

EAST DEVON DISTRICT COUNCIL



HOUSING REVENUE ACCOUNT BUSINESS PLAN

JUNE 2006

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SECTION	TITLE	PAGE
Summary		
1	Introduction	4
2	Mission and Objectives	4 / 5
3	Executive Summary	5
4	Statement of Services	8
Context		
5	External Environment	9
6	Housing Demand	9
7	Council Owned Properties	9
Operations		
8	Organisational Structure	10
9	Performance Monitoring Framework	11
10	Operational Considerations: Major Repairs Stock Condition Data Responsive Maintenance Programmed and Cyclical Maintenance Staff Management and Operations	13 15 15 15 15 16
Commitments		
11	Medium-term Commitments	18
Financial Framework		
12	Assumptions	25
13	Financial Statements	28
Risks and Sensitivities		
14	Risk Analysis	29
15	Sensitivity Analysis	31

HOUSING REVENUE ACCOUNT BUSINESS PLAN

CHAPTER	TITLE	PAGE
Annexes		
A	Population Analysis	32
B	Housing Demand	33
C	Financial Assumptions	38
D	Financial Statements	44
E	'Improving Performance - Audit Commission Key Lines of Enquiry	55
F	Options Overview	57
G	Tenants Aspirations	60
H	Major Repairs	62
I	Summary of Decent Homes Standard	65

Summary

1 Introduction

This Housing Revenue Account (HRA) Business Plan sets out the mission and objectives that East Devon District Council will adopt in managing and maintaining its housing stock. It demonstrates that continued management by the Council will achieve and maintain the Decent Homes Standard in all its properties for the next thirty years. It also explains how the Council plans to maintain homes to a standard higher than the minimum required by the Decent Homes Standard.

The Business Plan operates alongside the Council's Housing Strategy, and shows the main areas of income and expenditure on the housing stock and housing services that are within the Housing Revenue Account, projected over a thirty year timeframe.

In detail, the Plan shows:

- The responsibilities and duties the Council assumes as a social landlord;
- The objectives to be achieved over the Plan period;
- The specific activities, continuing and period-limited, that the Council will undertake in achieving its objectives;
- The resources to be employed in delivering the objectives;
- The standards of performance to be measured in managing the housing service;
- The financial framework within which the housing activities are planned to take place.

There will not be sufficient resources available in the HRA to do all we want in terms of investment into services and tenants homes, so it is important that this Plan sets out priorities for investment based upon stock condition and tenants aspirations.

It is the Council's intention to review the Plan at regular intervals to ensure that it reflects as accurately as possible the condition of the housing stock, tenants aspirations, and the funding available to achieve the objectives and targets set.

Throughout the Plan, it is assumed that where the term 'tenants' is used, it covers leaseholders where that is appropriate. Wherever the terms 'excellent' and 'fair' are used, they are done so with the same meaning as that employed by the Housing Inspectorate of the Audit Commission.

2 Mission and Objectives

Mission

The mission of the East Devon HRA Business Plan is:

To achieve and maintain good quality homes and housing services for tenants and leaseholders.

This is consistent with the Housing Strategy which seeks to ensure that a good quality, affordable home is available to all households resident in the district, and that each home is adequate in size and suitably located for the occupants.

Objectives

The HRA Business Plan Objectives are that:

We will involve tenants in all aspects of the housing service, operating in accordance with the adopted Tenants' Compact;

We will widen housing choice for current and prospective tenants, especially for those in priority need;

We will make provision for tenants who are elderly, disabled or with special needs that corresponds with Supporting People standards;

We will charge rents that are in keeping with those charged by other registered social landlords in the district, and that are in line with government policy;

We will maintain a programme of major repairs and improvements to properties that will improve their quality and sustain that improvement;

We will maintain properties on a periodic and day-to-day basis to a fair standard in a way that responds to tenants' needs;

We will manage the housing operation efficiently and effectively, and strive to offer continuous improvements in service, while providing value for money;

We will encourage the improvement and regeneration of local communities, encouraging social inclusion and community participation.

3 Executive Summary

The Business Plan describes the objectives, targets and operational processes that the Housing and Social Inclusion Service at East Devon intends to use to achieve its aim of providing good quality homes supported by an efficient and effective housing service. We plan to do so in the context of a financial framework that is sound for the foreseeable future, and with staff and other resources of the right calibre and quantity to ensure success.

This Plan has been produced at the conclusion of the Housing Stock Options Appraisal project to demonstrate how the Council can afford to maintain and improve housing services and tenants homes over the next 30 years. The Council retaining the housing stock is in accord with tenant preference but means that the Council will have to operate the Housing Service within the resources available from the HRA.

Involving Tenants

The Council looks on a good level of tenant satisfaction as a significant indicator of its performance. In recent years, surveys have shown this to be high. The Council intends to build on this success by extending tenant involvement and by improving services. It intends to create a Housing Review Board that will have significant tenant representation, and will develop partnerships already in existence in the shape of the Tenants Customer Panel, Residents Associations and the network of Village Contacts. In consultation with tenants, the Tenants' Compact will be reviewed by the end of 2006, and a programme introduced moving towards ensuring that every tenant is visited in their home at least once a year.

Widening Choice

The Plan allows for improving the Council's commitment to widening choice. The operation of the Choice Based Lettings scheme will be developed further. A single register of all households seeking affordable or social housing will be put in place to provide a single point of access for prospective tenants. A clear and simple approach will be adopted. The 'Welcome Pack' provided to new tenants will be reviewed regularly to ensure that it reflects current good practice. Financial and other incentives will continue to be provided to encourage existing tenants to move to more suitably sized accommodation, enabling the Council to make the best use of its housing stock.

Meeting Special Needs

The Council recognises that the considerable number of elderly and other vulnerable people it has as tenants present a challenge in terms of service provision. We will undertake a major review of all properties covered by the 'sheltered accommodation' designation. A major programme of upgrades will be progressed, costing a potential £3,700K excluding inflation, £4,073 including inflation, over seven years, to ensure all homes meet Supporting People standards, or are decommissioned. A major review of the Warden Service will be completed by September 2006 with the aim of ensuring it complies with current good practice. The Council is also determined to meet the needs of its tenants by ensuring that staff possess the skills necessary to do so.

Charging Reasonable Rents

The Council acknowledges that rental levels are a major concern for most tenants. The Plan allows for rent rises that are above the rate of inflation until 2009/10. This follows the guidance given by central government that rents for local authority housing should be at broadly the same level as those charged by other registered social landlords in the East Devon area. Subsequently, rent increases are projected at a much lower level; at no point are they projected to exceed the guidance levels of central government. The Council will expect tenants to meet their obligation to pay rent on time, recognising that rent arrears and write-offs impinge on the funding available to the housing service as a whole. The Plan anticipates a high proportion of rent being collected.

Maintaining Information on Stock Condition

Comprehensive and accurate information on the condition of the Council's housing stock is considered a high priority. Inspections will be carried out on a regular basis; each year, 10% of properties will be inspected internally and 20% externally, with the Council's stock condition database being updated accordingly. This will be particularly important in ensuring that no properties fall below the Decent Homes Standard at any point. A warranted stock condition survey will be undertaken. It is planned to carry this out when new stock management software is introduced, which will be done during the first five years of the Plan.

Investing to Improve

A major programme of investment in Council properties is planned, particularly in the early years of the Plan. Including inflation, £14,915K is planned to be spent in the first five years, and £110,683K over the full Plan period. The most significant investment will be in new kitchens, bathrooms, central heating, wiring, roofing and doors. The aim is to reduce the maximum lives of individual elements towards those recognised as best practice within the housing sector at large. Although there are insufficient funds to achieve best practice, it is intended to move in that direction over the period of the Plan. A scheme will be introduced to enable tenants to improve elements of their homes in advance of programme dates; this will be done through the use of Home Improvement Vouchers.

Sustaining Property Value

It is planned to improve performance in maintaining properties, either periodically or responding to an immediate need. An appointment system for property repairs will be introduced, and targets for the completion of responsive repairs achieved or exceeded. The partnership arrangements with

major contractors will be developed further. It is intended to reduce void and relet times; the improvement of the standard of properties, achieved through the investment programme, should make this possible.

Improving Housing Services

The Council recognises that it needs to re-organise its management and staffing structure if it is to make gains in the efficiency and effectiveness of its service provision. This will be carried out during 2006. A review of the way in which performance is monitored will also be undertaken, with targets amended where necessary and new ones introduced. A study will be undertaken in 2006 on how internal and external communications could be developed with the aim of improving customer care. Before the end of 2007, replacement software will be introduced that will provide an up-to-date system to handle estate management, repairs, and stock condition records.

Enhancing Staffing Skills

It is only through the use of sufficient staff possessing appropriate skills that many of the Plan objectives can be achieved. Skill deficiencies will be addressed where they are identified, largely through the development and training of existing staff. However, a review of service provision against the 'excellent' and 'fair' standards defined by the Audit Commission revealed a need for additional staff to undertake specific tasks. The Service will have 89 employees in April 2006; another four will be recruited during the remainder of the year.

Developing Communities

Placing Council-owned homes in the context of the communities in which they exist is a vital element of the Plan. Encouraging and, where possible and appropriate, facilitating the improvement of the environment on estates is a key on-going aim. Specific programmes will continue at Littleham, Exmouth and St Paul's, Honiton.

Affording the Cost

The financial framework provided for the Plan's accomplishment is sound and robust. There will be sufficient funding available to meet all the programmes outlined above, provided the Council borrows £2,681K, at 2006 values, over the next seven years. It is planned to repay such loans over the succeeding thirty years. The borrowing is necessary because of the high level of investment needed in the first few years of the Plan. It does not introduce extra resources in total over thirty years of the Plan, but does allow more investment in early years at the expense of cost reductions in later years to allow for repayments.

Acknowledging the Risks

Clearly, there are risks that threaten the achievement of a number of key Plan objectives. Amongst the most significant is the impact of the development planned at Cranbrook. It is likely to have an impact on the availability and cost of contractors, though this is difficult to quantify at present.

A further significant risk is the constantly changing financial environment and central government amendments to the housing finance system.

Despite the risks, the outlook for the Housing and Social Inclusion Service presented by the Business Plan is essentially one of improvement, both to properties and to services, characterised by a significant change in the way that tenants are involved in the improvement process.

Although not part of the Business Plan as such, statements have been included at **Annexes F to H** that compare elements of the current plan with other projections generated as part of the Housing Stock Options Appraisal exercise.

4 Statement of Services

The Housing and Social Inclusion Service includes all the activities undertaken under the Housing Revenue Account, but has a wider remit than the activities contained in the Business Plan. The fundamental aim of the Service is to improve the availability and quality of housing for those most in need.

We aim to ensure that an affordable home is available to all households in the district, that each home is adequate in size and suitably located for the occupants, and that homes will be continually improved in quality.

The Service's aspirations for tackling expressed housing need within the district remains high and can be summarised into five broad themes, taken from the Housing Strategy Statement 2004-2007:

- Housing needs in the district are accurately gauged and that adequate housing accommodation is available to meet those needs;
- There is choice of tenure throughout the district and in particular, an adequate supply of affordable housing;
- Housing accommodation across all tenures in the district attains the highest possible standards;
- The Council's enabling role is developed further, involving partnerships with other agencies to meet housing need within the district;
- The Council meets its statutory obligations and adopted housing policies, whilst providing a high quality housing and social inclusion service.

Partnerships

A partnership approach is central both to the successful operation of the Housing and Social Inclusion Service, and to the delivery of this Plan. More emphasis will be placed on partnership working in the future. Our partners are vital to the successful achievement of our Service vision and objectives.

Key partnerships include:

- All tenants and tenant bodies including the Tenant and Leaseholder Customer Panel, Residents Associations and Village Contacts;
- The Wider Strategic Housing Partnership;
- Department for Communities and Local Government, Government Office South West, the Housing Corporation, and the Regional Housing Body;
- Registered Social Landlords and other housing providers;
- Partnering contractors in respect of Council house repairs and maintenance;
- Devon County Council, Social Services in respect of Supporting People, community care and adaptations for disabled people;
- The Primary Care Trust in respect of health, well being and social inclusion issues;
- Voluntary sector organisations;
- Private sector landlords;
- Parish and Town Councils;
- Other Local Authorities (Devon Strategic Housing Partnership, Devon Rural Housing Partnership);
- Planners, developers and landowners to provide affordable housing;
- Rural Community Council and the Rural Housing Trust.

Context

5 External Environment

The East Devon Area

The East Devon District covers an area of 314 square miles (81,477 hectares) and comprises the area between the River Exe and outskirts of Exeter to the west, Somerset (inland) and Dorset to the east. At the extremes, the district stretches 30 miles east to west and 15 miles north to south.

East Devon is one of eight Devon districts and, with a population at the 2001 Census of 125,520, the largest in Devon. It is also one of the largest English District Councils by population, with only 29 of the 238 district Councils in England being larger. The rural nature of the district is emphasised by the low population density which is 1.5 per hectare (England and Wales average is 3.4). The district is fully parished with 68 Town and Parish Councils.

Our main settlements comprise the coastal resorts of Exmouth, at 34,000 population Devon's largest town, Budleigh Salterton, Sidmouth and Seaton. In the mainly rural inland area the main settlements comprise Honiton, Ottery St Mary, and Axminster.

Annex A contains an analysis of East Devon's population, based on the census returns of 2001.

Key issues for the Housing and Social Inclusion Service are:

- Low population density;
- High proportion of population is elderly (especially older women);
- Low proportion of population is from ethnic minorities;
- Seven main settlements plus numerous rural areas;
- High quality environment;
- Widespread satisfaction with the area;
- Fast-growing population mainly due to in-migration;
- New Community proposed to meet housing needs.

6 Housing Demand

The demand for housing within East Devon has been estimated by Fordham Research using a Basic Needs Assessment Model. It demonstrates a need for 736 new affordable homes per annum over five years. **Annex B** shows the detailed calculation. There is data on the housing stock in the district, both Council-owned and private. There is information on households and income, as well as the priorities the Council has identified in relation to the Supporting People agenda

7 Council-Owned Properties

In April 2006, the Council's housing stock consisted of 4314 dwellings, comprising:

2101 houses
992 bungalows
1221 flats

The housing stock can also be broken down as follows:

1186 1 Bedroom dwellings
1442 2 Bedrooms dwellings
1611 3 Bedrooms dwellings
75 4 or more Bedrooms dwellings

1160 of these properties were sheltered accommodation intended for older tenants.

Operations

8 Organisational Structure

The Housing and Social Inclusion Service was restructured following the Housing Stock Options Appraisal. The new structure was introduced in June 2006, with the Service being split into four teams or units. The major areas of activity are shown in the diagram below:

Housing Management Team	Housing Business Unit	Housing Strategy Unit	Housing Needs Team
Estate & tenancy management	Home Safeguard	Housing Strategy	Housing advice/options
Community safety & anti-social behavior	Rental and other income	HRA Business Plan	Homelessness prevention
Repairs & responsive maintenance	Right to Buy	Research, information & support	Homelessness Strategy
Programmed and Cyclical maintenance, improvements and adaptations	Warden Service	Enabling, partnerships, projects and new initiatives	Housing Register
Grounds maintenance, car parking, garages, etc	Sheltered housing	Affordable housing schemes	Allocations, transfers & nominations
	Supporting People	Social inclusion, equality & diversity	Tenancy sustainment
	Leaseholders	Policies & procedures	Special needs/supported housing
	Garden maintenance & communal cleaning	Tenant participation and involvement	Child protection & domestic violence
	Performance monitoring	Community Development	Links with the private rented sector

In Section 10 'Operational Considerations - *Management and Operations*' there is a more detailed breakdown of the services provided by each of the major areas of responsibility.

Additional services are provided from the Council's support services relating to human resources, information technology, legal services, internal audit and finance.

During 2006, the staff structure was revised. The aim is to improve the effectiveness of the service in serving the needs of tenants, to be more efficient in maintaining and improving properties, and to separate the strategic and enabling issues from operational matters.

A Housing Review Board has been introduced in 2006. The Board will be a body comprising Councillors, tenants and independent representatives; it will be serviced by Council officers and, as occasion demands, external advisors.

The Board will advise the Council's Executive Board on all matters relating to the landlord aspects of the housing service. It will be responsible for informing the Executive Board on progress made in the delivery of the Housing Revenue Account Business Plan and for advising it on how the Plan may best be delivered.

HOUSING REVENUE ACCOUNT BUSINESS PLAN

9 Performance Monitoring Framework

Performance monitoring takes place within the context of the Business Plan. The Plan takes a thirty year view that is rolled forward annually. Although the annual review takes in the whole of the timeframe, detailed consideration is only given to the first few years of the Plan.

The annual review must produce a Plan that is not only realistic and viable, but also conforms with limitations imposed by the Council and by the requirements of central government. The Plan will be based on performance measures, both financial and non-financial. It will be used as the framework for producing the annual budget.

The Head of Housing and Social Inclusion is responsible for delivering the Plan and the annual budget.

Performance Indicators

The housing service measures all aspects of its operations, using national and local performance indicators. The principle performance indicators are shown below. 'BV' indicates a national best value indicator, and 'L' indicates a local performance indicator.

Indicator	+ / -	Actual 04/05	Quartile 04/05	Top Quartile District Councils 2004/05	Target 05/06	Actual 05/06	Status 05/06	Change on 04/05	Target 06/07
BV203 Change in number of families in temporary accommodation.	-	-32	2004-2005 Top Quartile District Councils	-9.40	0	-1	Excellent	↓	-9.00
BV202 Number of Rough Sleepers	-	0.00	2004-2005 No Data Available	No Data Available	0.00	0.00	Achieved	↔	0
BV225 Actions against domestic violence	+	0.24	Indicator amended for 2005-06	No Data Available	0.64	0.64	Achieved	↑	0.64
BV63 The average Standard Assessment Procedure rating of local authority-owned dwellings	+	62.0	2004-2005 Below Median District Councils	67.0	63.0	63.0	Achieved	↑	63.50
BV66a Arrears Recovery (owed)	+	94.56	2004-2005 Bottom Quartile District Councils	98.74	95.00	96.34	Achieved	↑	95.50
BV164 Equal Access to Social Housing	+	Yes	2004-2005 No Data Available	No Data Available	Yes	Yes	Achieved	↔	Yes
BV183a Length of Stay in Temporary Accommodation (Bed & Breakfast) in weeks	-	4	2004-2005 Below Median District Councils	1	3	3	Achieved	↑	2
BV213 Housing Advice Service: preventing homelessness	+	n/a	This is a new indicator for 2005-06	No Data Available	n/a	n/a	No data available	n/a	100

HOUSING REVENUE ACCOUNT BUSINESS PLAN

Indicator	+ / -	Actual 04/05	Quartile 04/05	Top Quartile District Councils 2004/05	Target 05/06	Actual 05/06	Status 05/06	Change on 04/05	Target 06/07
BV214 Housing advice service - repeat homelessness	-	n/a	This is a new indicator for 2005-06	No Data Available	2	2	Variation	n/a	2
BV66b Rent Collection and Arrears Recovery: tenants in arrears	-		Indicator amended 2005-06	No Data Available	9.35	8.53	Variation	n/a	7.99
BV184b Non-decent local authority dwellings (change)	+	0	2004-2005 Bottom Quartile District Councils	25.2	+74	+47	Concern	↑	+47
BV184a Non-decent local authority dwellings	-	26.00	2004-2005 Above Median District Councils	17	0.00	13.00	Concern	↑	0
BV66c Rent Collection and Arrears Recovery: possessions sought	-	n/a	This is a new indicator for 2005-06	No Data Available	20.68	27.99	Concern	n/a	28.99
BV66d Rent Collection and Arrears Recovery: evictions	-	n/a	This is a new indicator for 2005-06	No Data Available	0.10	0.12	Concern	n/a	0.15
BV212 Average Time to Re-let Local Authority Housing (days)	-	n/a	This is a new indicator for 2005-06	No Data Available	30	67	Concern	n/a	35
Local Performance Indicator L50 Percentage of urgent repairs completed within Government time limits	+	92.13	Local Performance Indicator	Local Performance Indicator	94.00	94.34	Achieved	↑	n/a

Source: 6 Jun 2006, Service Performance and Risk Database, EDDC

Key to performance status:

Performance Indicators:	No Data	Concern PI 10% or more below the target	Variation PI 10%-0.1% below the target	Achieved PI matches the target or is less than %5 above the target	Excellent PI is 5% or more above the target
Key to +/- Column:	+	-	Lower figures are better	OFF	Direction cannot be determined.

Where applicable, performance has been compared with other district councils nationally, although this information is not available for all PIs. This may be because the PI is new for 2005/06 and so national data is not yet available. The 2005/06 status is based on our own council set targets.

An additional local performance indicator was agreed at the Council's Executive Board on the 12th April 2006, "average void period for council homes".

During 2006/07, a review will be undertaken of the performance indicators used and the reporting of performance.

Financial Monitoring

Monthly financial statements are provided to managers comparing actual income and expenditure with their budgets. These are at two levels: statements relating to the housing service as a whole, and more detailed statements relating to individual management areas. This allows for close budget monitoring by managers.

10 Operational Considerations

10.1 Major Repairs

The Council is committed to continuing high levels of investment into maintaining and improving the condition of the housing stock. The major repairs budget is a key element of the Business Plan. It has been devised taking into account known stock condition, the notional lifecycles of building elements, and tenant aspirations. We are keen that tenants have an increasing influence over the construction and delivery of this programme.

Over the period of the Plan, considerable investment in major repairs and replacement of building elements is proposed. The table below shows the programme and investment assumptions.

Programme	Description and Investment Assumptions
Window Replacement	The initial programme of PVC window replacements will be completed by the end of 2006/07. To ensure that no windows are over 40 years old, there will be a requirement to start the next programme during the last six years of the Plan.
Kitchens and Bathrooms	The current kitchen replacement programme is scheduled for completion by 2017/18. At that point, no kitchen will be over 23 years old. The bathroom replacement programme will be accelerated from 2020/21 such that no bathroom will be over 30 years old. Both programmes will be maintained such that the age of kitchens does not exceed 23 years and bathrooms 30 years.
Central Heating	The current programmes relating to gas boiler replacements and electric central heating replacements will be maintained through the Plan such that the former are replaced after 15 years and the latter after 30 years. Radiators will be replaced, but over a much longer timescale.
Rewiring	A programme of renewal will be maintained throughout the Plan, but will concentrate on individual elements rather than complete system replacement. An up-to-date provision of smoke alarms will be included in this programme.
Roofing	Roofing will be the subject of a regular age-based inspection programme, starting at 50 years old. Replacement will be carried out on a condition basis, at which time chimneys will be removed where possible to save on repair costs.
Doors – Front and Rear	All external doors will be replaced by 2023/24, giving a maximum age of 40 years. The programme will not need to be restarted within the scope of the Plan.
Interior Structural Work	A small programme of work will be maintained concerned with the improvement and replacement of flooring.
External Structural Work	A small programme of work will be maintained concerned with the improvement and replacement of exterior wall structures. Where necessary, pointing and rendering will be carried out, but the bulk of this work will be done at the time of external painting, the cost being included in the cyclical maintenance programme.
Paths	No major programme of work will be maintained, with patch and repair work being carried out under the responsive maintenance budget.
Boundaries	A small programme of work will be maintained concerned with keeping walls, fences and gates in an acceptable condition rather than replacing them.
Drainage and Mains	There is sufficient provision under responsive maintenance to cover repairs as they become necessary. In the light of experience, it is not judged necessary to put in place a replacement programme.

HOUSING REVENUE ACCOUNT BUSINESS PLAN

Programme	Description and Investment Assumptions
Woodworm and Damp Treatment	There is sufficient provision under responsive maintenance to cover repairs as they become necessary. In the light of experience, it is not judged necessary to put in place a replacement programme.
Empty Property Repairs	As properties become void, they will be brought up to the current standard in each major category. The annual provision is about 10% higher than in recent years to ensure that the faster replacement of kitchens, bathrooms and doors can be maintained.
Communal Areas	There is a need for a small annual programme of work until 2021/22, after which any work will be covered under responsive maintenance.

Programme costs of major repairs are shown in the following table. These costs **do not include inflation**. The inflation assumptions used in the DCLG financial model are shown in 'Financial Assumptions' **Annex C**. A detailed breakdown of the programme costs are shown in **Annex D**.

Element	Years 1 to 5	Years 6 to 10	Years 11 to 15	Years 16 to 20	Years 21 to 25	Years 25 to 30	Total
	£K	£K	£K	£K	£K	£K	£K
Window Replacement	200	0	0	0	55	1,165	1,420
Kitchens and Bathrooms	5,726	5,495	5,500	3,425	3,425	3,425	26,996
Central Heating	1,320	1,320	1,320	2,680	2,885	2,475	12,000
Rewiring	868	750	750	1,155	1,155	1,155	5,833
Roofing	1,175	1,075	1,060	1,900	2,165	1,625	9,000
Doors – Front and Rear	1,243	854	1,250	650	0	0	3,997
Interior Structural Work	201	200	200	200	200	200	1,201
External Structural Work	201	200	200	330	400	365	1,696
Paths	0	0	0	80	80	80	240
Boundaries	130	130	130	130	130	130	780
Drainage and Mains	0	0	0	0	0	0	0
Woodworm and Damp Treatment	0	0	0	0	0	0	0
Empty Property Repairs	1,020	1,020	1,020	1,020	1,020	1,020	6,120
Communal Areas	201	200	200	0	0	0	601
	12,285	11,244	11,630	11,570	11,515	11,640	69,884

The Business Plan also contains amounts per annum of £40K in the first three years, increasing thereafter, to enable tenants to improve elements of their homes in advance of programme dates; this will be done through the use of Home Improvement Vouchers.

10.2 Stock Condition Data

As part of the Housing Stock Options Appraisal process, a review of the Council's stock condition records was undertaken by an external consultancy. The information was found to be accurate, fairly reflecting the condition of the stock, and up to date. It was found to be possible to assess the status of the stock in terms of the Decent Homes Standard from the data held.

As in time past, the Council will maintain its stock condition database by inspecting 10% of its properties internally and 20% externally each year.

The current database will be withdrawn by the Council during 2007 as part of an overall upgrading of all its software systems. A replacement system will be specified and sourced during 2006 and installed in the following year. The estimated cost of £110K will be met from central government funding relating to E-Government and from a Council-wide capital project for software development. The database will be populated using a warranted stock condition survey carried out by an external consultancy. It is planned to carry this out when new stock management software is introduced, which will be done during the first five years of the Plan.

10.3 Responsive Repairs

The Business Plan assumes that, for the first few years, expenditure will be at a slightly higher rate than in recent years. However, after 2012/13, a reduction of about 6% has been assumed, on the basis that the major repairs programmes then coming to a conclusion should reduce the requirement to spend so much on responsive repairs.

The Council has partnering arrangements with building contractors for responsive repairs and works closely with partners to ensure that reported repairs are carried out quickly and to a high standard. Performance is carefully monitored against agreed targets. We operate a repairs call centre with dedicated and experienced staff handling reported repairs and passing jobs to our contractors.

10.4 Programme and Cyclical Repairs

The two main areas of expense, the maintenance of gas boilers and the external decoration of properties, are proposed to continue at their present rates for the first few years of the Business Plan.

After 2012/13, expenditure on external decoration has been programmed to reduce slightly, resulting in a slight lengthening of the times between the redecoration of some of the properties. In 2006/07, this cycle will be five years. At no point over the thirty years is this planned cycle to exceed six years. This will be reviewed as the Business Plan rolls forward, and adjustments only being made if cost constraints dictate.

10.5 Staff

Staff Numbers: At the beginning of 2006/07, 89 full time and part time employees were employed in the Housing and Social Inclusion Service. It is planned to increase staff numbers by four to ensure the achievement of the 'fair' status as defined by the Audit Commission in its Key Lines of Enquiry (KLOE's) used during its reviews of council performance. Further details are shown in **Annex E**.

Staff Turnover: In 2005/06, staff turnover was 6.66%. It is anticipated that this will drop to 5% during 2006/07 and will remain at that level for the duration of the Business Plan.

Absence Rates: For the period 31/10/04 – 31/10/05, 922 working days were lost, including several long-term absences, equating to 10.84 days per person.

A Stress Audit was undertaken in 2005/06. The main themes emerged from it were: – A desire for improved communications; Need for better clarity of individual roles and job purpose; Need for improved joint working between Teams in the Service; and a desire for greater praise and recognition. A Stress Action Plan has been drafted and consulted upon, and it will be implemented during the early years of the Business Plan.

Recruitment and Retention Issues:

Restructuring proposals have been developed for implementation in 2006, with the aim of producing a staffing structure better suited to meeting current and future service needs. The ongoing need to recruit suitably qualified and experienced employees to fill any vacancies will remain a key issue.

A number of Wardens are approaching retirement. When retirements occur, consideration will be given to the best way to deliver the relevant Warden Service rather than automatically replacing one Warden with another. A move from accommodation based support to floating support is envisaged, consistent with the County Supporting People Strategy.

Skilling: A review of the skills required to deliver the Plan in its first few years yielded the following needs for the Service:

- Resident involvement
- Generic housing management;
- Technical building maintenance;
- Homelessness prevention and allocations housing advice;
- Housing Strategy and enabling;
- Management and leadership;
- Financial and business;
- IT, administration, and interpersonal;
- Project management skills.

The Housing and Social Inclusion Service currently possesses an acceptable level and mix of skills, but these will need to be augmented to ensure the provision of a continuously improving service. The issue of staff capacity related to workloads may still prevent the achievement of some aims and targets.

10.6 Management and Operations

The main functions and activities that will be carried out by the Housing and Social Inclusion Service over the period of the Plan are:

- **Senior Management** – The oversight of all housing service operations in accordance with the Housing Strategy, the Business Plan, Service Plan and Council policy. The Housing Service Management Team will be a key feature in delivering service improvements.
- **Housing Strategy** - Responsibility for producing the Council's Housing Strategy which is a document setting out the plans for housing over a three year period. The Strategy considers housing needs and sets priorities and targets for future service delivery. The Housing Strategy is part of the Community Plan and will be delivered through partnership working.

HOUSING REVENUE ACCOUNT BUSINESS PLAN

- **Tenant Participation** – This includes:
Enabling tenants to participate in the management of their homes;
Supporting the Tenant and Leaseholder Customer Panel, Village Contacts, Area Forum meetings, Leaseholder meetings and 9 Residents Groups;
Implementing the Tenant's Compact;
Administering the sale of up to 30 Council homes each year under the Right to Buy scheme.
- **Housing Needs** – This includes:
Managing the Housing Register of approximately 4,200 households seeking accommodation in East Devon;
Making housing assessments;
Receiving and investigating homeless applications;
Providing housing advice, and operating housing advice surgeries in Exmouth twice a week;
Ensuring that vulnerable tenants with special needs are appropriately supported in their homes;
Providing a Tenancy Sustainment service;
In addition, there are links with the Homelessness Strategy, which involves the assessing of the scale of housing needs, the investigation of approximately 300 homeless approaches each year and the securing of housing for typically 150 homeless households.
- **Housing Rental** – Ensuring that tenants are charged the correct rents, and that rents and other charges are paid on time.
- **Property Management** – This includes:
The management of all Council properties, 4,314 at April 2006, plus about 700 garages;
Dealing with tenant's complaints, including anti-social behaviour;
Ensuring compliance with tenancy conditions.
- **Housing Repairs** – ensuring that the Council's properties are in a good condition and meet the needs of our tenants. This includes the management of:
Responsive maintenance;
Programmed and cyclical maintenance programmes;
Programmes of improvements and adaptations;
Ensuring that all properties continue to meet the Decent Homes Standard, achieved by April 2006.
- **Special Needs** - Including Home Safeguard and the provision of housing for people with support needs. Specifically, this covers:
Providing a community alarm service to 1,160 Council sheltered housing units, as well as customers in the private sector; a total of 5,700 customers;
The Travelling Warden service, supporting over 300 tenants in their own homes;
Resident Wardens service, providing support to about a further 500 tenants;
There are links to the Home Safeguard work with housing associations and other service providers to meet the special needs of vulnerable people.
- **Social Inclusion** - Including race equality and diversity and children's issues – this involves working in partnership to devise and implement policies to ensure that residents are able to play a full and active role in their communities without fear of prejudice or discrimination. The Service will be leading on the Council's role in respect of child protection issues.

Many but not all these activities are funded through the Housing Revenue Account, which is concerned solely with landlord related activities.

Commitments

11 Medium Term Commitments

The Housing and Social Inclusion Service recognises that the next three years are crucial ones for the Service. The key issues it identifies to be faced over that period are:

Involving Tenants

- Establishing a Housing Review Board of Councillors, tenants and community representatives.
- Visiting every tenant in their home at least once and assist sustain tenancies for vulnerable tenants.

Widening Choice

- Improving housing advice and increasing the housing options available to local people.
- Developing the Choice Based Lettings scheme and implementing new IT software for homelessness, allocations, and rentals.
- Implementing an Accompanied Lettings service for new tenants.

Meeting Special Needs

- Decommissioning and remodelling some of the Council owned housing to meet current and future housing needs.
- Reviewing, expanding and modernising the role of the Warden Service.
- Developing the Supporting People Locality Statement to ensure that vulnerable people are properly supported in their homes.
- Implementing the recommendations from the Supporting People Review of Older Person's services.

Charging Reasonable Rents

- Optimising the opportunities for income generation, including rental and other income.

Investing to Improve

- Implementing repair and improvement programmes that ensure all homes continue to meet the Decent Homes Standard.
- Keeping comprehensive and accurate information on housing stock condition.

Improving Housing Services

- Maintaining a 'fit for purpose' Housing Strategy.
- Developing the housing enabling role and delivering more affordable housing.
- Assessing the IT requirements of the Service, procuring and implementing a new housing system.
- Developing tenancy sustainment initiatives.
- Improving re-let times, reducing voids and optimising the use of the Council's housing stock.
- Operating a more pro-active, customer focused estate management service.
- Maintaining a financially viable Housing Revenue Account.
- Completing and delivering the Best Value Review Improvement Plan.
- Gathering and using data to shape housing services.
- Improving our approach to partnership working.
- Improving communication between staff in the Service.

Developing Communities

- Developing the Council's approach to social inclusion and equalities.

HOUSING REVENUE ACCOUNT BUSINESS PLAN

Specific Commitments

In the light of such issues, the Service has identified specific improvements to be achieved within the next three years. Most have been taken from the Housing Strategy 2004-2007; they are shown in the tables below under the main Business Plan objectives that they will help to achieve.

1 We will involve tenants in all aspects of the housing service, operating in accordance with the adopted Tenants' Compact					
No	Objective	Target	Completion Date	Outcome	Owner
1.1	Enhance the Tenant and Leaseholder Customer Panel and build tenant capacity.	Create a wider role for tenants in the management of their homes, giving them the skills needed.	On-going	Active tenant representatives that can have an effective role in managing their homes.	Housing Strategy Manager.
1.2	Review the tenancy agreement working with the Tenant and Leaseholder Customer Panel.	Produce an updated tenancy agreement.	December 2006	Update the existing tenancy agreement.	Housing Strategy Manager.
1.3	Review the Tenant Compact, working with Tenant and Leaseholder Customer Panel.	Produce an updated Tenant Compact with refreshed aspirations.	December 2006	New Tenant Compact published.	Housing Strategy Manager.
1.4	Increase the level of tenant involvement in decisions affecting the management of their homes.	Ensure that more tenants are involved in Residents Groups or similar.	On-going	Active tenant representatives that can have an effective role in managing their homes.	Housing Strategy Manager.
1.5	Visit every tenant in their home once a year.	Introduce a programme to move towards the objective as resources allow	December 2006.	Every tenant of the Council to see a member of the Council's staff.	Head of Housing and Social Inclusion.
1.6	Maintain high levels of tenant satisfaction with the landlord service	Achieve a 90% satisfaction score in the next tenant survey	Status Survey April 2007	A high level of tenant satisfaction.	Head of Housing and Social Inclusion.
1.7	Introduce effective tenancy sustainment initiatives.	Implement by April 2006	On-going	Effective tenancy sustainment initiatives in place.	Housing Needs Manager.
1.8	Improve tenant involvement at a senior level through participation in the Housing Review Board	Implement by July 2006	On-going	Improve tenant involvement at a senior level	Head of Housing and Social Inclusion.

HOUSING REVENUE ACCOUNT BUSINESS PLAN

2 We will widen housing choice for current and prospective tenants, especially for those in priority need					
No	Objective	Target	Completion Date	Outcome	Owner
2.1	Establish a mutual exchange register for tenants wanting to move.	Tenants seeking a mutual exchange.	Dec 2006	System to assist tenants move within the Council owned housing stock.	Housing Needs Manager.
2.2	Introduce a system of accompanied lettings for all new tenants.	All new tenants.	September 2006	Tenants have a better understanding of the terms of their tenancy.	Housing Needs Manager.
2.3	Introduce a Welcome Pack for new tenants.	All new tenants.	September 2006	Tenants well informed about their tenancy and local services.	Housing Needs Manager.
2.4	Provide incentives to discourage the under-occupancy of Council homes.	Encourage 12 households to move to more suitably sized accommodation.	On-going	Better use of Council owned housing.	Housing Needs Manager.
2.5	Maintain and develop a Choice Based Lettings Scheme.	Allocations of Council homes to be made under the new system.	On-going	Provide housing applicants with greater choice over where they live.	Housing Needs Manager.
2.6	Introduce a Common (single) Housing Register for the East Devon District.	A single register for all households seeking affordable/social housing in the district.	June 2007	To provide a clear and simple, single point of access for affordable housing in the district.	Housing Needs Manager.
2.7	Continuously research the housing market and housing needs.	Greater understanding of the likely demand for Council properties.	April 2006 – on-going	Greater understanding of the likely demand for Council properties	Head of Housing and Social Inclusion.

HOUSING REVENUE ACCOUNT BUSINESS PLAN

3 We will make provision for tenants who are elderly, disabled or with special needs that corresponds with Supporting People standards					
No	Objective	Target	Completion Date	Outcome	Owner
3.1	Review the use of and demand for sheltered housing schemes in the district.	Propose alternative uses for sheltered schemes where demand has declined.	On-going	Ensure that sheltered housing is fully used and has a viable future.	Housing Business Manager.
3.2	Undertake adaptations to Council owned homes to assist disabled tenants.	Complete 260 adaptations per annum within the budget provision of £170k.	780 adaptations completed by March 2007.	Homes suitable for disabled residents needs.	Housing Services Manager.
3.3	Modernise the Warden Service to meet the needs of existing and future tenants.	Start the review by August 2006.	March 2007	A Warden Service that meets the needs of existing and future tenants	Housing Business Manager.
3.4	Review the Warden Service to ensure that we are using the skills of Wardens to best effect.	Complete the review by March 2005.	September 2006	Modernise the Warden Service to ensure that the best use is being made of the Wardens.	Housing Business Manager.
3.5	Ensure that the Supporting People programme is assisting clients in need of housing related support.	Complete a review of existing schemes receiving Supporting People funds.	September 2005.	Effective targeting of Supporting People resources.	Housing Business Manager.
3.6	Research and quantify the level of special/support needs and gaps in supported housing.	Identify the clients that are in need of supported housing.	September 2006	A clear picture of the need for future housing and support services.	Housing Business Manager.
3.7	Update the Supporting People Locality Statement for East Devon.	Clear future priorities set for Supporting People services in the district.	September 2006	Up to date strategy setting clear priorities for Supporting People.	Housing Business Manager.
3.8	Ensure that Council tenants are informed and consulted on Supporting People issues.	All Council tenants.	On-going.	Better informed tenants who respond to consultation.	Housing Strategy Manager.
3.9	Develop the social inclusion agenda.	No exclusion of current or potential tenants.	July 2006 – on-going	No exclusion of current or potential tenants.	Head of Housing and Social Inclusion

4 We will charge rents that are in keeping with those charged by other registered social landlords in the district, and that are in line with government policy					
No	Objective	Target	Completion Date	Outcome	Owner
4.1	Increase the proportion of rent collected from tenants by reducing rent arrears.	A higher proportion of rent collected.	April 2006 – on-going	A higher proportion of rent collected	Rental Manager.

HOUSING REVENUE ACCOUNT BUSINESS PLAN

5 We will maintain a programme of major repairs and improvements to properties that will improve their quality and sustain that improvement					
No	Objective	Target	Completion Date	Outcome	Owner
5.1	Maintain Council owned housing at or above the Decent Homes Standard.	100% achievement of the Decent Homes Standard.	On-going	Continue to provide good quality homes for Council tenants and a clear plan to maintain Decent Homes.	Housing Services Manager.
5.2	Implement an ambitious programme of major improvements to the housing stock.	A programme in place by April 2006	On-going	An improved housing stock.	Housing Services Manager.
5.3	Ensure that accurate and robust information is maintained on the condition of Council homes.	To have a comprehensive database on the condition of Council homes.	March 2007	Accurate stock condition information to inform improvement and maintenance programmes.	Housing Services Manager.
5.4	Maintain up to date information on the condition of the housing stock in the district.	Keep the house condition survey data updated and analysed to inform priorities and targets.	On-going.	Good knowledge of stock condition to enable future priorities to be accurately identified.	Environmental Health Manager (Private Sector Housing).
5.5	Increase the Standard Assessment Procedure (SAP) energy rating of Council owned and private housing.	Programme of energy efficiency work included in the planned maintenance programme.	On-going.	More energy efficient Council homes.	Housing Services Manager.

6 We will maintain properties on a periodic and day-to-day basis to a fair standard in a way that responds to tenants' needs					
No	Objective	Target	Completion Date	Outcome	Owner
6.1	Complete responsive repairs within agreed timescales.	Immediate: 24 hours Emergency: 72 hours Urgent: 7 days 96% of jobs Priority 1 – 3 weeks Non-urgent: 3 – 6 weeks.	On-going	Provide an effective and efficient repairs and maintenance service.	Housing Services Manager.
6.2	Undertake planned maintenance programmes to improve the condition of Council homes.	Complete the programmes set out in the Housing Strategy.	On-going	Maintain Council owned housing in good condition.	Housing Services Manager.
6.3	Introduce an appointment system for Council house repairs.	All response repairs will be undertaken by appointment.	January 2007 – on-going	Tenants aware of when repair contractors will carry out repairs.	Housing Services Manager.

HOUSING REVENUE ACCOUNT BUSINESS PLAN

6 We will maintain properties on a periodic and day-to-day basis to a fair standard in a way that responds to tenants' needs					
No	Objective	Target	Completion Date	Outcome	Owner
6.4	Reduce void and relet times of Council owned housing.	Achieve average void times of 35 calendar days.	Ongoing	Quicker turn round of Council homes.	Housing Needs Manager.
6.5	De-commission and re-use 'hard to let' sheltered housing.	A programme in place by December 2006.	March 2009	Using the housing stock to better meet the needs of tenants	Housing Business Manager.

7 We will manage the housing operation efficiently and effectively, and strive to offer continuous improvements in service, while providing value for money					
No	Objective	Target	Completion Date	Outcome	Owner
7.1	Restructure the housing service to deliver key improvements and meet tenant and customer reasonable expectations.	New structure approved by April 2006.	July 2006	A more effective service to tenants at a better value for money.	Head of Housing and Social Inclusion.
7.2	Undertake a 'back to basics' review of policy and procedure, updating where appropriate.	Ensure that policy and procedure is up to date and follows good practice.	December 2006	Policy and procedure on main housing service activities written down and consistently implemented.	Head of Housing and Social Inclusion.
7.3	Review the current arrangements for caretaking services and redefine and improve service.	Establish an improved and clearly defined caretaking service for communal areas and estates.	March 2007	Improved caretaking services which meet tenants reasonable aspirations.	Housing Business Manager.
7.4	Review the Cash Incentive Scheme to encourage tenants to move to smaller homes.	Assist 10 households to downsize per annum.	December 2006	Operate a scheme which is sufficiently attractive to encourage tenants to move.	Housing Strategy Manager.
7.5	Identify and purchase a suitable housing IT system for repairs and estate management.	Initiate the project by August 2006.	March 2007	More effective management of repairs and estate management.	Housing Services Manager.
7.6	Develop the strategy and enabling work of the service.	Initiate work by April 2006.	On-going	An improved strategy and enabling service.	Head of Housing and Social Inclusion.
7.7	Improve internal and external communications and customer care.	Initiate work by April 2006.	On-going	Improved internal and external communications and customer care.	Head of Housing and Social Inclusion.

HOUSING REVENUE ACCOUNT BUSINESS PLAN

8 We will encourage the improvement and regeneration of local communities, encouraging social inclusion and community participation					
No	Objective	Target	Completion Date	Outcome	Owner
8.1	Deal efficiency and effectively with instances of anti-social behaviour.	All reported instances of anti-social behaviour to receive a response within 5 working days.	On-going	Effective estate management allowing residents to enjoy a good quality of life.	Housing Services Manager.
8.2	Encourage and facilitate the improvement of existing estates.	Agree a programme of estate improvements.	On-going	Good quality environment and safe estates.	Housing Services Manager.
8.3	Identify opportunities to improve Council owned estates.	Improved communal areas and environment on Council estates	On-going.	Improvements to Council Estates.	Housing Services Manager.
8.4	Make better use of communal facilities in Sheltered housing schemes.	Wider community use of community halls.	On-going	Community facilities used to their optimum by residents and the wider community.	Housing Business Manager.
8.5	Enable the provision of community facilities at Stowford Rise, Sidmouth.	A community facility for a variety of uses for local residents.	December 2006.	New community centre for community activities.	Head of Housing and Social Inclusion.
8.6	Work with the Littleham residents and local agencies to create a safe, vibrant and inclusive community.	Reduce crime, improve the environment and play facilities to provide a sense of community.	On-going.	An improved environment where households want to live and enjoy their community.	Housing Business Manager.
8.7	Provide a community House at St Paul's, Honiton.	Support, learning and activities for residents on the estate.	On-going.	Evidence of residents benefiting from the efforts of the community worker and community house	Housing Business Manager.
8.8	Introduce a system of equalities monitoring for the Council's customers in the main service areas of homelessness; housing advice; housing register; allocations; housing assistance grants and Home Improvement Agency services.	All service users who use the services listed.	June 2006	Better understanding of service users.	Housing Needs Manager and Environmental Health Manager (Private Sector Housing).
8.9	Ensure that needs of hard to reach groups are not ignored, and initiatives developed to provide housing and support for them	Hard to reach groups in the community.	On-going	Inclusive services available to all service users.	Head of Housing and Social Inclusion.

Financial Framework

12 Financial Assumptions

The financial evaluation of the Business Plan was undertaken using the model advocated by the Department of Communities and Local Government (DCLG). The sections that follow make reference to the elements that are contained within that model. The full detail related to each section is contained within **Annex C**.

12.1 Housing Stock

Housing stock numbers have been assumed to reduce from present levels by the Right to Buy sales throughout the Plan period. Advice from consultants Tribal HCH indicates the number of sales per year should be assumed to reduce over time.

Stock valuations for 2006/07 used for Right to Buy sales have been estimated at current levels. Administrative costs have been assumed to increase by 0.5% above inflation per annum.

There is a requirement from central government to contribute a portion of Right to Buy receipts to a central pool for redistribution to other local authority housing services. By 2007/08, this will have risen to 75% of receipts and has been assumed to remain at this level for the rest of the Business Plan period.

The Business Plan does not include any allowance for the possible effects of the Homebuy Scheme, which will allow Council tenants to purchase an equity share in their homes.

12.2 Rental Income

Average rents in 2006/07 have been increased in line with parameters and limits supplied by DCLG. The increase is above inflation because of the rent convergence requirements. Increases in subsequent years have been based on advice received from Tribal HCH.

Rent lost through void properties and bad debts has been assumed at 1.1% and 0.5% respectively of total rents. This is in line with experience in recent years.

Good performance on rent collection is critical as it brings in income to spend on housing services. Similarly good performance on allocations and voids is also vital to the effective implementation of the Business Plan.

12.3 Service Charges

Increases of 0.5% above inflation per annum have been assumed throughout the Plan.

12.4 Other Income

Garage rents make up 87% of the income in this category. Increases above the rate of inflation have been assumed to ensure that a reasonable charge is levied for this service.

12.5 HRA Subsidy

The Council is in a position of 'negative subsidy', meaning it contributes to a central pool from which subsidies are paid towards the housing operations of other Councils.

The parameters provided by the DCLG for the calculation of the 2006/07 payment have been used. Increases for subsequent years have been based on advice received from Tribal HCH.

A void rate of 2.0% has been assumed, in accordance with DCLG guidelines.

12.6 Management Costs

The HRA budget approved by the Council for 2006/07 was used as a basis for calculating management costs. As part of this process, each cost centre was considered in detail in terms of the resources required to meet its goals. Further consideration was given as to how a 'fair' service, as defined by the Audit Commission in its Key Lines of Enquiry, could be achieved. As a result, pay costs of four extra staff were included, together with addition associated costs.

For most years of the Business Plan, inflation has been assumed at 0.5% above inflation.

12.7 Other Revenue Spend

The two main items of expense in this category are property insurance costs, and the costs associated with Council house sales. Inflation at 0.5% above inflation has been assumed.

12.8 Miscellaneous Expenses

There are minimal costs in this category. Inflation at 0.5% above inflation has been assumed.

12.9 Responsive and Cyclical Maintenance

Responsive maintenance is considered to be the day-to-day repairs reported by tenants. Partnership arrangements are in place with two of the Council's major contractors for responsive maintenance work. The arrangements expire in 2010, but it is assumed in the Business Plan that they will continue in some form for the duration of the Plan.

Cyclical maintenance work is that carried out on an annual basis, such as the servicing of gas appliances, or that carried out on a longer cycle, such as the external decoration of properties.

12.10 Major Repairs

Major repairs are defined as 'the annual cost of replacing individual building elements (e.g. windows, kitchen, bathroom, roof) as they reach the end of their useful life'.

Major repairs are carried out under contract; the Council's Standing Orders are followed when contracts are awarded.

In 2006/07, it is planned to replace 40 roofs, 50 bathroom fittings and 250 kitchen fittings.

The Business Plan also contains amounts per annum of £40K in the first three years, increasing thereafter, to enable tenants to improve elements of their homes in advance of programme dates; this will be done through the use of Home Improvement Vouchers.

A summary of the proposed investment in major repairs appears under 'Operational Considerations'. A detailed breakdown of proposed programmed expenditure appears within **Annex D**.

12.11 Improvements and Other Capital Spend

£3.7 million has been included in the Business Plan for the remodelling of sheltered units. An assessment of the properties concerned is being carried out. When it is complete, an appropriate course of action will be determined. This could involve property adaptation, disposal or reclassification. The expenditure has been phased over the next seven years.

It has been assumed that any necessary work to ensure properties continue to comply with the Decent Homes Standard will be carried out within major repairs programmes.

Items of capital expenditure already approved by the Council for the years 2006/07 to 2008/09 have been included.

12.12 Funding

Borrowing

The programme of investment that the Council proposes to make in its housing stock includes major elements of work scheduled for the first few years. Amongst these is £3.7 million for the upgrading of sheltered units, anticipated to take seven years.

Over the thirty years of the Business Plan, sufficient cash should be generated to meet all investment requirements. However, because the pattern of expenditure is not even between years, there is likely to be a need to borrow funds in the first seven years which would be repaid in later years. It should be noted that no additional funding is being brought into the plan, merely a redistribution across years.

The Business Plan assumes that borrowing would take place in each of the first seven years of the Plan at an even rate, totalling £2,681K.

The most likely source of the borrowing would be the Public Works Loans Board. The Business Plan assumes that an annuity mortgage would be taken out, with repayments including an element of capital. This is a prudent approach. However, alternatives do exist, and these will be explored when it is thought right to start the loans process. For example, an interest-only loan could be taken out, with the principle for repayment at the end of the loan being built up during the years in which there is less demand for major repair work.

It should be noted that, in the event of a later transfer of the housing stock to an entity such as a housing association, the Council would become liable for the repayment of any loans outstanding at that point. This could include a penalty for early repayment. The repayment would be drawn from the net receipt to the Council resulting from the stock transfer.

In the event of a later stock transfer in which it is likely that a negative stock valuation will result, the Council will have to agree a minimum stock valuation figure with DCLG. Should this be higher than the sale price agreed with the purchaser of the stock, the Council will be obliged to find the shortfall from its own resources.

Capital Receipts

The Business Plan makes no assumptions regarding possible capital receipts from the sale of assets owned by the housing service, for example vacant land adjacent to Council housing properties.

At present, there is no guarantee that such receipts would be used for capital or major repair projects within the compass of the Housing Revenue Account. The Council will be requested to give such a guarantee, or at least to undertake to divert sufficient receipts from asset sales to reduce or remove the necessity to borrow.



13 Financial Statements

The financial aspects of the plan can be summarised as follows:

Summary	First Five Years	Thirty Years
Cash Statement	£K	£K
Income	66,335	607,606
Interest Earned on HRA Balance	180	1,593
	66,515	609,199
Expenditure		
Repairs & Maintenance		
Major Repairs – see note below	12,783	104,535
Special Works – see note below	684	6,348
Responsive and Cyclical Repairs	11,009	88,382
Sheltered Accommodation Upgrade	2,761	4,073
	27,237	203,338
Supervision and Management	13,062	111,589
Other Expenditure	1,275	10,699
Housing Subsidy	25,905	285,386
Net Operating Expenditure	67,479	611,012
Surplus/Deficit	-964	-1,813
Other Capital Expenditure	-1,822	-1,822
Borrowing	1,686	2,681
Loan Repayments	-325	-4,004
Right To Buy Receipts	1,606	5,701
Total Surplus/Deficit	181	743

Note: The figures shown against ‘Major Repairs’ represent the amounts included within the Housing Subsidy calculation as ‘Major Repairs Allowance’. Other expenditure on major repairs and improvements is shown as ‘Special Works’.

In its presentation of annual accounts, the Council follows the guidance of the Chartered Institute of Public Finance and Accountancy (CIPFA), showing ‘Major Repairs’ expenditure as depreciation.

Annex D contains detailed financial statements as follows:

Operating Account

Major Repairs and Improvements Financing

Cash Statements

The financial summaries show that the assumptions upon which it is based result in a Business Plan that is financially viable over its timescale. This is only possible through the inclusion of the borrowing detailed under ‘Financial Assumptions’. As a result, during the first fifteen years, the Plan’s financial projections are robust.

HOUSING REVENUE ACCOUNT BUSINESS PLAN

However, for the following six years, the balance on the Operating Account, while still strongly positive, is projected at levels below that which could be considered prudent. This situation will require close monitoring and careful management.

Current Position

The Council's Housing Revenue Account for 2006/07 is in a healthy position. Income of £11,752K is expected, coming from the renting of homes and garages, payments from leaseholders, and Supporting People charges.

We anticipate spending £2,702K on supervision and management, £2,441K on major repairs, £388K on special works, £921K on responsive maintenance, and £469K on cyclical maintenance. We will pay £4,344K in subsidy to central government.

At the end of 2006/07, we expect a balance on the Account of £1,410K.

Risks and Sensitivities

14 Risks Analysis

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

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

This process of analysis will be developed further.

Risk	Potential Impact	Risk Severity	Risk Likelihood	Risk Rating	Possible Action
Loans taken on to finance improvement work.	Loans will become the responsibility of the Council should it transfer its stock to another entity	3	2	6	Loans kept to the minimum required and negotiated at low interest with minimal penalties.
An inspection by the Audit Commission.	An assessment of less than 2*	2	4	8	Planned service improvements implemented
A cut in the funding for the community alarm system.	Service run at a deficit and/or service standards reduced.	2	2	4	New business generated and/or service charges increased.

HOUSING REVENUE ACCOUNT BUSINESS PLAN

Risk	Potential Impact	Risk Severity	Risk Likelihood	Risk Rating	Possible Action
The programme to bring sheltered housing up to Supporting People standards to last seven years	The Administering Authority may reduce revenue funding over a period	2	2	4	Reschedule costs, bid for external funding reprioritise work planned.
The proceeds from the sale of Council housing assets are not ring-fenced for the benefit of the housing service.	Unplanned financial deficits in one or more years.	2	2	4	Postponement or cancellation of improvement programmes and/or increased borrowing.
A 'fair' (2*) service proves impossible to achieve and/or sustain, even after an increase in current resources	Quality of service provided for tenants.	2	3	6	More investment sourced to achieve standard and/or changes in working practices implemented
The achievement of the major repairs programme proves more expensive than anticipated.	The planned age and condition criteria of certain building elements may not be achieved.	3	3	9	Programme items may need to postponed or lengthened. Expenditure in other areas may need to be cut back, threatening other plan objectives Additional loans may be taken on to ensure slippages do not occur
The demand for responsive repairs exceeds planned levels.	Costs are greater than planned.	3	2	6	Costs in other areas could be reduced. Loans could be increased.
The cost of maintaining the planned cyclical repairs programme exceeds budget.	Costs are greater than planned.	3	2	6	Costs in other areas could be reduced. Loans could be increased.
Right to Buy sales are lower than planned.	Less funding is available for the housing service.	1	2	2	Costs could be reduced, probably in the major repairs area. Loans could be increased.
Rents do not rise or are not collected as anticipated.	Less funding is available for the housing service.	2	1	2	Costs could be reduced. Loans could be increased.
Subsidy payments to the central government pool are greater than anticipated.	Less funding is available for the housing service.	2	3	6	Costs could be reduced. Loans could be increased.
Changing cost of borrowing.	Less funding available for improvement work.	3	2	6	Reschedule borrowing and/or work programmes.
Ability to attract and retain suitably qualified staff.	Service targets and improvements not delivered.	3	3	9	Ensure that recruitment packages are attractive.

HOUSING REVENUE ACCOUNT BUSINESS PLAN

Risk	Potential Impact	Risk Severity	Risk Likelihood	Risk Rating	Possible Action
Decent Homes Standard raised significantly.	Additional unplanned costs to be met from Business Plan.	3	3	9	Business Plan to be reviews in light of changes.
Unforeseen expenditure required on Council homes.	Effects other programmes or borrowing required.	3	2	6	Programmes in other areas adjusted to compensate.
New development schemes, locally and nationally	Increased demand for tradesmen, resulting in an increase in repairs and improvement costs	3	2	6	Other costs could be reduced. Loans could be increased.

15 Sensitivity Analysis

Area	Variation	Impact on the Operating Account Over 30 Years
Rental Income	Average rents increase by 0.25% less than anticipated	£23.5 million adverse
Housing Subsidy	The average rent figure used in calculating the subsidy increases by 0.25% less than anticipated	£17.5 million favourable
Major Repairs	Costs increase by 0.5% more than anticipated	£9.7 million adverse
Responsive and Cyclical Maintenance	Costs increase by 0.5% more than anticipated	£8.6 million adverse
Management	Costs increase by 0.5% more than anticipated	£11.8 million adverse
Right to Buy Sales	Two fewer home sales per year than anticipated	£2.5 million adverse

ANNEXES

ANNEX A

Population Analysis

As a County, Devon has proportionately more older people than England and Wales. According to the Office for National Statistics East Devon has the third highest proportion of persons of retirement age in the whole country. Some 53% of the population is over the age of 45. The total population by age is broken down in the table below:

Year 2001	
Age Band	Population
0 - 4	5538
5 - 14	13680
15 - 24	11901
25 - 44	27091
45 - 64	33595
65 - 74	15931
75 - 84	12581
85+	5205

A high proportion of those over 85 are women.

The 2001 Census confirmed that Devon was the fastest growing county in England between 1991 and 2001. The District's population of 125,520 comprises 59,203 males and 66,317 females.

The largest predicted growth (living longer) over the next 15 years is in the 65-69 year old age group. The Black & Ethnic minority groups' proportion of our population is low (0.7%). The 2001 Census figures revealed that a total of just under 880 people described their ethnic group as non-white. The highest proportion was Chinese (total 169).

21.6% of the adult population is single (never married), 57.3% are married, 10% separated or divorced, 11.1% widowed.

A recent MORI survey revealed that the vast majority of residents are satisfied with Devon as a place to live. MORI state that the results are "some of the most positive MORI records anywhere in the UK". 91 per cent of residents are satisfied with Devon as a place to live. Within Devon the residents of East Devon are among the most satisfied at 94% (net 91%).

A key and pressing issue to address is that of the County Structure Plan requirement for a new settlement within the District able to accommodate at least 2900 new dwellings. The district is an area where population growth is substantially due to in-migration (whether due to retirees, those seeking work in and around Exeter and general quality of life type moves). The new settlement is primarily required to provide accommodation for those working in and around Exeter.

Key Issues

- Low population density
- High proportion of population is elderly (especially older women)
- Low proportion of population is from ethnic minorities
- Seven main settlements plus numerous rural areas
- High quality environment
- Widespread satisfaction with the area
- Fast-growing population mainly due to in-migration
- New Community proposed to meet housing needs

Housing Demand

Numbers of Dwellings

The total number of dwellings in the District is 55,011 (2001 Census), made up of:

Owner-Occupiers – 81.5%; Private Rented Sector – 7.5%; Local Authority – 7.5%; Registered Social Landlord and other Public Sector – 3.5%.

The Private Sector Stock Condition Survey (2003) estimated 54,700 private sector dwellings (including housing association dwellings) in East Devon at the time of the survey. The age profile of the properties is more modern than the national average, with 48% constructed post 1964.

Detached houses occur at a higher rate than the national average 41% (21% nationally). Semi-detached houses represent 25% of the private sector stock (30% nationally); terraced houses 21% (29% nationally); purpose built flats 7% (15% nationally); and 6% converted flats (5% nationally).

The Private Sector Stock Condition Survey indicates that owner occupation is at 87% of the private sector stock; private renting 10%; and housing association 3%.

Occupation

The majority of dwellings (85%) were occupied by one household. 2% of dwellings were occupied as houses in multiple occupation, the majority to be found in Exmouth and Seaton.

At the time of the survey 2,100 (4%) of dwellings were vacant, similar to the national average.

Housing Need

The demand for housing within East Devon has been estimated by Fordham Research using a Basic Needs Assessment Model. The table below summarises the results, and demonstrates a need for 736 new affordable homes per annum over five years.

B: BACKLOG OF EXISTING NEED		
Element	Notes	Number
1. Backlog need existing households	Households living in unsuitable housing	5,543
2. <i>minus</i> cases where in-situ solution most appropriate	In situ (or outside District) solution most appropriate for 4478 households	Leaves 1,065
3. <i>times</i> proportion unable to afford to buy or rent in market	72.8% = 775 – also remove 292 social renting tenants	482
4. <i>plus</i> Backlog (non households)	Potential – 200 Homeless – 7	207
5. <i>equals</i> total Backlog need		689
6. <i>times</i> quota to progressively reduce backlog	Suggest 20% as in DETR report	20%
7. <i>equals</i> annual need to reduce Backlog		138
N: NEWLY ARISING NEED		
8. <i>new</i> household formation (gross p.a.)		430
9. <i>times</i> proportion unable to buy or rent in market	28.9% cannot afford market housing	Leaves 124
10. <i>plus</i> ex-institutional population moving into community	Assume zero	0
11. <i>plus</i> existing households falling into need		411
12. <i>plus</i> in-migrant households unable to afford market housing		444
13. <i>equals</i> Newly arising need	9+10+11+12	979
S: SUPPLY OF AFFORDABLE UNITS		
14. Supply of social relets p.a.	Excludes transfers within social rented stock	388
15. <i>minus</i> increased vacancies and units taken out of management	Letting opportunities lost	-7
16. <i>plus</i> committed units of new affordable supply pa		-
17. <i>Equals</i> affordable supply	14+15+16	381
18. Overall shortfall	7+13-17 (per annum)	736

Council Stock

In April 2006, the Council’s housing stock consisted of 4314 dwellings, comprising:

- 2108 houses
- 992 bungalows
- 1221 flats

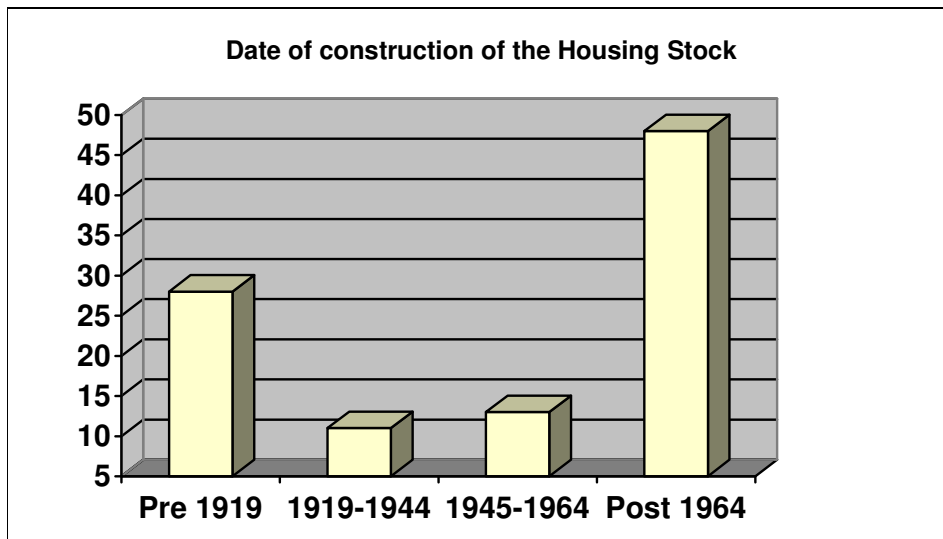
The stock can also be broken down as follows:

- 1186 1 Bedroom
- 1442 2 Bedrooms
- 1611 3 Bedrooms
- 75 4 or more Bedrooms

1160 of these properties were sheltered accommodation intended for older tenants. The average Council rent for 2005/06 was £50.14p per week.

Age Profile

The age profile of the housing stock in the district is shown in the chart below:



Households

The 2001 Census indicated an average household size of 2.22 persons (2.36 for England and Wales). There are on average 3.4% “vacant household spaces” (3.2% for England and Wales). 30% of people live in one-person households (same as England and Wales average). 4% are lone parent households (16% in England and Wales).

Additional Information

- Death rate exceeds birth rate in East Devon but still there has been a 12% population rise over the last 10 years (recent Census data) – hence there is significant inward migration.
- Almost 5% of local homes are second homes averaged across the area. In one parish it is 24% of the housing in the area.

HOUSING REVENUE ACCOUNT BUSINESS PLAN

- 2023 Housing Association properties. Current estimates show at least 80% compliance with the Decent Homes Standard.
- 1586 new homes were built by developers since 2000.
- 193 affordable homes built since 1990 as exceptions to Planning Policy. Also 50 homes provided through Social Housing Grant.
- 170 Disabled facilities grants completed since 2000 (private sector).
- 940 Council house adaptations completed for tenants with disabilities since 2000.
- 1033 householders assisted via a Handyman scheme since the commencement of the project in 1999.
- 1405 "Category 1 and 2" Council warden-assisted accommodation units serving 1652 residents (almost a quarter over 80 years of age). There are also 425 homes for older people provided by Housing Associations.
- There are 55 residential homes with 1193 beds in total (248 less than 1999) and 17 nursing homes with 502 beds in total (110 less than 1999).
- 27 residential caravan/mobile home sites.
- 4500 people in the district are supported by the Council's Home Safeguard community alarm scheme, plus 1200 Social Services clients in North Devon.
- 597 lone or vulnerable Council tenants helped by free 'garden maintenance' scheme.
- 5 homes regarded as 'hard to let' on average per year in Council housing stock.
- 3380 households on the Council's housing register in 2003, rising to 3917 by April 2004, and over 4200 by September 2004.
- There were 152 homeless acceptances in 2003/04 and 117 homes let to homeless households.
- 6 dedicated "ex-offender" bed spaces in management. 12 are required of which 5 must cater for clients with substance abuse problems.
- East Devon District Council's Local Plan recognises the need for affordable housing, with 40% of dwellings to be so nominated on larger developments.
- The average house price in 1999 was £91,871. This increased by 2003 to an average of £152,826 (ie up by 66%), far outstripping inflation, salary rises etc. Without a substantial deposit no household in need (even the more affluent in this group) could afford 2 or 3-bedroom accommodation.
- The Economic Trends Report for January 2004 suggested that the average house price had increased further to £204,600. The average house prices by house type show £281k for detached property; £180k for semi-detached property; £151 for terraced property; and £138k for flats.
- In 2001 55% of households had an income under £15,000; 22% households had an income between £15,000 and £25,000 (i.e. could raise a mortgage of around £75,000); 15% households had an income between 25,000 and £40,000.
- The Economic Trends Report for January 2004 indicated that average salary in East Devon was £15,500 with the average full-time salary £18,880 per annum.
- The Housing Needs Survey 2001 revealed that 1187 local households in East Devon were in unsuitable housing and needed to move to an affordable home as they cannot afford open market prices.
- The Survey also showed that there were 109 potential new households who cannot afford to move from shared-living e.g. with parents and therefore were 'invisible'.
- The Survey predicted 471 households per year in East Devon will need affordable housing in future years.
- The Survey showed that 2.2% of East Devon's population is in housing need.
- Only 22% of those in need could afford Housing Corporation target rents, without housing benefit

HOUSING REVENUE ACCOUNT BUSINESS PLAN

- With approximately 4200 households on the Housing Register and increasing numbers of homeless due to the impact of new legislation, Bed and Breakfast was being used. In a holiday area this is expensive and is unsuitable for families with children.
- Right to Buy removes low cost options as fast as we try to introduce them. Typically, there have been an average of 74 sales per annum, although in 2003/04 only 29 properties were sold.
- In an attractive environment there is a shortage of suitable development land. This is one of the factors that results in an increasing cost of new Housing Association development. The Council holds minimal suitable development land.
- There is concern about the impact of the arrangements for housing capital receipts on the local ability to fund housing association developments.
- The 2001 Census shows 8.9% of households in East Devon have no central heating (8.5% in England and Wales), 0.2% have no bath/shower and toilet (0.5% England and Wales). The overcrowding indicator is 3.4% (7.0 England and Wales).
- 22% of those in private rented dwellings were assessed as being in fuel poverty.
- 13% of private dwellings have a resident with a disability.
- 11% of those in owner occupied dwellings are in receipt of benefits (32% in the private rented sector and 43% in RSL stock).
- 3% of owner occupied dwellings are unfit (10% in the private rented stock).
- 14% of owner occupied dwellings are in substantial disrepair (18% in the private rented stock).
- Approximately, by Council Tax band:

8.5% houses are in band A	15.6% houses are in band E
19.5% houses are in band B	9.1% houses are in band F
22.3% houses are in band C	6.3% houses are in band G
18.3% houses are in band D	0.3% houses are in band H

The information in this chapter sets a context for the Business Plan. The East Devon housing data shows a housing profile where the housing stock is generally in good condition, but with pockets of disrepair and need for improvement or adaptation.

The main issue that emerges is the need for more affordable housing because the high housing costs in the district are beyond the reach of those households on average incomes.

Supporting People

Priorities for the Council arising from the Supporting People agenda have been identified, and they are shown below. As can be seen, a number of them affect the housing service.

Older People

- Peripatetic Wardens with wider generic support roles
- Subject to evaluation the roll out of Dunning Court pilot as model of extra care for the district
- Promoting independence with options other than residential care.

Learning Disabilities

- Increased choice of supported accommodation
- New build 6 unit supported living scheme in Axminster
- Move on accommodation from training houses for independent living
- Proposal for 8 units of accommodation to meet needs of Learning Disabled clients and those with sensory impairment by Seeability.

Mental Health

- Emergency homeless provision, with support, for vulnerable single people with mental health difficulties, and drink and drug related difficulties.
- Floating Support provision.
- A range of supported accommodation including supported housing/lodgings.
- Assessment unit with available ongoing housing support services.

General Homelessness

- Emergency accommodation for homeless families.
- Potential remodelling of an existing sheltered housing scheme.

Younger People

- Emergency homeless provision, with support, for vulnerable single people with mental health difficulties and drink and drug related difficulties.
- Emergency short-term accommodation for homeless people.
- Development of a Foyer project to provide supported units, move on accommodation with floating support services.
- Supported Lodgings.
- Floating support for 6 dispersed units within the private sector for young offenders.

Drug, Alcohol, Multiple Needs

- Emergency homeless provision, with support, for vulnerable single people with mental health difficulties and drink and drug related difficulties.
- Increased numbers of supported lodgings.
- Floating support services.
- Access to local rehabilitation facilities.

Domestic Violence

- Outreach services from the Safehouse and Womens Refuge.
- Move on accommodation to women from the Safehouse.

Financial Assumptions

The financial evaluation of the Plan was carried out using the HRA Business Plan model advocated by the Department of Communities and Local Government. The sections that follow make reference to the elements that are contained within that model.

Stock

Housing stock numbers have been reduced from present levels by the Right to Buy sales throughout the Business Plan period. Advice from consultants Tribal HCH indicates the number of sales per year should be assumed to reduce over time, appearing as follows:

Year From	Year To	RTB Sales	Est Income incl Inflation £K
2006/07	2006/07	14	562
2007/08	2007/08	11	268
2008/09	2008/09	11	277
2009/10	2009/10	10	254
2010/11	2010/11	9	245
2011/12	2011/12	9	253
2012/13	2012/13	7	206
2013/14	2013/14	7	213
2014/15	2014/15	6	182
2015/16	2015/16	5	149
2016/17	2020/21	20	609
2021/22	2025/26	20	709
2026/27	2030/31	20	822
2031/32	2035/36	20	950

Stock valuations for 2006/07 used for Right to Buy sales have been estimated at current levels. Administrative costs have been assumed to increase by 0.5% above inflation per annum.

There is a requirement from central government to contribute a portion of Right to Buy receipts to a central pool for redistribution to other local authority housing services. By 2008/09, this will have risen to 75% of receipts and has been assumed to remain at this level for the rest of the Business Plan period.

The Business Plan does not include any allowance for the possible effects of the Homebuy Scheme, which will allow Council tenants to purchase an equity share in their homes.

HOUSING REVENUE ACCOUNT BUSINESS PLAN

Rental Income

Average rents in 2006/07 have been increased in line with parameters and limits supplied by DCLG. The increase is above inflation because of rent convergence requirements.

Increases in subsequent years have been based on advice received from Tribal HCH.

Year From	Year To	Average Increase %	Income incl Inflation £K
2006/07	2006/07	4.80%	11,882
2007/08	2007/08	5.07%	12,449
2008/09	2008/09	5.50%	13,100
2009/10	2009/10	5.49%	13,786
2010/11	2010/11	5.47%	14,507
2011/12	2011/12	3.00%	14,910
2012/13	2012/13	3.00%	15,329
2013/14	2013/14	3.00%	15,762
2014/15	2014/15	3.00%	16,210
2015/16	2015/16	3.00%	16,675
2016/17	2020/21	3.00%	90,911
2021/22	2025/26	3.00%	104,893
2026/27	2030/31	3.00%	121,024
2031/32	2035/36	3.00%	139,630

Average rents by type of property for 2006/07 are expected to be:

Property Type	Average Weekly Rent £
1 Bed House	51.09
1 Bed Flat	48.06
2 Bed House	53.21
2 Bed Flat	54.08
3 Bed House	53.86
Other	52.16
Overall	52.54

Rent lost through void properties and bad debts has been assumed at 1.1% and 0.5% respectively of total rents. This is in line with experience in recent years.

Service Charges

Increases of 0.5% above inflation per annum have been assumed throughout the Business Plan

HOUSING REVENUE ACCOUNT BUSINESS PLAN

Other Income

Garage rents makes up 87% of the income in this category. Increases have been assumed as follows:

Year From	Year To	Average Increase %	Income incl Inflation £K
2006/07	2006/07	10.00%	237
2007/08	2007/08	5.00%	249
2008/09	2008/09	5.00%	261
2009/10	2009/10	5.00%	274
2010/11	2010/11	4.50%	285
2011/12	2011/12	3.50%	295
2012/13	2012/13	3.50%	305
2013/14	2013/14	3.50%	316
2014/15	2014/15	3.50%	327
2015/16	2015/16	3.50%	338
2016/17	2020/21	3.50%	1,878
2021/22	2025/26	3.50%	2,231
2026/27	2030/31	4.00%	2,689
2031/32	2035/36	4.00%	3,272

HRA Subsidy

The Council is in a position of 'negative subsidy', meaning it contributes to a central pool from which subsidies are paid towards the housing operations of other councils.

The parameters provided by DCLG for the calculation of the 2006/07 payment have been used. Increases for subsequent years have been based on advice received from Tribal HCH:

Year From	Year To	Rent Ave Incr %	Major Repairs Ave Incr %	Repairs & Maint Ave Incr %	Super'n & M'gement Ave Incr %
2006/07	2006/07				
2007/08	2007/08	3.50%	2.50%	4.35%	4.46%
2008/09	2008/09	3.50%	2.50%	4.20%	4.30%
2009/10	2009/10	3.50%	2.50%	4.07%	4.16%
2010/11	2010/11	3.50%	2.50%	3.94%	4.03%
2011/12	2011/12	3.50%	2.50%	3.83%	3.90%
2012/13	2012/13	3.00%	2.50%	2.38%	2.45%
2013/14	2013/14	3.00%	2.50%	2.33%	2.39%
2014/15	2014/15	3.00%	2.50%	2.26%	2.34%
2015/16	2015/16	3.00%	2.50%	2.24%	2.28%
2016/17	2020/21	3.00%	2.50%	2.50%	2.50%
2021/22	2025/26	3.00%	2.50%	2.50%	2.50%
2026/27	2030/31	3.00%	2.50%	2.50%	2.50%
2031/32	2035/36	3.00%	2.50%	2.50%	2.50%

A void rate of 2.0% has been assumed, in accordance with DCLG guidelines.

HOUSING REVENUE ACCOUNT BUSINESS PLAN

Management Costs

The budget approved by the Council for 2006/07 was used as a basis for projecting management costs. As part of this process, each cost centre was considered in detail in terms of the resources required to meet its goals. Further consideration was given as to how a 'fair' service, as defined by the Audit Commission in its Key Lines of Enquiry, could be achieved. As a result, pay costs of four extra staff have been included, together with addition associated costs.

Inflation has been assumed as follows:

Year From	Year To	Average Increase %
2006/07	2006/07	3.00%
2007/08	2007/08	3.00%
2008/09	2008/09	3.00%
2009/10	2009/10	3.00%
2010/11	2010/11	3.00%
2011/12	2011/12	3.00%
2012/13	2012/13	2.50%
2013/14	2013/14	2.50%
2014/15	2014/15	3.00%
2015/16	2015/16	3.00%
2016/17	2020/21	3.00%
2021/22	2025/26	2.25%
2026/27	2030/31	2.75%
2031/32	2035/36	2.75%

Other Revenue Spend

The two main items of expense in this category are property insurance costs, and the costs associated with council house sales. The same inflation rates assumed for management costs have been assumed.

Miscellaneous Expenses

There are minimal costs in this category. The same inflation rates assumed for management costs have been assumed.

Responsive and Cyclical Maintenance

Responsive maintenance is considered to be the day-to-day repairs reported by tenants.

Partnership arrangements are in place with two of the Council's major contractors for responsive maintenance work. The arrangements expire in 2010, but it is assumed in the Business Plan that they will continue in some form for the duration of the Plan.

Cyclical maintenance work is that carried out on an annual basis, such as the servicing of gas appliances, or that carried out on a longer cycle, such as the external decoration of properties.

A detailed breakdown of costs is shown within **Annex D**.

HOUSING REVENUE ACCOUNT BUSINESS PLAN

The inflation rates assumed in the Business Plan are as follows:

Year From	Year To	Average Increase %	Responsive Maintenance £K	Cyclical Maintenance £K
2006/07	2006/07	5.00%	1,004	1,022
2007/08	2007/08	5.50%	1,057	1,075
2008/09	2008/09	3.75%	1,093	1,112
2009/10	2009/10	3.75%	1,132	1,151
2010/11	2010/11	3.75%	1,172	1,192
2011/12	2011/12	3.75%	1,130	1,150
2012/13	2012/13	3.75%	1,170	1,191
2013/14	2013/14	3.75%	1,212	1,234
2014/15	2014/15	3.75%	1,255	1,278
2015/16	2015/16	3.00%	1,291	1,315
2016/17	2020/21	3.00%	7,038	7,169
2021/22	2025/26	2.50%	7,633	8,001
2026/27	2030/31	2.50%	8,180	8,844
2031/32	2035/36	2.50%	8,976	9,304

Major Repairs

Major repairs are carried out under contract; the Council's Standing Orders are followed when contracts are awarded.

In 2006/07, it is planned to replace 40 roofs, 50 bathroom fittings and 250 kitchen fittings.

A summary of the proposed investment in major repairs appears under 'Operational Considerations'. A detailed breakdown of proposed programmed expenditure appears within **Annex D**.

The inflation rates assumed in the Business Plan are as follows:

Year From	Year To	Average Increase %
2006/07	2006/07	3.50%
2007/08	2007/08	3.50%
2008/09	2008/09	3.50%
2009/10	2009/10	3.50%
2010/11	2010/11	3.50%
2011/12	2011/12	3.50%
2012/13	2012/13	3.50%
2013/14	2013/14	3.50%
2014/15	2014/15	3.50%
2015/16	2015/16	3.50%
2016/17	2020/21	2.50%
2021/22	2025/26	2.50%
2026/27	2030/31	2.50%
2031/32	2035/36	2.50%

Improvements and Other Capital Spend

£3.7 million has been included in the Plan for the remodelling of sheltered units. An assessment of the properties concerned is being carried out. When it is complete, an appropriate course of action will be determined. This could involve property adaptation, disposal or reclassification. The expenditure has been phased over the next seven years.

It has been assumed that any necessary work to ensure properties continue to comply with the Decent Homes Standard will be carried out within major repairs programmes.

The Business Plan includes those items of capital expenditure already approved by the Council for years 2006/07 to 2008/09.

Funding

To enable the various expenditure programmes outlined above to be carried through within the proposed timescales, an amount of £2,681K, at current values, has been included as a borrowing requirement. This will be taken on progressively over the next seven years, with repayment being made over thirty years.

The interest rate currently in use by the Public Works Loan Board, a potential lender of the funds, of 4.25% has been assumed. The cost included in the model allows for repayment of the principle.

The Council is actively exploring the possibility of disposing of assets such as land holdings not required by the current housing operation. Should this exercise result in capital receipts, the Plan will be re-assessed with a view to reducing borrowing, increasing investment, or both.

'Improving Performance' – Audit Commission and Key Lines of Enquiry

The Audit Commission Key Lines of Enquiry (KLOE) are considered to be a useful tool in helping the Council to estimate any additional supervision and management costs, mainly staffing, involved in continuously improving the Housing and Social Inclusion Service provided to tenants, and the cost implication of striving towards excellence.

KLOEs have been produced by the Audit Commission as a guide for authorities on areas of their operation, with an indication of what standards an 'excellent' and 'fair' service should be achieving. Service Managers completed a self assessment exercise addressing the KLOE questions, and using the Audit Commission comments as guidance. This yielded sufficient information to make a reasonable estimate of the amount of additional staffing resources required to implement a range of service improvements. The exercise has also been based upon a number of assumptions, which are set out below.

It was concluded that up to six additional staff would be required to deliver the planned improvements set out in the self assessment templates, and those contained in our Best Value Improvement Plan/Housing Strategy. The additional costs have been estimated at £121K per annum.

The Plan assumes that:

- The Project Manager – Housing Stock Options will assume a new role of **Housing Strategy Manager** and continue to work closely with, and supervise the Tenant Participation Team, as well as assuming responsibility for delivering service improvements, improving customer care, and performance monitoring.
- The **Housing Business Manager** post will be made permanent and that the costs of this post are already included in the 2005/06 HRA budget.
- The HRA will fund 75% of the cost of the **Information and Analysis Officer**, who will contribute towards service development through researching housing and related needs, identifying gaps in service provision, researching and importing good practice, and assisting in policy formulation.

The Plan includes provision for four new officers:

- **Community Development Officer.** This post is consistent with the tenants' aspirational survey results and the officer will complement current tenant participation activities. The duties will involve working with tenants and the wider community to deliver some aspects of the social inclusion agenda and ensure that tenants are able to play an active role in their communities. The role will concentrate on activities concerned with the environment around tenant's homes, improving community facilities, and enhancing the quality of life for tenants.
- **Stock Condition Co-Coordinator.** This officer will ensure that the database on stock condition is maintained and developed. The post will oversee the implementation of the 30 year Investment Plan and ensure decent homes are maintained. Periodic survey data will be used to update the database and inform future repair and improvement programmes. The postholder will complement the work of the officers involved in programmed improvements and responsive maintenance.

HOUSING REVENUE ACCOUNT BUSINESS PLAN

- **Estate Management Officer.** This officer would allow the existing team to be more proactive on estate management issues, and link more effectively with the Tenancy Sustainment Officer in supporting new and/or vulnerable tenants. Additional resources in this area would also enable improved co-ordination and joint working with the Rentals Team on preventing rent arrears and optimising income collection.
- **Senior Scheme Manager.** This officer will operate as a senior Warden and support the Home Safeguard managers in modernising the Warden Service and implementing the recommendations flowing from the audit of older persons housing. The postholder will also be able to assist in implementing recommendations emerging from the review of Supporting People services. The officer could assist in training wardens and providing day to day management support.

The total cost additional has been estimated at £121K, and this has been included in the Plan.

It has become apparent that there is not currently a clear split of costs between the Housing Revenue Account (HRA) and the General Fund. Some of the strategy/enabling and homelessness costs are still falling on the HRA. We estimate that moving these costs out of the HRA will represent a reduction of about £25K per annum.

Some further restructuring of the Service following the housing stock options appraisal places the Council in a better position to deliver service improvements without the need for additional resources in excess of those referred to above. This will be achieved through more efficient and/or different working practices.

Your Voice Counts: An Options Overview

The tables below show an overview comparison between the Business Plan and the two other options. The text for the first and third columns has been taken from the leaflet 'Your Voice Counts', sent to tenants as part of the consultation process in autumn 2005.

Low Option	Retention Option	Transfer Option
The Council continues to manage and maintain your homes.	The Council continues to manage your homes through the Business Plan	The Council sets up a housing association to manage and maintain your homes.
<p>Over the next 5 years the Council can spend up to £5.7 million each year on repairs and improvements to your homes. We currently spend £4.7 million on Council homes. This will enable us to continue existing improvement programmes, but we are unlikely to be able to continue this level of expenditure beyond 5 years.</p> <p>We will invest £4.3 million into sheltered housing over the next 7 years to meet current and future tenants needs.</p> <p>The Council can employ additional staff, so it will improve the services provided to you. However this level of expenditure will mean that we will have to look for ways to bring more money in to meet these costs which means either borrowing up to £2 million per year (which has to be paid back), changing our spending plans, selling assets such as land or property we own or a combination of the above.</p> <p>After 2011 we should be able to pay back any money we have borrowed, and there will be money left to maintain or improve your homes (an estimated £15 million over the next 30 years).</p> <p>The Council will continue to work with housing associations and developers (as it does now) to meet housing need.</p> <p>You can have greater influence over the housing service by enhancing tenant participation.</p> <p>The Council will own your home (unless you are a</p>	<p>Over the next five years, the Council can spend up to £4.9 million each year in repairs and improvements to your homes. We currently spend £4.7 million on our properties.</p> <p>This will enable us to continue existing improvements programmes, but we are unlikely to be able to continue this level of expenditure after year five.</p> <p>We will invest £3.7 million into sheltered housing over the next seven years to meet current and future tenants' needs.</p> <p>The Council can employ four additional staff so the Council can improve its service to the 'Fair' status as defined by the Audit Commission.</p> <p>This level of expenditure will mean that within the first ten years of the Plan, the Council will have to borrow £2.7 million (2006 values).</p> <p>Loan repayments would start immediately, but the repayment period is likely to be thirty years</p> <p>As an alternative, we could sell assets such as land or property owned by the housing service, using the proceeds to invest in that service.</p> <p>The Council will continue to work with housing associations and developers, as it does now, to meet housing need.</p> <p>Tenants will have greater influence through their representation on a newly-formed Housing Board, and through enhanced tenant participation.</p> <p>You will still be a Council tenant.</p>	<p>The new housing association would be mainly made up of staff from the Council's housing and social inclusion service.</p> <p>The Association would borrow money from banks and building societies (which has to be paid back) to buy your homes from the Council and carry out repairs and improvements.</p> <p>The Association can borrow the money to upgrade sheltered accommodation and make the improvements you have asked for, such as better car parking, lighting, walk-in showers, new doors, improved security and disabled adaptations.</p> <p>Kitchens could be replaced every 15 years and bathrooms every 30 years.</p> <p>Broken items will be replaced not just repaired, where appropriate.</p> <p>You will be able to negotiate this package of improvements with the housing association – who will write these into a legally binding 'offer' document. All tenants will get to vote on whether to accept this offer or not.</p> <p>The housing association could 'stand alone' or be part of an existing housing association or group of housing associations. Each of these offer different opportunities, including opportunities to provide more homes locally.</p> <p>If the Council decides to explore this option further, you will be involved in deciding which type of housing association will own your homes.</p> <p>Tenants and leaseholders have places on the Board of Management, with full voting rights.</p> <p>The Housing Association will own your homes. (unless you are a leaseholder)</p> <p>You will be a Housing Association tenant.</p> <p>You will have an assured tenancy – but take with you more or less the same rights as you have now.</p> <p>The Council cannot provide the same level of service as a Housing Association because they operate under different rules:</p>

HOUSING REVENUE ACCOUNT BUSINESS PLAN

Low Option	Retention Option	Transfer Option
The Council continues to manage and maintain your homes.	The Council continues to manage your homes through the Business Plan	The Council sets up a housing association to manage and maintain your homes.
<p>leaseholder).</p> <p>You will still be a Council tenant.</p> <p>You keep your secure tenancy and the same rights as you have now.</p> <p>You will retain a direct link with the Council</p>	<p>You keep your secure tenancy and enjoy the same rights as you have now.</p> <p>You will retain a direct link with the Council.</p>	<p>Housing Associations are privately financed and are regulated by the Housing Corporation. They are also answerable to their funders.</p> <p>Housing Associations can borrow money in a way that Councils are not allowed to.</p> <p>They fund the purchase of your homes and the improvements planned, through loans from banks and building societies.</p> <p>Also, East Devon has to pass a percentage of your rents to the government under the Housing Subsidy System to support Council housing in other parts of the country (currently £4.2 million a year). Housing Associations do not have to do this, but they do have to repay their loans plus interest charges.</p>

At A Glance

The table below shows the differences between the options:

Issue	Low Option	Retention Option	Transfer Option
Generally similar rent levels	√	√	√
Right to Buy for existing tenants	√	√	Secure tenants at the time of transfer retain the right to buy
Right of Succession, Right to Repair, Right to Manage	√	√	√
Meet the Decent Homes Standard by 2010	√	√	√
Deliver improved services	Limited scope to improve housing services	√	√
Deliver improvements to your homes and communities	Limited improvements possible	√	√
Good standard of repairs	√	√	√
Tenants can vote at the highest decision-making level	Not currently available	Tenant representatives on Housing Review Board	√
New kitchens and bathrooms	Limited number of replacement bathrooms and kitchens	No kitchen greater than 23 years old New bathroom every 30 years	New kitchen every 15 years New bathroom every 30 years

HOUSING REVENUE ACCOUNT BUSINESS PLAN

Issue	Low Option	Retention Option	Transfer Option
Service charges for leaseholders	Stays the same	Stays the same	Will have to pay VAT on capital works unless the housing association has charitable status
More new homes	Continue to work with housing association partners	Continue to work with housing association partners	There may be an increase in the number of homes available, but this would depend on the type of housing association that is set up, and how the Council might use the money derived from the sale of the homes

Tenants Aspirations

The table below shows tenants' aspirations and how they would be met under the various options.

Aspiration	Low Option	Transfer Option	Retention Option
Improved housing services Wider community involvement Caretaker service Gardening and landscaping of communal areas Higher quality and more frequent grounds maintenance	Not met	Employ 1 extra tenant participation worker to work on community based initiatives at a cost of £35k per annum Increase in tenant participation budget of £10K per annum Increase in Community Initiatives Fund of £10K per annum Notional £50,000 per annum increase in budget for grounds maintenance to procure a higher quality service	Extra community development officer
Improvements to the building structure Major programme of door replacement Sound insulation programme	£275 per dwelling to provide a 'patch and repair' service	Door replacement is already included under major repairs Door replacement programme to run for next 5 years £60K budget for sound insulation programme to flats over next 5 years	Door replacement programme to run over the first 17 years of the plan
Meeting people's changing needs Power-assisted entrance doors Better use of council homes through adaptations Special adaptations and services for those that need them	Not met Identify and maintain list of properties adapted for disabled Label and advertise adapted properties under the Choice Based Lettings Scheme Not met	£10K for the next 3 years for power assisted entrance doors to sheltered housing schemes Identify and maintain list of properties adapted for disabled Label and advertise adapted properties under the Choice Based Lettings Scheme £50,000 increase in budget per annum for special adaptations	£10K for the next 3 years for power assisted entrance doors to sheltered housing schemes Identify and maintain list of properties adapted for disabled Label and advertise adapted properties under the Choice Based Lettings Scheme Not met
More modern facilities More extensive kitchen and bathroom programme, with more choice over standard and type of improvements	Kitchens replaced only when they fail the fitness standard Bathrooms would be maintained by renewing individual fittings only as required	This is already included under major repairs Kitchen and bathroom replacement programme to run for next 5 years	Kitchens to be replaced over the next 12 years. No kitchen will then be over 23 years old Bathrooms to be replaced over the next 18 years. No bathroom will then be over 23 years old

HOUSING REVENUE ACCOUNT BUSINESS PLAN

Aspiration	Low Option	Transfer Option	Retention Option
More facilities for children and young people	<p>Not met</p> <p>Make use of community rooms for this client group</p> <p>Partnership working with other agencies to provide facilities and activities</p>	<p>Establish an enabling budget of £10K per annum for facilities and activities</p> <p>Make use of community rooms for this client group</p> <p>Partnership working with other agencies to provide facilities and activities</p>	<p>Not met</p> <p>Make use of community rooms for this client group</p> <p>Partnership working with other agencies to provide facilities and activities</p>
Environmental improvements Improved parking Somewhere to put household refuse Safety lighting	<p>£175K in capital budget for improved parking</p> <p>Additional £50K budget after 2006/07 for improved parking</p> <p>New refuse and recycling contract should resolve tenant concerns, but keep under review</p> <p>Not met</p>	<p>£175K in capital budget for improved parking</p> <p>Additional £50K budget after 2006/07 for improved parking</p> <p>New refuse and recycling contract should resolve tenant concerns, but keep under review</p> <p>£20K per annum for three years towards safety lighting</p>	<p>£175K in capital budget for improved parking</p> <p>Additional £50K budget after 2006/07 for improved parking</p> <p>New refuse and recycling contract should resolve tenant concerns, but keep under review</p> <p>Not met</p>

Major Repairs Under Retention

The tables below show a comparison between the standard of repairs contained within the Business Plan and those offered by two other options.

	Low Option	Transfer Option	Retention Option
Overall Scenario	<p>Meet legal and statutory obligations for maintaining dwellings, together with a minimum level of investment needed to ensure they remain sound and lettable to provide an income stream.</p> <p>Properties would be repaired to a basic standard, components would be renewed only when they were incapable of further repair, and residents' aspirations for their homes would not be met. Work on adaptations and environmental improvements and other similar items would be reduced</p> <p>Properties relatively difficult to let and/or expensive to repair might be considered for disposal.</p> <p>In general, there would be a growing backlog of repair and upgrading demands, an escalating level of uneconomic reactive disrepair maintenance activity and consequently a further decline in the standards of accommodation offered to tenants and an increasing burden of the resources of the Council.</p>	<p>Maintain properties in a reasonable condition as well as meeting legal and statutory obligations.</p> <p>Items such as kitchens and bathrooms would be renewed more frequently than at the end of their reasonable life.</p> <p>Standards of repair would be similar to those provided at present.</p> <p>The funding for adaptations and environmental improvements would be similar to present levels</p> <p>Residents' aspirations would be provided.</p> <p>In general, properties would be made sustainable through normal cyclical maintenance:</p> <ul style="list-style-type: none"> • Removing 'catch-up' repairs by replacing or repairing life expired elements such as kitchen fittings, bathrooms and roofs • Improving the standards of accommodation and amenity by upgrading facilities, services and amenities to present day aspirations • Improving energy efficiency and conservation by reducing inefficiencies in the use of fuel that are a consequence of poor insulation and/or inadequate heating systems and controls • Halting the accelerated deterioration of building elements that results from the knock on effects of other element failures • Preventing future failure: the preventative maintenance embodied within the programme will avoid much costly and widespread failure that would otherwise arise at a later date • Reducing the response repair workload by addressing defective elements during the programme period and by concentrating on the most urgent fabric repairs early on • Reducing decoration and pre-decoration repair costs 	<p>Maintain properties in a reasonable condition as well as meeting legal and statutory obligations.</p> <p>Items such as bathrooms and kitchens would be renewed, such that no bathroom would be more than 30 years old and no kitchen more than 23 years old.</p> <p>Standards of repair would be similar to those provided at present.</p> <p>The funding of disabled adaptations after year 3 may have to be made through the Disabled Facilities Grant system.</p> <p>Environmental improvements in the first three years would be at a similar level to those in recent years. Thereafter, a review to determine future funding requirements would be needed.</p> <p>Residents' aspirations of having more secure doors would be met by providing new doors. Other aspirations would not be fulfilled.</p> <p>In overall terms, £15 million more has been included in this option than in the Low option. It has been included in two ways:</p> <ul style="list-style-type: none"> • Restructuring the repairs programme between elements • Bringing some elements forward

Major Repairs Under Retention

Element	Low Option	Transfer Option	Retention Option
Kitchens	Patch and repair only Individual components replaced £3 million over 30 years	Whole kitchens replaced every 15 years with a rolling programme of kitchen replacement throughout the 30 years. This is in response to the resident aspiration survey. Residents will be able to choose colour finishes and layouts as they do now, getting two kitchens in 30 years £23 million over 30 years	Provide new kitchens No kitchens to be more than 23 years old £21 million over 30 years, equating to 7,000 kitchens
Bathrooms	Individual components only replaced when they fail the 'fitness' test £4 million over 30 years	Comprehensive rolling programme of replacement based on 30 year lifespan in response to the resident aspiration survey £6.5 million over 30 years	Provide new bathrooms No bathroom to be more than 30 years old £6 million over 30 years, equating to 4,000 bathrooms
Roofs	Repair until the roof is in need of replacement £4 million over 30 years	Repair and replacement based on 50 year life expectancy £11.7 million over 30 years	Replace roofs indicated by the condition survey £9 million over 30 years, equating to 2,250 roofs
Front and Rear Doors	Patch and repair as required until necessary to replace. Improved security £1.2 million over 30 years	Replacement programme for front and back doors in response to the resident aspiration survey £4.8 million over 30 years	Replace doors and frames identified through a condition survey £4 million over 30 years, equating to 4,000 front and rear doors
Disabled Adaptations	This includes walk-in showers, rails, ramps, etc £3 million over 30 years	In response to the resident aspiration survey £7.5 million over 30 years	After three years, all Social Services adaptations to be made through the Disabled Facility Grants £600,000 over the first 3 years
Wiring	Repair and partial rewiring of those parts of the system that need it. A complete rewiring would occur only where the whole system is unsafe £5.8 million over 30 years	A repair and rewiring programme that includes whole systems £7.8 million over 30 years	Repair and part rewire those parts that need it rather than replace whole systems, unless a whole system is unsafe £5.8 million over 30 years
Boilers	Comprehensive programme of replacement and repair to comply with Decent Homes Standard £5.3 million over 30 years	Comprehensive programme of replacement and repair to comply with the Decent Homes Standard £5.3 million over 30 years	Comprehensive programme of replacement and repair to comply with the Decent Homes Standard £6.0 million over 30 years
Heating Systems	All types of heating systems and components replaced and repaired as necessary to comply with Decent Homes Standard £4.9 million over 30 years	All types of heating systems and components replaced and repaired as necessary to comply with Decent Homes Standard £4.9 million over 30 years	All types of heating systems and components replaced and repaired as necessary to comply with Decent Homes Standard £6.0 million over 30 years

HOUSING REVENUE ACCOUNT BUSINESS PLAN

Element	Low Option	Transfer Option	Retention Option
Windows	Replacement and repair only - the window replacement programme will have been completed by the end of 2006/07 £1.2 million over 30 years	Replacement and repair only - the window replacement programme will have been completed by the end of 2006/07 £1.2 million over 30 years	Replacement and repair only - the window replacement programme will have been completed by the end of 2006/07 £1.2 million over 30 years
Making Empty Properties Ready to Let	£6 million over 30 years	£6 million over 30 years	£6 million over 30 years
Sound Insulation	No expenditure	In response to the resident aspiration survey £300,000 over 30 years	No expenditure
Outhouses	Patch and repair as required £0.7 million over 30 years	Repair and replace as necessary £2.6 million over 30 years	Repair as required, after identification through the external decoration programme
Boundary Walls and Fences	Patch and repair as required £1.8 million over 30 years	Repair and replacement programme £3.2 million over 30 years	Repair as identified by condition survey £0.8 million over 30 years
Paths and Hard Standings	Patch and repair as required £1.4 million over 30 years	Repair and replacement as necessary based on a 40 year expected lifecycle £4.8 million over 30 years	Repair as identified by a condition survey. The Plan foresees: 240 Major repairs 1,239 Programmed repairs £1.5 million over 30 years
Environmental Improvements	Reduced improvements to the outside communal areas to schemes and estates, especially in the first five years £0.5 million over 30 years	More improvements which include resident-led improvements in response to the resident aspiration survey £6 million over 30 years	Reduced improvements to the outside communal areas to schemes and estates, especially in the first five years £0.6 million over 30 years
External Decoration	Painting done every six years instead of 5 years £12 million over 30 years	Painting done every five years £15 million over 30 years	Painting done every five years, which may need to be increased to six years £13.6 million over 30 years
Off-Street Parking	Safety cases only £50,000 over 30 years	In response to the resident aspiration survey £375,000 over 30 years	Identified schemes £150,000 over the first two years
Security Lighting	No expenditure	In response to the resident aspiration survey £60,000 over 30 years	No expenditure
Additional Funds	The council has a further £15 million over 30 years - £500 thousand per year – to use to improve the repairs or the housing management service	The housing association can access additional funds at any time Residents, being on the Board of Management, have control over how any money is spent	The Council would borrow up to £2,681K million (2006 values) over the first seven years to ensure repair programmes are not delayed The Council would create a Housing Board that would include five tenant representatives

The Decent Homes Standard**ANNEX I**

A decent home is wind and weather tight, warm and has modern facilities. More specifically, a home meets the Decent Homes Standard if it:

A - Meets the minimum Fitness Standard, set out in Section 604 of the Housing Act 1985. A home is unfit for human habitation if, in the opinion of the Council, it fails to meet one or more of these requirements:

- Is free from serious disrepair.
- Is structurally stable.
- Is free from dampness that could affect health.
- Has adequate lighting, heating and ventilation.
- Has an adequate piped supply of wholesome water.
- Has an effective drainage system.
- Has a suitably located WC for the exclusive use of the occupants.
- Has a bath or shower and wash hand basin, with hot and cold water.
- Has satisfactory facilities for the preparing and cooking of food, including a sink with hot and cold water.

B - Is in a reasonable state of repair. A home will not meet this part of the standard if one or more key building components are old and need replacing; or two or more other building components are old and need replacing.

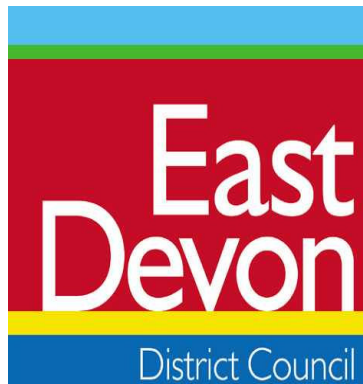
Building components are the structural parts of a home (wall or roof, for example), other external elements (roof covering or chimneys) and internal services and amenities (kitchens and heating systems). Key building components are those which could cause the building to fall down, cause further deterioration, or have other safety implications.

C - Has reasonably modern facilities and services. A home fails to meet this standard if it lacks three or more of the following facilities:

- A kitchen which is 20 years old or less.
- A kitchen appropriate to the size of the home with space and layout for all the required items (sink, cupboards, cooker space, worktops etc).
- A bathroom which is 30 years old or less.
- An appropriately located bathroom and WC.
- Adequate noise insulation.
- Adequate size and layout of common entrance areas for flats.

D - Provides a reasonable degree of comfortable warmth, with efficient heating and effective insulation.

Efficient heating is gas or oil programmable central heating, electric storage heaters, programmable LPG (Liquid Petroleum Gas), solid fuel central heating, or similarly efficient heating system. Effective insulation for homes with gas or oil programmable heating is at least 50mm loft insulation, homes with LPG or programmable solid fuel central heating need at least 200mm loft insulation. Cavity wall insulation is needed too, if there are cavity walls that can be insulated effectively.



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