



FLINTSHIRE HOUSING REVENUE ACCOUNT:

BUSINESS PLAN



2017 - 2047

INTRODUCTION

The HRA funds the landlord function of the council for 7,189 homes. This includes repairs and maintenance, including upgrading properties and environmental improvements, neighbourhood management including resolving anti-social behaviour and estate caretaking, income collection and customer involvement.

BACKGROUND

The budget was set in 2016 for the thirty year period 2016/2046. Value for money principles were adopted to maximise resources for stock investment, service improvement and new build. It did, as with any business plan, make some financial assumptions, and therefore any aspects which were adopted will need to be kept under review to ensure that assumptions reflect actual costs, performance and risks on an annual basis.

This report will highlight how we actually performed during 2016/17 and report any changes to the financial assumptions agreed in 2016/17 based on new information.

2012 HOUSING BALLOT – CHOICES DOCUMENT

In 2012, the council balloted its tenants on the option for 'stock transfer'. This process involved making commitments to tenants on service quality and performance, should tenants opt to stay with the council or move to an alternative landlord. 71% of tenants used their vote, with 88% choosing Flintshire County Council to remain as their landlord.

This plan and budget proposals once approved will provide sufficient resources to ensure that all promises made to tenants in the Choices document can be delivered. At the time of the ballot a 5 year stock improvement programme was promised which would provide full kitchen and heating replacement schemes with limited work streams for other property fixtures. At this stage the full WHQS standard could not be delivered until 2038.

Since that time, following detailed cost and investment analysis work, robust efficiency plans and improved performance (coupled with relatively low levels of borrowing), the investment programme has been accelerated and full achievement of the standard can be delivered by 2020.

RESOURCES FOR 2017/18

Rents

The Social Housing rents policy was introduced by Welsh Government in April 2015 for local authorities. This policy was aimed at achieving rent convergence between council and housing association rents over time.

Welsh social rent policy is devolved from the U.K government. There is pressure however, to follow the UK Government requirement for social landlords in England to reduce social rents by 1% for each of the next four years. Welsh Government sought evidence from social landlords

across Wales on the impact this change would make to business plans and has decided to retain the current rent policy.

In a written statement on the 21st November 2016, the DWP Secretary for State announced that the government proposes that the local housing allowance (LHA) cap for tenants living in general needs social housing will be applied from April 2019. Should this proposal be implemented rents for many 1 bedroom properties in Flintshire would reach the cap quite quickly. This could have negative impacts on the HRA business plan and the viability of some new housing developments.

The WG rent policy required all service charges to be disaggregated from rents by April 2016. There is flexibility for each landlord to set the rent band at either target rent, 5% below or 5% above. Cabinet decided to set Flintshire rents at target to support tenant affordability.

The rent policy sets out the total target rent band for each landlord. The councils target rent band for 2017/18 is £91.69. Currently the Councils average rent is £85.87. Where a landlord's weekly rent is lower than the target rent band, transitional protection will apply to tenants. In any year a landlord will not be permitted to increase the rent for any individual tenant by more than £2 per week in addition to the agreed average annual rate of rent increases for the sector as a whole.

The inflation indices to be used for uplifting rents each year will be based on CPI at the previous September and a real increase percentage of 1.5% will be applied to the inflation indices. CPI for Sept 2016 is 1% plus 1.5% giving rent inflation for 2017/18 of 2.5%. Anticipated Rental (including voids rent loss) and other income for the three year period 2016/17, 2017/18 and 2018/19 are shown in the table below:

Garage Rents

Garage rents are currently charged at £5.61 per week. We are proposing an increase of £1 per week. Garage plots are currently a £1 per week. We are proposing a .20p per plot per week increase.

Anticipated Rental (including voids rent loss) and other income for the three year period 2017/18, 2018/19 and 2019/20 are shown in the table below:

Year	Net Rental Income	Other Income	Total Income
2017 – 2018	£30,850,000	£ 1,292,000	£ 32,142,000
2018 – 2019	£32,032,000	£ 1,664,000	£ 33,696,000
2019 – 2020	£33,916,000	£ 1,735,000	£ 35,651,000

Rent Charges		2017/18				
		£'s			No.	
		Target Rent	Average Transitional Rent	Variance	Equal to / above Target Rent	Below Target Rent
Property Type	No. of Properties					
G1Bedsit	21	65.71	65.78	0.07	21	0
G1bungalow	12	81.71	85.06	3.35	3	9
G1Flat	163	76.42	76.27	-0.16	150	13
G1House	1	81.71	72.84	-8.86	0	1
G2Bungalow	3	90.78	83.83	-6.96	0	3
G2Flat	293	84.64	82.33	-2.31	78	215
G2House	710	90.78	85.56	-5.22	190	520
G2Maisonette	9	82.14	82.14	0.00	9	0
G3Bungalow	4	99.86	99.02	-0.84	3	1
G3Flat	41	92.85	88.61	-4.24	11	30
G3Maisonette	1	90.35	90.35	0.00	1	0
G3House	3,147	99.86	91.26	-8.60	335	2,812
G4House	126	108.94	98.12	-10.82	13	113
G5House	5	118.02	106.24	-11.78	1	4
G6House	5	118.02	110.62	-7.40	2	3
M1Mini Group Bungalow	299	81.71	77.60	-4.10	97	202
M1Mini Group Flat	116	76.42	76.47	0.04	114	2
M2Mini Group Bungalow	94	90.78	86.07	-4.72	29	65
M2Mini Group Flat	23	84.64	83.68	-0.96	2	21
M3Mini Group Bungalow	1	99.86	99.86	0.00	1	0
S1Sheltered Bedsit	63	65.71	66.01	0.30	63	0
S1Sheltered Bungalow	851	81.71	78.09	-3.61	218	633
S1Sheltered Flat	321	76.42	76.39	-0.04	314	7
S1Sheltered House	1	81.71	78.96	-2.74	0	1
S2Sheltered Bungalow	508	90.78	83.74	-7.05	64	444
S2Sheltered Flat	306	84.64	84.44	-0.20	236	70
S2Sheltered House	1	90.78	81.94	-8.84	0	1
S2Wardens Bungalow	2	90.78	90.78	0.00	2	0
S2Wardens Flat	5	84.64	84.64	0.00	5	0
S2Wardens House	1	90.78	86.55	-4.23	0	1
S3Sheltered Bungalow	4	99.86	94.93	-4.94	2	2
S3Wardens Bungalow	16	99.86	97.78	-2.08	6	10
S3Wardens Flat	1	92.85	91.52	-1.33	0	1
S3Wardens House	20	99.86	93.25	-6.62	3	17
SO3Shared ownership houses	15	99.86	90.81	-9.05	2	13
	7,189	91.69	85.87	-5.82	1,975	5,214

Note

G = General Need

S = Sheltered

M = Mini Group (over 55s with no warden service)

The number equates to the number of bedrooms the property has for example a G3house is a general need 3 bed house.

The above chart shows the transitional rents chargeable to Flintshire tenants under the new rents policy from 2017/18 and how they compare to target rents. The average rent chargeable for 2017/18 is £85.87 some £5.82 below the weekly target rent under the new policy. There are currently 1,975 (27%) tenancies at target rent.

Empty Properties

Void rent loss is currently at 1.41 % of rental income. The business plan continues to assume this level of void rent loss.

Service Charges

By April 2016, the Welsh Government expected all social landlords to separate services from rents and introduce charges, to recover the cost of services in addition to rent. Prior to this the cost of these services were spread across all tenancies. Through the separation of service charges from rents, tenants are able to see how much they pay for the rent of their home and how much they pay for any additional services that they receive e.g. aerials, laundry services, window cleaning and communal cleaning.

The introduction of service charges aims to achieve greater transparency and fairness for tenants, providing greater accountability whilst helping to improve both the efficiency and quality of services being delivered.

The Council is currently working in collaboration and sharing best practice with three other North Wales stock retaining Councils. These being Wrexham, Denbighshire and Isle of Anglesey.

Flintshire is implementing service charges on a phased basis for existing/ongoing tenancies. From April 2015 all new tenants pay for services. A tenant consultation exercise will commence in June 2017 to discuss service disaggregation (such as individual gardening).

With the exception of services provided for the benefit of individuals, the service charges outlined above are all currently 'housing benefit eligible'. Currently, 67% of all Council Housing tenants were in receipt of full or partial housing benefit.

Expenditure

Proposed financial changes to the 2017/18 business plan

HRA Business Planning

Efficiencies

No	Section	Description	Type	2017/18 £m	Notes
1	Various	Price Inflation	Service Efficiency	(71,182)	During the 2016/17 business planning process, we had built in an element of price inflation. We have removed this price inflation to help fund some of the pressures the HRA is facing.
2	Estate Management	Estate Caretaker	Structural Review	(18,667)	Removal of vacant position
3	Management & Support	Handy Person	Structural Review	(38,488)	This vacant position is being removed from the budget as the estate caretakers are completing this work.
4	Various	Employee Travel	Service Efficiency	(11,091)	A result of the review of essential car users and rates.
5	Management & Support	Conference/Seminars	Service Efficiency	(13,544)	A reduction in the conference budget.
6	Estate Management	Supplies & Services	Service Efficiency	(4,165)	A review of supplies and services budgets.
7	Housing Asset Management	Fleet Costs (Disabled Adaptations)	Service Efficiency	(40,000)	We are able to capitalise the cost of vehicles used for the capital works on adapted properties.
8	Estate Management	Neighbourhood Housing Assistant	Structural Review	(19,310)	Removal of vacant position.
		Total HRA		(216,447)	

Investment Decisions/Cost Pressures

No	Section	Description	Type	2017/18 £m	Notes
1	Income	Reduction in income arising from phased implementation of service charges	Income Pressure	311,428	Reduction in income in line with phased introduction of Service Charges
2	Housing Programmes	SHARP - Site Investigation Fees/Other Costs	Service Improvement	79,000	Revenue budget to support the cost of the SHARP which cannot be capitalised (e.g. legal fees, land valuations)
3	Estate Management	Gardens	Service Pressure	55,000	Reflective of increased contract costs
4	Estate Management	Laundry	Service Pressure	14,000	Reflective of increased contract costs
5	Estate Management	Aerials	Service Pressure	20,000	Reflective of increased contract costs
6	Estate Management	Window Cleaning	Service Pressure	10,500	Reflective of increased contract costs
7	Estate Management	Communal Cleaning		9,000	Reflective of increased contract costs
8	Housing Asset Mgmt	Waste Removal	Service Pressure	20,000	Reflective of increased contract costs
9	Housing Asset Mgmt	Electrical Qualifying Officer	Service Improvement	40,226	Additional position introduced to cover Health & Safety requirements
10	Management & Support	Insurance	Historic Budget Flaw	78,000	To correct a budget flaw
11	Estate Management	Revenues Manager	Service Pressure	16,772	To reflect a charge of 25% to the HRA for work on rent collection.
12	Management & Support	Apprentice Levy	Service Pressure (national policy)	37,129	New national policy (0.5% of payroll)
13	Landlord Services	Servicing & Adhoc Call Outs	Service Pressure	40,000	(e.g. smoke alarm testing, lift maintenance).
		Total HRA		731,055	
		Grand Total HRA		514,608	

Staff and associated costs

The business plan includes 231.53 established Positions (FTE) within the Housing Revenue Account in 2017/18.

Housing Asset Management

Housing Asset Management (HAM) includes Responsive repairs, voids, WHQS and cyclical works and Disabled adaptations. Total FTE's for HAM assumed in the plan are 175. The revenue budget for 2017/18 is £8.457m.

Estate Management

Estate Management includes Rents, Anti-Social Behaviour, Tenant participation and Tenancy management services. Total FTE's assumed in the plan are 33.8. The planned budget is £1.647m.

Landlord Services

Landlord Services includes all costs associated with service charges and landlord costs for communal buildings. Total FTE's assumed in the plan for Landlord Services are 8.0. The planned budget is £1.318m.

Management & Support Services

Management & Support Services include Finance and cash collection, I.T, member services, HR and Training, Legal, Insurance, Buildings, admin and corporate management costs. The FTE's assumed on the plan for Management & Support Services are 14.68. The planned budget is £2.320m.

Capital Financing

Financial Year	New Loans	New Loans	Mid Year	Total Costs	Closing HRA Debt	Limit on indebtedness	Borrowing Capacity
	Build Programme	WHQS					
2017.18	£7,704,000	£4,100,000	£119,983,027	£7,500,531	£124,732,693	£143,934,209	£19,201,956
2018.19	£5,378,667	£3,500,000	£127,924,700	£7,956,858	£131,116,706	£143,934,209	£12,817,503
2019.20	£5,166,667	£1,400,000	£133,088,872	£8,268,822	£135,061,039	£143,934,209	£8,873,170

As per the self-financing agreement introduced in April 2015, the borrowing limits agreed for the council were £15m for new build, £25m for WHQS and £107.2m for the buy-out. This new borrowing in addition to existing borrowing gave us a debt cap of £143.9m (limit on indebtedness above).

The above table shows the planned new borrowing for WHQS and new build alongside the closing HR debt balance and borrowing cap. The level of borrowing remains within the cap. The capital programme for 2017/18 is £20.040m of which the majority is allocated to achieving the Welsh Housing Quality Standard.

Strategic Housing and Regeneration Programme (SHARP) - Council House Build Programme

Following Cabinet approval in September 2014 Flintshire has made good progress to deliver upon its strategic vision of developing 500 new (200 council, 300 affordable) at a range of sites across the county over the next five years. Wates Residential were appointed as the Council's development partner in June 2015, and in addition to the council's ambitious house-building programme, a range of linked regeneration and community benefit initiatives are also being delivered. These include;

- Environmental protection and improvements;
- Development of sub-contracting and supply chain opportunities including transparency of opportunities and award procedures including advertisement through Sell2Wales;
- Increased social return on investment through engagement and consultation with the community;
- Workforce and training initiatives.

SHARP Tranche 1

Tranche 1 of the SHARP is underway, delivering 42 new Council homes on The Walks, Flint and at Custom House School, Connah's Quay. The breakdown of property types is shown below:

Property Type	The Walks, Flint	Custom House School, Connah's Quay
1Bed Apartment	4	-
2 Bed Apartment	2	-
2 Bed House	18	8
3 Bed House	6	4
Sub Total	30	12
Total	42	

Custom House School, Connah's Quay

Custom House, Connah's Quay is the first completed scheme to be delivered through the SHARP, with tenants moving into the new properties at the beginning of December 2016, 2 months ahead of schedule. A Local Lettings Policy has been developed to ensure local people are prioritised for the scheme.

There has been a number of consultation events where Councillors, members of the local community and future tenants have visited the site. This has been well received and has raised the profile of the SHARP Council housing building programme.

The Walks, Flint

The build for the scheme commenced March 2016, with a projected completion of March 2018. In addition to the 30 Council properties, 62 affordable units will also be delivered on the site. These properties will be managed by the Council's NEW Homes Housing Company which was set up in April 2014 to assist those families living in Flintshire who do not qualify for Council properties due to their income being too high, but do not have sufficient income levels to access the private rented or low cost home ownership markets.

The Council and NEW Homes are developing joint estate management and maintenance policies to ensure all tenants living on the scheme receive an equitable, high quality service from both landlords. Similarity to the Custom House scheme, a Local Lettings Policy will be implemented, which will be consulted upon early in 2017 in preparation for allocations.

In addition to addressing housing need from the Council's Housing Register, the scheme will also assist applicants from its Specialist Housing Register who are in need of adapted and specialist accommodation.

SHARP Tranche 2

Sites for tranche 2 have been agreed, planning approved and pre-development work is underway. Consultation has taken place for each scheme with the local Member and communities. The site location and mix is outlined in the table below.

Site location	1 Bed Apart	2 Bed Apart	2 Bed House	3 Bed House	2 Bed Bung.	Total
Maes y Meillion and Heol Y Goron, Leeswood		4	3	2	4	13
Redhall, Connah's Quay			5			5
Dairy Site, Connah's Quay			3	3		6
Ysgol Delyn, Mold			10	6		16
Melrose Centre, Aston	2		2	2		6
The Police Station, Flint						tbc
Total						46

SHARP Tranche 3

The Council is currently in the process of undertaking detailed site feasibility works on a number of additional sites for inclusion in Tranche 3. These sites will be presented for Council approval in spring 2017. A projected £15.5M from the Council's Housing Revenue Account Borrowing Cap is proposed for the Council's House Building Programme.

Social and Economic Return on Investment

The following table provides a summary of the Social and Economic return on investment to date for the tranche 1 schemes at Custom House, Connah's Quay and The Walks, Flint. Going forward this will be measured and recorded for both the SHARP and WHQS programmes.

Employment & Training

Table 1. SHARP Community Investment Performance Batch 1 Sites	
Benefit	Narrative
Employment and Training	
194	Local people have benefited from Employment & Training Initiatives on this project
653	Training/employment weeks have been created for local people
3640	Hours have been invested to support these people by Wates staff
£195,090	Is the value of investment into training local people
Investing in the local economy	
£1,497,241	Has been spent with local small businesses on this project
£2,440,503	Economic Benefit has been generated for the local community as a result of this spend
£19,460	Has been invested into Social Enterprises on this project
Investing in the Community	
229 Hours	have been invested into volunteering in the community
£21,781	Has been invested into local charities / community causes
£2,676,834	Worth of Economic, Environmental and Social Value has been generated on this project
*According to FSB, 63 pence of every £1 spent locally with an SME is reinvested into the local economy for the Batch 1 sites (Custom House and The Walks).	

Flintshire Apprenticeship Academy

In October last year, the Council started working with Futureworks Flintshire to set an Apprentice Academy in the county. The academy is helping to maximise the creation of skilled local people through apprenticeships, which are needed for the Council's SHARP housing construction and WHQS refurbishment programmes over the next five years.

Council construction contracts always place a requirement on the contractor to provide apprentice opportunities and to recruit local labour, however it is often difficult to complete the apprenticeships owing to the nature of the contracts. The creation of this academy will ensure that full apprenticeships can be made and delivered.

Futureworks Flintshire is a community interest company which has the relevant experience, the right culture and values to be a close partner to the Council and working with a third party reduces significantly the cost of scheme administration for the Council.

Currently four apprentices are working with council-appointed contractors three with Wates Residential and one with Keepmoat.

BRIEF SUMMARY OF RECENT SERVICE CHANGES / EFFICIENCIES ALREADY ESTABLISHED

Delivering the Choices Document promises

Since the positive ballot result for the future ownership of the council housing stock, the council has focussed on delivering the promises made to tenants in the Choices document. These included both service improvements and stock investment. A number of the successes are detailed below;

- Increased the number of Tenant Liaison Officers from 3 to 5 full time, this has resulted in a significant reduction in the number of customer phone enquires in relation to the improvement programme.
- Restructured Capital Works team, investing in clerk of works and system support staff, to ensure continued smooth delivery of the WHQS programme up to 2020
- Remodelled the caretaking function to provide Handy person services to our most vulnerable customers without increasing costs, service will be reviewed in 17/18 to assess options around income generation.
- Implemented the Flintshire "lettable standard" for all empty properties after extensive consultation with customers which should increase satisfaction with new tenancy and reduce customer enquiries

Supporting customers in their homes through Adaptations

As from the start of the current financial year we have operated two categories of work for Disabled Facility Grants. Major and Minor adaptations. Minor consists of small works up to the value of a thousand pounds. Major adaptations consist of large value works which can be at a value of between £5k up to £30k.

Up to the end of quarter three we have logged 278 jobs for major adaptations with a committed value of £ 438,473 and ongoing/complete work for minors at 467 jobs with a committed value of £54,867.35. The overall budget for DFG work is £1m.

Service Transformation

Service reviews on all areas of the business have continued during the year, staff and customers have been involved in ensuring that key services are providing value for money, meet customer expectations and increase productivity. Some of the achievements in 2016/17 are:

- Restructure of Housing Management teams to allow a clear focus on new customers and existing customers through introducing dedicated teams for both. This will ensure the right people are allocated the right property making tenancies more sustainable.
- Upgraded the IT systems used to manage ASB which will allow for improved monitoring of performance, customer satisfaction and case management.
- Implemented new “self-serve” procedure for customer decorating materials, allows customer to order on line and reduces management and administration costs
- Reduced void security costs by £110 k by only using physical security on “higher risk” voids
- In advanced discussions with a local Social Enterprise to deliver void clearance services, employing Flintshire tenants and creating further job opportunities, by April 2017

Welsh Housing Quality Standards

WHQS – The Journey So Far

The Delivery programme continues to operate on a geographical split by using distinct “districts” to package WHQS work into manageable contracts. Customer consultation continues to take place in order to capture customer feedback ensure that the programme meets customer expectations, any lessons learnt are turned into actions for service improvement. Methods for systematically measuring individual customer satisfaction are currently being developed and will be implemented in 2017/18.

Work Streams are packaged in the following way:

WHQS – Work Streams

- The Internal Works will comprise of Kitchens, Bathroom and Heating Upgrades.
- The Envelope Works will consist of the following elements; Roofing, Chimney Repairs, Rain Water Goods, Rendering/ Pointing, Windows/ Doors etc.
- The External Works will consist of Footpaths and Fencing etc. within the curtilage of the properties.
- The Environmental Work Stream is set to target issues that affect the community such as parking and communal walk ways and ensuring best use of garages and associated land.

In addition to the main work streams listed above, the Capital Works team have also concentrated on the two clusters of non-traditional housing to increase fuel efficiency in those properties. The Easiform properties in the Holway estate are being treated presently and will be finished this financial year providing much needed improvements to the estate.

The three Tower blocks at Flint have now been renovated and provide excellent facilities for the occupants. The Towers have benefited from new internal heating pipework fitted following the demolition of the surrounding Maisonettes, the pipework was not fit for purpose and was renewed to increase efficiency in heating the blocks and to reduce the demand for future repair and maintenance. To improve fire safety a Sprinkler system was fitted retrospectively to provide additional protection and reassurance to the occupants of the blocks.

The environmental work stream has taken advantage of additional Vibrant and Viable funding, providing a new lease of life to the flats located at Pen Y Lan Courts in Connahs Quay. The complex now provides a much more aesthetically pleasing landscape and provides additional security measures to the blocks.

Delivery figures for 2016-2017

YEAR 2 2016-2017	WORK STREAM		DISTRICT	PROPERTIES	TOTALS
	<i>Internal Works</i>	WHOLE HOUSE (K&B&H)	Deeside & Saltney	275	581
			Mold	306	
		Kitchens & Bathrooms	Holywell	276	449
			Flint	173	
		Bathrooms & Heating	C'Quay & Shotton	368	368
	<i>Envelope Works</i>	WHOLE HOUSE		Flint	209
		Gutter Line & Above Works		-	-
		Gutter Line & Below Works		-	-

WHQS Programme Out-turns

2014-15	Planned	Delivered
Heating Upgrades	600	966
Kitchen Replacements	922	1,023
Smoke Detectors	475	439
Bathroom Replacements	120	127

2015-16	Planned	Delivered
Heating Upgrades	334	192
Kitchen Replacements	1,129	1,393
Smoke Detectors	500	508
Bathroom Replacements	1,507	1,688
Roofs	317	112
Windows Doors	317	112

The Heating Upgrades are slightly behind as some customers have shown a reluctance to switch from oil / solid fuel due to low oil prices, staff continue to work closely with these customers to sell the benefits of upgrade, plus oil prices are now on the increase which should have an impact.

The Envelope work stream (Roofs, windows and Doors) was also behind programme for the year, factors influencing this were the contract being the last major tender to procure which resulted a later start on site.

Another contributing factor to this particular programme has been the renewal of Scottish Power cables on the Holway Estate.

I.T system- Anti- Social Behaviour Case Management

The upgrade of the current ReACT System to the latest version will further enhance the ability to effectively manage the Tenancy Management and Enforcement element of the service – there will be an enhanced ability to monitor costs of cases to be tracked to ensure value for money as well as helping improve performance by enabling effective case and performance management. This has been enhanced further with the introduction of a customer satisfaction survey from Quarter 2 of 2015/16 in relation to ASB case management with 66.7% recorded satisfaction.

During the first 2 quarters of 2016/17 there have been:

- 5 Postponed Possession Orders obtained
- 3 Mediation referral
- 1 Injunction
- 13 Referrals to Police and relevant support services

During the period there has been further development of effective partnerships with a wide range of agencies including Police, mental health, drug and alcohol services and tenancy support due to the complexity of the ASB cases. This has led to an increased focus on early intervention and support alongside legal enforcement action.

There is to be a revision of the current ASB procedure to ensure compliance with current legislation and best practice which will further enable the team to take consistent, effective and appropriate action when dealing with Anti-social Behaviour on the estates.

New proposals for efficiencies and service improvement

This plan provides additional efficiencies of c£0.216m. The principles underpinning the efficiencies are as follows:

- Procurement and contract management
- Realising and releasing capacity
- Improved performance
- Increased customer satisfaction

FUTURE FORECASTING & DEMAND

The demand for social housing is nationally outstripping supply, so there is minimal risk to the HRA not having sufficient demand for its properties in general terms. However, the design and location of some properties has resulted in low demand which incurs costs for the council through rent loss.

Discussions have started with colleagues in Social Services to explore further options, for best use of sheltered accommodation, which fit in with their longer term strategic plans.

WHQS must be achieved by 2020/2021 requiring an investment of £107m (stock condition survey figure pre inflation) however it can be assumed that this additional investment will have a positive impact on the demand for repairs, and the scale of investment needed post 2020/21. Completion of the works will gradually (from April 2015), release capacity for the DLO workforce to undertake capital work streams.

WHAT THE FUTURE SERVICE WILL LOOK LIKE AND WHAT NEEDS TO CHANGE:

- Review of Asset Management Strategy to ensure all stock is fit for both current needs and emerging needs, particularly those residents affected by Welfare Reform;
- Implement a revised Performance Management Framework across all services and continue to make best use of business intelligence from IT system;
- Housing Management and Housing Asset Management working together to implement estate wide improvements. and protect council property assets ;
- Introduction of more customer self-serve options to reduce transaction cost and promote channel choice;
- Following implementation of housing management restructure provide a more proactive management and maintenance service that will improve tenancy sustainability, enforce tenancy conditions and ultimately protect WHQS investment;
- Develop IT system to enable “Right First Time” response to repairs and other customer enquiries to be performance managed;
- All repairs undertaken through appointment and scheduling system;
- More automated workflows through Civica and Capita System;
- Implement revised Customer Involvement Strategy that will enable performance to be challenged at a local neighbourhood level and ensure methods of involvement and feedback are in line with customer preferences;
- Improve methods of collecting and analysing customer satisfaction across all key service areas;
- Deliver the new ‘handypersons’ service in line with service objectives and review potential to charge.
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RISK MANAGEMENT

A risk management plan has been developed for the WHQS programme and this is regularly monitored by both scrutiny committee and the Cabinet. Reports have also been considered on progress of the Choices Document promises by Scrutiny Committee and by regular reporting to tenant’s conferences and the Tenants Federation. The risk register below is updated and monitored monthly at the HRA Programme Board.

Ref	Description/Issue	Risk	Mitigation Act (MA) / Response Plan (RP)
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Ref	Description/Issue	Risk	Mitigation Act (MA) / Response Plan (RP)
1	MRA funding certainty - MRA is included within the HRA 30 year Business Plan at £5.0m per annum	<ul style="list-style-type: none"> • MRA funding is only guaranteed year on year • MRA funding not received 	<ul style="list-style-type: none"> • Ensure delivery of WHQS programme • Fully complete Welsh Government MRA returns on a quarterly basis • Lobby Welsh Government on need for MRA to continue to invest in the Housing stock • Monitor and review at HRA Programme Board
2	Meeting the WHQS by 2020 - Delivering a significantly increased investment programme	<ul style="list-style-type: none"> • Annual Programme not delivered to targets • Major supplier issues • Contractor performance or contractor viability issues • Loss of key staff • Recruitment to delivery team • Significant stock condition issues • Tenant satisfaction 	<ul style="list-style-type: none"> • Effective contractor management • Appoint sufficient resource in delivery team • Develop a revised delivery team structure • Appoint additional Tenant Liaison Officers • Post inspection of completed work • Monitor and review at HRA Programme Board
3	Delivering the New Build Programme by 2020	<ul style="list-style-type: none"> • Insufficient or unsuitable land and /or complex ownership issues, • not maximizing commercial opportunities • Expensive scheme costs 	<ul style="list-style-type: none"> • Integration of the Programme with the development of the Local Development Plan (LDP) and the housing strategy • KPI's in place including quality standards

Ref	Description/Issue	Risk	Mitigation Act (MA) / Response Plan (RP)
		<ul style="list-style-type: none"> • Poor quality product leading to poor customer satisfaction • Failure to deliver within budget • Inadequate internal capacity 	<ul style="list-style-type: none"> • Specialist software identified to support financial viability assessments of potential schemes • Integrated Communications Plan • Design Procurement process to meet commissioning objectives • More intensive site visits to be conducted on potential development sites • Early feasibility investigations to be undertaken in respect of sites identified • Concurrent work stream to liaise with highways; planning and street scene officers • Experienced Housing Programme and Design and Consultancy teams in place • Monitor and review at HRA Programme Board
4	Introduction of charging for services	<ul style="list-style-type: none"> • Quality and cost of services delivered • Recovery of income • Tenant satisfaction 	<ul style="list-style-type: none"> • Extensive tenant consultation • Effective debt management arrangements

Ref	Description/Issue	Risk	Mitigation Act (MA) / Response Plan (RP)
			<ul style="list-style-type: none"> • Review of standard and cost of services delivered • Monitor and review at HRA Programme Board
5	Maximising rental income particularly in light of full roll out of Universal Credit from Spring 2017	<ul style="list-style-type: none"> • Poverty issues • Increase in rent arrears • Tenancy sustainment issues 	<ul style="list-style-type: none"> • Effective tenancy management and support • Creative use of DHP • Consideration to resource for tenancy sustainment • Monitor and review at HRA Programme Board
6	Meeting Annual Efficiency targets - Delivering the HRA efficiency plan ensuring savings targets are achieved	<ul style="list-style-type: none"> • Efficiency targets not met • Detrimental impact on service delivery • Tenant satisfaction 	<ul style="list-style-type: none"> • Monitor progress through Council Housing Service Senior Management Team • Service Plans and 1:1's • Financial management and monitoring • Monitor and review at HRA Programme Board
7	Proposed Rent review	<ul style="list-style-type: none"> • Impact on HRA Business Plan • Ability to deliver WHQS • Ability to deliver New Build programme • Impact on HRA services and sustainability 	<ul style="list-style-type: none"> • Ensure dialogue with Welsh Government • Ensure representation on relevant National boards • Modelling and risk management

Ref	Description/Issue	Risk	Mitigation Act (MA) / Response Plan (RP)
			<ul style="list-style-type: none"> Monitor and review at HRA Programme Board

CONCLUSION

This plan is written at a time of significant change for council housing finance across Wales. There are positive opportunities ahead to provide good quality housing services; local homes maintained to a high standard and new council homes built to meet local housing need.