refinance -> reduce impact to LOW
Right to Buy levels increase	MEDIUM	MEDIUM	Depends on Government policy towards future discounts, pay to stay and moves in the housing market; managing costs to the number of properties held -> reduce impact to LOW (but impact on availability of housing)

Restriction on housing benefits; introduction of Universal Credit	HIGH	HIGH	Intensive management and services to vulnerable tenants -> reduce likelihood to MEDIUM
Government revisits the settlement	HIGH	MINIMAL	No action by the Council, but investment of available resources could reduce scale of impact.
Rent increases are not implemented in accordance with Government expectations	HIGH	LOW / MINIMAL	This plan takes into account the latest guidance on social rents

### **Projected Cash Flows and Capital Projections**

25. Thirty-year projected cash flows and capital projections are provided as Appendix 5.

## **11. Reviewing the Business Plan**

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### **11.1 Introduction**

The HRA Business Plan is a dynamic, working document. Consequently, it is essential that it is reviewed and updated on an annual basis. In addition, it is very important that progress on the Action Plan and the achievement of performance targets are reviewed throughout the year.

### **11.2 Financial Monitoring**

The HRA Financial Plan for 2016/17 will be monitored and formally reviewed by officers and the Council's HRA Business Planning Consultants, SDS Consultancy, on a quarterly basis throughout the year. It will also be formally monitored and reviewed by the Council's Housing Select Committee and Housing Portfolio Holder twice, in October 2016 and March 2017.

### **11.3 Monitoring the Business Plan's Key Action Plan**

Chapter 12 of this Business Plan sets out a detailed Key Action Plan. It is important that progress with the Key Action Plan is monitored. This is undertaken at two levels.

At officer level, the actions are incorporated within the Communities Directorate's Continuous Improvement Plan referred to in Section 5.4 above. At member level, the Housing Select Committee receives and considers a six-month Progress Report on the Action Plan, in October and March each year.

### **11.4 The HRA Business Plan Review process**

The review process will commence in January 2017, which will result in the production of a draft HRA Business Plan and Repairs & Maintenance Business Plan 2017/18, on which the Tenants and Leaseholders Federation and the Housing Select Committee will be consulted.

## **12. Key Action Plan**

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### **12.1 Introduction**

Chapter 3 sets out the Council's Corporate and Specific Housing Objectives. The table on the following pages sets out the Council's Key Action Plan for meeting those objectives over the next few years. The Action Plan is "SMART" (specific – measurable – agreed – realistic – timebound).

**HRA Business Plan 2016/17  
ACTION PLAN**

Action	Corporate Housing Objectives	Responsibility for Achievement	Target Date	6-Month Progress Report <i>(To be completed in October 2016)</i>
<b>Housing General</b>				
1) Review the HRA Financial Plan, through formal officer reviews on a quarterly basis and reviews by the Housing Select Committee on a half-yearly basis.	HO 1 / 2 / 3 / 4 / 5 / 6	Director of Communities	Mar 2017	
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	
3) <i>(Subject to Cabinet approval)</i> 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	
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	
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	
<b>Council Housebuilding Programme</b>				
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	
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	

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	
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	
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	
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	
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	
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	
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	
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	

### 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	
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)	Mar 2017	
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	
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	
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	
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	

### 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	
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	

### 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	
25) Under 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	
26) Under 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	
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	

### Housing Repairs and Maintenance

*See Action Plan within the Repairs and Maintenance Business Plan at Appendix 1*

#### 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

# **15. Appendices**

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# Repairs & Maintenance Business Plan 2016-17



Director of Communities  
Alan Hall FCIH



**Epping Forest  
District Council**

**March 2016**

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## 1. Purpose of the Plan

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The Housing Revenue Account (HRA) Business Plan has been prepared under the guidelines of the HRA Resource Accounting regime, whose main objective is to promote more efficient use of housing assets. This covers all housing services in detail. Given that repairs and maintenance is the biggest single area of expenditure, this separate Repairs and Maintenance Business Plan has been produced to detail the Council's strategic approach to this work. Both Plans have been produced annually since 2000. The Council already has set standards for most of its service provision, which can be found in various documents such as the Tenant's Handbook, Housing Strategy and Contract Conditions etc. However, it was felt that these documents should be brought together into a single Business Plan, which would assist the Council in planning and monitoring the delivery of the repairs and maintenance service.

On 1 April 2014, Housing Services joined with Community and Culture to form the new Communities Directorate. However, this Plan continues to cover housing repairs and planned maintenance to Council owned properties, and is updated to reflect all of the good work that has taken place to improve services for Council tenants over the last 12-months and explores what can be expected in the future. The Plan also looks specifically at our ability to meet performance targets, with actions for improvement recorded in the Action Plan in Section 11.

The Plan is updated each year, taking into account the latest Government Guidance, revised Council Policies, updated financial information, the latest stock condition information and the views of tenants and leaseholders. The Action Plan will be monitored on a bi-monthly basis to ensure appropriate progression of the initiatives included.

In preparing this Plan, the Council's Tenants and Leaseholders Federation have been consulted in the same way as with the main HRA Business Plan and they have approved both Plans. In respect of matters relating to the Repairs and Maintenance Plan, the Federation particularly expressed the following views: [last year's wording retained below for reference]

- We agree and support the Business Plan's Programme, particularly the continued improved performance, approach to efficiencies, objectives and action plan;
- We support the approach being taken by the Council towards achieving the Modern Homes Standard;
- We are pleased to see the Council is continuing to install External Wall Insulation and looks forward to completing 40 more properties by March 2016;
- We recognise the overall good performance by the Housing Repairs Service and Mears; and
- We are pleased to see the launch of the innovative new Smartphone App for repairs that will help tenants to report their repairs while on the go, especially as this was developed with the Repairs Focus Group.

## 2. Introduction to the Repairs & Maintenance Business Plan

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Epping Forest District Council is a major provider of housing. As at 1<sup>st</sup> April 2014, the Council owned and managed 6,389 properties, 2,726 garages, 1 homeless hostel and leased 998 properties. A number of these properties were transferred to the Council from the former Greater London Council (GLC) in 1980. There has been a general rate of decline in the number of properties owned by the Council over the years due to tenants purchasing their homes under the Right to Buy scheme. Since 1977, 6,283 properties have been sold. The rate at which properties have been sold has varied over the years. Last year saw a sizable increase in sales, up from 7 in 2012/13 to 53 in 2013/14 and 46 in 2014/15. However, 2014/15 saw the new house-building programme commence construction of 23 new Council houses, which will be the first time the Council has built Council housing for around 30 years.

### 2.1 Housing within the context of other Strategic Plans

Housing has a major impact on the quality of the people's lives, influencing health, educational achievement, employment opportunities, community safety and social cohesion. The main responsibility for managing and maintaining the Council's housing stock is undertaken by the Housing Service within the Council's Communities Directorate.

The Communities Directorate strives to provide the highest quality advice, assistance and equality of opportunity to its customers in housing matters. It aims to be a responsible landlord, managing and maintaining the housing stock effectively, whilst continuing to charge reasonable rents. The Communities Directorate also works within a number of specific strategies. The main strategies influencing the direction of the Repairs and Maintenance Service include:

**Tenant Participation Agreement** – An agreement with the Tenants and Leaseholders Federation on consultation, provision of information and support for tenant organisations. The agreement has led to improved tenant consultation on repairs and maintenance programmes.

**Leaseholders Participation Agreement** – An agreement (compact) between the Council and the Epping Forest Leaseholders Association, which was formed through a Council initiative in March 2001.

**Housing Charter** - Sets out the principles by which housing services will be delivered from the clients' point of view and what clients can expect.

**Energy Efficiency Strategy** – A Strategy designed to conserve energy use, particularly for those on low incomes. This has for some time been targeting energy saving measures to those on low incomes through the Warm Front Scheme or more recently through ECO, the Green Deal and the Renewable Heating Initiative (RHI).

**Crime & Disorder Strategy** – The Council has a local Crime Reduction Partnership comprising representatives from Police, Social Services Probation Service, which has produced a Crime Reduction Strategy which have influenced programmes for the installation of CCTV and door entry security systems. The Partnership has a number of sub groups, which have influenced programmes for the installation of secure double-glazing, CCTV, door entry systems and has been operating a very successful sanctuary scheme for those fleeing domestic violence. This strategy complies with Home Office guidelines.

**HRA Business Plan** - the HRA Business Plan is a broad document, which covers the whole of the Housing Service within the Communities Directorate. Given that repairs and maintenance is the biggest single area of expenditure, this Business Plan has been developed to provide more detail

on the strategic approach to the repairs and maintenance.

**Communities Directorate Risk Strategy** – A Risk Register, which identifies the strategic and operations risks affecting the Communities Directorate.

**Housing Strategy 2009-2012** - The Housing Strategy assesses the overall housing needs of the District, and sets out the Council's objectives and plans for meeting those needs. This is due to be updated in 2017, following the introduction of the new Local Plan. However, the Action Plan is updated and reviewed by the Housing Scrutiny Panel on an annual basis in the meantime.

**Visions & Values** – The Council as a whole has adopted a set of Visions and Values, namely Trust, One Team, Performance, Innovation and Customer. Each of these is at the heart of everything that the Council will do in the future.

**Continuous Improvement** – Through Continuous Improvement meetings (CIM) at Management level, there is a strong emphasis placed on continuous improvement. All new Service Improvements are shared with tenant panels and Members for consideration annually. These are recorded and monitored as part of the Continuous Improvement Action Plans.

**Council House-Building Development Strategy** – Adopted by the Cabinet in 2013 and updated in December 2014, the Development Strategy sets out its expectations for the delivering new Council housing including rents, development standards, finance and risk amongst other things.

## **2.2 Housing Services within the Communities Directorate**

The Housing Service provided to residents of the district as a whole, is divided into four main headings; Private Sector Housing, Property & Development, Operations and Community Services, each with its own Assistant Director. The Communities Directorate is responsible for all housing matters, including repairs and maintenance. The current responsibilities of each Assistant Director are listed out below.

### **(a) Private Sector and Resources**

The Private Sector Service is responsible for issues relating to housing in the private sector, including decent homes, empty properties, house condition surveys, HMO's, Disabled Facilities Grants, Home Improvement Grants, Home Improvement Agency as well as the Resources functions with the Communities Directorate, including Budget Monitoring, Rent Accounting, Leasehold Services, House Sales, Information and Administration.

### **(b) Property & Development**

The Property Service of the Communities Directorate is responsible for void maintenance, responsive repairs and planned maintenance to existing Council owned dwellings. This division is also responsible for the Council's new house-building programme.

### **(c) Operations**

The Operations Service of Communities Directorate is responsible for issues such as Housing Needs, Special Needs, Supporting People and Housing Management.

### **(d) Community Services**

The Community Services is responsible for Community Safety and Safeguarding. Other aspects of the Community Services are Youth Services, Arts and Culture as well as Sports Development.

### **3. Service Delivery**

---

There is a significant amount of maintenance work needed to keep the average home in good condition. Some occurs at short notice, some can be planned in advance, some is the responsibility of the Council and other work is the responsibility of the tenant. In order to clarify who is responsible for various maintenance items, the Council has produced within its 'Tenants Handbook' a leaflet entitled "Repairs and Improvements to Your Home".

The Tenants Handbook also includes information on programmed maintenance, day to day repairs, emergency repairs and gas leaks, adaptations for the disabled, making improvements to the home, asbestos in the home, the right to repair, home improvements compensation scheme, mutual exchange repairs and introduced in 2013/14 the new Handyman scheme, brought about as a direct result of the new HRA Self-Financing and is funded from the new Service Enhancements. The leaflet was developed to explain how this new service operates, which is jointly run by the Housing Repairs Service and Voluntary Action Epping Forest (VAEF).

As with last year, this Business Plan has set out in detail the work of the Housing Assets Team and the Housing Repairs Service, including how the work is identified, recorded, managed and monitored. It also looks back at what was achieved during the previous year, including the performance levels that were reached, and a look forward to our plans and targets for the next 1, 5 and 30 years in line with the HRA Business Planning regime.

A responsive repair is, by its nature, a response to a customer request for a repair. The Council details within the tenancy handbooks issued at the commencement of tenancies the type of work which will be undertaken as a responsive repair and which item is the responsibility of the tenants to maintain and/or repair.

During 2014/15, the Housing Repairs Service undertook 16,020 repairs in total. Of those repairs completed in 2014/15, 13,178 were undertaken by appointment, which is the way all repairs are managed now. Those not undertaken by appointment relate to voids works or works to communal parts of flat blocks or other estate locations.

#### **3.1 Responsive Repairs – Innovation, Performance and Direction of Travel**

The Housing Repairs Service, in its current form, was created in 2008, which saw the Housing Repairs Section combined with the Building maintenance Division. The Repairs Service is currently based at the Epping Depot. However, the Council is looking at options to redevelop land in Epping, which includes the Epping Depot, which means relocating to an alternative location. This is discussed in more detail later in the Business Plan.

The Repairs Service is managed through an innovative "Insourcing" arrangement with Mears as the External Repairs Management Contractor, who oversee the day to day management functions of the Housing Repairs Service. Since then, a number of initiatives have been put in place to improve the Housing Repairs Service, including:

- The customer facing, technical and trade resources were combined through a re-structure and relocated to the Epping Depot site. The restructure streamline administrative functions, avoided duplication in working practices, increased supervision of repairs and achieved significant savings, particularly in relation to staff costs following a reduction of 10 tradesmen, made possible through more efficient working practices;
- Overall performance in response times was improved. The scale of improvement was

significant, rising from lower quartile to top quartile performance in just 12-months;

- Customer relations were also enhanced with the creation of a dedicated Tenant Liaison Officer, who “hand-held” tenants through major structural and other repairs, where decanting tenants is the best way forward to complete the works.

The role of the Repairs Advisory Group ceased in 2013, which saw the monitoring role transferred to the Housing Scrutiny Panel.

### **3.1.1 Innovation - External Repairs Management Contractor (RMC)**

The forward thinking concept behind the Cabinet’s decision to appointment Mears as their Repairs Management Contractor to assist the Council to introduce changes and make the Housing Repairs Service more efficient in terms of value for money and performance is called “Insourcing”, where the Council retains its Housing Repairs Service, but is managed via a private sector Repairs Contractor.

There are three primary aspects to the RMC contract - the day to day management of the Housing Repairs Service; the delivery of specific projects aimed at improving the service to our tenants, which are defined as “Key Deliverables”; and, the delivery of performance related targets.

Key Deliverables, are an innovative aspect to this contract where new opportunities are identified, developed and introduced, thus adapting to the ever changing demands on Local Authorities service delivery, customer expectations, technology and budget constraints. Key deliverables that have been delivered to date include:

**a Supply Chain Development** – To develop better supply chain arrangements with suppliers and sub-contractors to ensure that value for money is being achieved. This includes a complete overview of how the stores is operated and managed. Tenders were sought and a new single supplier who will supply all materials used by the Housing Repairs Service was agreed by the Cabinet in February 2013;

**b Development of Pricing Models** – To develop better financial models, which can then be used for benchmarking and in situations where the HRS is to be reimbursed for works undertaken, including how supply chain partners are also reimbursed for works carried out. This also includes better ways of financial reporting to the Council. To this end, the Council has introduced the National Housing Federation Schedule of Rates, which is the basis of all new tenders when appointing sub-contractors. They have been introduced for all Void works and were rolled out across the Repairs Service in April 2014;

**c Implementation of an Effective IT system** – To introduce better IT systems for delivering an effective R&M service from the point of order through to completion and post completion actions. This will also need to integrate with OHMS for Business Continuity. The IT system put forward by Mears is its own MCM system, which has a proven track record across many of their existing contracts elsewhere. This was implemented in January 2012 and is the main driver for the improved efficiencies that tenant’s now benefit from;

**d Introduction of Mobile Working for Operatives** – To introduce mobile working for operatives, linked with an IT system that manages all repairs jobs, including workload, scheduling and appointments. This too was implemented in January 2012, and controls the work flow to the tradesmen. With GPS technology and cameras built in to the smartphone devices, this has eliminated all paper tickets and has dramatically cut the number of post inspections required by the Inspectors;



**e Implementation of an appointment based Repairs Service** – To implement a full appointment system whereby all repairs can be undertaken at the convenience of the tenant at a time to suit them. This has seen a 70% reduction in the number of missed appointments since the Council's tradesmen are in the right place at the right time.

**f Electrical digital certification** - This has been introduced to assist the Council Electricians to complete and register electrical certificates remotely.

**g Out of Hours Service** – This has been introduced across the Council's entire Out of Hours call handling, which includes Repairs. This facility was introduced on 31 March 2014, which enables tenants to phone and make routine repairs requests and to book appointments as well as report emergencies at any time of the day or night and on any day of the year.

**h The Housing Quality Network (HQN)** - Mears commissioned the HQN to undertake a review of the Housing Repairs Service and to report on its findings, many of which are contained in this Business Plan. This involved seeking the views of tenants as well as those on the Repairs and Maintenance Focus Group.

**i Smartphone App** - In March 2015 saw the launch of a new Smartphone app that allows tenants to report a repair to their home direct from their smartphone at any time. The app also allows the tenant to book an appointment.

**j Customer Journey training** – In September 2015, Mears ran a "Building on success" interactive customer experience training course for all of the staff and operatives who work within the Repairs and Housing Assets teams. The course was run over two days and was specifically designed to improve customer satisfaction and the customer journey. It included how the employees live the vision, values and behaviours of the Council and the importance of these in their daily work. A bespoke board game was created to encourage interaction and learning on customer journey's, these were really interactive sessions real life scenarios that put the staff member in the customer shoes. Every staff member completed a pledge card on customer service and what they were going to do going forward. The course was very well received and a roll out of a similar course is being considered for other Council front line services.

### **3.1.2 Performance**

Performance is monitored using a wide range of different performance indicators, all of which are captured quarterly and monitored through internal Continuous Improvement Management meetings. From these PI's, other groups such as the Tenants and Leaseholder Federation, the Repairs and Maintenance Focus Group and the Housing Scrutiny Panel monitor performance through specifically selected performance indicators. Some are monitored as part of a Corporate set of KPI's by the Council's Finance and Performance Management Cabinet Committee.

Some of these indicators are used to monitor Mears as the RMC, who in 2011 were asked to manage the change process within the Housing Repairs Service, which included the performance for repairs and voids. Incentivised Performance Indicators, with targets that are in line with upper quartile targets, which if achieved, means Mears are entitled to an incentive payment.

The full suite of indicators help us to closely monitor quality, performance, efficiency, value for money and satisfaction, which are all important aspects of our service delivery, and identify trends, opportunities and risks. A copy of the full set of Performance Indicators, which captures the outturn for 2014/15 and up to Q3 of 2015/16 can be found at appendix B

### **3.1.3 Training & Direction of Travel**

With an aging workforce (see the HRA Business Plan for more information), it is important the Council looks forward and invests in trainees and apprentices now. Currently, the Repairs Service employs 2 trainees, who started off as apprentices. After completing Level 2, they have been taken on as Multi-trade trainees on a 2-year career grade, after which they will operate as fully trained Multi-trade tradesmen.

In addition to these two trainees, the Repairs Service has also recruited a new multi-trade apprentice and a Business Admin Apprentice.

Training is an important aspect of our business. Training creates opportunities to improve the quality of service to our customers, reduces the need to employ specialist contractors and keeps the knowledge of our staff and tradesmen up to date such as with new technology, safety, regulations, methods of construction and new materials.

Since 2008, a number of Carpenters have attended specialist locksmith training, which enables the Council to respond quickly 24-hours a day, including providing a re-chargeable lock change service for tenants, where they lose or forget their keys. As a result, the Council no longer needs to employ sub-contractors, and tenants are not exposed to very high call-out rates and the risks that go with out of hour's calls to private companies.

Other examples include:

- The purchase of specialist gutter vac equipment, which means gutters can be cleared or inspected up to 3-stories high without the need for scaffolding.
- The purchase of a Thermal Image Camera to help identify the cause of dampness, leaks, cold-bridging, overheating electrical circuit breakers etc, again reducing the need for specialist surveying or other consultants.
- The purchase of underground sonar with a CAT and Genny. This helps trace underground mains services and track the route of underground drains. This reduces Health and Safety risks and also reduces the need to specialist tracing companies.
- To keep up to date with modern equipment and servicing requirements, Manufacturers such as Mira Showers are called in to provide training free of charge. This brings efficiencies and value for money by repairing rather than replacing components.
- Training is being organised for operatives to be able to install or repair vinyl floor coverings, which are an integral part of the planned kitchen and bathroom installation programme, as well as part of the Council's new-build programme. This will assist future repairs requirements, and reduce the need to rely on specialist sub-contractors.
- Repairs Inspectors are being sponsored to take up formal technical training which is an area that we would improve our service, by improving their knowledge and giving them more confidence.
- Electricians have been provided with training that enables them to undertake electrical testing as well as PAT testing, which is
- The Council house-building programme is bringing with it a whole new set of challenges where new methods of construction are being introduced along with new technology being built in to the homes from the start. Training is being planned to help react to future repairs and maintenance needs.

After a period of steadily consolidating the numbers of tradesmen that make up our Repairs Service to reflect the new methods of working; with a new Hub and training facility being planned, it will soon be time to start exploring growth within the Repairs Service, so identifying training needs now will help with any future growth opportunities, particularly when Repairs and Maintenance come together in one Hub.

### **3.2 Avoidable Contact**

The Council's overall aim is to reduce 'Avoidable Contact' between residents and the Council. Examples of 'Avoidable Contact' include calls from residents to chase progress on repairs requests. Since its introduced, a review has taken place to identify ways in which the Repairs and Maintenance teams can provide clearer advice on the service it provides so that residents do not have the need to make such frequent contact. That review identified the following areas for improvement, which have now been implemented:

- We have improved the type and quality of information provided to residents, with leaflets reviewed and updated.
- Since the repairs counter is no longer available at the civic offices, it is important that the Council provides all means possible for tenants to be able to report their repair needs. To this end, a computer point and direct phone-line has been laid on in the reception areas at both the Civic Offices, Broadway Housing Office and Limes Farm Housing Office so that visitors can use the "Repairs On-line" service to report their repairs.
- All planned maintenance works are added onto OHMS against the individual property database, giving contact details, and estimated installation dates etc so that the Repairs call-centre staff is able to give more efficient advice at the first point of contact. Since the introduction of MCM as the new repairs management system, the interface with OHMS helps provide a better level of knowledge to staff to help respond to tenants queries. This has been enhanced with the introduction of the Document Management System (Information@Work), which has replaced the old tenancy filing system.
- For less reliance on the use of telephone answering machines in the planned maintenance office so that queries can be answered straight away. More administrative support has been put in the Housing Assets team to help answer calls and deal with enquiries.
- The Out of Hours repairs reporting service introduced in 2014 also assists with avoidable contact since repairs can be booked at any time of the day or night, and where emergency assistance is requested, any follow-up work can be booked at the same time, avoiding further requests from tenants.
- The new ShoreTel telephone call answering system has also been set up, which automatically directs people to the service area they require.
- An appointment based repairs service with SMS text messages being used to confirm appointments and remind tenants of appointments is the standard approach the Council provides. This has seen a drop in the number of callers that have dialled incorrectly or not actually wanted housing Repairs, or eliminated the need for many calls where tenants have in the past had to chase when their repair was likely to take place.
- Repairs app, which allows tenants to report repairs, book appointments and check on progress

### **3.3 Looking after our Housing Assets**

Whilst the Council continues to provide housing, its stock has to be managed and maintained. The purpose of the Housing Assets Section is to continue to keep the Council's Housing Assets in good condition by planning its maintenance based on condition, need, efficiency and value.

There are significant value-for-money opportunities that have both direct financial and

management implications that ultimately lead to a more efficient use of resources. The framework of strategies laid out in this document, defines the way in which Housing Services will plan the future repairs and maintenance of the stock.

### **3.3.1 Legislative requirements and working practices**

Although the provision of housing is not a statutory service, the Council has a statutory duty to maintain the stock it provides.

#### **a. Legislation**

The work of the Housing Assets Section is guided by a complex set of legislation. To this end, Housing Assets working practices have to be both flexible, to accommodate multiple legislative requirements and any on-going changes to these requirements, and precise in following specific Health and Safety, Codes of Practice, Building Regulations, legal and contractual requirements. This includes the Council's own Procurement Rules, EU Procurement Regulations, as well as Leasehold legislation, which requires very specific procedures on consultation with Leaseholders.

Standard forms of contract are being developed all of the time, and it is important that these are considered to ensure the Council obtains the best value for money and minimises its risks.

#### **b. Housing Policies**

In addition to legislative and contractual requirements, the Council has developed a number of Housing Policies that are set out in the Housing Policy Manual.

#### **c. Working Practices**

As a local authority, the Council is required to undertake its duties and conduct itself in a manner that is both fair and proper. Accountability in working practices is therefore important. In order to ensure this, Officers must also work in accordance with Standing Orders, Financial Regulations and CIPFA Guidelines.

To manage this complex set of legislation, working practices and Housing Policies, the Communities Directorate has developed in-depth procedures. The procedures and works instructions cover all aspects of the work of the Communities Directorate including Housing Options, Housing Management, Housing Repairs and Assets as well as customer care issues. The procedures are stored on the Council's Intranet, and are accessible to all Communities staff.

Since May 2002, the former Housing Directorate was accredited the ISO 9001:2000 Quality Award for all of its services. Successive intensive re-assessments have been carried out since by an external auditor, the latest being in June 2014, which resulted in the ISO 9001:2008 status being renewed. However, following the recent corporate review of such accreditations, it has been decided not to continue with the ISO 9001:2008 accreditation beyond April 2016. However, the Housing Service will continue to have processes and procedures in place to ensure that quality housing services are provided to its clients on a consistent basis.

### **3.3.2 Improvements to Council Stock**

The Council is committed to providing good quality, well maintained, decent and modern homes. During the financial year 2013/14, the Council has undertaken the following planned improvements to the Council's housing stock, with much more planned for 2014/15. The vast majority of this work is undertaken via Framework Agreements, through local suppliers in many cases.

## 4. External Verification

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### 4.1 Tenant Satisfaction – NHF “Star” Survey

The latest independent tenant satisfaction survey that was carried in 2015, using the Housemark “STAR” standard questionnaire with some locally selected questions. The previous survey was completed in 2012. Around 2,215 tenants (33% of all Council Tenants) were randomly selected by ARP Research to be surveyed. In total, 798 surveys were returned (36%) which is less than the 1,093 (49%) responding in 2012.

In conclusion, the tenants were very pleased with the service they received across the whole of the Communities directorate, including the Council’s Repairs and Maintenance Services. It was recorded that 85% of tenants were satisfied with the condition of their home, which is down 4% on the 2012 survey results, whereas overall satisfaction with the repairs and maintenance service was 84%, which is up by 2% compared to 2012. The Council ranked in the top quartile for all aspects of the repairs and maintenance service measured.

Interestingly, those living in older properties were more satisfied (85%), which is not surprising as the Council has focused on improving energy efficiency measures in these more difficult to heat properties. The best predictor of satisfaction with the repairs service were the quality of the work (88% satisfied), speed of completion (89% satisfied) and the repair being done ‘right first time’ (80% satisfied). There was also a very strong relationship between whether workers showed proof of identity (89% satisfied) or not (74%) and overall satisfaction with the service.

### 4.2 Tenant Satisfaction – Tenant Response to Planned Maintenance

Service	Indicator	Performance 2014/15 Q3	Target 2014/15
Gas Servicing & Breakdowns	Overall satisfaction	100%	96%
Internal redecoration	Overall satisfaction	100%	96%
Kitchen Programme	Overall satisfaction	96%	96%
Bathroom Programme	Overall satisfaction	77%	96%
Disabled Adaptations	Overall satisfaction	97%	96%
Electrical rewiring	Overall satisfaction	99%	96%
Gas heating installs	Overall satisfaction	100%	96%
Installation of Front Entrance Doors	Overall satisfaction	100%	96%
Re-roofing (Pitched)	Overall satisfaction	99%	96%
Re-roofing (Flat)	Overall satisfaction	No returns	96%
Replacement Mains Storage Tanks	Overall satisfaction	97%	96%
Energy Efficiency	Overall satisfaction	89%	96%
External Repairs & Redecorations	Overall satisfaction	75%	96%

### **4.3 Repairs & Maintenance Focus Group**

A Repairs Focus Group was established in 2009, consisting of a large group of tenant volunteers, who have previously indicated that they would be interested in influencing how the Council's Repairs and Maintenance Service is provided. The Communities Directorate is keen to involve tenants and leaseholders in shaping the future of the Repairs and Maintenance Service and this is our tenants' opportunity to have a real say in how we move forward.

The Group has been meeting quarterly each year, and were well attended. However, since the Tenant Participation Officer left, the Council has been waiting for a replacement to take up the post when these will resume. So far, a number of good ideas have been developed, such as the introduction of a property information pack containing important repairs and maintenance documents relating to the home, including the CP12 Gas Safety Certificate, Electrical Safety Test Certificate, Asbestos Register identifying the type, condition and location of known or suspected asbestos and the design of the kitchen (where replaced) including the location of the mains water stop valve. Other improvements include the agreement and introduction of a voids standard, which has been audited by Members of the Focus Group by undertaking visits in void properties prior to works taking place, during and after the void is ready for re-letting. The most recent initiative for the Group was the selection of the range of sanitary ware that is included in the bathroom replacement programme.

## 5. Council House-building

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The Council has identified around £16 million over a 10-year period to develop around 30 affordable homes per year commencing in 2013/14. Any funding shortages identified will be subject to cross subsidy from either useable 1-4-1 Right to Buy Receipts, S106 contributions from other 'Windfall' sites, via grant applications from the Homes and Communities Agency (HCA) or from the sale of individual units or sites.

Detailed financial appraisals are undertaken before any site is developed to agree the funding arrangements, with the key financial requirement of a 30-year pay-back and a positive net present value in line with the Development Strategy. This programme is being managed by the Development Agent, East Thames Group, and will be overseen by the Council House-building Cabinet Committee.

Policies agreed by the Cabinet Committee that shapes the future house-building programme includes:

- Affordable Rent Policy
- Development Strategy
- Design Standards
- Procurement Strategy
- Funding Policy (including HCA funding and avoiding returning 1-4-1 receipts)
- Economic Assumptions
- Strategic approach to prioritisation of sites
- Future use of garage sites unsuitable for development
- Street naming
- Risk Register

The key risk to the house-building programme is the ability to keep up with the rate of Right to Buy sales, which generates 1-4-1 receipts that can only be spent on replacement homes, and is time limited to within 3-years of the receipt. In addition, only 30% of any new build can be funded from 1-4-1 receipts, the balance of 70% has to be funded from the Council's own resources.

During 2014/15, the Council agreed planning permission, tendered and commenced work on the construction of 23 new homes across 4 sites in Waltham Abbey that make up Phase 1.

Plans have been drawn up and planning permission granted for phase 2 at Burton Road, Loughton. This phase will see a further 51 new homes delivered, with commencement planned in February 2016.

Phase 3 centres on Epping, Coopersale and North Weald, with 8 sites making up 34 new homes in total. Thirteen sites in Loughton have been agreed at feasibility stage, with planning applications due to be submitted. Phase 5 will see 10 sites across Buckhurst Hill and Ongar deliver 33 new homes.

In addition to homes built on Council sites, the Cabinet Committee has agreed to the purchase of affordable homes on Section 106 sites, where negotiations are in progress for a further 8 Council homes in Roydon.

Any new home built under this programme is to current building regulations, with a target of achieving Code For Sustainable Homes Level 4. This means there are a number of new technologies that the Repairs and Maintenance Teams will need to be trained in so that these properties can be maintained in future years.

## **6. Repairs and Maintenance Hub**

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The Council needs to re-locate its Housing Repairs Service from the Epping Depot, to enable the proposed re-development for the St Johns Road area of Epping to proceed. Having searched for alternative vacant buildings around the district and other potential development sites to relocate to, with none found to be suitable, the Council has agreed to the construction of a new Repairs and Maintenance Hub on a Council-owned site in Blenheim Way, North Weald. This would also create the opportunity for the Housing Repairs team to be co-located with the Housing Assets Team, currently based at the Civic Offices, which would result in operational and training benefits.

The Council has agreed to fund the new Hub, at an estimated cost of around £3.2m, from the HRA, further borrowing from the PLWB or both.

Plans have been drawn up and a planning application is due to be submitted in March 2016. The new Hub will see the Council's new transformation strategy incorporated from the start, with more flexible working practices being developed to improve efficiency, performance, service delivery and value for money.

With a new training facility incorporated in the design, a well-trained and joined up Repairs and Maintenance team will also help with future growth opportunities.



## 7. Looking Forward

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This section is a summary of the major issues that are being taken into consideration when framing the future investment programme for the Council's housing stock.

### 7.1 Expenditure & Trends

Expected future expenditure and trends can be summarised as follows:

**HRA Self-financing** – Commenced in April 2012, HRA Self Financing continues to fund a 50% increase in the amount of capital expenditure available to maintain the Council's housing stock to a more modern standard, based on condition and standard industry life cycles. This also brought about the opportunity for the Council to commence a Council house building programme for the first time since the 1980's.

**Decent Homes & Modern Homes** – Although the Council has managed to bring all of its properties up to the Decent Homes Standard, under HRA self-financing, the Council is now moving towards maintaining its housing stock to a more modern standard, based around condition and standard industry life cycles, as opposed to maintaining the stock at the minimum Decent Homes Standard.

**The effects of affordable Housing Development on Voids** – Building Council housing, along with nomination agreements linked to all windfall development sites through Section 106 agreements, the number of affordable housing developments has a direct effect on the number of voids that need to be turned around in any one year. Generally, they are received in batches, which affects the Council's ability to plan resources to address the voids. This has been a particular problem, with a higher than normal number of voids in recent years, which will continue for the next 3-years with around 216 affordable units in the pipeline (85 if excluding any homes built by the Council as part of its house-building programme). The introduction of Fixed Term Tenancies for 3 and 4-bed houses will also have an effect on voids, as tenants no longer have a tenancy for life.

**Increases in building maintenance costs** – Building costs generally have been increasing slowly, from 3.5% in 2012/13, 2% in 2013/14 and 0.5% in 2014/15. The rate is likely to be around 0.3% in 2015/16. However, investment through planned maintenance is expected to see expenditure on repairs to continue to decrease. A major factor that is now skewing our forecasts is the fact that our Schedule of Rates used to recover the income for our Repairs Service has not been increased for 6-years, and as such is showing up as an under-recovery against the budgets. This has been addressed with the introduction of a new set of SOR's from the National Housing Federation (NHF). When introduced, these were set at a base level, with costs being monitored so an adjustment can be made to reflect our actual costs of delivering a repairs service. In 2015/16 a 5% increase was calculated, taking account of all costs including overheads, which is around 2% lower than other organisations currently using the NHF SOR's.

**Uncertain levels of demand for responsive repairs and voids expenditure** – Between 2003/4 and 2012/3 responsive repairs and voids expenditure increased by around 21.6%. However, when we break this down, the responsive repairs element has only increased by 2.04% and voids have more than doubled. However, since 2008/9, there has been a significant reduction in the amount of money spent on responsive repairs, as much as £0.7m in 2013/14 and a further decrease of £0.48m is planned in 2016/17. Initially, a lot of this was due to improved efficiencies in the way repairs are now carried out by appointment; this has meant that the number of "no access" calls is down by around 70% meaning that more jobs are being carried out by the Council as opposed to using sub-contractors.

Generally, adequate investment in Planned Maintenance has contributed to a reduction in Responsive Repairs expenditure, and this will continue to have an effect in future years when the Council undertakes significantly more planned maintenance works to the Key Building Components. However, these are always the most difficult areas within the Housing Repairs Fund (HRF) to estimate, given they are responsive to demand.

It is clear that the voids service has seen a significant increase in expenditure over the last 9-years from £473,532 in 2004/5 to around £1.7m in 2013/14. The increase, in part reflects the 25% increase in the number of voids, which in turn has a lot to do with the number of affordable housing developments reaching completion. It also reflects the higher standards expected from the "Void Standard" set by the Repairs and Maintenance Focus Group. However, there is also an increase in the amount of work that has been necessary due to the poor condition that tenants have been leaving their properties when they move out. The Council is also taking a harder and more consistent line of recharging tenants where the condition is as a result of negligence on the part of the tenant.

**Continued demand for structural repairs** – Expenditure on structural repairs has increased significantly in recent years, and is continuing to rise year on year. A number of Council properties were constructed using non-traditional building methods during the 1960's and now require additional levels of maintenance above traditional properties. Another contributing factor is the underlying soil type and geology, which is predominantly London Clay. This has two effects, one relates to the wetter weather that has been experienced in recent years, coupled with the periods of drought that caused heave and shrinkage. The other effect is related to trees near buildings. Buildings located within 30m of trees are at risk of subsidence if left unchecked. Since tenants are able to plant trees in their gardens, this is presenting a problem when maintaining the structural integrity of the properties. A number of structural repairs have been completed and there are likely to be other parts of the Council's stock also requiring similar levels of investment.

The Council is not insured for subsidence, heave and landslip as estimates showed that premiums were likely to be higher than expenditure.

**Economy** – Much has been reported about the economic downturn, with the construction industry being hit hard. However, the economy is recovering, particularly in the building industry, which is showing in much higher tender prices (20% recorded on Phase 2 of the house-building programme). This trend is expected to extend into the repairs and maintenance market over the coming years.

**Council House-Building** – The Council has commenced its house building programme of around new 30 affordable homes per year over a 10-year period on the sites of difficult to let garages across the district. Around £16 million has been identified to fund the programme in the first 5-years. This new programme is currently being managed from within the Housing Assets Section. However, with the overwhelming amount of resources needed to meet the demanding programme, it has been agreed to recruit an additional two Development Officer posts. The detailed feasibility, appraisals, design, approvals, procurement and delivery are being managed by the East Thames Group as the Development Agent, who were appointed in January 2013 following an EU compliant tender.

**Right to Buy Sales** – In 2012, the Government significantly increased the maximum RTB discount in the East of England from the previous £34,000 to a national discount (excluding London), which is increased annually in line with increases in the Consumer Prices Index (CPI). The maximum discount for 2015/16 was increased to £77,900.

The Council has entered into an agreement with the Government stating each Right to Buy is

replaced by a new home for Affordable Rent and that additional receipts from sales are recycled towards the cost of replacement. However, the additional RTB receipts received cannot fund any more than 30% of the cost of providing each replacement affordable home. Under the Agreement, all additional capital receipts to fund Council housebuilding must be spent within 3 years of them being received, otherwise they are to be returned to Government with interest. The Council have made it clear they do not wish to return this money; therefore it is necessary for the Council's house-building programme to progress at a similar rate.

**Government Policy** - An end to rent convergence, rent decreases and sale of high value voids have all been announced by the Government, all of which will see the Council's finances significantly reduced over the coming years. The end of rent convergence alone will reduce the Council's income by £35m. A rent decrease announced by the Government in the summer will also see the Council's income drop by £228m over the next 30-years. At this stage, the planned maintenance programme and responsive repairs budget remain as originally planned. However, this will need to be reviewed closely over the next 12-months once the full effect of these planned changes are introduced.

## **7.2 Investment Needs**

This section provides a summary of the main areas of investment needed, which is identified through the on-going stock condition surveys. A separate section deals with needs arising from the decent homes initiative. These are broken into the same categories used in Appendix A (summary of expenditure over a 5 and 30-year period).

### **7.2.1 Future Programmed Maintenance**

There are a number of major works that can be identified from the stock condition survey, other major improvement schemes or development opportunities. These have been prioritised and taken into account, along with the programme to maintain the housing stock to a more modern standard that has been agreed as part of the HRA self-financing. Appendix A details the investment strategy over the next 5 and 30-years.

One aspect of the Repairs Refresh Programme has seen a significant shift in the allocation of work from the responsive repairs service to the planned maintenance programme to be undertaken via larger more specialized framework agreements. This includes replacement kitchens, replacement bathrooms, replacement front entrance doors, electrical testing and upgrades, rewiring, replacement mains storage tanks and flat or pitched roof repairs, which would have previously been carried out in-house by the Housing Repairs Service. Financially, this work is now falling on the capital programme rather than on the Housing Repairs Fund.

### **7.2.2 Cyclical Maintenance**

In order to prolong the useful life of components, it is necessary to carry out regular inspections, instigate repairs and undertake preventative maintenance on sub-components e.g. replacement boiler parts as well as the traditional external repair and maintenance programme.

Other building components requiring cyclical maintenance inspections include the inspection of all electrical systems in Council properties and communal parts of flat blocks.

Included in the Housing Repairs Fund around £2.28 million is spent per year on cyclical maintenance, which includes: the repair and redecoration of every property and garage every 6 years; the maintenance, service and repair of all Council owned gas appliances and the inspection and service of all Council owned hydro-mechanical lifts on an annual basis.

### **7.2.3 Maintenance to Repair Ratio**

The current ratio of maintenance to repair expenditure is 71:29 (taking account of HRF and Capital expenditure), which is broadly in line with the recommended balance of 70:30 (based on HRF expenditure only).

This is maintained by monitoring the expenditure for day-to-day repairs by types of work and then developing maintenance programmes which would obtain better value for money. This process is currently being carried out at quarterly intervals as part of the Continuous Improvement agenda.

The Housing Repairs Fund makes allowance for around £5.2 million per year for the next five years, taking into account a 3% increase per annum in Building Cost Indices.

### **7.2.4 Voids Refurbishment**

This area of expenditure is mainly funded from capital and as such the comments regarding the split between capital and revenue apply. It is expected that the authority will spend approximately £8 million, made up of a combination of revenue and capital over the next five years on void refurbishment.

### **7.2.5 Kitchens & Bathrooms**

These make up two of the key building components under the new modern standard that the Council has expanded since HRA Self-Financing, which will be assessed against industry standard replacement cycles. Since the advent of the Decent Homes Standard, the Council has offered tenants a choice of either a new kitchen or a new bathroom under the Decent Homes Programme. However, now there is a separate programme of bathroom replacements in place to meet the Council's commitment towards a more modern standard.

In the past, tenants have been offered a choice on the type of kitchen units and layout to suit individuals' tastes and needs. This will continue, along with a choice of tiles and floor coverings in new bathrooms. The Council has invested substantially in this area in the past and will continue to do so. Over the next 5-years, the Council intends to spend around £18.36 million on kitchen and bathroom replacements.

### **7.2.6 Miscellaneous External Works**

Under this heading, the Council provides an environmental improvement scheme for improving parking provision on its estates by carrying out a jointly funded initiative between the HRA and the General Fund to provide off street parking.

The table in Appendix A makes allowances for £1.05m over the next 5 years. This has been allocated towards improvements to estate footpaths, off street parking (excluding general fund contributions) and new and enhanced external lighting.

### **7.2.7 Disabled Adaptations**

The Council endeavours to carry out adaptations to properties to meet the reasonable needs of disabled tenants. This is based on assessments and recommendations from Social Services Occupational Therapists.

The Council's previous commitment was to spend at least £400,000 per annum over the next 5-years on major disabled adaptations, a further £25,000 per annum on minor adaptations and £50,000 per annum on welfare heating. The 5-year anticipated expenditure for disabled

adaptations is £2 million.

Since the Council has introduced its bathroom replacement programme, tenants are given a choice in the style and layout of their bathroom. This is leading to a number of wet room style bathrooms being installed in 1-bed and in particular in sheltered accommodation, to help manage the future demand for adaptations that will be inevitably come forward as the population of the district ages over time.

### **7.2.8 Heating and Re-wire**

These make up two of the key building components under the new modern standard that the Council has introduced since HRA Self-Financing, which will be assessed against industry standard replacement cycles. An area of significant investment over previous years has been in heating and rewiring. This could be in the form of either a partial heating upgrade, boiler replacement of a complete new heating system. For properties in more rural locations and not within range of mains gas, "Air-source Heat Pumps" are now being installed, which qualifies for Renewable Heating Initiative from the Government.

In terms of electrics, expenditure has been focused on electrical testing and minor upgrade works or a complete rewire. This now needs to be enhanced further with the introduction of testing and upgrade work to the communal installations and "industrial" installations, including the rising laterals and incoming mains. Over the next 5-years, around £13.13m is to be invested in heating and electrics, which excludes the annual gas heating service and maintenance contract, which is funded from revenue.

The installation of mains powered smoke detectors is included in this programme, which is being funded from the Service Enhancements budget introduced as part of the HRA Self-Financing.

### **7.2.9 Door and Window Replacement**

These make up two of the key building components under the new modern standard that the Council has introduced since HRA Self-Financing, which will be assessed against industry standard replacement cycles. The Council has installed Upvc windows in the majority of its properties. However, whilst regarded as maintenance free, they do still have a life expectancy. As a consequence, the Council is now starting to renew some of the first Upvc windows installed over 20 years ago, as these were installed with either single glazing and not double glazing or first generation tilt and turn mechanisms, which are now a large maintenance burden.

When installing front entrance doors, the Council is specifying modern composite doors, which are not only energy efficient but meet "Secure By Design" standards. The focus of the door replacement programme over the next two years will be self-closing fire doors to properties in flat blocks over the next 5-years the Council plans to spend around £7.47m replacing windows and doors.

As part of the Service Enhancement Programme, the Council has agreed to assist leaseholders in flat blocks where a new front entrance door is required to maintain the fire integrity of the block. The Council has agreed to pay up to 75% (around £560) towards the cost of the door and frame.

### **7.2.10 Flat and Pitched Roofing**

Roofing is another key attribute, be it a balcony walkway, a flat roof or a pitched roof. Each has a very different element life-cycle (15, 16 and 40 years respectively). Each of these elements is tied in with the cyclical external decorations programme wherever possible to gain maximum value out of the use of the scaffolding. There are plans to replace 100 flat roofs and 319 pitched in 2015/16.

Around 50 balconies are also planned in 2015/16.

The Council is exploring the purchase of an aerial drone, which may enable high definition photographic surveys to be carried out in a safe manner to identify defects and inform decisions on roofing replacements

#### **7.2.11 Other Maintenance and Repairs**

Other types of maintenance and repairs include: One-off capital schemes such as conversions of former scheme managers accommodation, decoration allowances for new tenants when they move into a home; internal decorations for elderly and disabled tenants; internal decorations to the common areas within the Council's sheltered housing schemes; and compensation payments to tenants who undertake improvements to their homes themselves and subsequently move out leaving behind the improvements they have carried out.

## 8. Decent Homes

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### 8.1 Background

Decent Homes, introduced by the Government in 2000, was established to *“Ensure that all social housing meets standards of decency by 2010, by reducing the number of households living in social housing that does not meet these standards by a third between 2001 and 2004 with most of the improvement taking place in the most deprived local authority areas.”*

Under the Government’s Decent homes initiative a decent home meets the following criteria:

**a) Any residential premises should have a safe and healthy environment for any potential occupier or visitor (Formally the statutory minimum standard for housing)**

**b) It is in a reasonable state of repair**

Dwellings which fail to meet this criterion are those where either:

- One or more key building components are old and because of their condition need replacing or major repairs: or
- Two or more of the other building components are old and because of their condition need replacing or major repair.

**c) It has reasonable modern facilities and services**

Dwellings which fail to meet this criterion are those which lack three or more of the following:

- A reasonably modern kitchen (less than 20 years old)
- A kitchen with adequate space and layout
- A reasonably modern bathroom (30 years old or less)
- An appropriately located bathroom and WC
- Adequate insulation against external noise (where external noise is a problem)
- Adequate size and layout of common areas for blocks of flats.

**d) It provides a reasonable degree of thermal comfort**

This criterion requires dwellings to have both effective insulation and efficient heating. To deliver against the targets the Council needs to:

- quantify the level of non-decent housing both now and arising by 2010, in its stock;
- develop an investment strategy to tackle this; and
- Measure progress towards its elimination.

### 8.2 Achieving the Decent Homes Standard

The Council was able to meet these targets, announcing in 2010 that all of its properties had met the Decent Homes Standard, some 8 months ahead of the Government’s target deadline and without any additional grant from the Government. However, in 2012, the Council has agreed to exceed the Decent Homes Standard and to look at the key components of each home and base the future planned maintenance programme on a more modern standard whereby components will be assessed against condition and industry standard average life cycles rather than extended life cycles.

### 8.3 A Modern Homes Standard

In the past, the Council has assessed each property against an extended life cycle, which meant that each component was repaired rather than replaced until it was no longer economically viable to repair. The latest 5 and 30-year capital programmes have been based on much shorter industry standard average life cycles. The table below illustrates the new industry standard average life cycles for other individual key component in a home. The table also illustrates the number of key components that will require replacing in each year to meet this, based on the current number of Council homes, together with the number of homes planned to benefit from replacement components over the next 5-years.

Key Components included in "Modern Standard"	Element Life-cycle in years	2014-15 Actual		2015-16 Target	
		No Properties	Cost (£,000)	No Properties	Cost (£,000)
Gas & Electric Heating	16	233	£971	419	£1,995
Electrical Rewiring & Upgrades	32 / 10	1,636	£1,325	809	£1,623
Entrance Door Replacement	24	673	£413	482	£337
PVCu Double Glazing	24	418	£653	504	£1,635
Tiled & Flat Roofing	40 / 16	143	£961	419	£2,227
Communal and Individual Water-tank Renewals	28	136	£138	363	£270
Kitchen Replacements	16	455	£2,076	511	£2,555
Bathroom Replacements	24	669	£2,942	355	£1,598
<b>Totals</b>		<b>4,363</b>	<b>£9,479</b>	<b>3,862</b>	<b>£12,240</b>

As can be seen from the table above, the Council needs to replace around 3,300 individual key components to maintain its commitment to deliver a more modern home for its tenants. However, from the table above, it can be seen that the Council has exceeded the target by over 1,000 key components in 2014/15, and plans to exceed the target again in 2015/16, which helps to clear some of the backlog.

If the Council does not enhance its programme to clear the backlog against this new modern standard, it would take around 40 years to achieve the new modern standard. However, by increasing the amount of properties that benefit from works on each key component, it is anticipated that it will take around 13 years (2028/29) to fully achieve the new modern standard.

The Council's new Modern Homes Standard can be defined as a home that is modern, well maintained, in good condition, decent, warm and safe.

### 8.4 Measuring progress

The on-going stock condition surveys are updated on the Council stock attribute database. This data is also amended to include work already undertaken to the Council's stock as and when



contracts are completed. Void replacement information is also captured and included in the stock condition database. This informs the Council on the funding needed to maintain the housing stock at the Decent Homes and Modern Homes Standard, and is the basis of the 5 and 30-year profiles at appendix A.

## 9. Energy Efficiency

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The Council currently has an Energy Efficiency Strategy, which was considered by the Housing Select Committee and later agreed by the Portfolio Holder in 2015. Its guiding principles are to reduce fuel bills, CO<sub>2</sub> emissions and the incidence of condensation and mould growth, as cost effectively as possible, thereby providing homes that are affordable to heat and help to alleviate fuel poverty by increasing the energy efficiency rating of the Council's housing stock through a range of energy efficiency measures, including insulation (loft, wall and floor), heating systems and their controls (gas and electric), solar (PV & thermal), door and window replacements, LED lighting, Mechanical Ventilation with Heat Recovery (MVHR).

The new-build programme will deliver highly sustainable, energy efficient housing. Standards are determined as part of the latest Building Regulations. However, these were previously measured using a set via a Code for Sustainable Homes, for which the Council had elected to meet Code level 4.

With technology in renewable energy improving all the time, it is important the Council is alive to the benefits these measures will bring to residents, particularly those on low incomes and who may live in fuel poverty. One aim is to continually explore opportunities to trial and utilise renewable heating technologies. Many of these new measures attract grant funding, which the Council is constantly seeking to secure.

Since dealing with energy efficiency is an intrinsic part of the planned maintenance programme, the actions relating to the Council's housing stock, set out in the Energy Efficiency Strategy, have been included in the Business Plan Action Plan at Section 13.

<b>Statistics of energy efficiency measures installed in Council housing stock (NHER database January 2015)</b>			
<b>Measure</b>	<b>Number</b>	<b>Percentage %</b>	<b>Influencing Factors</b>
Properties with insulated lofts	4,498	90.1	A total of 1,324 properties are lower level flats or maisonettes with a habitable heated space above.
Lofts with >250mm loft insulation	2,167	68.3	
Lofts with >150mm loft insulation	660	20.8	
Lofts with <100mm loft insulation	348	10.9	
Homes with renewable energy technologies			Less a total of 4,727 properties are connected to National Gas Network. A total of 127 properties are other mainly electric storage heating.
Solar thermal 5-properties. Air source heat pump 65-properties	70	35.5	
Cavity walls filled	3,597	80.0	Less solid wall property total 493.
Solid wall externally insulated	493	35.4	Less cavity wall property total 3,597
Homes with full programmable gas central heating system.	4,727	94.8	A total of 6,093 properties are included on the Gas Service programme.
Homes with 'A' rated heating systems	3,122	51.2	

## 10. Resources & Expenditure Proposals

### 10.1 Financial (Capital)

The Council has sought expert advice over the future financing of the Housing Revenue Account as a result of the new HRA Self-Financing regime. CIHConsult have reported to the Council's Cabinet, who have agreed the amount of finance available to fund repairs and maintenance over the 30-years based on forecasts by CIHConsult.

The following table indicates an assessment of the use of capital resources, which are forecast to become available over the next five years. The Capital programme is updated annually in June.

FUNDING SOURCE	2015/16 £000's	2016/17 £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's
Housing Ass Growth Area Funding	37	0	0	0	0
HCA Affordable Housing Grant	50	450	0	0	0
HRA – Direct Revenue Funding	4,900	6,900	8,509	9,121	8,133
HRA – Major Repairs Reserve	9,574	16,140	8,290	7,850	7,950
HRA Self Financing Reserve	0	2,659	5,690	4,371	0
Energy Efficiency Grant	93	58	10	12	14
S.106 Contributions	1,613	0	0	0	0
Capital Receipts	1,638	1,933	4,027	4,049	1,814
<b>Total</b>	<b>17,905</b>	<b>28,127</b>	<b>26,561</b>	<b>25,436</b>	<b>17,942</b>

#### 10.1.1 Overall Investment Strategy – 5 Year

Based on the income projections shown in the above table, a detailed programme of expenditure has been prepared, which can be found at Appendix A, demonstrating how the Council currently intends to spend the resources available for repairs and maintenance. This is based on two main priorities:

- a) To build a minimum of 30 new affordable Council homes a year for the next 10-years; and
- b) To invest in the stock to prevent the Council's housing stock from becoming non-decent and to improve its condition to a new modern standard as determined by the age of the key building components and their condition identified through the on-going stock condition survey, including catch-up work.

The table at Appendix A sets out the detailed capital programme for years 1-5 and gives a summary for the remaining period up to 30 years in 5-yearly cycles, and is broken down by types of work making up the key building components included in the modern standard. Based on the

availability of funding in the table above, the programme of works is affordable. In years 1-5, there is a capital budget of around £93.16m, which is the most ambitious programme of improvements to its housing stock that the Council has put together.

Revenue expenditure covering repairs, voids, cyclical maintenance and disabled adaptations is estimated at £5.2 million per annum. HRA contributions to the HRF will be able to support this expenditure.

### **10.1.2 Overall Investment Strategy – 30 years**

The Council's financial advisors CIHConsult have used the data held by the Council in its stock condition survey database to calculate the amount of funding that will be available through HRA self-financing over the next 30-years. This resulted in around a 50% increase on what the Council previously had available through the previous Housing Subsidy scheme, which has enabled the Council to plan a programme of works that will mean replacing the key components of Council owned properties based on industry standard average life cycles rather than extended life-cycles.

Appendix A provides an analysis of capital, or investment expenditure, over a 5 and 30-year period.

### **10.1.3 Maximising Value**

Whilst the Council has seen a 50% increase in capital available invested in its housing stock for the next 30-years, it is essential that the Council adopts a value for money approach so that resources can be used to maximum efficiency. To this end a strategy has been adopted which seeks to consider the replacement of building components at the end of their expected life-cycle. The Council will not consider a replacement unless it can be judged to be necessary. This approach replaces the 'just in time' strategy previously adopted. This will result in a small reduction in the amount of revenue the Council will need to spend on responsive repairs.

Another issue is the use of option appraisals for all redevelopment and refurbishment schemes. This approach has already been used for the redevelopment of a sheltered scheme, major refurbishment at Springfields, Waltham Abbey and has been applied to assess the best option for the future of the Council's homeless hostel. This approach is clearly not appropriate for every maintenance project but where significant expenditure is required for a contained number of properties it can be a useful guide to the most cost effective route.

Lastly, where properties become void, an assessment of its condition, value and development potential is now being made to determine if the property should in fact be re-let or redeveloped as part of the house-building programme. An example of this is where 10 Newmans Lane is in need of demolition and re-building. The cost of repairs outweighs the benefits of rebuilding. However, in this case the Cabinet has agreed that this site is to be sold for a capital receipt to a private developer, with the income being put towards building new Council homes. This approach is a requirement of the HCA affordable homes programme as defined in the latest bid prospectus.

### **10.1.4 Grants**

The Council continues to identify grants, particularly for energy efficiency related works and now for new affordable housing. As at Q3 of 2014/15, the Council had secured around £160,000 in Green Deal Cash Back for External Wall Insulation.

Since the Council started installing air-source heat pumps to heat homes in areas without mains gas, the Council has been applying for Renewable Heating Initiative (RHI) grant back from the Government. Once a system is registered with OFGEM, the Council automatically receives RHI

each quarter for a 7-year period. To date, the Council has received £34,156 and if the current programme of works is maintained, the Council stands to receive as much as £695,179 back in RHI in total.

Affordable housing grants include £500,000 towards the 40 new homes in Loughton as part of Phase 2 of the Council House-building Programme from the Homes and Communities Agency (HCA) out of its 2015-18 Affordable Homes Programme. Other grants include £127,500 from the Harlow Growth Area Fund to help towards Phase 1 of the Council House-building Programme.

## 10.2 Financial – Revenue

A full review of the Revenue budgets are due to take place in March 2016, where the budget headings will be revised to create a trading account, which will highlight the comparison between the Repairs Service spend, costs (both direct and indirect) and income. This can then be compared to the budget and will highlight either a trading account deficit or surplus.

Taking account of all work undertaken by the Housing Repairs Service, which is made up of day to day repairs (funded from revenue) and major void works (funded from capital), Mears have modelled the Year to Date (YTD) Repairs Service costs and overheads with the works completed, which uses theoretical income from the Schedule of Rates to create a trading account in line with what most commercial organisations would be operating.

The table below compares the original budget with the actual YTD spend and YTD cost. From the table it can be seen that the Repairs Service has a very small surplus.

Housing Repairs Service Trading Account (Revenue, including Capital Void Works)			
Budget YTD - (Q1-3)	Actual spend YTD - (Q1-3)	Actual cost YTD - (Q1-3)	Trading account surplus YTD – (Q1-3)
£5,095,315	£4,377,147	£4,376,190	£957

## 10.3 Partnering and Framework Agreements

Full project partnering has been applied to embrace contractors and suppliers for a range of planned improvement contracts including the kitchen and bathroom programme, new heating installations, rewiring external repair and redecoration work and Gas Servicing. Framework agreements are also widely used for specialist areas of work where the frequency cannot be predicted with any accuracy. This has resulted in significant efficiency savings.

## 10.4 SME & Use of Local Contractors

The Council's Contract Standing Orders states that local contractors should be included on all tender lists wherever possible. This has been the practice for a number of years, with many local contractors and small or medium enterprises (SME's) successfully winning contracts to undertake planned maintenance works. Around 77% of all contractors currently in contract with the Council fall into one or more of these categories, which helps to add financial stimulus in the district.

## 10.5 Value for Money

### 10.5.1 Essex Procurement Hub – Essex wide procurement

In October 2006, the Council joined the “Essex Procurement Hub”, which brings new opportunities to deliver greater value for money for the procurement of goods and services. The Hub works in

two ways, one by combining the buying power of many Local Authorities across Essex to get lower costs through the economies of scale, and another by utilizing the expert knowledge and skills of the procurement team who prepare contracts, mainly as framework agreements and tender the works on behalf of the Council. This is a corporate initiative, which is now integrated into the Council's Contact Standing Orders. Housing Services consults the Procurement Hub whenever future contracts are to be let.

### **10.5.2 Use of new and innovative Contract types**

Standing orders set out the requirements for a transparent and competitive procurement process. For example, all contracts over £25,000, such as development and repairs and maintenance services, are subject to tender.

The Council is required to obtain value for money, and one area of achieving this is to search out alternative new and innovative forms of contract when undertaking works. This has always been the practice when considering future planned maintenance contracts, which can be demonstrated through the use of partnering contracts and framework agreements. However, for larger contracts, the Council has explored the use of Management Contracts, whereby the Council acts as the Main Contractor and employs and co-ordinates sub-contractors directly.

The first example of this was when there was a major fire at Limes Farm, whereby Consultants acted on the Council's behalf, and was recognised by the Council's Insurance Company as an exemplar method of contracting in order to obtain value for money. This has since been adopted as the method of procuring and administering schemes such as flat to house conversions and the recent Careline Conversion.

The latest innovative approach to contracting is the "In-sourcing" model currently being explored for the appointment of the Repairs Management Contractor, which was discussed earlier in the Business Plan.

The appointment of a Development Agent to undertake the Council's House-building programme is another example of good procurement. Not only have the Council achieved good value from the procurement exercise; they have been able to make good ground, with 42 feasibility studies approved by the Cabinet Committee, Phase 1 and 2 under construction, Phase 3 sites having achieved planning consent and planning applications submitted for all Phase 4 sites in the first 3-years.

### **10.5.3 Benchmarking**

In the past the Council has undertaken benchmarking exercises to test value for money against other comparable organisations. These have resulted in both below and above market results since the introduction of the NHF Schedule of rates in April 2015, the Council has been monitoring its costs against the published NHF SOR Version 6 for 9-months. This resulted in an increase to the SOR's by 5% to avoid an under recovery on the Housing Repairs Fund. According to the Housing Quality Network, a 5% increase to the HNF SOR's is consistent with other similar organisations.

## **11. Risk Management**

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### **11.1 Introduction**

Risk management can be defined as the consideration of the social, economic, political and other factors involved in risk analysis to determine both the acceptability of damage that could result from an event or exposure and what, if any, action should be taken with regard to the risk of that damage.

### **11.2 Corporate Risk Register**

A Corporate Risk Management & Assurance Group has been established, made up of Officers from each Council Service, to produce and regularly review a Corporate Risk Register, and to collate service based risk assessments. The Asst. Director (Private Sector & Resources) is the representative of the Housing Directorate.

### **11.3 Communities Risk Register**

In addition to the corporate risk register, which includes those strategic risks that affect the Council as a whole, the Communities Directorate has identified operations risks specific to the Service. Many of the strategic risks, where individuals, sections or even Housing Services have no total control over the outcome of risk management. Operational risks are those that affect individuals or sections of Housing Services, or the Housing Service as a whole, and will have little or no impact on the Council. The Risk Register is updated 6-monthly, and an action plan created and monitored for those risks that are above the "critical line". All risks associated with the Housing Repairs Service and Housing Assets are included within the Housing Risk Register.

The Housing Risk Register has been developed by applying a risk analysis, whereby each of the identified risks is assessed in terms of likelihood and impact. "Likelihood" ranges from "very high" to "almost impossible" and "Impact" ranges from "catastrophic" to "negligible".

Risk management is applied to each of the identified risks, through exploring the best options to reduce either likelihood or impact or both. Not all risks can be reduced, but they can be managed.

### **11.4 Key Risks – Repairs and Maintenance**

The following have been identified as the Key Housing Repairs and Maintenance Operational Risks within the Housing Risk Register:

- The HRA goes into deficit and failing to pay back its loan under Self Financing
- Removal of the General Fund/HRA ring-fence by the Government
- Undertaking a modest Council House Building programme.
- That the Government re-opens the HRA debt settlement and requires a further payment.
- That the additional RTB receipts earmarked for the Council's house building programme have to be returned to the Government.
- Lack of suitable temporary accommodation for residents of sheltered schemes and Norway House in the event of an incident
- The need to relocate out of the Epping Repairs Depot
- Major failure of the integrated housing IT system
- The Council has a duty of care to the health and safety and welfare of staff, tenants and contractors.

## 12. Safeguarding

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The Council is committed to safeguarding the welfare of children, young people, families and vulnerable adults and has a statutory duty to protect children and young people from harm, under Section 11 of the Children Act 2004. It is also required to cooperate and provide information to Essex County Council under Section 47 of the Children Act, where a Child protection investigation is conducted. The Communities Directorate therefore provides its services with due regard to the Council's safeguarding mission statement, as follows;

“Epping Forest District Council is committed to safeguarding and promoting the welfare of all children, young people and vulnerable adults, as service users, residents and visitors to the area. The Council acknowledges the importance of working with partner agencies to ensure that children have safe, healthy and happy childhoods and that young people and vulnerable adults are given the support they need to enjoy quality of life and well-being”.

The Council's safeguarding mission statement is under pinned by the following:

- valuing, listening to and respecting children, young people and vulnerable adults as well as promoting their welfare and protection;
- ensuring safe and robust recruitment, supervision and safeguarding training for all staff working with the public;
- provision of a current and comprehensive Safeguarding Policy and related procedures which is accessible and promoted to all staff;
- efficient and effective reporting of concerns, incidents and allegations;
- Strategic planning and decision-making which considers the impact on children, young people and vulnerable adults.

Communities Directorate additionally recognises and addresses its specific responsibilities in regard to safeguarding children, young people and vulnerable adults. These are set out in detail within the main HRA Business Plan.



## 13. Action Plan

### 13.1 List of main actions flowing from the plan

This table lists the main areas of action required within the Housing Repairs Service and the Housing Assets Sections to achieve the strategies detailed in the previous sections.

Action	Officer responsible	Target date	Progress
1. Implement programme for repairs and maintenance expenditure over 5 and 30 years.	HAM AD (HP&D)	On-going	Included in this plan
2. To deliver 23 new affordable homes across the phase 1 sites in Waltham Abbey	AD (HP&D)	August 2016	
3. To commence the construction of 51 new homes in Burton Road, Loughton	AD (HP&D)	August 2016	
4. To commence the construction of 34 new homes across 8-sites in Epping, Coopersale and North Weald.	AD (HP&D)	October 2016	
5. To enter into a contract with Linden Homes for the purchase of 8 new affordable homes at Barnfield, Roydon (S106 site)	AD (HP&D)	October 2016	
6. To install mains operated smoke detectors in all Council owned properties over the next 5-years	HAM	2012-2017	Commenced in 2012/13 and will continue into 2016/17
7. Timetable at least one meeting each year with the Tenants Federation to discuss the annual repairs and maintenance programme.	AD (HP&D) HAM	On-going	Tenants Federation meet in March each year to consider the repairs and maintenance expenditure.
8. To obtain planning permission for a new depot site from which to relocate the Housing Repairs Service to free up the existing Epping Depot for redevelopment.	AD (HP&D)	August 2016	
9. To 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.	HRM	June 2016	Current Supplier performance being closely monitored after improvement notice was issued.
10. The Council must 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.	HAM (+ HRM through voids works)	Ongoing	
11. To continue with the Repairs Focus Group	AD (HP&D)	Quarterly	On-going

12.	To continue to offer a 75% discount for leaseholders for 30-minute front entrance fire door installations to flats	HAM	On-going	
13.	To implement the second set of “key deliverables” as agreed by the Repairs Advisory Group and the Housing Portfolio Holder: <ul style="list-style-type: none"> <li>To introduce an on-line repairs diagnosis and reporting service with access to book appointments on-line.</li> <li>To complete a HQN Repairs Self-Assessment.</li> </ul>	RMC	September 2016	
14.	To seek to include at least one local business on the list of tenderers for all future contracts.	HAM / HRM	On-going	
15.	To complete a programme of improvements at the Oakwood Hill Estate as part of the Service Enhancement Fund.	AD (HP&D)	March 2017	A budget of £100,000 has been agreed as part of the 2014/15 and 2015/16 Service Enhancements programme.
16	Analyse and report the SAP rating results of the National Home Energy Rating (NHER) software programme annually.	HAM	Annually	KPI produced annually
17	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	HAM	On-going	Progress to be measured by grant successfully secured.
18	To provide Mechanical Ventilation with Heat Recovery (MVHR) solutions for properties suffering from severe condensation.	HAM	On-going	
19	Ensure all new homes, from phase 2 onwards, built under the House Building Programme are built to the Code for Sustainable Homes Code 4 or higher.	AD (HP&D)	On-going	
20	To monitor opportunities to trial and utilise renewable heating technologies.	HAM	On-going	
21	To 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 defect.	HRM	June 2016	Once set up, this will be monitored quarterly.

## Appendix A – 5 & 30-Year Capital Programme

HOUSING (HRA) PORTFOLIO						
CAPITAL PROGRAMME AVERAGE LIFECYCLES						
2015-16 to 2019-20 5-YEAR FORECAST FROM STOCK CONDITION SURVEY						
	2015/16	2016/17	2017/18	2018/19	2019/20	5 Year
	Forecast	Forecast	Forecast	Forecast	Forecast	Total
	£000	£000	£000	£000	£000	£000
<b>Housing Revenue Account</b>						
<b>Housebuilding</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Boiler Replacements</i>	1,697	1,962	3,839	2,444	1,436	11,376
<i>Electric Heating</i>	298	263	249	249	220	1,278
<i>MVHR / Ventilation Installations</i>	40	40	40	40	40	200
<i>Rewiring</i>	952	691	107	219	233	2,202
<i>Electrical Upgrades</i>	671	523	148	220	216	1,778
<b>Central Heating/Rewiring Sub Total</b>	<b>2,987</b>	<b>2,956</b>	<b>4,234</b>	<b>2,951</b>	<b>1,928</b>	<b>13,127</b>
<i>PVCu Double Glazing</i>	1,635	1,284	1,248	1,316	1,320	6,802
<i>Front Entrance Door Replacement</i>	337	87	102	64	82	671
<i>Tiled Roofing</i>	1,802	1,904	2,277	2,237	2,175	<b>8,221</b>
<i>Flat Roofing</i>	425	285	17	4	9	740
<i>Balcony Resurfacing</i>	25	25	25	25	25	125
<i>Asbestos Removal</i>	100	100	100	100	100	500
<i>Communal water tank renewals</i>	270	246	216	130	179	1,041
<b>Windows/Roof/Rewiring Sub Total</b>	<b>4,594</b>	<b>3,930</b>	<b>3,985</b>	<b>3,876</b>	<b>3,889</b>	<b>16,386</b>
<i>Norway House Improvements</i>	50	50	50	50	50	250
<i>Communal TV Upgrade/Other</i>	0	0	0	0	0	0
<i>Door Entry</i>	1,645	343	308	303	159	2,756
<i>Energy Efficiency Works</i>	200	200	200	200	200	1,000
<b>Total Other Planned Maintenance</b>	<b>1,895</b>	<b>593</b>	<b>558</b>	<b>553</b>	<b>409</b>	<b>4,006</b>
<b>Total Planned Maintenance</b>	<b>9,476</b>	<b>7,479</b>	<b>8,776</b>	<b>7,380</b>	<b>6,227</b>	<b>33,519</b>
<i>Grove Ct conversion*</i> ,	0	0	0	0	0	0
<i>Hedges Close conversion*</i> ,	0	0	0	0	0	0
<i>Miscellaneous Structural Works</i>	300	300	300	300	300	1,500
<b>Total Structural Schemes</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>1,500</b>
<b>Small Capital Repairs</b>	<b>764</b>	<b>479</b>	<b>500</b>	<b>500</b>	<b>438</b>	<b>2,242</b>
<i>Kitchen Replacements</i>	2,555	1,895	1,920	1,990	1,905	10,265
<i>Bathroom Replacements</i>	1,598	1,719	1,566	1,481	1,733	8,096
<b>Total Cost Reflective Repairs</b>	<b>4,153</b>	<b>3,614</b>	<b>3,486</b>	<b>3,471</b>	<b>3,638</b>	<b>18,361</b>
<i>Fencing</i>	15	15	15	15	15	75
<i>Off Street Parking</i>	41	41	41	41	41	205
<i>Estate Environment</i>	100	100	100	100	100	500
<i>CCTV</i>	50	50	50	50	50	250
<b>Total Non-Cost Reflective Repairs</b>	<b>206</b>	<b>206</b>	<b>206</b>	<b>206</b>	<b>206</b>	<b>1,030</b>
<i>Other Disabled</i>	400	400	400	400	400	2,000
<b>Disabled Adaptations</b>	<b>400</b>	<b>400</b>	<b>400</b>	<b>400</b>	<b>400</b>	<b>2,000</b>
<i>External Lighting Schemes</i>	5	5	5	5	5	25
<i>Feasibilities</i>	15	15	15	15	15	75
<b>Other Repairs &amp; Maintenance</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>80</b>
<b>Contingency</b>	<b>600</b>	<b>600</b>	<b>600</b>	<b>600</b>	<b>600</b>	<b>2,400</b>
<b>TOTAL HRA</b>	<b>15,918</b>	<b>13,098</b>	<b>14,288</b>	<b>12,876</b>	<b>11,828</b>	<b>56,180</b>
Housing DLO vehicles	50	50	50	50	50	250
<b>TOTAL DLO</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>250</b>

HOUSING (HRA) PORTFOLIO							
30 YEAR CAPITAL PROGRAMME AVERAGE LIFECYCLES							
	Years 1-5 £000	Years 6-10 £000	Years 11-15 £000	Years 16-20 £000	Years 21-25 £000	Years 26-30 £000	
<b>1</b>	<b>Total Planned Maintenance</b>	<b>35,884</b>	<b>34,983</b>	<b>26,927</b>	<b>24,733</b>	<b>19,955</b>	<b>19,855</b>
	Housebuilding	-	-	-	-	-	-
	Roofing	8,960	11,138	7,221	5,255	846	1,820
	Rewiring	2,202	2,219	3,042	1,643	3,272	1,435
	Front entrance door replacement	671	547	375	667	1,816	671
	PVCu Window replacement	6,802	7,118	6,432	1,030	3,874	6,386
	Heating and boiler replacement	11,376	7,452	5,616	10,753	7,781	5,222
	Asbestos removal	500	1,092	1,170	831	553	1,668
	Energy efficiency	1,000	1,862	1,236	595	206	817
	Norway House improvements	250	250	250	250	250	250
	Balcony Resurfacing	125	150	-	150	-	150
	Door Entry Security	2,756	943	150	2,614	953	269
	Ventilation	200	200	200	200	200	200
	Communal TV Upgrade	-	150	-	150	-	150
	Communal water tank replacement	1,041	1,862	1,236	595	206	817
<b>2</b>	<b>Structural Schemes</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>1,168</b>	<b>1,369</b>	<b>1,639</b>
<b>3</b>	<b>Cyclical Maintenance</b>	<b>52</b>	<b>75</b>	<b>75</b>	<b>75</b>	<b>75</b>	<b>75</b>
<b>4</b>	<b>Small Capital Works</b>	<b>2,242</b>	<b>1,750</b>	<b>1,750</b>	<b>1,750</b>	<b>1,750</b>	<b>1,750</b>
<b>5</b>	<b>Cost reflective improvements</b>	<b>18,361</b>	<b>18,133</b>	<b>11,784</b>	<b>12,816</b>	<b>15,650</b>	<b>16,109</b>
	Kitchen & bathroom renewals	10,265	18,133	11,784	12,816	15,650	16,109
<b>6</b>	<b>Non-cost-reflective repairs</b>	<b>1,030</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>
<b>7</b>	<b>Disabled Adaptations</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>
<b>8</b>	<b>Other repairs and maintenance</b>	<b>80</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>
<b>9</b>	<b>Feasibilities</b>	<b>75</b>	<b>75</b>	<b>75</b>	<b>75</b>	<b>75</b>	<b>75</b>
<b>10</b>	<b>Housing DLO Vehicles</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>250</b>
<b>11</b>	<b>Less income</b>						
	<b>TOTAL EXPENDITURE</b>	<b>61,474</b>	<b>60,766</b>	<b>46,361</b>	<b>44,868</b>	<b>43,124</b>	<b>43,753</b>

## Appendix B – Performance Indicators

Key Performance Indicators	Target	Performance 14/15	Performance 15/16 to Q3
Appointments made and kept	98%	98%	98%
Number of appointments made	N/A	13178	10012
Emergency works attended to within 4 hours	99%	99%	99%
Overall time to complete all repairs (working days)	7	6.48	6.44
Repairs completed on first visit	N/A	88.38%	91.33%
Total void properties received	N/A	420	204
Void property re-servicing works under £1,500 (working days)	12	9	9
Void property re-servicing works over £1,500 (working days)	22	19	18
Average void turnaround (key to key)	37	34	37
Customer Satisfaction quality of the repair	96%	100%	100%
Customer Satisfaction polite and cooperative working	96%	100%	100%
Customer Satisfaction keeping the home clean and tidy	96%	100%	100%
Customer Satisfaction works completed on time	96%	100%	100%
Customer Satisfaction satisfied with the repairs service overall	98%	100%	100%
Step 1 complaints received	N/A	64	33
Step 1 complaints upheld	N/A	15	8
Total number of work tickets issued	N/A	16020	11849
Minor Adaptations - Acknowledgement time	7 days	1 day	1 day
General Adaptations - Acknowledgement time	7 days	1 day	1 day
Minor Adaptations - Time from decision to completion of work	28 days	15.4 days	14 days
General Adaptations - Time from decision to completion of work	90 days	68 days	44 days
General Adaptations - Time from works order to completion	56 days	51 days	44 days
Minor Adaptations - No. outstanding at end of period, not completed within target time	No target	3	5
General Adaptations - No. outstanding at end of period, not completed within target time	No target	8	14
Gas servicing - No. of CP12 lapsed (over 12 months)	0	3	2
Gas servicing - % of properties where servicing not complete within 12 months: non-access	0%	0.1%	0.03%
Gas Breakdowns attended within 1 hour (Fast Track)	100%	100% (North) 99% (South)	100% (North) 100% (South)
Gas Breakdowns - Emergency attended within 1 hour and left correct	No target	99% (North) 100% (South)	95.2% (North) 100% (South)
Gas Breakdowns - Completed within 24 hours and left correct	85%	87% (North) 89% (South)	88.3% (North) 91.8% (South)

Gas Breakdowns - Completed within 5 days	85%	100% (North) 100% (South)	100% (North) 100% (South)
Internal redecoration - Ave time from application to acceptance (including checking process)	7 days	1day	1 day
Internal redecoration - Ave time from application to completion	6 weeks	5.6 weeks	9.9 days
Internal redecoration - No. outstanding at end of period, not completed within target time	No target	1	0
Decent Homes - Proportion of homes which are non-decent	0%	0%	0%
Modern Homes – No of components replaced	3,300	4,363	3,862 (planned)







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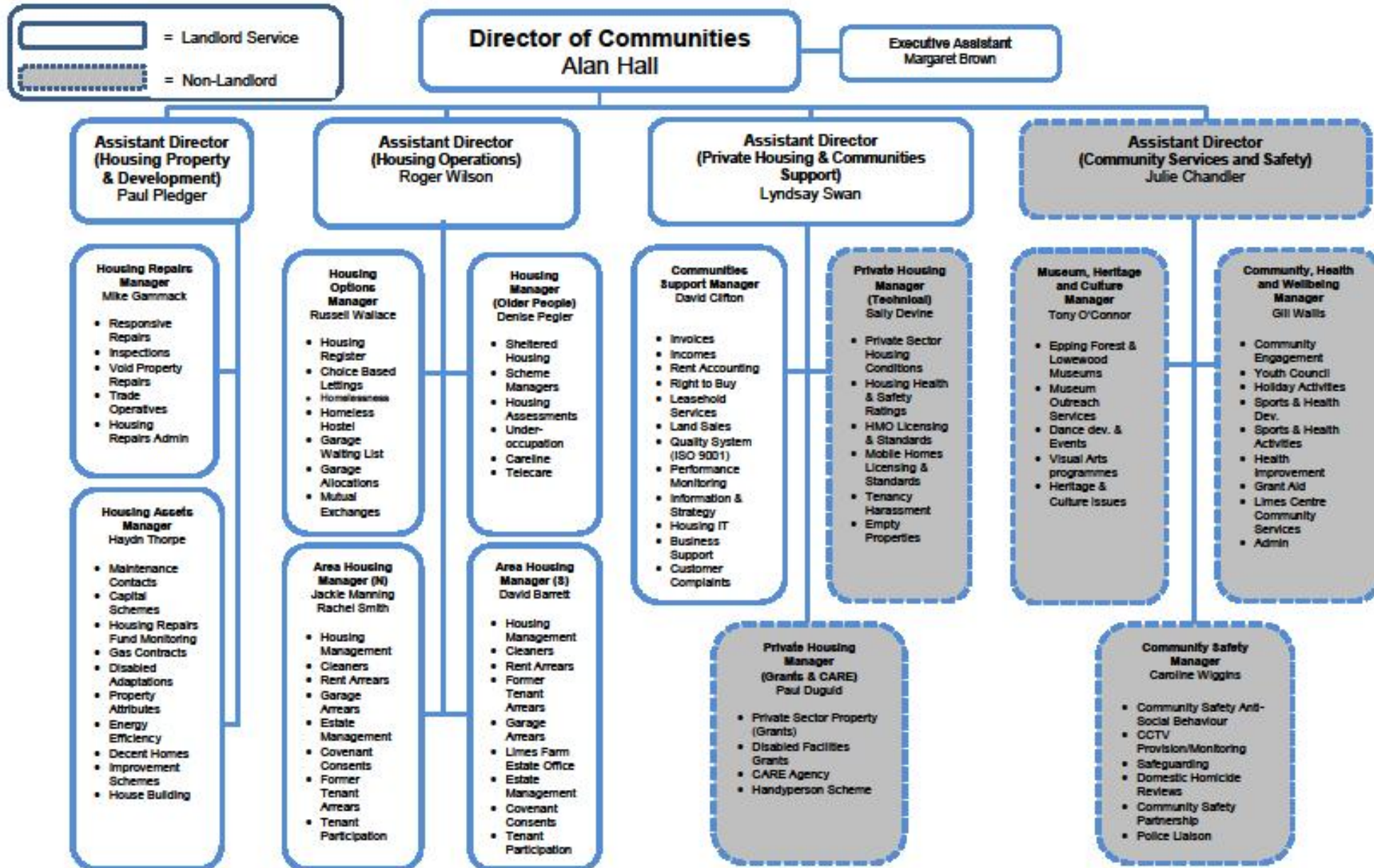
Affordable housing	Subsidised housing for rent or shared ownership, for people who cannot afford to purchase a property on the open market.
Asset Management Plan	A plan the Council produces every year, explaining how it manages its non residential land and buildings.
Benchmarking	The process of comparing an organisation's costs and performance with other similar organisations.
Black and minority ethnic (BME) groups	Groups of people within local communities whose race is either black, or another race, that is in the minority within the UK.
Cabinet	An important Council committee, comprising nine senior councillors, each responsible for a <i>portfolio</i> , that makes corporate Council decisions.
Capital expenditure	Money spent to buy or improve assets (e.g. land or buildings)
Capital receipt	Money received for the sale of a capital asset (eg land or buildings)
Choice-based lettings	A scheme whereby people in need of <i>affordable housing</i> can ask to be considered for specific vacant Council or housing association accommodation. This is instead of such accommodation being allocated to applicants on waiting lists on the basis of housing need, with only a very limited choice being given.
CIPFA	The Chartered Institute of Public Finance Accountants. The body that sets the guidelines for Council financial accounts.
Comprehensive Spending Review	A review by the Government on how much money should be spent on all the different types of public services (e.g. housing) over a set period (usually three years).
General Fund	The Council's financial account that deals with income and expenditure relating to all the Council's services, part of which is the ring fenced <i>HRA</i> .
Housing association	A <i>Private Registered Provider of Social Housing (RP)</i> , run by a Board of Management and employs professional housing officers to manage the organisation.
Homes and Communities Agency (HCA)	The Government agency that funds Registered Providers of Social Housing (RPs), and regulates Private RPs.
Housing Revenue Account (HRA)	The Council's financial account, within the <i>General Fund</i> that deals with income and expenditure relating to the management and maintenance of the Council's housing stock.
Housing Revenue Account (HRA) Business Plan	An annual plan produced by the Council that analyses issues relating to the Council's own housing stock and sets out the objectives, targets, plans, income and expenditure for the management and maintenance of its housing stock over the next 5-30 years.
ISO 9001:2008	An internationally recognised system of ensuring the provision of quality services, that is checked by external assessors.
Major repairs allowance (MRA)	An annual Government subsidy given to local authorities to assist with the maintenance of their housing stock, calculated by a formula based on the type and age of the housing stock.

Department of Communities and Local Government (DCLG)	The Government department that has responsibility for formulating and implementing the Government's housing policy at a national level and allocates resources for different national housing programmes.
Out of charge properties	Properties for which the Council cannot use for a long time, and for which no rent is being received.
Portfolio Holder	A senior councillor, who is a member of the <i>Cabinet</i> , responsible for specific areas of Council work (eg housing, finance etc). The Council has a number of portfolio holders, with the number reviewed each year.
Private Registered Provider of Social Housing (RP)	A Registered Provider of Social Housing that is not a council.
Public Works Loan Board (PWLB)	An agency of HM Treasury that lends money to public organisations at preferential rates. The PWLB has provided the loans to the Council to fund the HRA self-financing payment to the Government
Registered Provider of Social Housing (RP)	Usually a housing association or a council that is registered with, and regulated by, the <i>Homes and Communities Agency</i> and provides social and affordable housing.
Revenue contributions to capital outlay (RCCO)	Rental or other income used to pay for capital expenditure.
Right to Buy	A Government scheme that allows Council tenants, who have held tenancies for more than two years, to buy their own home from the Council. Discounts are currently given of up to a maximum of £75,000 outside of London, depending on how many years they have held tenancies.
Self-financing (HRA)	A method of operating the HRA, whereby all the expenditure and costs relating to the HRA are completely funded from the Council's rental income, without the need for any Government subsidy.
Sheltered housing	Independent accommodation provided to elderly people, with support from a Scheme Manager and an emergency call facility, usually having a communal lounge facility.
Social Housing – Existing Use Value	A way of valuing Council or housing association properties, taking into account the fact that the rents charged are much lower than for private properties.
Standard Assessment Procedure (SAP)	A measure of how energy efficient a property is, between a score of 0 –120 (previously 0 –100). A score of 120 is the most energy efficient.
Stock condition survey	A survey of the inside and the outside of some of a council's properties, that gives an indication of the condition of all the properties
Housing Related Support	Practical support provided to tenants who need help – e.g. sheltered housing for the elderly or housing for people with physical or learning disabilities.
Target rent	The individual rents for properties that councils and housing associations should aim to charge, based on a Government formula.
Tenants participation compact / agreement (TPA)	Written agreements between <i>Registered Providers of Housing</i> and groups of tenants, at both district and estate level, setting out the agreed approach to tenant participation.

# Epping Forest District Council

# Appendix 3

## Housing Service and Communities Directorate: Senior Management and Responsibilities



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## Appendix 4

<b>Tenant-Selected Performance Indicators</b>				
<b>Performance (2015/16 - Quarter 3) and Targets (2016/17)</b>				
<b>Service</b>	<b>Definition</b>	<b>Target (2015/16)</b>	<b>Actual (2015/16 – Q3)</b>	<b>Target (2016/17)</b>
Careline (COM010)	% of calls answered within 1 min (excl. routine calls managers & test calls)	97.5 %	99.8 %	97.5 %
Careline	Average (seconds) to respond to alarm calls	10 seconds	5.3 seconds	10 seconds
Rent Arrears (COM001)	% of rent due from tenants paid	98.0%	99.55 %	99.0%
Estate Management	No. of estate inspections completed	85	61	85
Repairs (COM007)	% of all Emergency repairs (including out of hours emergencies) attended to within 4 working hours?	99 %	99 %	99 %
Repairs (COM008)	Average overall time to complete all responsive repairs: Time of request - completion	7 Working Days	6.44 Working Days	7 Working Days
Repairs (COM009)	% of appointments both made and kept	98 %	98 %	98 %
Repairs (COM003)	% Satisfaction (good or satisfactory) with general standard of repairs	98 %	100 %	98 %
Voids (COM002)	Average overall void period (excluding difficult to let properties)	37 Calendar Days	37 Calendar days	37 Calendar Days
Adaptations (Minor)	Time taken from decision to completion of work	28 Calendar Days	14 Calendar Days	28 Calendar Days
Adaptations (General)	Time taken from decision to completion of work ( <i>excluding extensions</i> )	90 Calendar Days	44 Calendar Days	90 Calendar Days
Gas Servicing	Tenant satisfaction: (a) % "Excellent" or "Good": (b) % "Poor":	(a) 96 % (b) < 5 %	(a) 100 % (b) 0 %	(a) 96 % (b) < 5 %

Gas Servicing	No. of annual gas safety certificates lapsed (i.e. over 12 months)	0	2	0
Kitchen Replacement Programme	% Satisfaction ("Good" or "Satisfactory")	96 %	98 %	96 %
Bathroom Replacement Programme	% Satisfaction ("Good" or "Satisfactory")	96 %	100 %	96 %
Decent Homes (COM005)	% Homes not in a decent condition (of total housing stock)	0 %	0 %	0 %
Modern Homes (COM006)	No. of the key building components required to achieve the Modern Homes Standard that have been renewed?	Q3 – 2,475 Q4 – 3,300	Q3 - 2752	Q3 – 2,475 Q4 – 3,300



**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	
<b>INCOME:</b>																
Gross Rental Income	45,578	46,961	48,384	49,847	51,350	52,904	54,511	56,163	57,864	59,613	61,417	63,279	65,194	67,166	69,196	
Void Losses	-454	-468	-482	-497	-512	-527	-543	-560	-577	-594	-612	-631	-650	-670	-690	
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	
<b>Total Income</b>	<b>49,228</b>	<b>50,701</b>	<b>52,214</b>	<b>53,770</b>	<b>55,369</b>	<b>57,021</b>	<b>58,727</b>	<b>60,483</b>	<b>62,288</b>	<b>64,145</b>	<b>66,059</b>	<b>68,033</b>	<b>70,065</b>	<b>72,155</b>	<b>74,306</b>	
<b>EXPENDITURE:</b>																
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	-335	-345	-356	-367	-378	-389	-401	-413	-426	-438	-452	-465	-479	-494	-509	
Contribution to Repairs Fund	-7,833	-8,028	-8,229	-8,435	-8,646	-8,862	-9,083	-9,311	-9,543	-9,782	-10,026	-10,277	-10,534	-10,797	-11,067	
<b>Total Revenue Expenditure</b>	<b>-21,194</b>	<b>-21,726</b>	<b>-22,271</b>	<b>-22,829</b>	<b>-23,402</b>	<b>-23,989</b>	<b>-24,591</b>	<b>-25,208</b>	<b>-25,840</b>	<b>-26,488</b>	<b>-27,153</b>	<b>-27,834</b>	<b>-28,532</b>	<b>-29,248</b>	<b>-29,982</b>	
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	759	924	1,096	1,276	1,467	1,905	2,150	2,113	1,791	1,486	1,198	891	725	729	732	
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	
<b>Net Operating Income</b>	<b>13,426</b>	<b>14,281</b>	<b>15,165</b>	<b>16,079</b>	<b>17,027</b>	<b>18,253</b>	<b>19,319</b>	<b>20,138</b>	<b>21,730</b>	<b>23,369</b>	<b>25,062</b>	<b>26,776</b>	<b>28,782</b>	<b>29,824</b>	<b>30,899</b>	
<b>APPROPRIATIONS:</b>																
FRS 17 /Other HRA Reserve Adj	212	217	223	228	234	240	246	252	258	265	271	278	285	292	299	
Self Financing Reserve	-9,000	-9,518	-10,065	-10,644	-11,257	-11,904	-12,589	-13,313	-14,079	-14,889	-15,746	-16,651	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 Revenue	-4,325	-4,767	-5,292	-5,674	-5,878	-6,574	-6,773	-6,977	-7,859	-8,608	-9,453	-10,271	-28,929	-29,884	-31,063	
<b>Total Appropriations</b>	<b>-13,113</b>	<b>-14,067</b>	<b>-15,135</b>	<b>-16,090</b>	<b>-16,900</b>	<b>-18,239</b>	<b>-19,116</b>	<b>-20,038</b>	<b>-21,680</b>	<b>-23,233</b>	<b>-24,927</b>	<b>-26,644</b>	<b>-28,644</b>	<b>-29,592</b>	<b>-30,764</b>	
<b>ANNUAL CASHFLOW</b>																
	<b>313</b>	<b>214</b>	<b>31</b>	<b>-11</b>	<b>127</b>	<b>14</b>	<b>203</b>	<b>100</b>	<b>50</b>	<b>136</b>	<b>135</b>	<b>131</b>	<b>139</b>	<b>232</b>	<b>135</b>	
Opening Balance	2,727	3,040	3,255	3,285	3,274	3,401	3,415	3,619	3,719	3,769	3,905	4,040	4,171	4,310	4,542	
<b>Closing Balance</b>	<b>3,040</b>	<b>3,255</b>	<b>3,285</b>	<b>3,274</b>	<b>3,401</b>	<b>3,415</b>	<b>3,619</b>	<b>3,719</b>	<b>3,769</b>	<b>3,905</b>	<b>4,040</b>	<b>4,171</b>	<b>4,310</b>	<b>4,542</b>	<b>4,677</b>	
Other HRA Reserve Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Self Financing Reserve	13,500	23,018	33,083	43,727	54,984	66,888	79,477	62,791	46,870	31,759	17,505	500	500	500	500	







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