

# Housing Revenue Account Business Plan 2013 - 2014

DRAFT



Director of Housing  
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Epping Forest  
District Council

**Copies of this Business Plan are available in Large print.**

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# Contents

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## Plain English Summary

### 1. Introduction

- 1.1 Introduction
- 1.2 Links with the Council's Housing Strategy
- 1.3 Purpose of the Business Plan
- 1.4 Development of the Business Plan in 2013
- 1.5 Management Structure – Policy and Priority Setting
- 1.6 Comments of the Epping Forest Tenants and Leaseholders Federation

### 2. Strategic Context and Linkage to Other Plans

- 2.1 The Epping Forest District
- 2.2 Housing Service Planning Matrix
- 2.3 Capital Strategy 2012/16 - Housing as a Corporate Priority for Investment

### 3. Business Plan Objectives

- 3.1 The Council's Corporate Medium Term Aims
- 3.2 Hierarchy of Objectives
- 3.3 Corporate Housing Objectives
- 3.4 Specific Housing Objectives
- 3.5 Summary of Key Activities and Achievements in 2012/13
- 3.6 Key Housing Priorities and Action Plan to Meet the Objectives

### 4. Business Plan Analysis

- 4.1 Introduction
- 4.2 The Council's Housing Stock
- 4.3 Stock Valuation
- 4.4 Overview of the Management of the Council's Housing Stock
- 4.5 Delivery of Housing Services
- 4.6 Tenant and Leaseholder Participation and Consultation
- 4.7 Fees and Charges
- 4.8 Repairs, Maintenance and Improvements
- 4.9 Right to Buy and Rent to Mortgage Sales
- 4.10 The District's Housing Needs Relevant to the HRA Business Plan
- 4.11 Workforce Development Planning
- 4.12 Staff Training and Development
- 4.13 Housing Improvements and Service Enhancements
- 4.14 Council Housebuilding Programme

### 5. Provision of Quality Housing Services

- 5.1 Customer Service Excellence Award - Housing Directorate
- 5.2 ISO 9001:2008 Quality Accreditation – Housing Directorate
- 5.3 Tenant Satisfaction
- 5.4 Project Management
- 5.5 Performance Indicator Targets – 2013/14
- 5.6 Performance Management and Continuous Improvement Meetings

### 6. Value for Money

- 6.1 Corporate Approach to Value for Money and Use of Resources
- 6.2 Benchmarking Housing Performance and Costs (Housemark)

### 7. Diversity and Equality in the Provision of Housing Services

- 7.1 The Council's Corporate Approach to Diversity and Equality
- 7.2 The Housing Directorate's Approach to Diversity and Equality
- 7.3 Equality Analysis
- 7.4 Diversity Profile of the Council's Tenants

## 7.5 Ethnicity of the Council's Housing Applicants and Applicants Accommodated

### **8. Rents Strategy**

- 8.1 Background
- 8.2 Valuation
- 8.3 Implementation
- 8.4 Strategic Approach
- 8.5 Service Charges
- 8.6 Support Charges
- 8.7 Rent Levels and Rent Increases

### **9. Risk Management**

- 9.1 Introduction
- 9.2 Corporate Risk Register
- 9.3 Housing Risk Register
- 9.4 Key Housing Operational Risks and Housing Risk Matrix
- 9.5 Housing Business Continuity Plan
- 9.6 Housing Emergency Plan

### **10. HRA Financial Plan**

- 10.1 Introduction
- 10.2 Executive Summary
- 10.3 Underlying Assumptions
- 10.4 Headline Outputs
- 10.5 Sensitivities
- 10.6 Next Steps for the Council
- 10.7 Risk and Reward
- 10.8 Projected Cash Flows and Capital Projections

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

- 11.1 Introduction
- 11.2 Financial Monitoring
- 11.3 Monitoring the Business Plan's Key Action Plan
- 11.4 The HRA Business Plan Review Process

### **12. Key Action Plan**

### **13. Appendices**

- |            |  |
|------------|--|
| Appendix 1 | Repairs and Maintenance Business Plan  |
| Appendix 2 | Glossary of Terms  |
| Appendix 3 | Senior Staff Structure – Housing Directorate   |
| Appendix 4 | Tenant-Selected Performance Indicator Performance (2012/13) and Targets (2013/14) – Related to HRA landlord services |
| Appendix 5 | 30 Year HRA Cash Flows   |

# Plain English Summary

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## 1. Introduction

This is a Plain English Summary of the thirteenth Housing Revenue Account Business Plan that we have produced. It 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 requires 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

## 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 Housing is responsible for managing and maintaining the Council’s homes. The Director of Finance/ICT is responsible for managing the Council’s finances.

## 3. Our housing objectives

We have five main objectives for housing. Each one has a number of more detailed objectives, that 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 due 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;
- 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.

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

In April 2012, we owned around 6,490 homes, excluding our Homeless Persons Hostel. Some interesting information about these is given below:

- Around 2,170 are in Loughton, and about 1,590 are in Waltham Abbey. Around 475 Council homes are in "sheltered housing", receiving a support service and having an alarm system;
- We lease around 940 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 2012, we had 95 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 reporting repairs and 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. It is envisaged that all of our keys files will be computerised by the end of 2013/14.

In Summer 2013, we should have completed the implementation of a new computerised module for leasehold services.

#### **5. Our Achievements Last Year**

In 2012/13, our key housing achievements as a landlord were as follows:

- We further improved our Housing Repairs Service, particularly undertaking repairs much more quickly (whilst maintaining high levels of customer satisfaction) and introducing a more efficient and cost effective way of purchasing our materials from one supplier
- We appointed East Thames Group to act as our Development Agent to implement our new Council Housebuilding Programme. We also identified many potential development sites within our ownership - which East Thames will now evaluate
- We successfully implemented most of the housing improvements and service enhancements that we planned to carry out.
- The level of tenants' satisfaction with our Housing Service increased - 88% of our tenants are now generally satisfied with the Housing Service we provide
- We undertook a major review of our Housing Allocations Scheme, to take advantage of new opportunities and flexibilities provided by the Localism Act 2011
- We agreed to use fixed term tenancies for properties with 3 or more bedrooms from Summer 2013
- We drew up a detailed Action Plan to minimise the effects of the Government's welfare reforms on us and our tenants – around half of all the actions had already been completed by the end of the year

#### **6. Our Key Housing Priorities for Next Year (2013/14)**

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 2013/14. These are that we will:

- Continue to manage and maintain our homes effectively and efficiently
- Complete the implementation of our Repairs Refresh Programme, including the introduction of 24 hour facility for tenants to report routine repairs as well as emergency repairs
- Commence a major conversion scheme of 20 bedsits into 10 one bedroom flats at Marden Close, Chigwell Row
- Commence on site the first development of affordable rented homes under our new Housebuilding Programme
- Introduce a radically new Housing Allocations Scheme from September 2013
- Introduce 10-year fixed term tenancies for all Council properties with three or more bedrooms that are re-let from September 2013
- Introduce a new Tenant Scrutiny Panel, in collaboration with the Tenants and Leaseholders Federation, to monitor the performance of the Housing Service and to undertake detailed reviews of specific housing services

## **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, but more are being developed. We have written “Tenant Participation Agreements” with these tenants associations, that explain the help we will give them. It also explains 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, a Sheltered Housing Forum comprising representatives from the Council's sheltered housing schemes, and a Rural Tenants Forum to represent the views of tenants in the villages of the District. They all meet regularly with Council officers.

A district-wide Tenants and Leaseholders Federation has been formed, that has a committee to which two representatives from each of the tenants associations, the Leaseholders Association, the Sheltered Housing Forum and the Rural Tenants Forum are invited. 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.

Last year, we worked with the Federation to set up a new Tenant Scrutiny Panel. The Panel will monitor the performance of our Housing Service and undertake a detailed review of one aspect of the Housing Service each year.

## **8. Ensuring all tenants live in a “decent” and well-maintained home – to a modern standard**

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, to modern standards.

A number of years ago, the Government introduced the “Decent Home Standard”. We ensured that all of our homes met the Decent Home Standard by April 2010. 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.

The Council now has extra money available to spend on our Housing Service. This is due to Government changes to housing finances from April 2012. This has enabled the Council to spend much more money (around 50% each year) on maintaining our homes. With this significant extra money, we will now be able to fully maintain our Council homes to a full modern standard over the next 30 years.

## **9. People needing housing**

There were around 6,000 applicants on the Council's Housing Register in March 2012. This was an increase of around 520 households over the previous year.

Last year (2011/12), we let around 325 Council properties to housing applicants. This was around 135 less than the previous year. A further 80 applicants were housed by housing associations. This was less 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:

- The whole of our Housing Directorate has been awarded with the Government's Customer Service Excellence Award. This is a national award that confirms that we provide an excellent service to our customers. It is judged by an independent assessor. This replaces the Government's Charter Mark Award, which we held for the previous 6 years. We will be seeking the Award for a further 3 years from November 2013
- The whole of our Housing Directorate has been awarded the ISO 9001:2008 "quality assurance accreditation". This confirms that we provide a consistently high quality housing service. This is also judged by an independent assessor

## **11. Tenant satisfaction**

In the past, we have carried out a very detailed Tenant Satisfaction Survey every 2/3 years. However, the Government has said that landlords no longer have to carry out Tenant Satisfaction Surveys. Despite this, because we think they're useful, we intend to still carry them out.

We therefore undertook another one this year. 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 88% of tenants are generally satisfied with the overall housing service provided by the Council - this compares with 85% when we last carried out a survey.

We have compared ourselves with other councils and housing associations who are members of Housemark - a "benchmarking club" that we belong to. For 2 of the 6 key areas compared, we were in the top 25% of landlords. For 3 of the key areas, we were in the top 50%. For one key area (the way we listen to tenants' views and act on them) we compared badly. We are therefore trying to understand why this is, and are talking to the Tenants and Leaseholders Federation to help us improve.

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

From April 2012, we have had much more money to spend on our Housing Service. This is because of changes the Government is making to the way Council housing is funded (see Section 20 below). This has enabled us to make significant additional housing improvements and service improvements.

Last year (2012/13) we had an additional £770,000 to spend on enhancements and completed most of the projects. Next year, we will have a further £570,000 for new enhancements, which will increase to around £1.7 million in 2014/15.

## **13. New Council Housebuilding Programme**

Since the 1980s, councils have been discouraged by different governments from building new affordable housing. We have been encouraged to work with housing associations to build new social housing.

With extra money that is now available for Council housing, we will be commencing a modest Council Housebuilding Programme during 2013/14. We intend to build around 120 new affordable Council homes over the next 6 years, mainly garage sites that are difficult to let.

We have selected East Thames Housing Group, one of our Preferred Housing Association Partners, to be our "Development Agent" to oversee all the building arrangements.



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

The Government has told all councils that the rents they charge for their homes should be almost the same as the same types of homes owned by housing associations, in the same area by April 2015. However, the Government keeps changing this "target date". They have also said that everyone's rent should be calculated in a similar way. They should mainly be based on:

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

We started calculating rents in this new way from April 2003. At that time, we produced a "target rent" for each property. This could have been higher or lower than the previous rent. The actual rents that tenants pay have been increased, or decreased, up to this target rent since 2003. Although the Government wants councils and housing association rents in an area to be the same by April 2015, our Council has decided to aim for April 2017.

The Council has agreed the approach it will take to achieve this aim. Rents will increase by an average of 4.4% in April 2013, and then by around 1.5% above inflation the following year.

From April 2012, the average rent will increase by around £4 per week to around £91 per week.

In addition to rents, we also make a number of other charges for housing services. Usually, these are increased annually in line with inflation. However, many of the Housing-related Fees and Charges have been frozen for 2013/14, for the second year running. This is because of the effects of the current economic climate on our housing customers.

#### **15. Careline Service**

We currently provide our own Careline Service to almost 2,500 older people 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.

However, the County Council has said that it intends to enter into one contract with one organisation to provide telecare services across Essex. We will be looking at the implications of this new arrangement, but it may make it unviable for us to continue to provide our own service. We therefore hope to make a decision on the future of the Council's own Careline Service towards the end of 2013/14.

#### **16. Right to Buy and recent changes**

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 2011, the Council has sold around 6,170 Council homes under the Right to Buy. Last year, we sold 7 Council homes, at an average purchase price (after discount) of around £130,000 per property.

From April 2012, the Government increased the maximum RTB discount provided to tenants, from £34,000 to £50,000. The Government has also said that that every additional home sold under the Right to Buy will be replaced by a new affordable rented home. We will be able to use all of the additional money from RTB sales to help fund our Council 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 affordable home.

#### **17. 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.

## **18. Equality and Diversity**

We know that we live in a diverse community and 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.

In 2009, we carried out a survey of all our tenants. Amongst other things, we asked them a number of questions to find out how diverse and different the people who live in our homes are. We asked them questions about their ethnic group, disabilities, gender (sex) and if English is their main language.

We will be undertaking a similar survey in 2013, to ensure that we have useful information on the make-up of our tenants.

We comply with the Human Rights Commission's Racial Equality Code of Practice in Rented Housing and have an Equal Opportunities Statement in the Provision of Housing Services.

## **19. 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 Directorate has its own Risk Register. We have identified many risks in our Risk Register. This includes 13 **Key** Housing Risks, which are the most serious. 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.

We also have a "Housing Business Continuity Plan" which explains what we would do if something serious happened to the Housing Service. For example, if the Civic Offices or housing offices were badly damaged, or if we lost a lot of staff, perhaps through serious sickness levels.

We also have a Housing Emergency Plan, which explains what we would do in either a routine or major emergency. For example, if lots of people lost their homes and needed somewhere to stay temporarily.

## **20. The overall financial picture**

From April 2012, the Government completely changed the way that Council housing is funded. For many years previously, we had to operate a Housing Subsidy System. This was a very old fashioned and unfair system, which was why the Government changed it.

In simple terms, under the previous Housing Subsidy System, the Government assessed each year how much money it thought each council needs to spend on its housing service over the next year. It then calculated how much money it thought each council would receive from rents. If the Government thought that a council would not receive enough money from its rents to run its housing service, it paid the council a subsidy. However, if the Government thought that a council would receive more money from rents than it needed, which the Government always thought was the case each year for our Council, it would take money away from the Council. This was called "negative subsidy". In 2011/12, we paid the Government £11.3 million in negative subsidy from tenants' rents.

From April 2012, the Government introduced a new funding system called "self-financing". Under this system, the Government has considered how much financial support it thinks each council needs to run its housing service over the next 30 years; this is the difference between the cost of running the housing service and the expected income from rents.

It then compared this to how much housing debt each council had. Housing debts were due to a council borrowing money in the past to fund new Council house-building or major repairs and improvements. The Government then added together the amount of financial support each council needs to the amount of debt (if any) that each council had. In April 2012, the Government then paid this amount to those councils it thought needed financial help, which enabled them to pay off their housing debt.

However, if the amount of financial support the Government thought a council needs was less than its housing debt, the council had to make a payment to the Government for the difference. These councils needed to take out loans to fund the payment to the Government, which they will repay over a number of years from tenants' rents.

For our Council, the Government assessed that we would receive more income from tenants' rents over the next 30 years, than we would need to run our housing service. In addition, we did not have any housing debt. Therefore, the Government said that we must pay it around £185.5 million in April 2012. However, we worked out that, under self-financing, our HRA will be much better off than under the current Housing Subsidy System, especially if the debt is paid over 30 years.

Under the new arrangements, our HRA remains viable throughout all the 30 years of our Financial Plan. This is the case, even after:

- Increasing the amount of money spent maintaining our Council homes by around 50% each year for the next 30 years, to maintain them to a full, modern standard.
- Introducing a new Council Housebuilding Programme to build around 20 new affordable homes each year.
- Spending £700,000 on additional housing improvements and service enhancements in 2012/13, and further money in future years.

## **21. 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 is the thirteenth annual Housing Revenue Account (HRA) Business Plan that the Council has produced, which complies with the requirements of the Government's financial framework for the HRA. It 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 Housing Directorate, with information provided by other directorates as required. The Plan was adopted by the Council's Housing Portfolio Holder 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 a full modern maintenance standard will be 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.

With effect from March 2012, the Government introduced a new system of self-financing for the HRA, to replace the discredited Housing Subsidy System. This involved the Council paying a significant lump sum to the Government, financed from a very large loan. The Council has assessed the detailed effects and implications of self-financing on the Council and the latest iteration of the 30-Year HRA Financial Plan is set out in Chapter 10.

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 the 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 Housing staff, 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.

## 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 14% 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
- Restructuring and convergence of social housing rents
- Dealing with anti-social behaviour

Due to the number of uncertainties that affected the Council's strategic approach to housing last year, the Housing Strategy was not reviewed and updated during 2012, as originally envisaged, but will be updated during 2013 for a further 3 year period.

## 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 2013

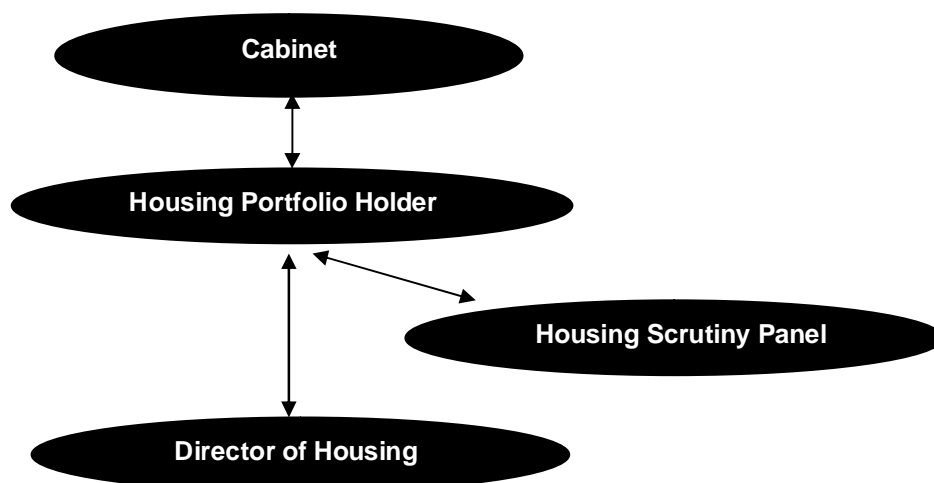
The Council has consistently developed and updated its Business Plan, since the time the first one was produced in 2001. All the statistics and information within this latest Business Plan referred to as the “last financial year” - and the most up to date information - relates to 2011/12, which is the last year that full year statistics are available.

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

- Updated statistics for 2011/12
- General updated information throughout the Business Plan to ensure that it remains current
- Updated Plain English Summary
- Updated comments of the Tenants and Leaseholders Federation on the latest Business Plan (Section 1.6)
- Updated Summary of Key Activities and Achievements in 2012/13 (Section 3.5)
- Updated section on Key Housing Priorities and Action Plan to Meet the Objectives (Section 3.6)
- Updated section on tenant participation, to include details of the new model for the introduction of a new Tenant Scrutiny Panel (Section 4.6)
- Updated section on Strategic Housing Market Assessments (SHMAs), covering the results of the most recent SHMA Update (Section 4.10(b) and 4.10(f))
- Updated section on the Housing Improvements and Service Enhancements Fund, with the latest information on likely funds available in future years (Section 4.13)
- Updated section on tenant satisfaction, with the headline results of the latest Tenant Satisfaction Survey undertaken in March 2012 and the results of Housemark’s Benchmarking Exercise undertaken in January 2013 (Section 5.3)
- 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 produced by the Housing 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

*Housing Portfolio Holder* Responsible for approving the Business Plan and recommending to the Cabinet policy changes and priorities.

<i>Housing Scrutiny Panel</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 Housing</i>	The Director responsible 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 [The Federation's comments on last year's Business Plan is reproduced below for reference]:

- 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 to note the introduction of self-financing for the HRA from April 2012, which will provide a secure financial future for the Council's housing service, and will enable the Council to invest sufficient resources in its housing stock to keep it properly maintained over the life of the Plan;
- We continue to support the innovative appointment of a private repairs management contractor and feel that this has already demonstrated improvements to the Housing Repairs Service;
- We continue to support the Council's intention to re-commence a Council House-building Programme.
- We are pleased with the effects that the Housing Fraud Officer has had, which is self-funded, and can only assist with reducing the housing waiting list. We are also pleased that the creation of a further Housing Fraud Officer post has been agreed.

## 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 124,700. 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 Metropolitan Green Belt area, with good road and rail links to London, so is popular with commuters.

The southern parts of the District border Greater London and are more populous and urbanised, including Loughton, Chigwell, Buckhurst Hill and Waltham Abbey. There was a total of 54,532 dwellings in the District as at April 2012, of which 12% were Council-owned.

### 2.2 Housing Service Planning Matrix

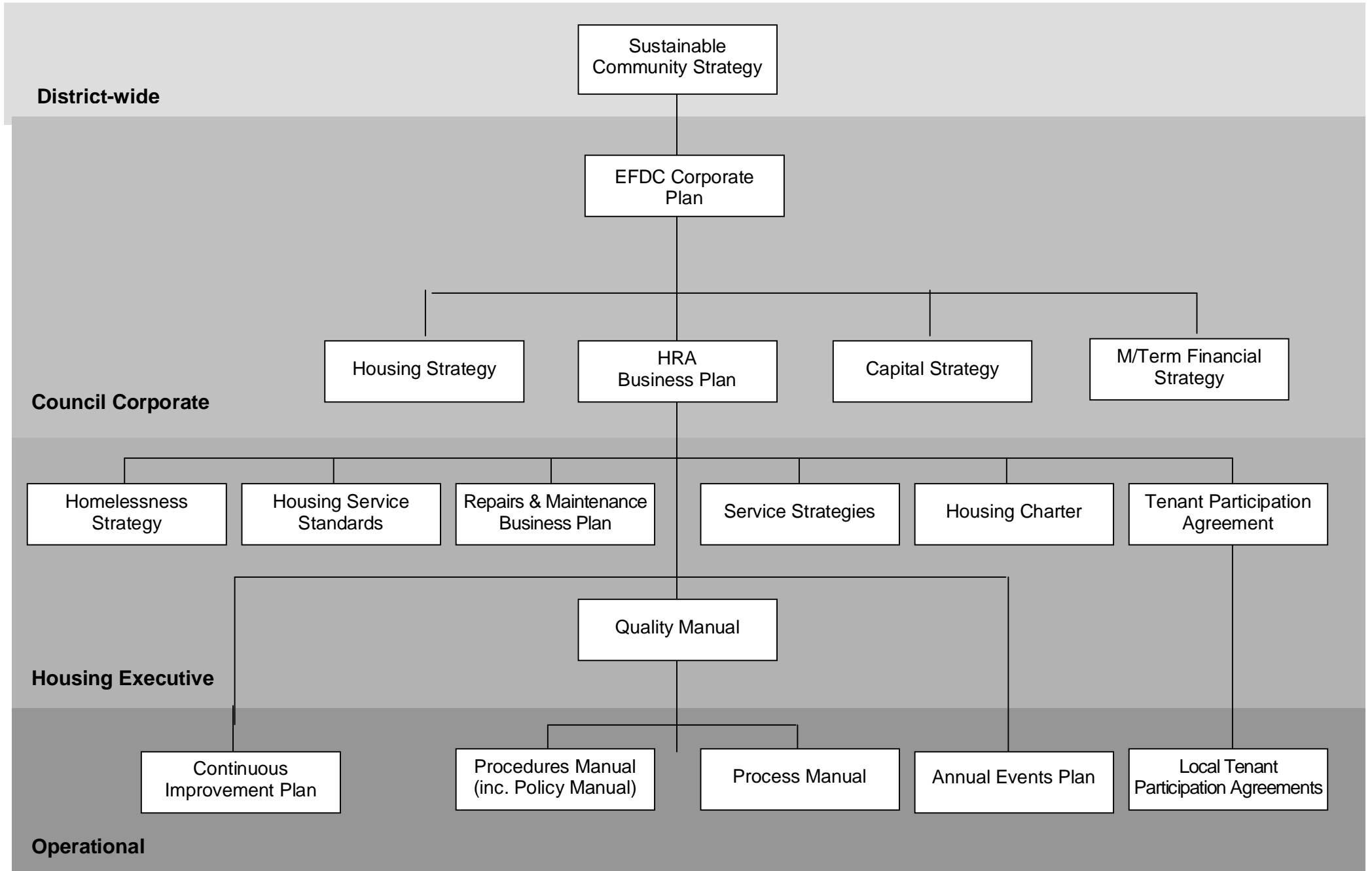
The HRA Business Plan is only one of a range of complementary and inter-related strategic documents and plans produced by the Council. In producing this Business Plan, careful regard has been had to relevant corporate objectives and strategies and housing objectives and strategies. This section of the 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 Directorate

## Service Planning Matrix



<b>Sustainable Community Strategy</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>Corporate Plan</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 adopted its latest Corporate Plan in early 2011, which will be effective until April 2015.
<b>Housing Strategy</b>	See Section 1.2 above.
<b>Capital Strategy</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>Medium Term Financial Strategy</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>Housing Service Standards</b>	A set of housing standards that clients of the Housing Directorate can expect in relation to the delivery of their housing service.
<b>Housing Service Strategies</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). They provide detailed objectives, policies, targets, performance information and financial/staffing resource availability.
<b>Housing Charter</b>	Sets out the principles by which housing services will be delivered from the clients' point of view and what clients can expect.
<b>Tenant Participation Agreement</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 2012 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).
<b>Tenant Participation Impact Statement</b>	An annual statement produced explaining the activity, outcomes and impact in relation to tenant participation and empowerment in the previous year.

### **2.3 Capital Strategy 2012/16 - Housing as a Corporate Priority for Investment**

The Council's Capital Strategy 2012/16, 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.

The Strategy is usually updated annually, but will not be updated during 2013, pending a review of its format and content for the future.

## **3. Business Plan Objectives**

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### **3.1 The Council's Corporate Medium Term Aims**

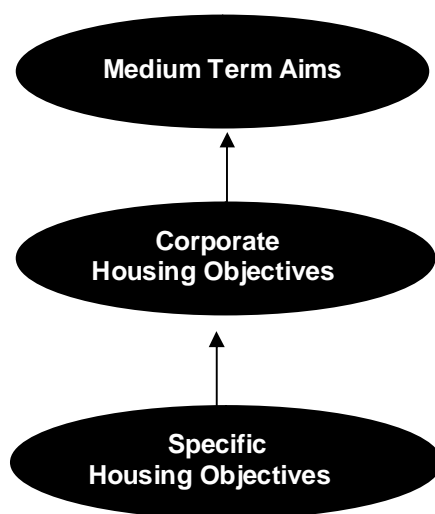
The Council has five medium term aims and priorities, which were revised and set out in the Corporate Plan 2011-2015. They are:



- (a) Endeavour to safeguard frontline services that our local residents tell us are important against a background of diminishing resources;
- (b) Have the lowest District Council Tax in Essex and maintain that position;
- (c) Be recognised as an innovative and transparent council involving residents in our decisions;
- (d) Continuously improve efficiency by adopting new ways of working with our partners and maximising revenue from our assets; and
- (e) Provide clear community leadership and be a strong advocate, championing the interests of the people of Epping Forest and protecting the special character of the District.

### 3.2 Hierarchy of Objectives

In order to make the best use of its housing assets and deliver an effective housing service, in consultation with representatives of the Tenants and Leaseholders Federation where appropriate, the Council has set Business Plan Objectives at various levels within the organisation, from the high level medium term aims and priorities 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 maintains its properties and housing estates to a full modern 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 <i>Epping Forest Tenant Participation Agreement</i> . |
| <b>HO5 - Housing Finance</b>         | 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.  |

### 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 registered social landlords, 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.
- (h) Ensure that current rent arrears do not exceed 2.0% of the annual debit.

(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.

*(f) 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 £3m or to exceed £4m in any one year.

### **3.5 Summary of Key Activities and Achievements in 2012/13**

The key housing achievements and activities for the Business Plan in 2012/13 are as follows:

- Further improvements to the Council's Housing Repairs Service, particularly improved repair response times (whilst maintaining high levels of customer satisfaction) and the introduction of a more efficient and cost effective supply chain for repair materials, following a competitive tendering process
- The appointment of East Thames Group to act as the Council's Development Agent to implement the new Council Housebuilding Programme, following an extensive and robust EU procurement exercise, and the identification of a significant number of potential development sites within the Council's ownership for detailed development and financial appraisals
- The successful implementation of the majority of the agreed programme of new housing improvements and service enhancements, funded from the additional resources made available by HRA self-financing, including the introduction of a free Handyperson Service for all older Council tenants
- An increase in the level of tenant satisfaction, with 88% of all tenants generally satisfied with the Housing Service provided to them
- The undertaking of a major review of the Council's Housing Allocations Scheme, taking advantage of the new opportunities and flexibilities provided by the Localism Act 2011, for introduction from July 2013
- The adoption of a West Essex Tenancy Strategy, in partnership with Harlow and Uttlesford District Councils, and the detailed consideration of the use of fixed term tenancies for certain types of properties and the formulation of a clear approach to their introduction from July 2013

- Formulation and implementation of an extensive Action Plan to mitigate the effects of the Government's welfare reforms on the Council and Council tenants, following a major study commissioned from the Chartered Institute of Housing to identify and quantify the implications

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

The Council's Key Housing Priorities for its landlord service next year (2013/14) are set out below.

- Continue to manage and maintain the Council's homes effectively and efficiently
- Complete the implementation of the Repairs Refresh Programme, including the introduction of 24 hour facility for tenants to report routine repairs as well as emergency repairs
- Commence a major conversion scheme of 20 bedsits into 10 one bedroom flats at Marden Close, Chigwell Row
- Commence on site the first development of affordable rented homes under the Council's new Housebuilding Programme
- Introduce a radically new Housing Allocations Scheme from September 2013, taking advantage of the new opportunities and flexibilities provided by the Localism Act 2011
- Introduce 10-year fixed term tenancies for all Council properties with three or more bedrooms that are re-let from September 2013
- Introduce an IT system to improve the efficiency and effectiveness of the management of the Council's leasehold property portfolio
- Introduce a Tenant Scrutiny Panel, in collaboration with the Tenants and Leaseholders Federation, to monitor the performance of the Housing Service and to undertake detailed reviews of specific housing services

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 objectives, targets and action plans within the Council's Housing Strategy
- The recommendations of the Council's Housing Portfolio Holder and Director of Housing, based on the "Business Plan Analysis" within Chapter 4 of the Business Plan
- Achieving value for money

## **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 2012, for which the Council's Housing Directorate is responsible for management and maintenance:

- 6,486 residential properties (\*)
- 939 leasehold properties
- 2,814 garages
- 1 Homeless Persons Hostel comprising 39 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; 6,171 properties have been sold since 1977 (See Section 4.11 below). An analysis of the Council's housing stock as at April 2012 (excluding the 48 rooms at the Council's Hostel, 5 residential scheme managers' properties and 30 properties "out of charge") is detailed below.

<b>COUNCIL HOUSING STOCK BY TYPE AND YEAR</b> (Excluding Homeless Persons Hostel)					
	April 2012	April 2011	April 2010	April 2009	April 2008
<b>Houses</b>	2,725	2,730	2,733	2,740	2,743
<b>Flats</b>	2,434	2,448	2,456	2,464	2,471
<b>Maisonettes</b>	536	522	521	519	520
<b>Bungalows</b>	791	791	792	791	791
<b>TOTAL</b>	<b>6,486</b>	<b>6,491</b>	<b>6,502</b>	<b>6,514</b>	<b>6,525</b>
<b>COMPARISON OF PRE AND POST WAR COUNCIL HOUSING STOCK BY TYPE</b> (As at 1st April 2012)					
	Pre-1944		Post 1945		TOTAL
	No.	%	No.	%	
<b>Houses</b>	354	5 %	2,371	37 %	<b>2,725</b>
<b>Flats</b>	12	< 1 %	2,422	38 %	<b>2,434</b>
<b>Maisonettes</b>	0	0	536	8 %	<b>536</b>
<b>Bungalows</b>	11	< 1 %	780	12 %	<b>791</b>
<b>TOTAL</b>	<b>377</b>	<b>6 %</b>	<b>6,109</b>	<b>94 %</b>	<b>6,486</b>

<b>PROPERTY MIX OF COUNCIL HOUSING STOCK BY BEDROOM SIZE</b> (As at 1st April 2012)		
	No.	%
<b>Bedsits</b>	315	5 %
<b>1 Bedroom</b>	2,317	36 %
<b>2 Bedroom</b>	1,812	28 %
<b>3 Bedroom</b>	1,883	29 %
<b>4/5 Bedroom</b>	159	2 %
<b>TOTAL</b>	<b>6,486</b>	

<b>GEOGRAPHICAL SPREAD OF COUNCIL HOUSING STOCK</b> (As at 1st April 2012)								
	Buckhurst Hill / Chigwell		Loughton		Waltham Abbey		Epping / Ongar / Rural Areas	
	No.	%	No.	%	No.	%	No.	%
<b>Houses</b>	189	7 %	931	34 %	598	22 %	1,008	37 %
<b>Flats</b>	301	12 %	892	37 %	777	32 %	464	19 %
<b>Maisonettes</b>	261	48 %	198	37 %	68	12 %	9	2 %
<b>Bungalows</b>	15	2 %	147	19 %	145	18 %	484	61 %
<b>TOTAL</b>	<b>765</b>		<b>2,168</b>		<b>1,588</b>		<b>1,965</b>	
<b>% of Total</b>		<b>12 %</b>		<b>33 %</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) Housing Directorate

The lead directorate for the management and maintenance of the Council's housing stock is Housing, under the management of the Director of Housing.

The permanent Staff Establishment of the Housing Directorate comprises 211 full and part-time members of staff. Of these, only 11 private sector housing staff and 5 homelessness staff are involved in non-HRA activities. Appendix 3 sets out the Staffing Structure of the senior management of Housing, together with the main responsibilities of each of the nine sections.

Most of the staff within Housing 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 Office** Based at the new Limes Centre, Chigwell, the Office provides a localised housing & estate management service to the tenants of the Estate, including a benefits service one day each week. The office is daily during the week, managed by the Assistant Area Housing Manager.

**Careline Control** 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(k) below).

**Sheltered Housing** The Council has 12 sheltered housing schemes for older and frail older people, each managed by a Scheme Manager. In addition, 3 Area Scheme Managers provide a visiting service to older tenants on housing estates (See Section 4.5(m) below).

#### (c) Management Board

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

#### (e) Support Services

The Housing Directorate 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 Finance & ICT Directorate provides a comprehensive accountancy service under the management of the Director of Finance & ICT, including the provision of financial advice, budget formulation and monitoring, invoicing, payments, sundry debtors and creditors.

<b>Audit</b>	The Council's audit function is undertaken by the Chief Internal Auditor in accordance with the Council's Audit Plan.
<b>Grounds Maintenance</b>	The Council's grounds maintenance is undertaken by the Environment and Street Scene Directorate. The arboricultural contract is undertaken by a private contractor.
<b>Housing Benefits</b>	Housing Benefits is administered within Finance under the management of the Asst Director of Finance & ICT (Benefits).
<b>Information &amp; Communication Technology (ICT)</b>	Although the database for the integrated housing system is supported by the Housing Directorate, the network is managed by the Finance and ICT Directorate.
<b>Legal</b>	The Corporate Support Services Directorate provides a comprehensive legal service to Housing including conveyancing, litigation, advocacy, contract administration and legal advice.
<b>Human Resources</b>	The Corporate Support Services Directorate is responsible for strategic HR issues, industrial relations, recruitment and other HR operations.
<b>Performance Management</b>	The Performance Improvement Unit, within the Office of the Deputy Chief Executive, is responsible for the co-ordination of performance management data.
<b>Public Relations &amp; Marketing</b>	Although the Housing Directorate has an in-house housing information service, a corporate public relations service is provided by the Public Relations and Marketing Section within the Office of the Deputy Chief Executive.

#### **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 3,550 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 the Area Housing Office (North). As outlined above, the Area Housing Office (South) is based in The Broadway Shopping Centre, Loughton and manages around 2,940 properties in Loughton, Buckhurst Hill, Chigwell and the immediately surrounding areas. The office also provides a cash office facility, managed by Finance, 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 14 full and part-time cleaners.

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

The collectable rent debit in 2011/12 was £29.9m (an increase of 5.8% from 2010/11). Rent is collected through a variety of methods. Due to the rural nature of the District, Post Office Giro is extensively used to enable tenants to pay their rent at local post offices. In addition, 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 three cash desks based in Epping, Waltham Abbey 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 2011/12 was 97.68%, lower than the collection rate of 98.14% in 2010/11.

*(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 £449,295 as at 1 April 2012, representing 1.50% of the annual debit – an increase on the 1.47% rent arrears in 2010/11.

Former tenant arrears amounted to £333,112 as at 1 April 2012, of which £231,952 were due to former dwellings arrears (the rest due to former garage, housing benefit, court costs and replacement tenancy arrears). During 2011/12, £68,454 of former tenant arrears was written off. Former tenant arrears of £66,616 were collected in 2011/12, an increase of 25.4% on the amount collected in 2010/11.

*(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 95 empty properties as at 1<sup>st</sup> April 2012 (including 27 properties “out of charge” – including 20 properties vacant at Marden Close, Chigwell pending a conversion/improvement scheme). The rental loss from empty properties in 2011/12 amounted to just 0.91% of the annual debit.

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

Generally, the Council does not experience any of the problems faced by many northern authorities of “low demand” and has a high demand for most of its 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 2012, there were only 13 vacant properties meeting the “difficult to let” criteria (primarily bedsits in sheltered housing schemes).

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

Since 2007, the Council has operated 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 in specific vacant properties who are in the highest priority band, in date order. The scheme is operated by Locata, a choice based lettings agency.

*(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 ongoing 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 939 properties leased under the Right to Buy as at 31 March 2012, compared to 941 properties the previous year. Although 2 properties were leased between 1<sup>st</sup> April 2011 and 1<sup>st</sup> April 2012, the freehold of a further 4 (formerly) leasehold properties was sold to the lessees during the 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 (Careline Service) to the following categories of older people in the District (as at 1 April 2012):

Council tenants	1,056
Private occupiers	1,395
Housing association tenants	73
<b>Total</b>	<b>2,524</b>

The number of users receiving the service increased by 4.1% during 2011/12. 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 2011/12, 99.7% of all calls were responded to within 60 seconds. The average time to respond to calls was just 6.5 seconds.

Charges to Council tenants for the service are included within the “support charge” applied through the Housing Related Support programme (See Section 8.6). Charges are also made to private occupiers to meet the costs of the initial alarm purchase and to contribute towards the running costs of the Careline Service.

One of the outcomes of the Review of the Careline Service undertaken in 2008/9 was that the Careline Service should seek to provide other out-of-office hours services for the Council (e.g. repairs reporting and CCTV monitoring), and that it should also seek to provide the service to other landlords, especially when tenders are invited, in order to increase the viability of the Careline Service.

(k) *Sheltered Housing & “Very Sheltered” Housing*

In April 2012, the Council had 475 sheltered housing properties within 12 sheltered and grouped housing schemes throughout the District, with each one managed by a Scheme Manager. Since April 2003, sheltered housing tenants have paid a “support charge” that represents the costs of providing them with the sheltered housing service.

In addition, three “Area Scheme Managers” visit 229 older people in properties situated within general needs housing estates that have been designated as especially suitable for older people. Visits are made on a “call category” basis, dependent on the assessed level of risk, as follows:

<b>BREAKDOWN OF CALL CATEGORIES FOR PROPERTIES DESIGNATED AS SPECIALLY SUITABLE FOR THE ELDERLY (As at 1<sup>st</sup> April 2012)</b>		
<b>Category</b>	<b>Frequency of Visits</b>	<b>No.</b>
<b>A</b>	Once every week	14
<b>B</b>	Once every fortnight	8
<b>C</b>	Once every month	207

#### **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 February 2011) 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.

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. In 2004, the Council also established the Epping Forest Sheltered Forum, comprising representatives from most of the Council’s sheltered housing schemes across the District.

In 2006/7, the Council established the Rural Tenants Forum to represent the tenants of the more rural parts of the District, not large enough to sustain their own residents organisations. Representatives from 12 different rural villages/parishes have joined the Forum, which meets four times each year. The Forum also has representation on the Tenants and Leaseholders Federation.

A number of years ago, the Council established 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, the Sheltered Forum and the Rural Tenants 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 (Compact) 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 in 2003, 2006, 2009 and most recently in January 2012. 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 Housing Website
- This Business Plan
- Tenant Participation Agreement
- New housing policies
- Tenants & Leaseholders Federation

Each year, around July, the Council produces a *Tenant Participation Impact Assessment*, which explains the activities of the Council and the Tenants and Leaseholders Federation over the previous year, and assesses the impact that tenant participation has had on the Housing Service. The *Impact Assessment* is scrutinised by the Tenants and Leaseholders Federation and the Council's Housing Scrutiny Panel each year.

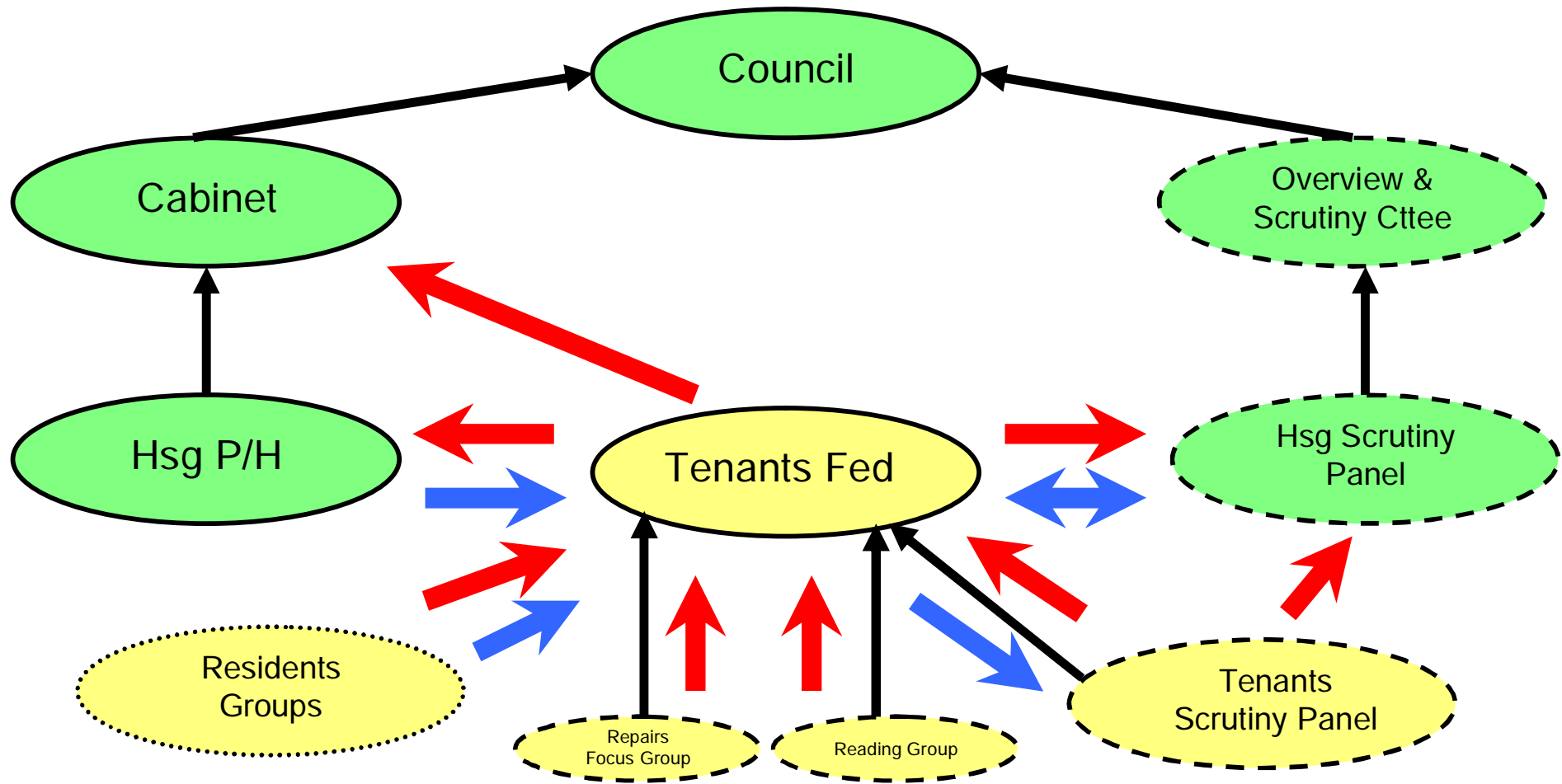
During 2012, the Council will be supporting the Federation with the formation of a new Tenant Scrutiny Panel, which will not only monitor the Housing Service's performance in detail on an ongoing basis, but will also undertake a detailed service review each year, with the service theme determined by the Federation. The model on the next page illustrates the relationship of the Tenant Scrutiny Panel with other tenant representative bodies and the Council.

#### **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.





However, many of the Housing-related Fees and Charges for 2013/14 have been frozen, due to the effects of the current economic climate on housing customers.

# Tenant Scrutiny Model - EFDC



## Key

-  = Reports to (i.e. Parent Body)
-  = Requests scrutiny of issues to
-  = Provides comments to (e.g. on policies or on outcomes of scrutiny)

-  = "Scrutiny-biased"
-  = "Executive-biased"
-  = EFDC Body
-  = Tenant Body

#### **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 a full (modern) 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. During 2013/14, a separate Housing Service Strategy on Repairs and Maintenance will be produced, setting out the Council's general approach to repairs and maintenance.

#### **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. A number of years ago, the Council operated such a voluntary sales policy, but no longer does so. Between 1<sup>st</sup> April 1977 and 31<sup>st</sup> March 2012 (35 years), the Council has received 11,639 applications to purchase, resulting in 6,171 sales (53%), of which 4,615 were under the Right to Buy.

In 2011/12, 23 applications to purchase under the right to buy were received (4 less than in 2010/11), which resulted in 7 sales (compared to 9 sales in 2010/11 and 8 in 2009/10). The average open market valuation in 2011/12 was £164,000 per property, compared to £144,222 in 2010/11. The maximum right to buy discount for the Council's region in 2011/12 was £34,000, which was the actual discount provided for all sales in 2011/12. The average purchase price was £130,000 per property (compared with £110,222 per property in 2010/11).

From April 2012, the Government increased the maximum RTB discount in the East of England from the previous £34,000 to a national discount of £50,000 throughout England. This increased the maximum discount by 120% in Epping Forest. The Government also 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 intends to use 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.

#### **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, 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’.

Strategic Housing Market Assessments 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.

Strategic housing market assessments do not provide definitive estimates of housing need, demand and market conditions. However, they do provide valuable insights into how housing markets operate, both now and in the future.

In 2008, six neighbouring district councils, including Epping Forest, worked together to commission a comprehensive and integrated SHMA for the London Commuter Belt (East)/M11 SHMA Area, which was undertaken by Opinion Research Services (ORS). In 2012/2013, four of the districts in the SHMA area (Epping Forest, East Herts, Harlow and Uttlesford) updated the SHMA. The research for both versions used secondary data from sources such as the UK Census, the HCA, HM Land Registry and the Office for National Statistics, along with a qualitative consultation programme with a wide range of stakeholders.

Although the final version of the consultant’s report on the SHMA Update is still awaited at the time of writing, the Key Findings of both the original SHMA and the Draft SHMA Update, relevant to this Business Plan are that:

- The key factors that characterise the SHMA area are:
  - Its proximity to London;
  - Its house prices;
  - The diversity of the area that appeals to both residents and migrant households.
- Between 2001 and 2011, the number of dwellings within the District increased by 2,613 dwellings
- There has been a significant growth in the private rented sector (33% across the East of England) over the past 10 years
- Average property prices increased by 116% in Epping Forest between 2000 and 2012, with the ratio of median full-time earnings to average house prices increasing from 9.4 to 11.1 between 2002 and 2011
- In Epping Forest, only around 6% of properties now sell for under £150,000, with around 60% selling for more than £250,000. Over 47% of households in the District have incomes under £15,000 per annum, who can realistically only access social or affordable rented housing. 61% of all social tenants in Epping Forest currently receive housing benefit, the highest in the SHMA Update area.
- The no. of households within the District is expected to increase by around 15,500 (28%) over the 20-year period 2012-2032, with the largest increase being one person households
- Around 16,700 new homes will be required between 2011 and 2033, including 10,800 affordable homes (*based on trend-based projections*)
- The greatest need for new affordable *rented* homes upto to 2033 will be 1 bedroomed, with the greatest need for *shared ownership* being 2 bedroomed

#### *(c) New Affordable Housing Provision*

As at March 2013, the Council’s monitoring arrangements for new affordable housing provision identify the following:

- Just 22 new affordable homes are expected to be completed on 2 development sites during 2013/14
- A further 90 affordable homes on 2 sites have planning permission, and are expected to be completed the following year
- Just one development has a planning application pending, which if approved would provide a further 14 affordable homes

(d) *Housing Register Data*

The numbers of applicants on the Housing Register confirm the levels of households seeking social housing in the District. The following table illustrates the levels of need over the past two years, based on the numbers registered on the Housing Register.

	<b>COMPARISON OF HOUSING NEED (2011 – 2012)</b>			
	<b>March 2011</b>	<b>March 2012</b>	<b>Difference (2011 – 2012)</b>	
			<b>(Nos.)</b>	<b>%</b>
<b>1 Bed</b>	3,309	3,503	+ 194	+ 6 %
<b>2 Bed</b>	1,442	1,602	+ 160	+ 11 %
<b>3 Bed</b>	597	765	+ 168	+ 28 %
<b>4/5 Bed</b>	129	128	- 1	-
<b>TOTAL</b>	<b>5,477</b>	<b>5,998</b>	<b>+ 521</b>	<b>+ 9.5 %</b>

(e) *Social Housing Turnover*

Social housing turnover (in both the Council's own stock and that of registered social landlords) 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 reduced by around 20% in 2011/12 compared to the previous year.

<b>HRA HOUSING STOCK TURNOVER (2010/11 and 2011/12)</b>		
	<b>2010/11</b>	<b>2011/12</b>
<b>Housing Register (inc homeless)</b>	462	326
<b>Mutual exchanges</b>	108	124
<b>TOTAL</b>	<b>570</b>	<b>460</b>

In addition, 80 applicants were nominated and accepted in 2011/12 for vacancies in stock owned by housing associations, a reduction of around 26% compared with the 108 applicants nominated and accepted in 2010/11.

(f) *Local Housing Market*

Local market factors can have a significant bearing on future housing demand and/or the sustainability of current rent structures. Indeed, the Council's future rent levels under the Government's proposed rent reforms are affected by property values.

The Strategic Housing Market Assessment (SHMA) Update established that the average property price in Epping Forest in 2012 (Quarter 1) was around £340,000, falling slightly on levels in 2010 and 2011.

The number of property sales in Epping Forest fell by 72% between 2007 and 2009, although they increased by around 95% between 2009 and 2012

In 2011, the average property price in Epping Forest was around 11 times the median full-time earnings of someone working in the District.

#### **4.11 Workforce Development Planning**

The Housing 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 breakdown of the workforce for the Housing Service as at 1<sup>st</sup> January 2013 (excluding Private Sector Housing staff, which is covered in the separate Private Sector Housing Business Plan) was as follows:

<i>Gender &amp; Full-Time/Part-Time</i>		
<b>Male</b>	<b>48 %</b>	
<i>Full-time</i>		46 %
<i>Part-time</i>		2 %
<b>Female</b>	<b>52%</b>	
<i>Full-time</i>		30 %
<i>Part-time</i>		22 %

<i>Age</i>	
16 – 24	3 %
25 – 34	4 %
35 – 44	18 %
45 – 54	39 %
55 – 64	32 %
65 +	4 %

<i>Disability (Self-declared)</i>	<b>12 %</b>
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<i>Turnover (Reasons and Overall)</i>	
Voluntary Leavers	1.9 %
Retired	2.5 %
Other	0.6 %
<b>Annual Turnover</b>	<b>5 %</b>

<i>Ethnicity</i>	
White English	88.5 %
White Other	5.5 %
White Irish	1.9 %
Chinese	0.6 %
Mixed White/Asian	0.6 %
Other/Unspecified	3.8 %

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

- Understand the characteristics of the Housing 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 Housing 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, within the requirements of employment legislation, that the ethnicity of the staff within the Housing 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 and areas of weakness)
- Personal development, and training received, over the previous year
- Assessment of areas for development over the forthcoming year, including training needs, with targets
- 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 Council's strategic approach to the HRA Financial Plan, the Council plans the repayment of the required loan(s) to fund the CLG's self-financing settlement over a 30-year period. This enables the Council to fund significant new/additional housing improvements and service improvements.

The additional amount available for improvements and enhancements, as a result of self financing, between 2012/13 and 2014/15 is as follows:

2012/13	£770,000
2013/14	£800,000
2014/15	£1,695,000

The HRA Financial Plan forecasts the following amounts available *per annum* for new improvements and enhancements over the 30-year life of the Plan:

2005/16 – 2018/19	£1.5 million p/a
2019/20 – 2023/24	£4.0 million p/a
2024/25 – 2028/29	£7.0 million p/a
2029/30 – 2033/34	£8.0 million p/a
2034/35 - 2041/42	£9.0 million p/a

In April 2012, the Cabinet agreed a list of housing improvements and service enhancements for 2012/13, based on the recommendations of the Housing Scrutiny Panel. The proposed improvements and enhancements for 2013/14, together with a progress report and estimated out-turns for the 2012/13 programme, will be considered by the Cabinet in March 2013, again based on the recommendations of the Housing Scrutiny Panel.

#### 4.14 Council Housebuilding Programme

Since the 1980s, councils have been discouraged by successive governments from building new affordable housing themselves, and encouraged to act as “enablers”, by facilitating housing associations to build new social housing. To discourage councils from building, governments have previously established financial rules that penalise many local authorities that build. However, this has now changed, and local authorities are once again encouraged to build, with the financial disincentives removed.

With the introduction of self-financing and the increased resources this brings, the Council has agreed to implement a modest 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 6,600 applicants currently on the Housing Register);
- The Council will receive the associated New Homes Bonus (NHB) – equivalent to around £6,700 per property over the six-year NHB period, to use for any Council purpose;
- The land and constructed buildings will be 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 will benefit from the net rental income in the future, once the development loan has been covered;
- It may be possible for the Council itself to receive the benefit of capital grant funding from the Homes and Communities Agency;
- The Council will have greater control over the future use of the affordable homes;



- The cost of construction will be 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
- It will enable the Council to increase its housing stock, instead of continuing to reduce 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 to provide an estimated 120 homes. In 2012/13, the Council 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. It is estimated that capital funding of around £2.5 million per annum will be required for such a programme and provision has been made within the five year period of the Council's Capital Strategy for the programme to commence in 2013/14.

Development appraisals for each of the identified sites will initially be undertaken to assess whether or not development potential does exist, and where appropriate, the anticipated costs and income will then be 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.

Grant funding from the Homes and Communities Agency (HCA) may be available in the future, but any shortfall in capital funding for developments will be met from financial contributions received through Section 106 Agreements, the sale of some development sites on the open market and, if allowed by the Government, capital receipts arising from the Right to Buy, to ensure that the Programme is self-funded, without any financial support from the General Fund. A Development Strategy is shortly to be adopted by the Council, setting out the proposed approach to the Housebuilding Programme.

## 5. Provision of Quality Housing Services

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### 5.1 Customer Service Excellence Award – Housing Directorate

In November 2010, the whole of the Council's Housing Service was awarded the Cabinet Office's prestigious Customer Service Excellence Award for a three year period. This award replaces the Government's Charter Mark Award, which the Housing Directorate 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 and rigorously 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 Directorate provides a customer-focused service to them that also strives to continuously improve.

The Council will be seeking the Award for a further three years from November 2013.

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

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 Directorate has invested a lot of time and effort to ensure that a robust and properly audited system is in place to ensure that quality services are provided.

ISO 9001:2008 (previously 9001:2000) 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. Since 2002, the whole of the Housing Directorate has been accredited with the ISO 9001:2000/2008 Quality Award every three years. The accreditation includes the following specific areas of the Housing Directorate's work:

- Housing Repairs Service
- Housing Assets
- Housing Management
- Housing Needs
- Older Peoples Housing (incorporating Careline and Sheltered Housing)
- Housing Resources (incorporating House Sales, Leasehold Services, Housing Information & Strategy, Rents Administration and Support Services)
- Private Sector Housing

The external assessments of the Housing Directorate were carried out by Lloyds Register Quality Assurance, who undertook a number of visits, audits, inspections and site visits as part of their overall initial assessment. The award lasts for three years, during which time regular audits/inspections are undertaken by Lloyds Register Quality Assurance to ensure that the standards and quality are maintained. The Council was last re-accredited with the status for a further three years in May 2011.

The Housing Directorate's Quality Management System comprises:

- A **Process Manual**, that sets out the main processes carried out by the Housing Directorate
- A **Quality Manual**, that sets out the approach taken to ensure consistent quality
- A **Policy Manual** that provides a record of all the agreed Council policies relating to housing
- A **Procedures Manual**, documenting every individual task undertaken by Housing Directorate staff (totalling almost 800 tasks)
- **Regular internal audits** by Council staff, formally trained and certificated to undertake ISO 9001:2008 internal audits.

Epping Forest was one of the first local authorities in the country to receive the award for *all* of its public sector housing services.

### 5.3 Tenant Satisfaction

The Council has previously been encouraged by the Government to undertake a detailed Tenants Satisfaction Survey every 2-3 years. The Council's first survey was undertaken in 2001, with the latest undertaken in 2012.

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 March 2012 (using the STAR questionnaire) were analysed by the independent consultancy that undertook the survey, Feedback Services, who produced a detailed report on the findings. The main headline results from last survey are set out below.

The overall response from all tenants (general needs and sheltered combined) was very high at 49%, with 1,093 questionnaires returned from the 2,215 questionnaires sent out – representing around 17% of all tenants. Due to this high response rate, the accuracy is very good and is to within +/- 2.7% at the 95% confidence interval. This means that, for example, if 35% of tenants answered "Yes" to a particular question, there are 95 chances out of 100 that the correct figure for all tenants – including those who did not respond - would be between 32.3% and 37.7% (i.e. 2.7% above or below 35%). A sample of general needs and sheltered tenants was randomly selected by Feedback Services, based on estimated response rates of around 40% for general needs tenants and 50% for sheltered tenants.

According to Feedback Services report on the survey, the overall level of tenant satisfaction with the Council – which is the main comparator that is reported and used to compare with other landlords – is that:

*“ The vast majority of Epping Forest District Council’s tenants are satisfied with the services provided by the Council, and encouragingly the overall rating is amongst the highest in the survey (88%) – suggesting a high degree of customer loyalty towards the Council.*

*A higher percentage of sheltered tenants are highly satisfied with the Council’s services (93%), compared with general needs tenants (86%).*

*Encouragingly, the overall rating for services (88%) from all tenants is 3% higher than the rating awarded in 2006 (85%). The increase is a result of the higher rating from general needs tenants (up 2% since 2008) – while the rating for sheltered tenants remains identical to the one recorded in 2006 (93%) – when sheltered tenants were last surveyed.*

*The overall rating for landlord services is 3% higher than the average found in Feedback Services’ database (which is 85% - based on landlords who asked a similar question as part of a STATUS survey in the last two years) and matches the rating found in HouseMark’s benchmarking service (based on approximately 80 landlords who have submitted the results from STAR surveys in June 2012). “*

Since the Council had undertaken its survey much earlier than most other landlords, there was very little data available at the time the survey was undertaken to compare the Council’s performance with other landlords. However, once more landlords had undertaken their satisfaction surveys, Housemark produced a Headline Benchmarking Report that compared the satisfaction of the Council’s tenants for the 6 “core areas” of the survey with that of the 46 other registered providers that had submitted data in 2012.

The Council’s satisfaction levels were within the top two quartiles for 5 out of the 6 core areas, with 2 of these within the top quartile, as shown in the table below:

<b>Tenant satisfaction with Epping Forest DC as landlord in the six core areas</b> (Compared with 46 other landlords in 2012)	
<b>Core Area</b>	<b>Quartile</b>
Percentage of respondents very or fairly satisfied with the overall quality of their home	Top
Percentage of respondents very or fairly satisfied with their neighbourhood as a place to live	Top
Percentage of respondents very or fairly satisfied with the service provided by their social housing provider	2nd
Percentage of respondents very or fairly satisfied with the way their social housing provider deals with repairs and maintenance	2nd
Percentage of respondents very or fairly satisfied that their rent provides value for money	2nd
Percentage of respondents very or fairly satisfied that their social housing provider listens to their views and acts upon them	4th

As can be seen, though, satisfaction levels were within the bottom quartile for core area relating to the percentage of respondents very or fairly satisfied that their social housing provider listens to their views and acts upon them. The reasons for this are therefore being analysed and discussed in more detailed with the Tenants and Leaseholders Federation.

#### **5.4 Project Management**

All special (i.e. non routine) housing projects are detailed in the Housing 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 Housing Directorate on a periodic basis (eg annually, quarterly etc) and is also updated and monitored quarterly at the same meeting.

### 5.5 Performance Indicators and 2013/14 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 are reported to, and monitored by, the Council's Finance and Performance Management Scrutiny Panel each quarter
Tenant-Selected Indicators	Selected by the Tenants and Leaseholders Federation as being areas of performance considered important to tenants, they currently comprise 21 indicators. Performance against each of the Tenant-Selected Indicators is reported to the Tenants and Leaseholders Federation on a quarterly basis. Annual performance is reported in the Council's Annual Report to Tenants each September.
Management Indicators	Defined and monitored by the Director of Housing, 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 2012/13 and the proposed targets for 2013/14.

### 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 Housing 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 Housing Directorate has had in place for many years a regime of formal, individual Continuous Improvement Meetings. This 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
- Identification and progress with previously identified VFM Efficiency Savings
- 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

Since early 2006, the Council has adopted a corporate approach to ensuring value for money in the delivery of its services.

During 2012/13, the Council's Cabinet updated its corporate Value for Money Strategy, first produced in 2006. 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 47 other local authorities across the country. In addition to the detailed benchmarking information, Housemark also provides a Value for Money (VFM) Summary. The VFM Summary is organised in a way to illustrate how the Council's housing performance – in terms of cost and quality - compares with other local authorities, in respect of the four specific service areas of the TSA's National Standards, covering:

- Tenant Involvement and Empowerment
- Home
- Tenancy (including allocations, rents and tenure)
- Neighbourhood and Community

The VFM Summary places the Council's performance within one of four quartiles. Both the detailed Benchmarking Report and the VFM Summary are analysed in detail by the Director of Housing and the Housing Management Team.

# 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

In March 2012, the Council's Cabinet agreed an Equality Scheme for the four years 2012 to 2016, which sets out the Council's responsibilities under the Equality Act. The Scheme includes a set of Equality Objectives selected to help the Council meet one or more aims of the general duty and to help bring about positive improvements to the Council's service design and delivery. The Equality Objectives have been identified from evidence, based on the Council's customers or employees and has links with the Council's medium-term aims for 2011-2015 for transparency, community involvement, and leadership.

The Equality Objectives were the subject of public consultation in January 2012 and are the focus of the Council's equality-related work until March 2016 - when a new set of equality objectives will be set. The Equality Objectives are:

- To develop existing customer and employee intelligence-gathering systems and the use of the intelligence gathered in service planning;
- To ensure ownership of equality by those in a position to shape services e.g. members and managers;
- To develop engagement across all the protected equality groups; and
- To ensure a culture, systems and working practices which allow for the development of a senior management profile representative of the Council workforce as a whole.

At a corporate level, the Equality Objectives are supported by an Action Plan which sets out how the Equality Objectives will be achieved and measured, and provides information to demonstrate the progress being made.

Progress against the Action Plan is monitored by the Corporate Equalities Working Group, which is chaired by the Deputy Chief Executive and includes a 'Champion' from each Directorate. The Housing Directorate's Champion, the Assistant Director of Housing (Private Sector & Resources), disseminates information from the Working Group and reports on equalities and diversity issues to managers and staff across the Housing Service.

The Council also has a duty under the Equality Act 2012 to produce and publish equality information to demonstrate that the Council is complying with its equality duties. The information must be published annually from 31 January 2013 and show the progress made towards delivering equality for our customers and employees. Relevant equality information from each Directorate was collated by the Performance Improvement Unit and successfully published by the January 2013 deadline

## 7.2 The Housing Directorate'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 Directorate's approach to promoting equality and diversity in line with the Council's corporate equality schemes and its statutory duties as a public authority 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's Customer Impact Assessment (CIA) toolkit was adopted in 2009 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.

An equality screening exercise was undertaken in 2009/10 to identify those Council activities which were relevant to equality and a three year schedule to run from April 2010 - March 2013 was drawn up to assess all those activities.

As a result, Customer 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

Customer Impact Assessments are also produced as part of any proposed major policy changes considered by the Cabinet.

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

In 2008/9, the Housing Directorate undertook a full Census of all its tenants, in order to obtain data on household composition and other information. Part of the Census collected data on a variety of equality and diversity information. A total of 3,808 returns were received from the 6,552 households occupying Council properties at the time, representing a good response rate of 58%. The returns gave equalities data on 4,607 tenants and other occupants of the Council's properties.

The following provides a summary of the returns, giving a good indication of the overall profile of the occupants of the Council's properties:

<i>Gender</i>	60% of occupants are female; 40% are male
<i>Disability</i>	1,081 occupants (23%) consider that they have some sort of disability
<i>Hearing Problems</i>	30 occupants (0.6%) have a hearing problem; 5 occupants read sign language and 25 lip read
<i>Sight</i>	216 occupants (4.7%) have a sight problem; 1 occupant reads Braille, 209 occupants (4.5%)

<i>Problems</i>	would prefer to read documents in large print, and 6 occupants would welcome information provide in an audio form
<i>Ethnicity</i>	4,293 occupants (96%) of those who state their ethnicity are White British. The next highest ethnic group are White Irish, Asian and other White races (2.6%)
<i>English not 1<sup>st</sup> language</i>	28 occupants (0.6%) do not have English as their first language. The 2 <sup>nd</sup> most common first language after English is Turkish, which is spoken as a first language by 8 occupants (0.17%). Seven other languages are the first language of the 20 remaining occupants (0.43%) who do not have English as their first language.

A further Tenants Census is planned to be undertaken during 2013, to update the information on the occupants of each of the Council's properties, and to capture information on all of the protected characteristics covered by the Equality Act.

## 7.5 Ethnicity of the Council's Housing Applicants and Applicants Accommodated

Part of the Council's Policy Statement for Equal Opportunities in the Provision of Housing Services includes a requirement for an annual review of the ethnicity of applicants on the Housing Register, compared with the ethnicity of those allocated accommodation. The reason for the review is to identify whether or not there are any indications to suggest the Council may be discriminating against any one ethnic group. The annual review is undertaken by the Housing Scrutiny Panel, and was last undertaken in July 2012.

The breakdown of the ethnic origin of applicants on the Housing Register for both 2011/12 and 2010/11 is set out below:

<b>Ethnic Origin of Housing Applicants</b>		
<b>Ethnic Group</b>	<b>2011/12</b>	<b>2010/11</b>
White British/Irish	75.0 %	77.3 %
Bangladesh/Pakistan/India	0.8 %	0.8 %
African/Caribbean	3.7 %	3.3 %
Mixed Race	1.3 %	1.2 %
Other	6.1 %	5.0 %
Not Stated	13.2 %	12.4 %

The breakdown of the ethnic origin of Housing Register applicants allocated Council accommodation in both 2011/12 and 2010/11 is set out below:

<b>Ethnic Origin of Housing Applicants Accommodated</b>		
<b>Ethnic Group</b>	<b>2011/12</b>	<b>2010/11</b>
White British/Irish	77.6 %	81.2 %
Bangladesh/Pakistan/India	0.6 %	0.0 %
African/Caribbean	2.8 %	2.2 %
Mixed Race	1.1 %	2.2 %
Other	3.4 %	3.6 %
Not Stated	14.5 %	10.6 %

On review, the Housing Scrutiny Panel concluded that, generally, the data confirms that the ethnicity of applicants allocated Council accommodation is similar to the ethnicity of those applicants on the Housing Register. It also concluded that, although a large number of housing applicants chose not to disclose their ethnicity, it is evident that the ethnicity of applicants on the Housing Register generally mirrors the allocation of vacancies and that the Council can be reasonably confident that its Allocations Scheme does not racially discriminate, either directly or indirectly. As a result, the Scrutiny Panel concluded that that no adjustments to the Allocations Scheme were required to avoid direct or indirect racial discrimination.



## 8. Rents Strategy

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### 8.1 Background

The Government has previously determined that rent setting by local authorities and housing associations be based on a common system based on relative property values and local earnings; rents should move towards comparable rents using an approach which could be readily and easily understood. 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 RSLs and local authorities for the calculation of rents.

The basis of the formula 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 RSL rent levels and produces a target rent for each property, which local authorities originally had to seek to achieve by a specified date. However, this date has been changed by the Government on a number of occasions. The more recent date specified by the Government is April 2015. However, the Council's policy is to seek to achieve convergence by April 2017 (see Section 8.7 below)

Under the rent reforms, the Government has also stated that local authority rent guidelines should rise by no more than 1% per annum in real terms, meaning that the target rent for each property will increase in line with the average for the local authority sector. However, no tenant should be subject to a change in their rent as a result of the combined influence of restructuring and convergence of more, or less, than £2 a week in any year above the normal increase for inflation.

### 8.2 Valuation

The relative property values 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" (many of which were used for the resource account valuation) for this rent restructuring exercise. Each beacon property is an example of a main property type owned by the Council in each of the main towns and villages and are representative of the total housing stock. These valuations were then used for all the other similar properties sharing the same characteristics and location.

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

### 8.3 Implementation

The Council introduced its Rents Strategy, to implement the rent restructuring requirements, from April 2003, at the same time as introducing separate service charges and support charges (see below).

### 8.4 Strategic Approach

When the Council first introduced its Rents Strategy, there were various options open to the Council in terms of achieving the implementation of target rents (e.g. to increase rents of individual properties to the target rent when they are re-let). However, the Council was mindful that rent restructuring would increase rents for the majority of tenants in real terms. Therefore, it was considered that the fairest way forward would be to implement rent changes by equal amounts over the remaining convergence period, and not to apply target rents on re-letting. This applies to both rent increases and rent reductions.

## 8.5 Service Charges

Target rents (and therefore the actual restructured rents) can only take into account all property related services and those services that may relate to a group of dwellings. Examples of services covered by target rents include:

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

Examples of services not covered include:

- Grounds maintenance
- Lighting of communal areas
- Cleaning of communal areas
- Supporting people costs

The other services not covered by rent restructuring 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 guidance, service charges cannot be increased by more than RPI + ½%, which is the Council's policy.

## 8.6 Support Charges

From April 2003, following the introduction of the Government's Supporting People programme, the Council has separated out from its rents the revenue costs of providing supported housing (e.g. sheltered housing) and made a separate support charge. Under the Supporting People arrangements, the Council receives reimbursement for these charges, for all tenants in receipt of housing benefit, from Essex County Council as the Supporting People Administering Authority. Tenants not in receipt of housing benefit must pay the charge themselves, although the Council will meet the cost of "transitional protection" in perpetuity for tenants in occupation prior to 1 March 2003, which amounts to the difference between the former "scheme manager charge" tenants were paying prior to introduction of supporting people and the new support charge.

Due to real term reductions in the amount of grant that the Essex Supporting People Team has received from the Government for a number of years, the amount of supporting people grant provided to supported housing providers in Essex (including this Council) has, generally, been less than the actual cost of the service.

## 8.7 Rent levels and Rent Increases

As part of the Council's formulation of its HRA Financial Plan, following the introduction of self financing, the Council gave detailed consideration of its approach to achieving and maintaining rent convergence over the life of the plan. In December 2011, following consultation with the Council's Housing and Finance & Performance Management Scrutiny Panels and the Tenants and Leaseholders Federation, the Council's Cabinet agreed a strategic approach to rent increases, which was refined in January 2013. The Council's approach is to seek to achieve rent convergence by April 2017.

Each individual property's rent has therefore been forecast forward to estimate future increases and to assess the impact of the £2 cap above RPI plus 0.5%. As a result, applying the September 2011 RPI figure of 2.6%, the average rent increase from April 2013 will be 4.36%. The highest individual increase for a property in 2013/14 will be around 5.8%. This average increase will increase the average rent by £3.97 per week in 2013/14, to around £91 per week.

It is anticipated that, assuming an RPI of 2.5%, the average rent increase in April 2014 will be 4.23%, with the highest average rent increase being 5.68%. It is further projected that, by the Council's target date to achieve rent convergence of April 2017, only 78% of properties will be at their target rent, which will increase to 94% over the following 5 years. This is due to the £2 cap and the large gap between actual and formula rents.

Once properties have reached their target rent, their rents will increase, on average, by RPI + 0.5% per annum.

# 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 Council Service, to produce and regularly review a Corporate Risk Register, and to collate service based risk assessments. The Asst Director of Housing (Private Sector & Resources) is the representative of the Housing Directorate on the Group. The Corporate Risk Register is also periodically reviewed by the Council's Finance and Performance Management Cabinet Committee.

## 9.3 Housing Risk Register

In 2005, the Housing Directorate produced its first Housing Risk Register, which is updated annually and identifies the strategic and operational risks affecting the Housing Directorate. Strategic risks are those that have an effect on the Council as a whole, where individuals, sections or even the whole of the Housing Directorate have no total control over the outcome of risk management. Operational risks are those that affect individuals or sections of the Housing Directorate, or the Housing Directorate as a whole, and will have little or no impact on other services of the Council. The Housing Risk Register is updated annually.

Within the Housing 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 Housing Risk Register on the following for each risk:

<b><i>Vulnerability</i></b>	A description of why and how the Housing Directorate 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.

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 than need to be taken are included within the Housing Directorate's Continuous Improvement Plan. Periodic actions are included within the Housing 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 Operational Risks and Housing Risk Matrix

The Housing Risk Register identifies 13 **Key** Housing Operational Risks" and a further 13 other housing operational risks. For each risk, the entry in the Risk Register provides information on:

- A description of the risk (vulnerability)
- Identification of the trigger(s) that are the most likely to result in the risk arising
- The consequence of the risk
- The actions taken / to be taken to minimise the risk
- The responsible officer
- The assessment of the degree of risk, in terms of likelihood and impact

The risk assessment makes the following judgements in terms of likelihood and impact:

**Likelihood:**

A - Very High  
 B - High  
 C - Significant  
 D - Low  
 E - Very Low  
 F - Almost Impossible

**Impact**

1 - Catastrophic  
 2 - Critical  
 3 - Marginal  
 4 - Negligible

A summary of the Key Housing Operational Risks, showing the current risk assessment, is given below:

<b>Key Housing Operational Risks 2013/14</b>		
<b>No.</b>	<b>Current Risk Score</b>	<b>Vulnerability / Risk</b>
1	2C	That the HRA goes into deficit.
2	2D	Lack of suitable temporary accommodation for residents of sheltered schemes and Norway House in the event of an incident.
3	2D	Some services are delivered through decentralised offices.
4	1E	All day-to-day management of the Housing Service is recorded and monitored on the OHMS database, which is provided through one supplier (Northgate) and interfaces with other Council IT systems (e.g. Academy).
5	3D	Some services are provided by contractors and consultants working on the Council's behalf using a variety of forms of contract, sometimes with non-standard conditions inserted.
6	2E	The Council has a duty of care to the health and safety and welfare of staff, tenants and contractors.
7	3E	The Careline Service is provided via the Piper Network Controller (PNC), which is provided by one supplier – Tunstall Telecom.
8	2D	Alarm systems are located in residents' homes where the Council has no control over their security and integrity.
9	2E	Rent, council tax payments etc. are made at cash desks in Broadway Housing Office and Civic Offices.
10	2C	Officers and contractors meet with the public, both in interview rooms and at service users' homes.
11	3C	Undertaking a modest Council Housebuilding Programme
12	2D	The Government could re-open the HRA Debt Settlement and require a further payment
13	3C	Additional Right to Buy receipts earmarked for the Council's Housebuilding Programme could have to be returned to the Government if not spent within 3 years

In the Risk Register, these risk assessments have been plotted within a Risk Matrix. Those risks with a high likelihood and/or impact will have further scrutiny and action.

**9.5 Housing Business Continuity Plan**

As part of the Housing Directorate' 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 sections within the Housing Directorate
- 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 Directorate 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 Directorate'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 Directorate 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 and two Assistant Directors of Housing are the representatives for the Housing Directorate on the ERT. They will 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 of Housing (Operations) will normally lead on the establishment and operation of a rest centre.

# 10. HRA Financial Plan

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## 10.1 Introduction

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

This is the first business 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.

## 10.2 Executive Summary

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, continuing the enhanced level of investment in the stock through a full and modern maintenance standard, the introduction of a new Council Housebuilding Programme, and the ability to fund significant housing improvements and service enhancements. The Plan also has the potential

to repay the allocated debt within a period of 29 years, according to the schedule of fixed loan repayments, based on the assumptions contained within the Plan.

The Financial Plan will require continual updating on the basis of the changes to levels of right to buy sales, future inflation, in-year budget amendments, changes to investment levels and interest earned on balances.

### 10.3 Underlying assumptions

A detailed HRA Financial Plan model has been produced for the Council by CIH Consultancy, launched from 2012/13, and based on the latest out-turn forecasts for 2012/13 and the agreed budgets for 2013/14, with the following key assumptions:

- Balanced to the forecast out-turn HRA budgets for 2012/13 and 2013/14;
- Balanced to the forecast HRA Capital Programme for 2012/13 - 2016/17;
- Rent increases as per the approved increase for 2013/14 and then an average 4.2% per annum, on the assumption of a 2.5% RPI factor and converging to formula rent by April 2017;
- Full rent convergence is not achieved until later into the Plan, with only 74% projected to achieve this by April 2017 and 94% achieved 5 years after, due to the £2 cap of increases above RPI plus 0.5%;
- General Inflation set at 2.5% (the exception being the rent increase for April 2013, the 2013/14 budgets and HRA Capital Programme up to 2016/17);
- Right to Buy sales rising from 15 to 19 properties per annum and then reducing to 7 after 5 years;
- 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 2.5%;

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; and
- A Council Housebuilding Programme of 120 units over 6 years (averaging 20 per annum)

The most critical assumption relates to the required stock investment and needs. A full (modern) maintenance standard for the Council's housing stock has been modelled and was adopted by the Council in December 2011 with the database continually being updated. This exceeds the Decent Homes Standard, introducing shorter replacement life-cycles on a more realistic basis.

### 10.4 Headline Outputs

This latest version of the Financial Plan has been modelled with the assumptions detailed above, but also with the following assumptions:

- Repayment of the debt within 29 years, as per the current loan portfolio, whilst holding a minimum balance of £1.3million (inflated)
- Introduction of a self-financing reserve, to hold funds sufficient to meet loan maturity dates
- Gradual reduction over 4 years of reserves held in the Major Repairs Reserve and the Revenue Repairs Account

- An increase in the amount available for housing improvements and service enhancements previously agreed by the Council (to the existing budget for 2012/13 of £770,000):

Increase to Ongoing Service Enhancements	2012/13 Business Plan	2013/14 Business Plan
April 2013	£750,000	-
April 2014	-	£1,500,000
April 2017	£250,000	-
April 2019	£4,950,000	£4,000,000
April 2024	-	£3,000,000
April 2029	-	£1,000,000
April 2034	-	£1,000,000
<b>Total over 30 Years</b>	<b>£141,850,000</b>	<b>£174,500,000</b>

The additional provisions and changes to the level of funding for improvements and service enhancements are possible due to the actual interest rate chargeable on the loan portfolio, compared to the level of interest rate estimated in February 2012. 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. The following charts set out:

- The in-year cashflow and balance projections for the HRA (including the above service enhancements);
- The capital investment requirements and availability; and
- The debt repayment profile
- The newly created self financing reserve

Chart 1 - HRA Projections (£'000s)

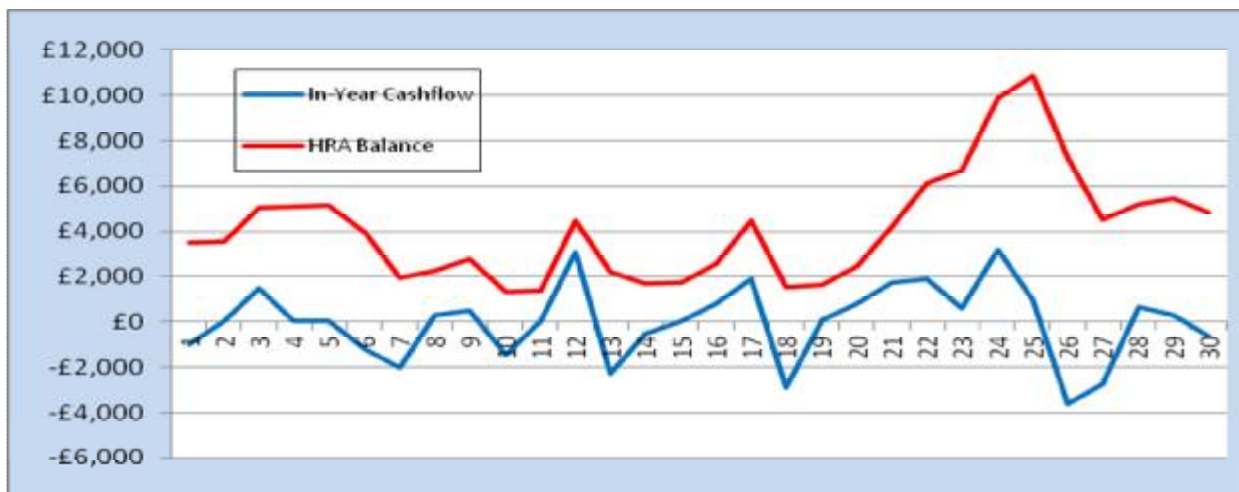


Chart 2 - Capital Expenditure Profile and Funding (£'000s)



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

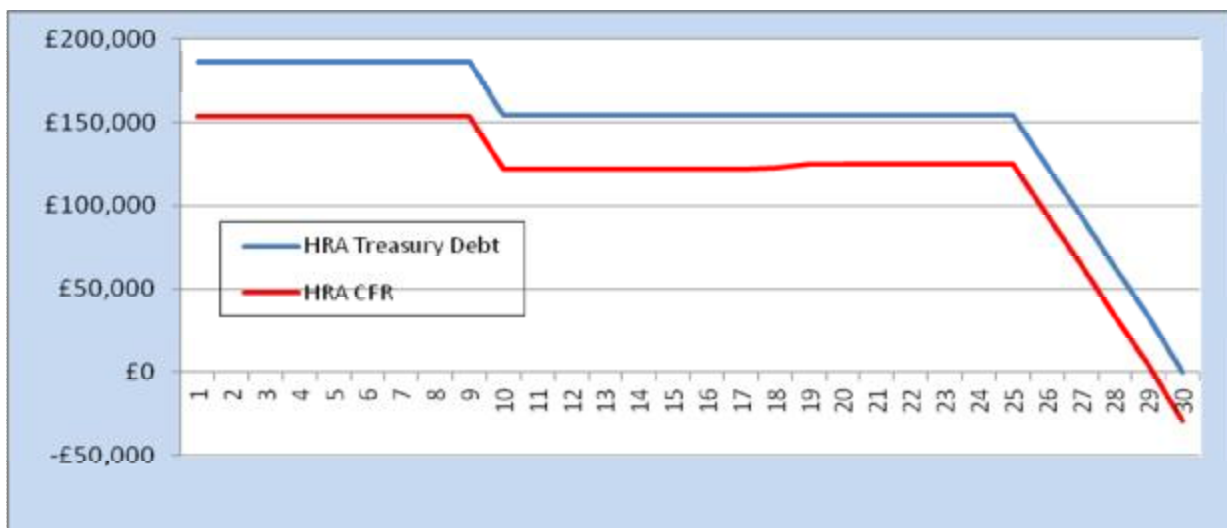
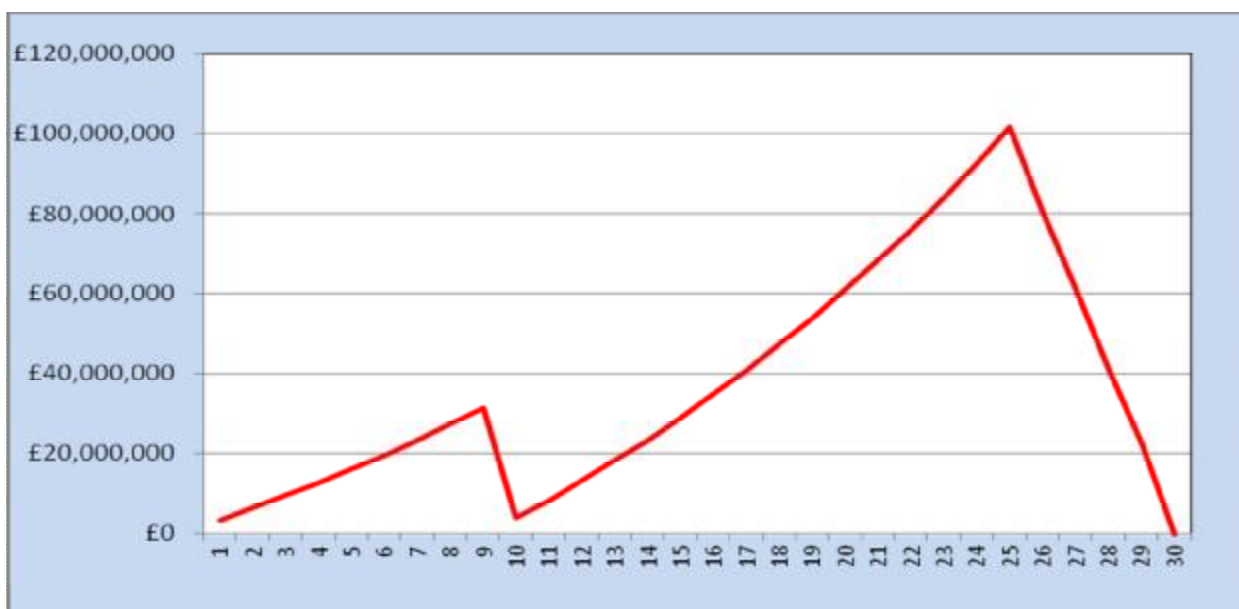


Chart 4 – Self-Financing Reserve (£'000s)



The charts above firstly demonstrate that the HRA remains in positive balance throughout the 30 years of the Plan. In addition, the modern maintenance standard and the improvements and service enhancements can be fully funded in each year of the 30 years of the Plan.

The Plan, based on these assumptions, also has the potential to repay the HRA element of debt (HRA CFR) within 30 years, 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 30 years the HRA will be in the same position as prior to self-financing with no attributable debt and a negative HRA CFR.

The self-financing reserve is funded directly from contributions, which are forecast to increase on an annual basis, from the HRA and reduced when loans mature. Interest earned on the balances is credited to the HRA.

### 10.5 Sensitivities

Given that the Financial Plan has been specifically modelled to repay the debt settlement over a 29-year period, by increasing the levels of funding from the previously-agreed levels for service enhancements, it proves that the Plan is viable and very resilient to changes in the key assumptions. This is particularly



relevant, as some significant increases in the availability of funding for improvements and service enhancements are introduced later in the life of the Plan.

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.

### 10.6 Next steps for the Council

The Government reinvigorated the Right to Buy (RTB) policy coinciding with the commencement of the last business plan. The Council has seen an increase in the number of right to buy sales which do have an impact to the Plan in terms of providing additional resource for the provision of new build or open market acquisition but will see additional debt write-off 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 be carefully monitored.

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.

### 10.7 Risk and Reward

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.

CIH Consultancy has 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 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	Council policy towards raising rents to convergence are included in this Plan

### 10.8 Projected Cash Flows and Capital Projections

Thirty-year projected cash flows and capital projections are attached at Appendix 4.

# 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 2013/14 will be monitored and formally reviewed by officers and the Council's HRA Business Planning Consultants, CIH Consultancy, on a quarterly basis throughout the year by officers. It will be formally monitored and reviewed by the Council's Housing Scrutiny Panel and Housing Portfolio Holder twice, in October 2013 and March 2014.

## 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 done at two levels.

At officer level, the actions are incorporated within the Housing Directorate's Continuous Improvement Plan referred to in Section 5.4 above. At member level, the Housing Scrutiny Panel 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 2014, which will result in the production of a draft HRA Business Plan and Repairs & Maintenance Business Plan 2014/15, on which the Tenants and Leaseholders Federation and Housing Scrutiny Panel will be consulted, prior to the final version being approved by the Housing Portfolio Holder around the end of March 2014.

# 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 2013/14  
ACTION PLAN**

Action	Corporate Housing Objectives	Responsibility for Achievement	Target Date	6-Month Progress Report <i>(To be completed in October 2013)</i>
<b>Housing General</b>				
1) Review the HRA Financial Plan, through formal officer reviews on a quarterly basis and reviews by the Housing Scrutiny Panel on a half-yearly basis.	HO 1 / 2 / 3 / 4 / 5	Director of Finance / Director of Housing	Mar 2014	
2) <i>(Subject to Cabinet approval)</i> Consider additional appropriate housing improvements and service enhancements, funded from additional resources available to the HRA from April 2014, once the available additional funding is known.	HO 1 / 2 / 3 / 4 / 5	Director of Housing	Jan 2014	
3) Successfully complete the implementation of the electronic records system (Information @Work) within the Housing Directorate with the scanning of Housing Options files	HO 1 / 2 / 3	Asst Director of Housing (Private Sector & Resources)	July 2013	
4) Seek re-accreditation of the Cabinet Office's Customer Service Excellence Award for a further three years	HO 1 / 2 / 3 / 4	Asst Director of Housing (Operations)	Nov 2013	
5) Complete the implementation of the Council's Welfare Reform Mitigation Action Plan	HO 2 / 5	Director of Housing	Mar 2014	
<b>Council Housebuilding Programme</b>				
6) <i>(Subject to Cabinet approval)</i> Formulate and adopt a Development Strategy for the Council's new Housebuilding Programme	HO 1 / 2 / 3 / 5	Asst Director of Housing (Property)	July 2013	
7) <i>(Subject to Cabinet Committee approval)</i> Seek and obtain Investment Partner status with the Homes and Communities Agency (HCA), to enable the Council to potentially obtain grant funding from the HCA	HO 1 / 5	Asst Director of Housing (Property)	Nov 2013	

8) <i>(Subject to Cabinet Committee approval)</i> Commence the first development under the Council's new Housebuilding Programme, with the provision of rented housing at affordable rents.	HO 1 / 2 / 3 / 5	Director of Housing	Mar 2014	
9) <i>(Subject to Cabinet Committee approval)</i> Commence an improvement scheme at Marden Close, Chigwell Row, to convert the 20 existing bedsits into 10 one bedroom flats	HO 1 / 2 / 3	Asst Director of Housing (Property)	Oct 2013	
10) Undertake development and financial appraisals of all the Council's 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	Director of Housing	Mar 2014	
<b>Housing Management</b>				
11) <i>(Subject to Cabinet approval)</i> Implement the Council's new Tenancy Policy as a pilot scheme, including the use of 10-year fixed term flexible tenancies for all new lettings of Council properties with 3 or more bedrooms.	HO 2	Asst Director of Housing (Operations)	Sept 2013	
12) Implement a new Housing Register "hosting" arrangement with Locata Housing Services, including the introduction of a new on-line Housing Registration Form that automatically uploads new applicants' details without manual input	HO 2	Asst Director of Housing (Operations)	July 2013	
13) <i>(Subject to Cabinet approval)</i> Implement the Council's new Housing Allocations Scheme, including a new Local Eligibility Criteria and a new approach to the provision of choice to homeless households.	HO2	Asst Director of Housing (Operations)	Sept 2013	
14) Seek additional funding from the Government to expand further the Council's Social Housing Fraud Scheme, through the introduction of new intelligence and other initiatives	HO 1 / 2	Director of Housing	June 2013	
15) Commence the first transfers of vulnerable under-occupying tenants to smaller accommodation, to free-up larger, family-sized housing, assisted by the newly-created post of Under-occupation Officer, through the provision of practical help, support and advice.	HO 1 / 2	Housing Manager (Older People's Services)	Aug 2013	

<b>Tenant Participation</b>				
16) Complete the first Service Review (of handling housing complaints) by the new Tenants Scrutiny Panel, to scrutinise the performance of the Housing Service and to undertake service reviews	HO 1 / 2 / 3 / 4	Principal Housing Officer (Strategy & Information)	Mar 2014	
17) Train tenants of the Tenants and Leaseholders Federation and recognised tenants associations to undertake periodic "mystery shopping" exercises on the Council's housing services, and for other social housing providers	HO 2 / 3 / 4	Tenant Participation Officer	Mar 2014	
<b>Supporting People and Supported Housing</b>				
18) Review the future of the Council's Careline Service, in the light of the County Council's decision to procure a county-wide telecare contract from one provider	HO 1 / 2	Asst Director of Housing (Operations)	Mar 2014	
19) Complete the first schemes under the programme of providing scooter stores at sheltered housing schemes	HO 2	Housing Assets Manager	Mar 2014	
20) Commence a Furniture Replacement Programme for communal lounges at the Council's sheltered housing schemes	HO 2	Housing Manager (Older People's Services)	July 2013	
<b>Housing Repairs and Maintenance</b>				
<i>See Action Plan within the Repairs and Maintenance Business Plan at Appendix 1</i>				

### **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

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# **15. Appendices**

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# Epping Forest District Council

Director of Housing  
Alan Hall FCIH



## Housing Repairs and Maintenance Business Plan

### 2013 - 2014

April 2013

Page 1



INVESTOR IN PEOPLE

Housing Services



# Contents

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Page

4	<b>1. Purpose of the Plan</b>
5	<b>2. Introduction to the Maintenance &amp; Repairs Business Plan</b>
	2.1 Housing Directorate within the context of other strategic plans
	2.2 Housing Directorate
	a) Private Sector Housing & Resources
	b) Property
	c) Operations
7	<b>3. Repairs &amp; Maintenance</b>
	3.1 Repairs Refresh Programme
	3.1.1 Repairs Advisory Group
	3.1.2 Restructure of the Housing Repairs Service
	3.1.3 Incentivised Key Performance Indicators
	3.2 Housing Assets
	3.2.1 Legislative requirements and working practices
	3.2.2 Improvements to the Council's Housing Stock
12	<b>4. Quality Repairs &amp; Maintenance Service</b>
	4.1 Tenant Satisfaction – NHF “STAR” Survey
	4.2 Tenant Satisfaction – Tenant Response to Repairs and Maintenance
	4.3 Customer Perspective Programme
	4.4 Housing Excellence Plan
	4.5 Avoidable Contact
	4.6 Repairs and Maintenance Focus Group
15	<b>5. Performance</b>
18	<b>6. Expected trends</b>
	6.1 Expenditure
	6.2 Investment needs
	6.2.1 Future Planned Maintenance
	6.2.2 Housing Assets Restructure
	6.2.3 Cyclical Maintenance
	6.2.4 Responsive Repairs
	6.2.5 Voids Refurbishment
	6.2.6 Kitchens & Bathrooms
	6.2.7 Miscellaneous External Repairs
	6.2.8 Disabled Adaptations
	6.2.9 Heating & Rewiring
	6.2.10 Other Maintenance & Repairs
	6.2.11 Door & Window Replacement
	6.2.12 Council House-Building Programme
23	<b>7. Decent Homes</b>
	7.1 Background
	7.2 Achieving the Decent Homes Standard
	7.3 The Modern Homes Standard
	7.4 Investment Strategy

7.5 Measuring progress

26 **8. Resources & Expenditure Proposals**

8.1 Financial

8.1.1 Expenditure Strategy – 5 years

8.1.2 Expenditure Strategy – 30 years

8.1.3 Maximising Value

8.1.4 Efficiency Savings

8.2 Partnering & Framework Agreements

8.3 SME's & Use of Local Contractors

8.4 Value For Money

8.4.1 Essex Hub – Essex wide Procurement

8.4.2 Use of New & Innovative Contract Types

8.4.3 Benchmarking

30 **9. Risk Management**

9.1 Introduction

9.2 Corporate Risk Register

9.3 Housing Risk Register

9.4 Key Housing Operation Risks – Repairs and Maintenance

33 **10. Action plan**

**Appendices**

37 Appendix A - Investment Needs - 5 & 30 Year Programme

## 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, and in line with a District Audit recommendation, 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.

This Plan is therefore comprehensive in its coverage. In March 2012, the Government will be introducing a major change in the way that local authority Housing Revenue Accounts (HRAs) are funded, called Self Financing, under which this Council will need to make a one-off payment to the Government, the loan for which will then need to be managed over a 30-year period. However, this gives the Council an opportunity to plan the future strategic approach to income and expenditure, particularly relating to planned improvement of the Council's housing stock. This Business Plan sets out how we intend to do this.

Once again, over the last 12 months, significant changes to the Housing Directorate have occurred, particularly in relation to the Repairs Refresh Programme, which followed the merger of the Housing Repairs Section with the Building Maintenance Works Unit, and the commencement of Mears as the Repairs Management Contractor. This is covered in more detail later in the plan.

The section of this plan, which looks specifically at our ability to meet performance targets has been updated, with actions for improvement recorded in the action plan in section 10 of this Business Plan.

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:

- *[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. The Tenants and Leaseholders Federation We agree and support the Business Plan's Programme, particularly improved performance, efficiency savings, an improved structure and objectives and action plan;*
- *We are pleased that the proposed introduction of self-financing for the HRA should enable the Council to invest sufficient resources in its housing stock to keep it properly maintained for many years;*
- *We are pleased to note that, during the year, the Council met the Decent Homes Target, 7 months earlier than the Government's deadline, and has plans and resources in place to ensure that no homes become non-decent;*
- *We are impressed with the benefits already being obtained from the Repairs Refresh the introduction of a Tenant Liaison Office post; and*
- *We fully support the innovative appointment of a private repairs management contractor and feel that this will result in further improvements to the Housing Repairs Service.]*

## 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 2012, the Council owned and managed 6521 properties, 2814 garages, 1 homeless hostel and leased 939 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, 6,171 properties have been sold. The rate at which properties have been sold has varied over the years. However, for the first time for around 25 years, the Council hopes to grow its housing stock with the commencement of its Council house-building programme, with more homes being developed and completed than are sold.

### 2.1 The Housing Directorate 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 and social cohesion. The main responsibility for managing and maintaining the Council's housing stock is undertaken by the Council's Housing Directorate.

The Housing 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 Housing 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.

**Home Energy Conservation Act and Fuel Poverty Strategies** – Strategies 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 the Green Deal from January 2013.

**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 recently introduced a 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 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.

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

**Continuous Improvement** – Using the former (KLOEs), a Continuous Improvement Action Plan, based on the former TSA and Audit Commission Key Lines Of Enquiries (KLOE's) prompts us to differentiate between what is a "fair" service and what is an "excellent" service, lists the areas of improvement, and who will be responsible for implementing that improvement.

**Council House-Building Strategy** – Not yet drafted, but the Council has identified the need to put in place a strategy to identify the key drivers for its new Council house-building programme, including rents, development standards, finance and risk amongst other things. The Council has appointed the East Thames Group as a Development Agent to help draft the Strategy and to deliver the Council's house-building programme, commencing in 2013.

## **2.2 Housing Directorate**

The Housing Directorate as a whole, is divided into three main headings; Private Sector Housing, Property and Operations, each with its own Assistant Director. The Housing 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 Division 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 Housing, including Budget Monitoring, Rent Accounting, Leasehold Services, House Sales, Information and Administration

### **(b) Property**

The Property Division of the Housing 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 Division of Housing Services is responsible for issues such as Housing Needs, Special Needs, Supporting People and Housing Management.

### **3. Repairs & Maintenance**

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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 and mutual exchange repairs. New for 2013/14 is the new Handyman scheme, introduced as a direct result of the new HRA Self-Financing and is funded from the new Service Enhancements. A leaflet has been developed to explain how this new service operates, which is jointly run by the Housing Repairs Service and Voluntary Action Epping Forest (VAEF).

In previous years, 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. Much of this detail remains the same each year, or only requires reviewing on a three-yearly basis similar to other Service Strategies. Therefore, this Business Plan has been streamlined to include a look 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. In order to retain the important aspects of work of the Housing Repairs Service and the Housing Assets Section, it is planned that a separate Repairs and Maintenance Service Strategy will be prepared in 2013/14.

During 2011/12, the Housing Repairs Service undertook 16,764 repairs in total. However, up to the end of the 3<sup>rd</sup> quarter of 2012/13, a total of 9,468 works instructions had been issued, 8,560 of which have been undertaken by appointment. Those not undertaken by appointment relate to voids works or works to communal parts of flat blocks or other estate locations.

#### **3.1 Repairs Refresh Programme**

Following a Senior Management Restructure, which saw the Building Maintenance Division join the Housing Directorate in May 2008, the decision taken by the Cabinet was to combine the Housing Repairs Section and the Building maintenance Division operating from the same site, reduce the number of craft workers but retaining a core to undertake a proportion of the day to day ad hoc repairs to the Council's Housing Stock, and/or those to void properties, with the balance of the work being externalised.

In addition, the Cabinet agreed to the appointment of an External Repairs Management Contractor to oversee the day to day management functions of the Housing Repairs Service. The "Repairs Refresh Programme" was subsequently launched, and a Repairs Advisory Group was formed.

The main objectives of the Repairs Refresh Programme are:

- To improve the all-round performance of the Repairs Service for our tenants and leaseholders.
- To combine the Housing Repairs Team and the Building Maintenance Works Unit
- To reduce the number of craft workers, but retaining a core to undertake a proportion of the day to day ad hoc repairs to the Council's Housing Stock, and/or those to void properties
- The balance of the work not undertaken directly by the Council being externalised via



- new or existing framework agreements.
- To appoint an Interim External Management Contractor to supervise the combined Building Maintenance Works Unit and Repairs Service, thus bringing in the added benefit of private sector knowledge and experience.

To meet these objectives, the following initiatives were identified:

- To relocate the Repairs Section to the Epping Depot site
- To improve overall performance in response times
- To avoid duplication in working practices
- To streamline administrative functions
- To improve tenant liaison
- To reduce risk
- To move towards a more area based Repairs Service in line with other housing management functions
- To increase supervision of repairs
- To introduce Generic Working by combining the duties of the Repairs and Voids Officers
- To achieve savings if possible, which will be reinvested in the Repairs Service

### **3.1.1 Repairs Advisory Group**

A repairs Advisory Group has been established, consisting of Housing Portfolio Holder (Chairman), Chairman and Vice-Chairman of the Housing Scrutiny Panel, Director of Housing, Asst. Director of Housing (Property) and 2 representatives of the Tenants & Leaseholders Federation. The role of the Advisory Group was initially, to provide advice and feedback to officers and the Housing Portfolio Holder on the proposed specification for the Repairs Management Contract, and to interview short-listed companies and recommend to the Housing Portfolio Holder which company should be appointed.

Since the appointment of Mears as the Repairs Management Contractor in May 2011, the role of the Repairs Advisory Group is now to monitor the performance of the Repairs Management Contractor and the Repairs Service generally and to consider any new “Key Deliverables” that the Council may want Mears to deliver in future years as part of the continuous improvement initiative.

### **3.1.2 External Repairs Management Contractor (RMC)**

The 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.

There were 5 specific ‘Key Deliverables’ which formed part of the Services Specification of the contract for Mears to deliver in the first 3-years. Each of these was implemented in the first 18 months of the contract.

- 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 are the basis of all new tenders when appointing sub-contractors;
- 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 tenants 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.

New Key Deliverables agreed for 2013 are as follows:

- Provision of an on-line repair, diagnostics, ordering and appointment booking system for tenants;
- Development of a smart phone application for tenants to report repairs;
- Electrical digital certification, compliance and NICEIC registration for Electricians;
- Product warranty capture.
- Housing Quality Network (HQN) self assessment; and
- That an Out Of Hours repairs reporting facility be explored to enable tenants to phone and make routine repairs requests and to book appointments as well as report emergencies.

### 3.1.3 Incentivised Key Performance Indicators

Mears, as the RMC, commenced in May 2011 and have been asked to manage the change process within the Housing Repairs Service, which it is expected will lead to a stepped improvement in performance. Since repairs are now delivered on a day and time to suit tenants, the way in which performance targets in the past are monitored are no longer suitable. Therefore, in October 2012 the Housing Portfolio Holder agreed to amend the KPI definitions to suit the new business objectives. These are set out below:

Proposed Incentivised KPI Definition	Target for 2012/13	Target for 2013/14
% of all emergency repairs attended to within 4 working hours	99%	99%

(including out of hours emergencies)		
Average overall time to complete <u>all</u> responsive repairs, from the time the request is made to the time the job is completed	7.8 days	6.3 days
% of jobs where an appointment is both made and kept	98%	98%
For minor void works <u>up to</u> the total value of £1,500	15 working days	15 working days
For major void works <u>over</u> the total value of £1,500	22 working days	22 working days
Satisfaction with repairs.	98%	98%

In Q3 of 2012/13, these new incentivised KPI's were all achieved.

## 3.2 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 Stock 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.

### 3.2.1 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 codes of practice, legal and contractual requirements. This includes procurement rules, including EU Procurement Regulations, consultation with Leaseholders and Contract Standing Orders.

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 maintained by Housing Services.

#### 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 Housing Directorate has developed in-depth procedures. The procedures and works instructions cover all aspects of the work of the Housing 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 Housing staff.

In addition, a Contractor's Code of Conduct has been developed to allow proper conduct and safe working by all contractors working for the Council.

Since 2002, Housing Services has been accredited the ISO 9001:2000 Quality Award for all services. Housing Assets was one of the first two sections to be awarded ISO 9001:2000 status in May 2002. Successive intensive re-assessments have been carried out since by an external auditor, the latest being in January 2012, which resulted in the ISO 9001:2008 status being renewed for a further 3 years.

### 3.2.2 Improvements to Council Stock

The Council is committed to providing good quality, well maintained, decent and modern homes. During the financial year 2012/13, the Council has undertaken the following planned improvements to the Council's housing stock, with much more planned for 2013/14. The vast majority of this work is undertaken via Framework Agreements, through local suppliers in many cases.

Key Components included in "Modern Standard"	2012-13 Target		2013-14 Target	
	No Properties	Cost (£,000)	No Properties	Cost (£,000)
Boiler Replacements	271	960	416	1,516
Electric Heating	23	81	44	154
Electrical Rewiring	331	865	298	769
Electrical Upgrades	688		630	
Entrance Door Replacement	289	132	296	133
PVCu Double Glazing	412	892	460	1,066
Tiled Roofing	195	664	351	1,101
Flat Roofing	57	295	47	126
Communal and Individual Water-tank Renewals	420	176	390	155
Door Entry Installations	273	170	370	154
Kitchen Replacements	243	1,215	671	3,356
Bathroom Replacements	66	262	453	1,810
Totals	3,268	5,712	4,426	10,340

## 4. Quality Repairs and Maintenance Service

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

The latest independent tenant satisfaction survey that was carried out was undertaken by Feedback Services, a part of the National Housing Federation between March and April 2012. The standard questionnaire and survey process that was used was the HouseMark “STAR” survey, replacing the former “Status” survey. The new “STAR” survey broadly follows the same format as the former Status survey, with some locally selected questions. Around 2,215 tenants (33% of all Council Tenants) were randomly selected by Feedback Services to be surveyed. An exceptionally high response of 1,093 surveys were returned (49%)

In conclusion, the tenants were very pleased with the service they received across the whole of the Housing directorate, but in particular, they were exceptionally pleased with the Council’s repairs and maintenance services, and with the contact they have with the Council’s staff. It was recorded that 85% of tenants were satisfied with the condition of their home, which is up 2% on the 2009 Status Survey results, whereas overall satisfaction with the repairs and maintenance service was 82%, which is down by 3% compared to 2009. The Council ranked a strong first in its peer group for all aspects of the repairs and maintenance service measured.

Interestingly, those living in larger homes with 4-beds were more satisfied (85%) compared to 2 or 3-bed properties (80% & 82%) and those in bed-sit accommodation least satisfied (75%). Another interesting statistic that was identified was that tenants in receipt of Housing Benefit were most satisfied (83%) compared to those that were not (79%). Lastly, older households returned a higher satisfaction (90%-91%) than other adult households (73% - 74%). Two parent families returned the lowest satisfaction rating (71%). Age revealed itself as a reference point as well, with younger residents under 35-years returning the lowest satisfaction (72%), middle age tenants between 36-59-years returning 77% satisfaction and older residents over 60-years the most satisfied (90%)

### 4.2 Tenant Satisfaction – Tenant Response to Repairs and Maintenance

Service	Indicator	Performance 2011/12	Target 2012/13	Perf -Q3 2012/13
Housing Repairs Service	General standard of service - good or satisfactory	99.76%	99%	100%
Housing Repairs Service	Complaints upheld (exc. Minor)	0	No target	10
Gas Breakdowns	Overall satisfaction	98%	96%	99%
Internal redecoration	Overall satisfaction	100%	96%	96%
Kitchen & Bathroom Programme	Overall satisfaction	95%	96%	93%
Disabled Adaptations - General	Overall satisfaction	99%	96%	100%
Disabled Adaptations - Minor	Overall satisfaction	100%	96%	97%
Electrical rewiring	Overall satisfaction	100%	96%	98%
Gas heating installation	Overall satisfaction	97%	96%	99%
Installation of Front Entrance Doors	Overall satisfaction	97%	96%	95%
Re-roofing	Overall satisfaction	97%	96%	70%
External Repairs & Redecorations	Overall satisfaction	86%	96%	82%

### **4.3 Customer Perspective Programme**

In pursuit of customer excellence, in spring 2007, Housing Services initiated a “Customer Perspective Programme”, which looks at how housing services are provided to customers from a customer perspective. This included the repairs and maintenance service. A group of Officers from each section of the Housing Directorate, along with tenant representatives analysed all aspects of the “interface” that Housing Services have with customers to find out how services could be improved further.

A Customer Perspective Action Plan was compiled as part of the review, with actions relating to repairs and maintenance implemented as part of the Repairs Refresh Programme.

### **4.4 Housing Excellence Plan**

As a result of the 2008 Housing and Regeneration Act, the Tenant Services Authority (TSA) was created, which increased the TSA’s powers over the regulation of social housing. The TSA launched a Regulatory Framework in April 2010, which set out the TSA’s mandate for the future regulation of the sector. However, after the general election later in the year, the Coalition Government announced the abolition of a number of Government quangos, including the Audit Commission and the TSA, although the TSA continued to regulate the social housing sector until their transfer in 2012 to the CLG.

### **4.5 Avoidable Contact**

The Council’s overall aim is to reduce ‘avoidable contact’ between residents and local authorities. Examples of ‘avoidable contact’ include calls from residents to chase progress on repairs requests. Since the national indicator for avoidable contact has been 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. There is still more to do here, with additional leaflets planned.
- Since the repairs counter is no longer available at the civic offices, 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. Other, on-line reporting facilities are planned, including a mobile phone “App” to report repairs and book appointments.
- To add all planned maintenance programmed work onto OHMS against the individual property database, giving contact details, estimated installation dates etc so that the Repairs call-centre staff are 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 will help provide a better level of knowledge to staff to help respond to tenants queries.
- For less reliance on the use of telephone answering machines in the planned maintenance office so that queries can be answered straight away. Following a restructure of the Housing Assets team, more administrative support has been included to help answer calls and deal with enquiries.

A number of improvements have been made during 2011, which has seen the introduction of a new telephone call answering system, which automatically directs people to the service area they require, as well as an appointment based repairs service with SMS text messages being used to confirm appointments and remind tenants of appointments. 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.

A new corporate telephone system is currently being procured and planned to be implemented in 2013, which will see a whole range of new "Call-Centre" monitoring opportunities.

#### **4.6 Repairs & Maintenance Focus Group**

A Repairs Focus Group has been established, 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 Housing Directorate is keen to involve tenants and leaseholders in shaping the future of the Housing Service and this is our tenants opportunity to have a real say in how we move forward.

During 2012, there have been four meetings (held quarterly), which have been well attended and have come up with a number of good ideas, 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. These are currently being implemented. 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.

## 5. Performance

The Council monitors its performance to deliver a whole range of services to its customers. These are captured and monitored as either national indicators, local indicators, management indicators or tenants indicators. The full set of indicators showing the overall performance achieved in 2011/12, the target for 2012/13 and the performance recorded at the end of quarter 3 of 2012/13.

Service	Indicator	Performance 11/12	Target 2012/13	Performance Q3 12/13
Adaptations (Minor)	Acknowledgement time	1.2 days	7 days	1 day
Adaptations (General)	Acknowledgement time	1.8 days	7 days	1.7 days
Adaptations (Minor)	Time from decision to completion of work	22.6 days	28 days	20.6 days
Adaptations (General)	Time from decision to completion of work	81 days	90 days	112 days
Adaptations (General)	Time from works order to completion	39 days	56 days	36 days
Adaptations (Minor)	No. outstanding at end of period, not completed within target time	5	No target	2
Adaptations (General)	No. outstanding at end of period, not completed within target time	0	No target	8
Gas servicing	No. of CP12 lapsed (over 12 months)	11	0	6
Gas servicing	% of properties where servicing not complete within 12 months: non-access	0.38%	0%	0.2%
Gas servicing	Percentage of Gas Safety Certificates outstanding at the end of period	0.18%	0%	0.1%
Gas Breakdowns	Breakdowns attended within Fast Track (1 hour)	100%	100%	100%
Gas Breakdowns	Breakdowns - Emergency attended (within 1 hour) and left correct	85.33%	No target	100%
Gas Breakdowns	Breakdowns - Completed within 24 hours and left correct	78.8%	85%	80.29%
Gas Breakdowns	Breakdowns - Completed within 5 days	100%	85%	100%
Internal redecoration	Average time from application to acceptance (including checking process)	3.4 days	7 days	1.1 days
Internal redecoration	Average time from application to completion	3.2 days	6 weeks	7.6 days
Internal redecoration	No. outstanding at end of period, not completed within target time	0	No target	0
Decent Homes	Proportion of homes which are non decent	0%	0%	0%
Repairs	% of appointments kept	94%	95%	96%



Repairs	Average time to complete urgent repairs	4 w/d	5 w/d	2 w/d
Repairs	Average time to complete non-urgent repairs	13	42 days	4.66
Repairs	% of emergency repairs completed within target time (24 hours)	99%	99%	100%
Repairs	% of repairs undertaken within target time: Priority within 3 days (priority code 3)	94%	95%	99%
Repairs	% of urgent repairs completed within target time of 5 working days	90%	95%	100%
Repairs	% of routine repairs completed within target time of 6 weeks	96%	95%	99%
Voids	Time to complete void works (Value under £1,500)	N/A	15 days	15 days
Voids	Time to complete void works (Value over £1,500)	29.43 days	22 days	20 days
Voids	Total number of voids	349	No target	245
Voids	Voids with Works > 6 weeks	92	No target	0

The recorded performance relating to tenant satisfaction can be found in section 4 above.

## 6. Expected trends

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

### 6.1 Expenditure

Expected expenditure trends over the next 12 months can be summarised as follows:

**HRA Self-financing** – The implications of the HRA Self Financing, which amongst other things has seen 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, as opposed to previously maintaining the stock at the minimum Decent Homes Standard. Self financing commenced in April 2012. 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** – 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. This has seen an increase in the establishment to the Housing Assets Section to help identify and manage the additional works.

**The effects of affordable Housing Development on Voids** – With nomination agreements linked to all windfall development sites through Section 106 agreements, the number of affordable housing developments has a direct affect on the number of voids that need to be turned around in any one year, and 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, which will continue for the next 3-years with around 605 affordable units in the pipeline. Council house building could add to this turn-over.

**Increases in building maintenance costs** – Building costs are increasing by approximately 5-6% per annum, which is more than double the GDP inflation rate. However, given the effect of investment through planned maintenance, expenditure has been falling on an annual basis. The current economic down-turn has not resulted in tender price decreases.

**Uncertain levels of demand for responsive repairs and voids expenditure** – Between 2003/4 and 2008/9 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 has increased by 80.16%. However, since 2008/9, there has been a significant reduction in the amount of money spent on responsive repairs by around £0.5m. A lot of this is 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 also 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 6-years from £473,532 in 2004/5 to £1.63 million in 2010/11. As explained above, the increase mirrors the number of affordable housing developments, but it also mirrors an increase in the amount of work

that has been necessary due to the poor condition that tenants have left the property when they move out. Not only are pre-vacation inspections being carried out in many cases, but 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.

The new void standard, and the new approach to dealing with voids is also now having an effect on the amount of work undertaken during the void period. The Council has piloted a scheme whereby a schedule of works is prepared based on the void standard in conjunction with framework contractors, who then undertake all scheduled works within a much tighter timescale. This has seen a faster turn around and higher quality of workmanship (and therefore condition), but at a higher cost. It is anticipated that this will have the effect of reducing the amount of responsive repairs in the months and years that follow the new tenancy commencing. This is currently being monitored.

**Continued demand for structural repairs** – Expenditure on structural repairs has increased significantly in recent years. 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. Therefore, 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.

**Increasing costs for servicing and improvement/replacement of existing central heating** – All Council tenants requesting central heating now have heating installed. Likely resultant trends include: increasing servicing and repair costs; increased costs to replace existing systems when beyond repair; the need to regularly upgrade heating systems; reduction in demand for welfare heating; and the ongoing need to look at alternative renewable fuel sources for heating homes in the rural communities where there is no mains gas and the relative cost of electricity is high or the volatile pricing for bottled gas and oil makes it difficult for residents to heat their homes

**A more modern standard for planned improvements** – An ageing stock requires an increase in the level of repairs, although this is being offset by a planned maintenance programme. However, through the HRA self-financing, the Council has increased expenditure on planned maintenance and to maintain our housing stock to a more modern standard, but work will still need to be prioritised towards those properties in most need and only undertaken where it is required.

**Repairs Refresh Programme** – This is an opportunity to re-think the way in which the Council provides a repairs and maintenance service for our tenants. The appointment of an External Contract Repairs Manager is an innovative approach to injecting the benefits of the commercial private sector into our existing in-house repairs service. However, efficiency savings are helping to offset additional costs.

**Need to tackle anti-social behaviour through the use of CCTV** – With an increase in anti-social behaviour, which results in an increase in the amount of expenditure on repairing damage caused through vandalism, consideration needs to be given to combating this growing problem. Work is on-going between the Council and the Police Service, which has resulted in a CCTV Policy being drawn up by the Head of Environmental Services. A substantial on-going budget for the installation of CCTV surveillance systems has been included within the investment programme.

**Recruitment of skilled craft workers** – Although recruitment restrictions that have been in place for the last 2-years, these have now been lifted. The establishment has been reduced by around 10 tradesmen, therefore there is still a reliance on the use of sub-contractors to undertake void works as well as electrical repairs and inspections. This is resulting in slightly higher costs, albeit offset by a small saving in the salaries budget.

**Economic downturn** – Much has been reported about the current economic downturn, with the construction industry being hit hard. Whilst this is mainly affecting new build, general maintenance work is less affected. In order to help local businesses through these difficult financial times, all Council tenders will seek to include at least one local business on the list of tenderers. Over recent years, this has shown a number of additional benefits including lower costs and a willingness to provide a better service, not only to the Council but to tenants as well.

**Council House-Building** – For the first time in around 20-years the Council has agreed to commence a small Council house building programme of around 20 affordable homes per year over a 5-year period on the sites of difficult to let garages across the district. Around £16 million has been identified to fund the programme. This new programme will be managed from within the Housing Assets Section, where a Development Officer has now been employed. The detailed feasibility, appraisals, design, approvals, procurement and delivery will be managed by the East Thames Group as the Development Agent, who were appointed in January 2013 following an EU compliant tender.

## **6.2 Investment Needs**

This section provides a summary of the main areas of investment identified by the stock condition survey. 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).

### **6.2.1 Future Planned 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.

### **6.2.2 Housing Assets Restructure**

The Council identified the need to have adequate staffing resources in place to deliver a full maintenance programme to a modern standard, which was agreed by the Cabinet as its strategic approach to its HRA Financial Plan. A restructure of the Housing Assets team was agreed by the Cabinet in April 2012, which saw an additional 4fte staff to assist with the enhanced Capital Programme as well as an additional part-time Development Officer to oversee the new council house-building programme.

### **6.2.3 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 £2.35 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.

### **6.2.4 Responsive Repairs**

The current ratio of maintenance to repair expenditure is 69:31 (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 million per year for the next five years, taking into account a 3% increase per annum in Building Cost Indices and a reduction of 0.2% for the rate of decline in stock numbers as a result of the Right to Buy scheme. The Capital programme includes around £3.36 million over the next 5 years for small capital repairs.

### **6.2.5 Voids Refurbishment**

This area of expenditure is also mainly funded from revenue and as such the comments regarding the split between capital and revenue apply. It is expected that the authority will spend approximately £2.9 million, made up of a combination of revenue and capital over the next five years on void refurbishment.

### **6.2.6 Kitchens & Bathrooms**

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. Since the advent of the Decent Homes Standard, the Council has offered its tenants a choice on either a new kitchen or a new bathroom under the Decent Homes Programme. However, in future years a separate programme of bathroom replacements will be introduced 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 £17.3 million on kitchen and bathroom replacements.

### **6.2.7 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 £3.8 million 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.

### **6.2.8 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. A further £75,000 was added in 2012/13 to offset a number of adaptations where extensions were be required. The 5-year anticipated expenditure for disabled adaptations is £2.2 million.

### **6.2.9 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. 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 £12.67 million 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.

### **6.2.10 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.

### **6.2.11 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 £5.86 million replacing windows and doors.

#### **6.2.12 Council House-Building Programme**

As explained earlier, the Council has identified around £16 million over a 5-year period to develop around 20 affordable homes per year commencing in 2013/14. Any funding shortages identified will be subject to cross subsidy from either 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 will be undertaken before any site is developed to agree the funding arrangements. This programme will be managed by the newly appointed Development Agent, The East Thames Group, and will be overseen by a newly formed Cabinet Committee.

## 7. Decent Homes

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### 7.1 Background

In July 2000, the Government established a target 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.

### 7.2 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.



### 7.3 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.

6,521 Council Properties as at 01/04/2012	No of properties requiring work to maintain Modern Decent Standard	2012/13	2013/14	2014/15	2015/16	2016/17	5 Year	Element Lifecycle in Years
		Property Forecast	Property Forecast	Property Forecast	Property Forecast	Property Forecast	Property Forecast	
<b>Works Programme - Key Attributes</b>								
<i>Boiler Replacements</i>	408	271	416	404	435	405	1,931	16
<i>Electric Heating</i>	31	23	44	31	62	62	222	16
<i>Electrical Rewiring</i>	204	331	298	334	272	249	1,483	32
<i>Electrical Upgrades</i>	652	688	630	670	675	498	3,161	10
<i>Entrance Door</i>	272	289	296	314	307	329	1,535	24
<i>PVCu Double Glazing</i>	272	412	460	543	410	445	2,270	24
<i>Tiled Roofing</i>	163	195	351	269	304	397	1,516	40
<i>Flat Roofing</i>	38	57	47	37	26	48	215	16
<i>Communal and Individual Water-tanks</i>	233	420	390	403	374	411	1,998	28
<i>Door Entry</i>	408	273	370	355	312	274	1,584	16
<i>Kitchen Replacements</i>	408	243	671	490	501	534	2,439	16
<i>Bathroom Replacements</i>	272	66	453	479	417	442	1,857	24
<b>Totals</b>	<b>3,361</b>	<b>3,268</b>	<b>4,426</b>	<b>4,329</b>	<b>4,095</b>	<b>4,094</b>	<b>20,211</b>	

As can be seen from the table above, the Council needs to replace around 3,361 individual key components to maintain its commitment to deliver a more modern home for its tenants. The Council was not likely to be able to meet this commitment in 2012/13 due to the late introduction of HRA Self-financing, which had the knock on effect with the need to re-tender a whole suite of contracts to deliver such a demanding programme and the need to recruit additional staff in the Housing Assets Section to manage the increased financial resources. However, from the table above, it can be seen that the Council is planning to exceed the minimum number of key components requiring replacement works by over 1,000 key components; a 31% increase. The reason for this increase is to start to clear the backlog of planned improvements.

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 15 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.

### 7.4 Investment Strategy

The stock condition database can be interrogated in such a way that lists of all the properties that fail or potentially fail the criteria can be produced. Using this information a programme of work has been developed without having to undertake additional survey work. The database has been updated with the average life-cycles in the table above, and the 5 & 30 year forecasts updated

accordingly. These can be found at appendix A of this Business Plan, where it can be seen that the Council has around £70.9 million included in the first 5-years for planned improvements to Council properties.

The key strategy in previous years since the introduction of the Decent Homes Standard has been around developing a program of work where properties are failing and then only undertake work which will ensure that they are not caught by the criteria. However, under the new HRA Self-financing arrangements, the Council is able to go beyond this and undertake more works in each property to achieve a more modern standard, using industry standard average life-cycles as opposed to extended life-cycles. However, it would not be a good use of resources if components were changed purely because they have reached a specified age. Therefore, the Council intends to only undertake improvements if the components are at the end of their useful life and by replacing, it provides good value for money. In time, this strategy will see a reduction in revenue expenditure as fewer repairs will be necessary.

## **7.5 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. This informs the Council on the funding needed to maintain the housing stock at the Decent Homes Standard, and is the basis of the 5 and 30-year profiles at appendix A.

## 8. Resources & Expenditure Proposals

### 8.1 Financial

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	2012/13 £000's	2013/14 £000's	2014/15 £000's	2015/16 £000's	2016/17 £000's
Housing Ass Growth Area Funding	0	90	0	0	0
HRA - RCCO	4,200	4,200	5,700	5,700	5,700
HRA - MRR	5,218	8,709	9,960	8,822	9,772
Leaseholder Funding	80	100	100	100	100
Energy Efficiency Grant	20	0	0	0	0
S.106 Contributions	0	325	0	0	0
Capital Receipts	0	494	463	452	541
Total	9,518	13,918	16,223	15,074	16,113

#### 8.1.1 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) The need 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; and
- b) The Council's key objective to build an additional 20 Council homes a year for the next 5-years

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 £70,846m, 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.

### **8.1.2 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 has seen 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.

### **8.1.3 Maximising Value**

Whilst the Council will see a 50% increase in capital available to invest in its housing stock over 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.

### **8.1.4 Efficiency Savings**

Following Sir Peter Gershon's review of public sector efficiency, which identified the need to achieve value for money savings through better procurement in order to release resources to support the key policy objectives of the Government, an annual efficiency statement is completed by the Council as a whole. As a result all areas of the service are being examined to identify ways in which the way in which repairs and maintenance can become more efficient.

Significant savings have been identified as a result of the use of framework agreements or partnering contracts, undertaking work in-house through training that was previously undertaken by specialist contractors, undertaking more capital works as part of the void process to reduce on-going revenue expenditure on responsive repairs, negotiating with contractors over price increases below DTI indices wherever possible and investing in alternative technology to reduce long-term costs.

The 3-year actual and assumed savings for 2009/10 to 2012/13 for the Housing Directorate is £2,984,241, of which £2,301,708 is generated from Repairs and Maintenance.

## **8.2 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, which are included

in the Council's annual efficiency statement.

### **8.3 SME & Use of Local Contractors**

The Council's Contract Standing Order 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 70% 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.

### **8.4 Value for Money**

#### **8.4.1 Essex 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 Contract Standing Orders. Housing Services consults the Procurement Hub whenever future contracts are to be let.

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

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 a 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.

#### **8.4.3 Benchmarking**

The last benchmarking exercise that took place was in January 2007, which compared at the schedule of rates used by the Housing Repairs Service against a range of 20 comparison organizations within the Home Counties and to look at organization overheads in comparison to private repairs contractors.

It was clear that of the 20 Local Authorities that were compared, only 2 undertake the majority of their responsive repairs through a Housing Repairs Service, whereas 5 operate their own DLO's alongside external contractors. There were 8 Local Authorities that outsourced their whole contracting element of the repairs service

Based on the Schedule of Rates comparison, it was suggested that on average, the Housing Repairs Service were securing keen material prices. However, on average the Schedule of rates were 1.64% higher than average. It was suggested that this was due to the relatively small scale of the Housing Repairs Service in comparison to the other organisations included in the study.

When comparing wage rates, it was suggested that in general, the salary rates were in line with national averages with the exception of carpenters, which are slightly higher than average.

There were some areas of concern expressed as part of the benchmarking exercise. The existing salary system should be more performance based, taking account of output or targets, quality, completion of jobs on time, fix first time and tenant satisfaction. However, this works against the principles of the Job Evaluation Policy.

Further benchmarking exercise of the whole of the Housing Service was undertaken in 2006 using "Housemark", a national housing benchmarking organisation, and again in November 2008. These benchmarking exercises enabled us to compare our service based on detailed performance and cost data. In the main, the comparison organisations were housing associations rather than Local Authorities. However the results give a good indication of the level of performance and cost by comparison to others. A further benchmark exercise is due to take place once the Council has fully implemented the Mears MCM IT system and moved towards the National Housing Federation Schedule of Rates, which are more widely used across the Repairs and Maintenance industry. This will enable a more commercial look at the costs compared to the profit and loss accounts used in the commercial sector.

## **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, if any, action should be taken with regard to 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 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.

### **9.3 Housing Risk Register**

In addition to the corporate risk register, which includes those strategic risks that affect the Council as a whole, the Housing 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 are 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. The action plan for "critical" risks relating to Repairs and Maintenance are included in Section 9 of this Business Plan.

### **9.4 Key Housing Operational 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 failing to pay back its loan under Self Financing
- Some services are delivered through decentralised offices
- Major failure of the integrated housing IT system
- Major failure of the Council's telephony service
- Mears, as the Repairs Management Contractor, either ceasing to trade or withdrawing from the contract.
- Loss or insolvency of, or poor performance by, a major contractor/supplier
- Major incident, involving death or serious injury, due to poor health and safety procedures, or breach of health and safety legislation
- Significant overspend on a major housing maintenance contract
- Fraud, corruption and theft
- Loss of important paper records

- Failure to comply with Government or legislative requirements
- Welfare of staff, including physical or verbal attacks.
- Uninsured losses, especially through subsidence, heave or landslip
- Catastrophic budget overspends
- Severe adverse weather conditions



## 10. Action plan

### 10.1 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 ADoH(P)	On-going	Included in this plan
2.	To publish clear service standards for planned maintenance, Decent Homes, repairs, Right to Repairs and Leaseholder responsibilities, which are available in printed leaflet form and on the web site (Also relates to NI14 – Avoidable Contact Action Plan).	HAM	July 2013	Some leaflets have been produced, including internal redecorations and the Handyman Scheme.
3.	To install mains operated smoke detectors in all Council owned properties over the next 5-years	HAM	2012-2014	Commenced in 2012/13 and will continue into 2013/14
4.	Timetable at least one meeting each year with the Tenants Federation to discuss the repairs and maintenance expenditure programme.	ADoH(P) HAM	On-going	Tenants Federation meet in March each year to consider the repairs and maintenance expenditure.
5.	To identify a new depot site from which to relocate the Housing Repairs Service to free up the existing Epping Depot for redevelopment.	ADoH(P)	March 2014	Schedule of space requirements being compiled.
6.	To implement the new materials supply contract with Grafton Buildbase, including the integration with MCM.	HRM	June 2013	Tenders received and approved by the Cabinet. Lead-in commenced with a review of the existing materials and van stocks.
7.	To undertake a tender to appoint at least two Framework contractors to undertake void works for voids in excess of £1,500.	ADoH(P)	July 2013	Consultants appointed, NHF SOR's purchased and specification drafted. Tenders due to go out March 2013.
8.	To migrate from the Council's existing bespoke Schedule of Rates to the industry standard National Housing Federation Schedule of Rates (NHF SOR)	HRM	May 2013	NHF SOR's purchased
9.	The Council must renew at least 3,361 key components each year to maintain its housing stock to a more modern standard	HAM supported by	March 2013	The target is to achieve at least 90% of this programme of works.

	based on industry standard life cycles. However, the Council plans to undertake the renewal of 4,426 key components during 2013/14, which includes an element of catch-up.	the RMC through voids works.		
10.	To continue with the Repairs Focus Group once set up, and create an action plan for inclusion in the Repairs Refresh Programme	ADoH (Prop)	Quarterly	On-going
11.	Continue feasibility studies into alternative fuel sources for properties in rural communities where mains gas is not available.	HAM	On-going	Installing air source heat pumps. Report on the benefits to be incorporated in the Energy Efficiency Strategy.
12.	To seek around 75% ECO grant funding to support the installation of external wall insulation for electrically heated solid wall constructed properties.	HAM	August 2013	Pilot completed to 3-properties in 2012/13. Surveys commenced for works to a further 250 electrically heated properties.
10.	To review all projects with a contract value in excess of £1m on completion to identify any lessons learnt.	HAM HRM	On-going	On-going
11.	Seek to reduce the target response times for <ul style="list-style-type: none"> <li>• Undertake all repairs in under 7 working days</li> <li>• Attend to at least 99% of all Emergency repairs within 4 working hours</li> <li>• To attend to at least 98% of all appointments within the appointed time.</li> <li>• To maintain a tenant satisfaction rate of at least 98% of tenants satisfied with the repairs service they received, including the work undertaken.</li> <li>• Complete voids with works under £1,500 within 15 days</li> <li>• Complete voids with works over £1,500 within 22 days</li> </ul>	RMC	On-going	Following the introduction of the new IT system and mobile working for the Repairs Service, the way repairs are managed has resulted in a change to the incentivised KPI's within the RMC contract. It is proposed that these new KPI's are included in the new suite of Corporate KPI's for 2013/14.
12.	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> </ul>	RMC	December 2013	As part of the Repairs Refresh Programme.

	<ul style="list-style-type: none"> <li>• To develop and introduce a mobile phone App for smartphones for tenants to report repairs and book appointments.</li> <li>• To introduce electronic electrical test certification in conjunction with the existing mobile platform in use within the Repairs Service</li> <li>• To introduce materials product warranty notification software to warn of any warranty in existence</li> <li>• To undertake an HQN Repairs Self-Assessment.</li> </ul>			
13.	To seek to include at least one local business on the list of tenderers for all future contracts.	HAM / HRM	On-going	
14.	To Implement Codeman as the Housing Assets Planned Maintenance Asset Management database	HAM		Software purchased but requires implementation
15.	Following the implementation of Codeman, devise a meaningful KPI around achieving the new Modern Homes Standard	ADoH(P) / HAM	Dec 2013	



# Appendix A – 5 & 30-Year Capital Programme

Stock Expenditure Profile		5-Year Capital Expenditure (per Year)					Years 1-5	Years 6-10	Years 11-15	Years 16-20	Years 21-25	Years 26-30
Planned Capital Works		2012-13	2013-14	2014-15	2015-16	2016-17	2012-16	2017-2021	2022-2026	2027-2031	2032-2036	2037-2041
Component		2012-13	2013-14	2014-15	2015-16	2016-17	2012-16	2017-2021	2022-2026	2027-2031	2032-2036	2037-2041
Heating & Rewire	Gas Heating	1,415,000	1,524,000	1,525,000	1,465,000	1,481,000	7,410,000	7,171,000	7,295,000	5,827,000	7,699,000	6,900,000
	Electric Heating	101,000	154,000	133,000	193,000	224,000	805,000	336,000	68,000	0	200,000	1,381,000
	MVHR Installations	10,000	70,000	40,000	40,000	40,000	200,000	250,000	250,000	250,000	250,000	250,000
	Re-Wiring	1,092,000	609,000	641,000	506,000	654,000	3,502,000	2,254,000	2,948,000	3,028,000	2,057,000	3,774,000
	Water Tank Replacement	48,000	250,000	164,000	132,000	164,000	758,000	644,000	519,000	608,000	381,000	298,000
Doors & windows	Front Doors	400,000	550,000	144,000	152,000	150,000	1,396,000	694,000	726,000	463,000	586,000	706,000
	Windows (Double-Glazed)	300,000	998,000	1,138,000	982,000	1,051,000	4,469,000	4,700,000	4,755,000	2,961,000	913,000	5,070,000
Roofing	Tiled Roof Covering	831,000	1,563,000	1,142,000	1,011,000	1,385,000	5,932,000	6,789,000	6,590,000	3,855,000	288,000	290,000
	Flat Roof Covering	375,000	150,000	126,000	70,000	120,000	841,000	382,000	705,000	850,000	316,000	261,000
	Balcony Resurfacing	25,000	25,000	25,000	25,000	25,000	125,000	105,000	105,000	105,000	105,000	105,000
Other Planned Maintenance	Norway House Improvements	56,000	50,000	50,000	50,000	50,000	256,000	250,000	250,000	250,000	250,000	250,000
	Communal TV Upgrade	30,000	0	0	0	0	30,000	0	0	0	0	0
	Door Entry Installations	15,000	302,000	182,000	146,000	162,000	807,000	148,000	125,000	100,000	100,000	100,000
	Energy Efficiency Works	140,000	286,000	200,000	200,000	200,000	1,026,000	1,500,000	1,500,000	1,500,000	1,500,000	1,000,000
	Asbestos Removal	148,000	165,000	100,000	100,000	100,000	613,000	575,000	575,000	575,000	575,000	575,000
Structural Works	681,000	600,000	600,000	300,000	300,000	2,481,000	711,000	928,000	1,168,000	1,369,000	1,639,000	
Voids & Small Capital Works	1,187,000	438,000	438,000	438,000	438,000	2,939,000	1,750,000	1,750,000	1,750,000	1,750,000	1,750,000	
Council House Building	38,000	854,000	3,829,000	3,397,000	3,329,000	11,447,000	0	0	0	0	0	
Kitchens & Bathrooms	Kitchen Replacement	1,215,000	1,226,000	2,180,000	2,415,000	2,755,000	9,791,000	11,450,000	9,180,000	10,470,000	11,850,000	9,915,000
	Bathroom Replacement	100,000	1,872,000	1,997,000	1,773,000	1,806,000	7,548,000	7,785,000	5,680,000	3,967,000	1,610,000	5,650,000
Environmental Improvements	Fencing	2,000	28,000	0	0	0	30,000	75,000	75,000	75,000	75,000	75,000
	Environmental Improvements	7,000	327,000	269,000	193,000	193,000	989,000	250,000	250,000	250,000	250,000	250,000
	Off Street Parking	123,000	627,000	364,000	0	0	1,114,000	205,000	205,000	205,000	205,000	205,000
	Estate Enhancements	126,000	160,000	206,000	206,000	206,000	904,000	500,000	500,000	500,000	500,000	500,000
	Struct. Watercourse Improver	0	10,000	10,000	10,000	10,000	40,000	50,000	50,000	50,000	50,000	50,000
	CCTV	6,000	54,000	50,000	50,000	50,000	210,000	250,000	250,000	250,000	250,000	250,000
	External Lighting Schemes	30,000	5,000	5,000	5,000	5,000	50,000	25,000	25,000	25,000	25,000	25,000
Drainage Works	10,000	110,000	100,000	100,000	100,000	420,000	500,000	500,000	500,000	500,000	500,000	
Disabled Adapt.	Disabled Adaptations (Heating)	60,000	50,000	50,000	50,000	50,000	260,000	250,000	250,000	250,000	250,000	250,000
	Disabled Adaptations (General)	354,000	400,000	400,000	400,000	400,000	1,954,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Contingenc y & Feasibility	Feasibilities	9,000	15,000	15,000	15,000	15,000	69,000	75,000	75,000	75,000	75,000	75,000
	Contingency & Other	584,000	446,000	100,000	650,000	650,000	2,430,000	3,640,000	4,283,000	4,850,000	5,645,000	7,481,000
<b>Total Capital Expenditure</b>		<b>9,518,000</b>	<b>13,918,000</b>	<b>16,223,000</b>	<b>15,074,000</b>	<b>16,113,000</b>	<b>70,846,000</b>	<b>55,314,000</b>	<b>52,412,000</b>	<b>46,757,000</b>	<b>41,624,000</b>	<b>51,575,000</b>



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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.
Arms length management organisations	Companies (or other legal bodies) set up and owned by the Council - but operating separately from it and governed by its own board or committee - to manage services on behalf of the Council.
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.
Best Value	The process of ensuring the continuous improvement of public services, through service reviews, <i>benchmarking</i> , consultation and inspection.
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 ten 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)
Catch-up repairs	Repairs that should have been undertaken earlier, and now need to be undertaken within the next 5 years.
Choice-based lettings	A scheme whereby people in need of <i>affordable housing</i> can ask to be considered for specific vacant Council or <i>RSL</i> 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).
Crime and Disorder Reduction Partnership	Representatives of local statutory and voluntary organisations with an interest in, or responsibility for, reducing crime within the District, including the Council, Essex Police, Probation Service, Epping Forest CVS, Social Services.
Direct Service Organisation (DSO)	A Council department that provides the same service as a private contractor, and operates in the same way as a private contractor.
East of England Region	The region of England in which the Epping Forest District is situated, covering the counties of Bedfordshire, Cambridgeshire, Essex, Hertfordshire, Norfolk and Suffolk.
Floating support	Practical support provided to those in need by a support worker for a temporary period, until such time as the support is no longer required, when the support is discontinued and provided to others who have a need.
Fuel poverty	When a household needs to spend more than 10% of their household income to achieve a satisfactory standard of heating.

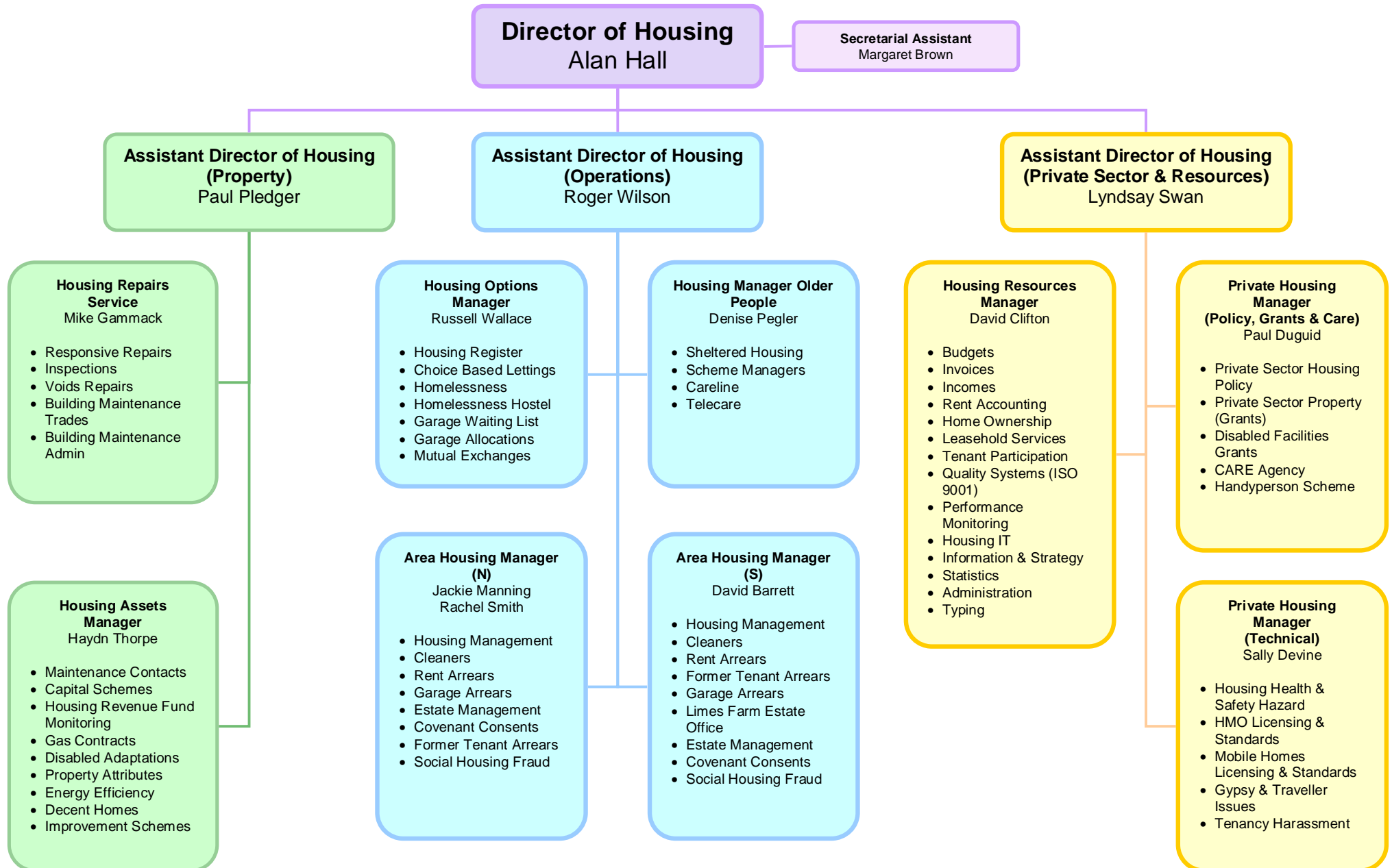
General Fund	The Council's financial account that deals with income and expenditure relating to all the Council's services, part of which is the ring fenced <i>HRA</i> .
Halifax House Price Index	A source of information, operated by the HBOS Bank, that provides details of average house prices and house price trends in local areas, based on information providing by mortgage applicants.
Housing association	See <i>Registered Social Landlord</i> .
Homes and Communities Agency	The Government agency that funds <i>registered social landlords (RSLs)</i> .
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.
HRA subsidy	An annual revenue subsidy provided to local authorities by the Government to assist with the management and maintenance of their housing stock.
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 replaced the Office of the Deputy Prime Minister (ODPM) and 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 Finance Initiative (PFI)	A way of enabling private companies to provide large amounts of money to construct or purchase public buildings, and then manage them over a long period, in return for a management fee paid by the public organisation responsible for providing the service.
Prudential borrowing	A new system being proposed by the Government, that would not restrict how much councils could borrow to fund capital expenditure. However, councils would only be able borrow money that they know they could pay back over the years of the loan, from their day-to-day income.
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 Social Landlord (RSL)	A non-profit making organisation (usually a housing association) that is registered with, and regulated by, the <i>Housing Corporation</i> . They are run by a voluntary Board of Management, and employ professional housing officers to manage the organisation.



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 £34,000, 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 exclusion	The situation where individuals, or groups of individuals, within the community do not have the means, material or otherwise to participate in social, economic, political or cultural life.
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.
Social Housing Grant (SHG)	Capital funding provided to <i>RSLs</i> by the <i>Housing Corporation</i> to enable them to build or acquire <i>affordable housing</i> .
Social inclusion	The process whereby people do not experience <i>social exclusion</i> .
Social landlords	Generally, <i>RSLs</i> and local authorities.
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
Stock Options Appraisal	A process to determine the most appropriate future ownership and management of the Council's housing stock.
Supported housing	Housing where the tenants need help – e.g. sheltered housing for the elderly or housing for people with physically disabled people.
Supporting People	A Government initiative introduced in April 2003, which brings together sources of funding for supported housing into county-wide "pots" for distribution to supported housing providers within the County, based on locally determined priorities, through agreed contracts. County-wide "commissioning bodies" produce Supporting People Strategies explaining how the funding will be distributed.
Supporting People Commissioning Team	The team of County Council officers responsible for managing and administering <i>Supporting People</i> at the county level.
Target rent	The individual rents for properties that councils and housing associations should aim to charge by 2012, based on a Government formula.
Tenant Services Authority	The Government Agency that regulates council and housing association landlords
Tenants participation compact / agreement (TPA)	Written agreements between <i>social landlords</i> and groups of tenants, at both district and estate level, setting out the agreed approach to tenant participation.

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Epping Forest District Council  
Housing Directorate Senior Management and Responsibilities



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## Appendix 4

<b>Tenant-Selected Performance Indicators</b> <b>Performance (2012/13 - Quarter 3) and Targets (2013/14)</b>				
Service	Definition	Target (2012/13)	Actual (2012/13 – Q3)	Target (2013/14)
Careline	% of Careline calls responded to within 1 min (excl. routine calls managers & test calls)	99 %	99.6 %	99 %
Careline	Average (seconds) to respond to alarm calls	10 seconds	6.1 seconds	10 seconds
Rent Arrears	Rent collected as a proportion of rent owed	98.8 %	Unable to calculate until end of year	96.0 %
Estate Management	No. of estate inspections completed	85	43	85
Repairs	Average time to complete urgent repairs	5 working days	Indicator changed	Indicator to be replaced
Repairs	Average time to complete non-urgent repairs	42 days (6 weeks)	Indicator changed	Indicator to be replaced
Repairs	% Emergency repairs completed within target time of 24 hours	99 %	Indicator changed	Indicator to be replaced
Repairs	% Priority repairs completed within target time of 3 working days	95 %	Indicator changed	Indicator to be replaced
Repairs	% Urgent repairs completed within target time of 5 working days	95 %	Indicator changed	Indicator to be replaced
Repairs	% Routine repairs completed within target time of 6 weeks	95 %	Indicator changed	Indicator to be replaced
Repairs	% of appointments made/kept	95 %	96 %	98 %
Repairs	% Emergency repairs (including out of hours emergencies) attended to within 4 working hours?	New Indicator	New Indicator	99%
Repairs	Average overall time to complete all responsive repairs: Time of request - completion	New Indicator	New Indicator	7 Working Days

Repairs	% Satisfaction (good or satisfactory) with general standard of repairs	98 %	100 %	98 %
Repairs	Expressions of dissatisfaction: (a) Total no. (b) % of total repair requests (c) Poor satisfaction upheld	(a) 0 (b) 0 % (c) 0	(a) 0 (b) 0 % (c) 0	(a) 0 (b) 0 % (c) 0
Voids	Average overall void period (excluding difficult to let properties)	30 calendar days	31 days	33 calendar days
Adaptations (Minor)	Time taken from decision to completion of work	28 calendar days	21 days	28 calendar days
Adaptations (General)	Time taken from decision to completion of work	90 calendar days	112 days	90 calendar days
Gas Servicing	Tenant satisfaction: (a) % "Excellent" or "Good": (b) % "Poor":	(a) 96 % (b) < 5 %	(a) 99 % (b) 0 %	(a) 96 % (b) < 5 %
Gas Servicing	No. of CP12 (annual safety certificates) lapsed	0	6	0
Kitchen & Bathroom Programme	Overall satisfaction	96 %	93 %	96 %
Decent Homes	No. of homes that are non-decent (of total housing stock)	0	0	0











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