

# Report

**Subject** : 30 year Housing Revenue Account (HRA) Business Plan  
**Report to** : The Cabinet  
**Date** : Wednesday 01 October 2008  
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**Cabinet Member for Housing** : Councillor Ian Tomes

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## 30 Year Housing Revenue Account (HRA) Business Plan

1. **Report Summary:**

The Housing Revenue Account Business Plan is a strategic planning document produced to assist the officers and members of the council, working together with tenants and leaseholders, in the management and maintenance of the council housing stock over the next thirty years. It demonstrates how the council intends to resource and achieve the government's Decent Homes Standard target by 2010 and sets service standards. This report is submitted to cabinet for approval prior to being sent to the Implementation Executive for approval and the Government Office for the South West (GOSW) for a fit for purpose assessment.

2. **Background:**

- 2.1. Since the stock transfer the cross party and tenant HRA Business Plan Project Board has undertaken a thorough review of the standards of service provided to our tenants and the financial implications faced by the HRA over a thirty year period
- 2.2. As part of that review some measures have been taken, such as a staff restructure and increase in garage rents, which together with a change in the rent setting formula have improved the financial situation to an extent since the stock transfer. However in the medium to long term, based on a set of agreed assumptions the HRA still faces some challenges on both the revenue and capital side if current standards of service and maintenance are to be maintained.



*Awarded in:*  
Housing Services  
Waste and Recycling Services



3. **Proposed Plan:**

3.1.1 Attached as appendix 1 is a draft 30 year Business Plan for approval.

**Key elements to the plan include:**

- Recognition of a number of measures, the most significant of which are a staff restructure and an increase in garage rents, that have been introduced and have improved the revenue position by more than £250,000 per annum
- These measures, coupled with a change in the rent restructuring calculation for 2008/09, has meant that the point at which the HRA makes in year deficits has moved on from 2009/10 to 2011/12 with HRA balances peaking in year 2010/11 at £10.8m. The HRA will use up all its surplus by year 2019/20
- On current assumptions, to balance the HRA over 30 years will require efficiencies of £300k per year from 2012/13 equivalent to 3% per annum or cost freeze i.e. no inflation on budgets
- On the capital side the housing stock will meet the governments Decent Home Standard by 2010 as is required and maintain it for some years afterwards but the Decent Homes Standard does not cover all investment requirements and it is predicted that resources will fall short of the investment required from 2013/14
- Recognition that there is a national review of the HRA being undertaken by DCLG at the moment which will include rent restructuring, the distribution of resources (the HRA nationally is in surplus) and is looking at the self funding of HRA's i.e. being taken out of the subsidy system.

4. **Consultation Undertaken:**

4.1 The Plan has been put together by the HRA Business Plan Project board consisting of members from each party and representatives of the Tenants Panel. The draft plan has also been approved by the Tenants Panel.

5. **Recommendations:**

5.1 To approve the 30 year HRA Business Plan as set out in appendix 1

5.2 To recommend to the Implementation Executive that the plan be approved prior to sending to GOSW for a fit for purpose assessment

6. **Background Papers:**

None .

7. **Implications:**

- **Financial** : Contained in the report
- **Legal** : None
- **Human Rights** : None
- **Personnel** : None
- **Climate Change** : None
- **Council's Core Values:** Excellent services
- **Wards Affected** : All

## 1. Introduction

- 1.1 The Housing Revenue Account Business Plan is a strategic planning document produced to assist the officers and members of the council, working together with tenants and leaseholders, in the management and maintenance of the council housing stock over the next thirty years. It demonstrates how the council intends to resource and achieve the government's Decent Homes Standard target by 2010.
- 1.2 The business plan also shows how, in partnership with tenants and leaseholders, the Council has compiled a list of priorities aimed at modernising the housing stock, and at providing a continuously improving service to customers. An action plan (Appendix 1) sets out specific targets, which are aimed at ensuring that priorities are met, and when they will be achieved. This action plan will be monitored on a monthly basis by the Housing Management Team, with progress reports submitted to Councillors and tenant groups on a six monthly cycle.
- 1.3 Salisbury District Council is the only council landlord in the Wiltshire County Council area. The council manages 5,400 tenanted dwellings. In partnership with tenants, leaseholders and other stakeholders, our objective is to ensure that the landlord service in Salisbury continues to be accessible and responsive to changing needs, as well as being efficient and providing value for money. This Business Plan has been compiled in light of the tenant's wish to remain with council as their landlord when they voted in a stock transfer ballot in 2006.
- 1.4 The Housing Revenue Account (HRA) is the council's landlord account, and is 'ring fenced' for this purpose. Income to the HRA is mostly generated by the rents and service charges paid by tenants and leaseholders, while expenditure is on the management and maintenance of the council's housing stock, including loan charges incurred for capital works.
- 1.5 While the Business Plan will be a working document for the Council, it has not been written solely for Council representatives or Government monitoring arrangements. It will be a public document, widely available to all, either in full or in a summarised version. It will be available in alternative languages and formats, if required, and on Salisbury District Council's website. The Council will encourage involvement and comment from all interested parties as the Plan is implemented, monitored and reviewed. As part of the process of constant monitoring and review, the Business Plan, and in particular the action plan, will be updated annually in consultation with tenants and leaseholders.
- 1.6 Meeting the needs of our current and future residents is at the forefront of this business plan and drives the way we look after and manage these properties. Salisbury District Council is committed to providing decent homes in decent neighbourhoods to ensure that all council owned homes meet the decent homes standard by 2010 as well as meeting as many tenant's aspirations as possible. The most recent tenant satisfaction survey shows that 87% of tenants are satisfied with the condition of their home, and 82% are satisfied with the overall service we provide. This plan is designed to increase these satisfaction figures.

## **2. The Strategic Context**

### **2.1 Salisbury's Vision**

2.1.1 The seriousness of the shortage of affordable homes in Salisbury and South Wiltshire has been the subject of intense debate. High property prices, in combination with a district average salary that is lower than the national average, continue to make the problem worse.

2.1.2 A recently created South Wiltshire Strategic Housing Board is now building on the council's achievements pulling together local businesses, other statutory agencies and the voluntary sector to deliver more new affordable homes.

### **2.2 The Council's Key Priorities**

2.2.1 The 2007 Corporate Plan sets the following goals for the housing service:

- Bring all our stock up to the Decent Home Standard by 2010 and maintain that standard thereafter.
- Provide a housing management service to tenants that is as good as possible within the resources available.
- Complete a 'fit for purpose' Housing Revenue Account Business Plan.
- Involve tenants in the decision making process for managing their homes.
- Improve the allocation of housing by introducing choice-based lettings.
- Develop a series of services for single homeless people.
- Support the redevelopment of Damascus House to provide a modern homeless hostel.
- Secure a further minimum £8m for more affordable homes, through the 2008/2011 National Affordable Housing Programme.
- Continue the sustained reduction in people becoming homeless.
- Support more people to maintain the independence in their own home.

2.2.2 The 2008 Corporate Plan has added a comprehensive review of Tenant participation arrangements, the introduction of a handyperson service and improved cleaning arrangements to communal blocks of flats to those goals.

2.2.3 Salisbury District Council will cease to exist from 1<sup>st</sup> April 2009 when it will merge with the County council and three other district Councils in Wiltshire to form a unitary, Wiltshire Council. It will be important that key members and senior officers of the new council understand and adopt this Business Plan.

### **2.3 Our 2006/07 achievements**

During 2006/07 we achieved the following

- 87% of council tenants are happy with their accommodation.
- 82% of council tenants are satisfied with the overall service provided.
- 81% of council tenants say they feel the rent they pay is good value for money.
- Rent arrears were reduced for the seventh year in succession.
- Over £2m was invested in improving the housing stock.
- Housing Services achieved the Charter mark for good customer service.

- 106 new affordable homes were started on site.
- A detailed analysis of local housing need and of the local housing market was completed; it will inform revisions to Planning Policy to secure more affordable homes.
- Our 2006 – 2009 Housing Strategy was published, setting out our priorities.
- The rent deposit scheme was improved so that it now offers a guarantee rather than cash upfront.
- A pilot Direct Access facility was launched at the South Wiltshire Foyer for single young people.
- We established a group of people to improve access to services for single homeless people.
- An additional £1.6m of Housing Corporation funding was secured for the refurbishment of Kingsway House, Wilton for affordable housing.
- £120,000 was secured for a Falls Prevention service.
- CareConnect handled 33,057 emergency lifeline calls
- CareConnect handled 2,976 out of hours calls.

## **2.4 Stock Transfer**

2.4.1 During 2004/05 a detailed housing options appraisal was undertaken to consider the future management provisions of the council's housing stock. It was decided that:

- Stock transfer was the only option that delivered the full investment needs in the housing stock. Without this investment the housing stock could not be improved or maintained to the decent homes standard.
- If transfer was not successful the council would have to work with its tenants to develop a 'shopping basket' of measures to meet the minimum standard.
- Immediate action would be required, in consultation with tenants to make the necessary service reduction to stop the housing revenue account going into deficit.
- The opportunities for greater resident involvement in the management of their homes may be lost.
- Key members of staff may leave in the context of a difficult recruitment market.
- Without the investment secured through stock transfer improvements to the estates will not take place, which will have an impact on the wider community.
- Without the increased programme of works an opportunity will be lost to create investment in the local economy including employment and training opportunities.

2.4.2 The appraisal concluded that continuing with the existing investment policy, the council could achieve the target of Decent Homes Standard by 2010 and continue for some time after. However, this was not sustainable as in the longer term the general condition of the stock will begin to deteriorate with disrepair as backlog repairs mount up. The HRA operating account was projected to go into deficit within the next 10 years, and remedial action would be required to prevent this from occurring. This indicated that the HRA would soon be unviable. The level of savings required from year 2 onwards for the next 30 years would be in excess of £1m per annum.

2.4.3 The council, having considered the Options Appraisal, confirmed that it should seek to pursue a large scale voluntary transfer of its stock.

## **2.5 The Housing Strategy**

2.5.1 The Housing Strategy titled "Improving people's horizons' a better community, a better home, a better life" outlines the priorities for the housing sector in delivering this vision. However, it should be noted that this strategy was produced prior to the stock transfer vote and will be updated in the near future. The updating of the strategy will need to reflect a Wiltshire-wide strategy and the housing market areas within Wiltshire. The revised strategy will need to consider the Government's latest Green Paper on new build and possible freedoms and flexibilities for council housing. An affordable housing delivery plan will be developed looking at the council's use of HRA land assets and the need to maximize new build albeit through the RSL sector or council new build. In addition account will be taken of other possible land assets such as those owned by the general fund and the health service. Account will also be taken of the eco-homes agenda.

2.5.2 These priorities in no particular order are:

- To provide a range and choice of affordable housing accessible for all in need;
- To seek a sustainable solution to the future management and maintenance of council housing in partnership with its tenants;
- To provide more support for vulnerable people in the community;
- To supply quality customer focused services;
- To work in partnership across the housing market.

2.5.3 The strategy also outlines what the council would need to do to achieve its objectives.

- Work in partnership with all stakeholders to meet housing need;
- Work within the Salisbury Housing Market area to raise the profile of housing issues within Salisbury to attract further housing investment to the district;
- Hold a ballot of tenants on the proposed stock transfer (undertaken in 2006);
- Develop a policy framework that will help people access low-cost home ownership;
- Develop a preventative service for housing advice and homelessness;
- Work towards meeting the decent homes standard in the private sector as well as in the council's own stock;
- Increase the supply of affordable housing through planning gain;
- Implement the Private Sector Housing Renewal Policy;
- Assess the needs of vulnerable households and develop protocols for referring them to appropriate housing and housing related support;
- The Housing Strategy Action Plan will be monitored and subject to an annual review.

2.5.4 The 2006-2009 Housing Strategy set out the key issues for Salisbury as follows:

- Transfer of the Housing Stock.
- Affordability.

- Homelessness and Housing Advice.
- The Decent Homes Standard.
- The Lack of Supply of Affordable Housing.
- Standards in Private Housing Sector.
- Supported Housing.

2.5.5 The Council went to ballot on stock transfer in October 2006. The result of the ballot of tenants, run by the independent Electoral Reform Services, showed that 4,810 tenants (74.2%) used their vote, with 3,424 (71.31%) of those being against the transfer proposal and 1,377 (28.65%) in favour.

## **2.6 Community and Housing Portfolio Plan 2007/08**

2.6.1 The Community and Housing Portfolio Plan 2007/08 has four specific strategic objectives directly relevant to council housing

- To meet the Decent homes Standard by 2010.
- To maximise resources for repairs and maintenance.
- To continue to provide a quality housing management service whilst we retain the stock.
- To maintain and strengthen tenant participation and protect tenants rights.

2.6.2 The new administrations priorities in relation to council housing are as follows;-

- Keep council housing under council ownership and give higher priority to front line service including repair and maintenance
- Build more council houses when allowed
- Increase council tenant involvement in decision making
- Review sheltered housing schemes and warden services
- Consider introduction of shared equity housing
- Prioritise independent living for the elderly and disabled

## **2.7 The HRA Business Plan**

2.7.1 This business plan sets out how the council landlord service will deliver the aims and objectives of the council, the Community and Housing Portfolio Plan and the tenants expectations.

### **3. The Housing Stock & Decent Homes**

#### **3.1 Spread of stock**

3.1.1 The council owns a number of different types of properties. Our properties fall in to the following categories:

<b>Property Type</b>	<b>Number</b>
Pre 1945 houses	686
House 1945 - 1964	738
Post 1965 houses	399
Non trades	674
Low Rise	1064
Medium Rise	616
Bungalows	1219
Total	5396

3.1.2 Of the 5,396 properties owned by the council, 12.5% homes are of non traditional construction (i.e. pre cast reinforced concrete) and there are 501 sheltered housing units. There are a small number (22) of harder to let sheltered bedsits.

#### **3.2 Sources of Data and the Arrangements for Updating this Information**

3.2.1 Salisbury District Council continues to establish and improve its information about the condition of its housing stock. The key management information systems are the Stock Condition Survey and the asset management database. In 2006 a stock condition survey was carried out to ascertain information about the housing stock. The Council have updated the survey at regular intervals. Cyronamy provides information about the levels of planned maintenance investment which are required to keep the stock at the Decent Homes level.

#### **3.3 Current Condition of the Council Housing Stock**

3.3.1 The council has made significant investment in its housing stock over the years. It continues to modernise and refurbish homes which it owns. This is line with the government's decent homes standard and the council's own resident's aspirations of providing suitable accommodation for residents future needs.

3.3.2 It is important that the council's own stock of housing is balanced and reflects the local housing needs of the residents that it is required to house. It is also vital that the homes which the council owns, continues to be lettable in the future.

3.3.3 Choice based letting (see para. 4.6) leads to residents making a positive choice about where they want to live and the community they want to be a part of. Prospective tenants will not be making the choice to pursue council accommodation if it does not meet their expectations of location and modern facilities. We need to be sure that the investment we make in our stock is going



to help create sustainable and balanced communities over the next thirty years of our business plan.

### **3.4 The Decent Homes Standard**

3.4.1 “Quality and Choice: A Decent Home for All – The Way Forward for Housing” outlined the aspiration that all social housing should meet the decent homes standard by 2010. It also indicates that the number of households living in social housing, which do not meet this standard, should reduce by a third between 2001 and 2004. The council met this government objective by the end of 2004. The Decent Homes standard is based on four main criteria which identifies if a property:

- Is above the current statutory minimum standard for housing
- Is in a reasonable state of repair (determined by key and non key components)
- Has reasonably modern facilities and services (each component such as kitchens and bathrooms are given a notional life expectancy –kitchens are 20 years and bathrooms are 30 years - when these ages are reached they could possibly fail the decent homes standard unless they are still in good condition)
- Provides a reasonable degree of thermal comfort.

3.4.2 The reasons why individual properties do not meet the decent homes standard have been analysed as well as the estimated cost of remedial works needed to bring all council owned homes up to standard. As at the 1<sup>st</sup> April 2008 5.93% (319) of the Council’s housing stock did not meet the decent homes standard. It is a significant challenge to ensure that we achieve the 2010 target.

3.4.3 No council owned homes fail the decent homes standard on the grounds of statutory unfitness. The previous test of statutory unfitness has been replaced by a new Housing Health and Safety Rating System (HHSRS).

3.4.5 The HHSRS also takes into consideration the use of the property and its fitness in terms of the numbers of persons living in the accommodation provided. Salisbury District Council provides accommodation to residents based on their requirements at the letting stage of finding accommodation for the resident. In future years residents and the size of their families can increase in numbers and the HHSRS places an obligation on the Council to find alternative accommodation if the property is deemed to be “overcrowded” otherwise the property will be deemed “non decent”.

### 3.5 Capital Investment

3.5.1 The Stock condition survey used for the stock transfer bid identified the following level of investment being required over the 30- year period. The figures exclude inflation.

	Year 1 £000	Yrs 1-4 £000	Yrs 1-6 £000	Yrs 1-10 £000	Yrs 1-30 £000
<b>Total programme</b>	10,536	41,928	61,482	80,189	212,182
<b>Resources</b>	4,134	13,988	20,496	33,366	94,783
<b>Excess / (shortfall)</b>	<b>-6,402</b>	<b>-27,940</b>	<b>-40,986</b>	<b>-46,823</b>	<b>-117,399</b>

3.5.2 It can be seen through the above figures that we cannot invest at the same level as could have been through stock transfer. The main focus of the HRA capital programme through the council retaining the stock is to deliver the decent homes agenda and to invest in the property to maximise the lifespan. The only source of funding available for investment is the Major Repairs Allowance. This is a sum determined by Government each year as part of the overall HRA subsidy system.

3.5.3 No base assumptions have been made for unsupported (prudential) borrowing or revenue contributions from the HRA. No use of Capital receipts from Right-To-Buy sales have been assumed as these are used to fund non landlord activities.

3.5.4 The council explores every option to bid for resources for specific projects. In the past this has included the Energy Savings Trust. However, the availability of these funding streams is uncertain and so only those agreements that are currently in place are included in the forecasts.

3.5.5 The capital spending priorities are based around achieving the Decent Homes standard and ensuring that works required for health & safety reasons as well as disabled adaptations are carried out. The Capital investment programme appendix 3, shows the forecast level of resources compared to the cost of the capital spending plans. The spending plans include an allowance for inflation of RPI plus 0.5%. The table below shows the summary position in 5-year blocks and allows for inflation on resources and investment need.

	Year 1-5 2008.09 to 2012.13 £000	Yrs 6-10 2013.14 to 2017.18 £000	Yrs 11-15 2018.19 to 2022.23 £000	Yrs 16-20 2023.24 to 2027.28 £000	Yrs 21-25 2028.29 to 2032.33 £000	Yrs 26-30 2033.34 to 2037.38 £000
<b>Total Resources</b>	<b>17,135</b>	<b>19,259</b>	<b>21,638</b>	<b>24,299</b>	<b>27,279</b>	<b>30,612</b>
Planned	15,276	17,604	25,778	41,468	38,068	67,412
Disabled	1,375	1,457	1,678	1,931	2,221	2,553
Contingency	483	533	773	1,244	1,142	2,022
<b>Sub total</b>	<b>17,135</b>	<b>19,594</b>	<b>28,229</b>	<b>44,643</b>	<b>41,431</b>	<b>71,988</b>
<b>Investment Gap</b>	<b>0</b>	<b>335</b>	<b>6,591</b>	<b>20,344</b>	<b>14,152</b>	<b>41,376</b>
Related Assets	0	2,114	2,012	2,073	2,385	2,742
Exceptional Extensive	0	519	3,759	4,569	791	910
<b>Total Investment Gap</b>	<b>0</b>	<b>2,968</b>	<b>12,362</b>	<b>26,986</b>	<b>17,328</b>	<b>45,028</b>
<b>Cumulative Gap</b>	<b>0</b>	<b>2,968</b>	<b>15,330</b>	<b>42,316</b>	<b>59,644</b>	<b>104,672</b>

- 3.5.6 The table above identifies the investment required to maintain the stock and other assets in a reasonable state of repair over the next 30 years. It can be seen that for the first 5 year period there are sufficient resources to undertake the work required. However from year 6 onwards there is a mounting investment gap even excluding related assets such as garages and exceptional extensive works such as un-adopted drains and possible asbestos works.
- 3.5.7 There are currently no failures on the District's stock based on non key element failures. The majority of homes at the 1<sup>st</sup> April 2008, which do not meet the decent homes standard, require new kitchens and bathrooms. The council's existing repair and maintenance strategies focus on the replacement of components in old and poor condition. The number of properties requiring new kitchens and bathroom reflects the council's decision to concentrate on ensuring homes are water and wind proof therefore concentrating on the external features of the properties.
- 3.5.8 Tenant preferences must be reflected in the Council's future capital investment plans to ensure that they meet tenants' priorities and needs. Tenant's aspirations have been established through the development of the Salisbury Standard that the stock transfer proposal was based upon. However, in light of the no vote investment needs to be concentrated on decent homes delivery. It should be noted that the top two priorities set by tenants in the Salisbury standard were replacement kitchens and bathrooms.
- 3.5.9 The table below identifies the work to be undertaken over the period 2008/09 to 2012/13. It can be seen that the emphasis is placed on delivering kitchens and bathrooms. At this level of spend decent homes will be delivered and maintained up to 2012/13.

	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000
<b>Kitchens</b>	1,017	1,093	977	1,196	1,120
<b>Bathrooms</b>	579	586	593	605	638
<b>Doors</b>	259	197	260	185	218
<b>Roofs</b>	287	308	343	327	338
<b>Boilers</b>	248	256	317	327	395
<b>Other</b>	497	518	535	474	480
<b>Disabled Adaptations</b>	275	275	275	275	275
<b>Contingency</b>	108	113	124	117	126
<b>Total</b>	3,269	3,346	3,425	3,506	3,589
<b>Resources</b>	3,269	3,346	3,425	3,506	3,589

3.5.10 In capital expenditure terms, the main sensitivity would be the effect of an inflationary increase in costs that exceed the real allowance of 0.5% already included in the forecasts. If the real cost increases rose by a further 0.5% then the cost of delivering the capital spending plans would increase by £176k in years 1 to 5 and by £973k for years 1 to 10.

3.5.11 As it has already been necessary to treat the budget provisions for all other capital expenditure as cash limited lump sums the effect of a higher rate of inflation would be to reduce the amount of work that can be completed.

### **3.6 Beyond 2012/13**

3.6.1 For the 5 years beyond 2012/13 there is an estimated £3m investment gap that progressively increases beyond this date. At this moment in time the council has no plans on how to deal with this issue with stock transfer having been rejected by tenants. The council will wait for the government's review of council housing finance (currently underway) and see what additional capital resources may be released.

### **3.7 Partnering**

3.7.1 The Council does not currently have what would normally be called a "partnering contract" in place. There is however, a contract in place that allows for the delivery of kitchens, bathrooms and external doors through a single contractor. We are planning to procure the planned level of investment in the near future. Modern procurement methods will be utilised and a partnering contract put in place. There is however a short term issue that will possibly delay the process.

3.7.2 Currently there is a proposal for the County Council to take over the responsibilities of Salisbury District Council along with all the other district councils. In light of this there is a moratorium in place on the letting of all new contracts. Salisbury is the only district in Wiltshire that has a council housing stock. We are currently trying to work with the County Council to break this blockage as housing contracts should have no financial effect on the new organisation being proposed.

### **3.8 Energy efficiency**

- 3.8.1 Salisbury District Council's housing stock has an energy efficiency rating of 75. This is top quartile performance and is as a result of past investment decisions made by the council to invest in schemes ensuring weather tight windows and roofs as well as investing in proper insulation.
- 3.8.2 The council is actively looking at investing in technology that will aim to work towards carbon neutral arrangements and minimising the impact on the environment. Currently we are looking at a heating system that works on the basis of air conditioning in reverse. This heating system could reduce carbon emissions and reduce the cost of heating for tenants.

### **3.9 Digital Television**

- 3.9.1 The analogue signal which currently provides television coverage in the Salisbury area will be shut down in 2012. Salisbury and Amesbury are cabled so the main issue for the council is the rural flatted stock. There is an allowance in the five year investment plan to deal with this issue by 2012.

### **3.10 Garages**

- 3.10.1 The council has a number of garage sites in and around its neighbourhoods. These garage sites are often located a short distance away from the council's homes. This means that they can be subject to vandalism, neglect and be the subject of crime and anti social behaviour. However some garage sites are well used by residents and well looked after and a valuable asset to residents not for only parking their cars but for providing additional storage space.
- 3.10.2 The level at which garage rents is set within the District is very low compared to other councils. A recommendation has therefore been made to council to increase the rent by £2 per week for 2008/09 and 2009/10.

### **3.11 Adaptations**

- 3.11.1 Salisbury provides residents with an aids and adaptations programme which helps them to cope with their disabilities and possibly stay living in their existing home or benefit from moving in to a property which already has been converted for their needs.
- 3.11.2 The adaptations programme concentrates on three areas:
- Minor adaptations –including handrails, level access and minor alterations
  - Kitchen and Bathroom adaptations – including level access showers, adaptation of kitchen facilities
  - Major Works extensions to properties –the building of new rooms on the side or rear of properties
- 3.11.3 The capital programme has made year on year provision of £275,000 (exc inflation) for disabled adaptations. There is however an ongoing demand for adaptations and an ever increasing number of older people due to demographic changes.

### **3.12 Sheltered Housing**

- 3.12.1 The sheltered housing service is highly valued by customers. The vast bulk of the District's sheltered stock was built some 30-40 years ago, some is even older. Since its construction it has benefited from relatively little updating or improvement. Whilst many blocks are highly valued by their residents, there is little by way of specialist fittings and fixtures, apart from some communal facilities, to distinguish individual dwellings and the blocks in general from general needs housing.
- 3.12.2 During the past 40 years national standards in relation to sheltered housing have risen considerably. New sheltered housing typically benefits from improved space standards and fittings, a greater range of communal facilities, a less institutional approach to decoration and layout in communal and private areas and the provision of amenities such as charging for motorised scooters and wheelchairs.
- 3.12.3 In light of this and the continued risk of reducing Supporting People income a review of sheltered accommodation is currently being undertaken. The review will look at whether the sheltered stock is appropriate and fit for purpose. There is high demand for sheltered housing in the District but demand is lower in the rural areas where there is a lack of local facilities and poor public transport.
- 3.12.4 With the likelihood of a single unitary council covering Wiltshire it is highly probable that there will be a change in commissioning policy for supporting people funded services in Salisbury leading to the need to review the warden service currently provided.
- 3.12.5 A bid for health funding is being considered to move some of the sheltered accommodation more towards extra care sheltered housing. This will enable some tenants to remain in the community with some level of independence.

### **3.13 The Housing Green Paper & New Build**

- 3.13.1 In line with the recent government green paper we will look the building of new homes to deal with the lack of rented affordable housing including social rented, intermediate rented and shared ownership within the District council area. The housing needs survey concludes that the total affordable housing need annually is for 1,076 units. Net re-lets of the existing social stock, after Right to Buy (RTB) impact, average 374 units and are the major means of addressing the scale of need identified. After allowing for existing stock net re-let supply, there will still be a total annual affordable housing shortfall of 702 units (631 shortfall + 71 assumed new units), 7,020 units in total over the ten years to 2016.
- 3.13.2 We will continue to work in partnership with local housing associations to provide new affordable housing by looking at available land. However we will also be looking at the possibility of undertaking new build by the council either directly or through a possible local authority company specifically formed for this purpose. We will review the current land assets owned by the council and

look at the possibility of providing new housing either ourselves or through partnership.

- 3.13.3 We will also look at the stock itself and investigate whether there may be the possibility of the better use of existing housing assets. We will look at the future investment requirements of specific stock types to see if it would be better value for money to replace such archetypes with new build stock.

## **4. Performance & Service Delivery**

4.1 One of the main aims of the council is to improve the quality of services provided to tenants and leaseholders. This business plan sets out how this will be achieved over the coming years. The 2006 Status Survey identified the following priorities from tenants for improving services:

- The 3 things rated as the most important were
  - Repairs & maintenance (86%)
  - Overall quality of your home (62%)
  - Value for money for your rent (57%)
  
- The 3 services considered most in need of improvement (from a list of 6) were
  - Overall quality of your home (73%)
  - Taking tenants views into account (72%)
  - Repairs & maintenance (66%)

4.2 Chapter 3 of this plan deals with the capital investment required for the homes and the constraints placed on the level of investment that can be afforded. This chapter looks how our performance can be improved and how the above comments regarding the repairs and maintenance service can in particular be improved. We also look at the steps being taken to involve tenants more in the running of the service and how we can listen to their views more than we currently do. However, this must be done in the context of the financial climate we find ourselves in as discussed in Chapter 5 and the fact that sometimes we cannot always do what the tenants wish us to do.

### **4.3 Developing and Delivering Excellent Maintenance Services**

4.3.1 The repairs service is of critical importance to our tenants, and shapes how they perceive the overall housing service. Our objective is to provide excellent services to our customers delivered at the appropriate time and at a price which we can afford. From the 2006 Status Survey the levels of satisfaction with different aspects of the service amongst those who have had a repair carried out in 2006 are shown below.

- 75.6% with the appointments system;
- 69.2% with the time taken before work starts;
- 85.3% with the speed with which the work is completed;
- 91.6% with the attitude of the workers;
- 85.3% with the overall quality of the work;
- 88.5% that all dirt and mess is kept to a minimum;

4.3.2 In addition for every repair job we carry out we leave a comments card for the tenant to complete. In total 95% of tenants said that they were satisfied with the overall repairs service. The results for 2006/07 are shown overleaf:



Question	Percentage
Was the repair to your satisfaction?	95%
Was the contractor tidy in his work?	97%
Was the contractor polite?	98%
Were the housing staff helpful and polite?	98%
Was the repair carried out on time?	85%
Were you offered an appointment?	70%
Was the appointment kept?	80%

- 4.3.3 It can be seen that there are relatively high satisfaction rates with the service provided but that there is a lot of room for improvement. The low percentage for the making of an appointment for a repairs needs to be taken in the context that not all repairs can be done via an appointment.
- 4.3.4 The actual recorded performance indicator for the percentage of appointments kept was 84%. This shows that there is scope for considerable improvement. The target for 2008/09 is 88%.

#### **4.4 Responsive Repairs & Cyclical Maintenance**

- 4.4.1 Day-to-day repairs are undertaken to maintain homes in a safe and habitable condition, as part of our comprehensive repairs service. They are prioritised to ensure that repairs are undertaken in order of urgency. When a request for a repair is received a morning or afternoon appointment is given on a specific date for repair work to be carried out. The appointment is made at a mutually convenient date with the tenant or leaseholder, within the priority time and target date.
- 4.4.2 We received 18,609 requests for minor repairs, during 2007/08, with 12,738 of these being suitable for an appointment in accordance with a new Best Value Performance Indicator (BVPI 185) which measures the number of appointments made and kept as a percentage of all appointments that could have been made.
- 4.4.3 The performance can be seen to be variable. Taking these results into account priority will be given ensure that 72% of tenants will be offered a repair appointment time with a target of 88% being kept. A target of 90% will be set for carrying out the repair on time. The targets for the next five years are shown below.
- 4.4.4 At the present time we carry out approximately 18,500 repairs to tenants homes each year. 32% of these repairs are classed as emergencies and priority repairs (within 1 working day). Our overall target will be to reduce the amount of emergency type work that we carry out which is not planned and therefore expensive to carry out. We will be aiming to increase the number of routine works that we undertake as this can be programmed around our resident's availability and the contractors / our workforce being in the area and is therefore less expensive to carry out. The balance at the end of 2007/08 was 20/80 and we are aiming to continue to achieve a ratio of 20/80 in 2007/08.
- 4.4.5 We are also looking at the possibility of the introduction of a handyperson scheme. Such a scheme is currently being appraised. If the scheme can demonstrate improved service provision to tenants at an acceptable costs or even demonstrate efficiency gains.

4.4.6 Further increased levels of customer satisfaction are high on our priority list for our responsive repairs team. We already have a reasonable degree of customer satisfaction but we want to attain higher levels of achievement. This does mean that we need to know how, what and where our customers think we can make improvements in our service.

#### **4.5 Empty Property/Void Maintenance**

4.5.1 The empty property/void maintenance team is vital in ensuring that properties are returned to occupancy as quickly as possible. The target time for 2008/09 is 28days reducing by one day for each following year.

4.5.2 It is therefore essential to plan for how many properties will be become void in any one given month and also in a financial year. This will enable the Voids team to analyse how many empty properties it will need to work on at any given time and allocate resources to carry out all necessary works within agreed timescales.

4.5.3 The voids repairs team has to seek further efficiencies in completing void works to empty properties. The council will be exploring different methods of carrying out works on properties. The council's aim is to bring down the average cost of the re-let property. We are not able to control the number of tenancies that end in any one particular financial year.

#### **4.6 Choice Based lettings**

4.6.1 The Council is proposing to be part of a county-wide choice base lettings system. Subject to Council approval the following actions are proposed:

- To complete and submit bid for funding to Communities and Local Government.
- To finalise a draft county-wide housing allocations policy.
- To prepare a revised housing application form, again a county-wide version.
- To resolve the procurement process.
- Establish an Implementation Team.
- Produce a communications plan.

4.6.2 It is anticipated that the system will go live in September 2008.

#### **4.7 Performance Management System**

4.7.1 The council's performance management system is provided through the PACE system. Information is collected monthly or as required. Monthly performance information is provided to individual managers and the housing management team. A quarterly report is provided to the council's senior management team.

4.7.2 Information on the service standards for tenants, and contact details is communicated to all tenants through the tenants' handbook and on the District council website. Periodic 'reminder' articles are published in the tenants magazine – "Housing Matters" which is circulated to all tenants and

leaseholds. Performance data is provided in an easily accessible Annual Report which is also circulated to all tenants and leaseholders and again in "Housing Matters". Tenants can report repairs by telephone, in person or electronically, including outside normal office hours, where an emergency service is in operation.

- 4.7.3 The major performance targets (not discussed in detail above) set for 2008/09 onwards are shown in the table below.

Indicator	2007/08 Actual	2007/08 Target	2008/09 Target	2009/10 Target	2010/11 Target	2011/12 Target
BVPI 66.1 - Proportion of rent collected	98.61%	98 %	99%	99%	99%	99%
BVPI 66.2 - Percentage of tenants more than 7 weeks in arrears	4.77%	6%	4.5%	4.4%	4.3%	4.2%
Rent arrears as a percentage of gross debit	2.16%	2.28%	2.0%	2.0%	2.0%	2.0%
BVPI 74.1 - Satisfaction of tenants with the overall service	84%	84%	85%	86%	87%	88%
BVPI 211.1 - The proportion of planned maintenance to responsive maintenance	54.79%	60%	60%	60%	60%	60%
BVPI 211.2 - The proportion of expenditure on emergency and urgent repairs compared to non-urgent repairs	23.49%	20%	20%	20%	20%	20%
BVPI 507 - Tenants satisfaction with repairs service	96%	96%	100%	100%	100%	100%
BVPI 212 - Average time to relet	33.5days	30days	28day	27days	26days	25days
Percentage of repairs completed on time	94.19%	90%	91%	92%	93%	94%

## 4.8 Service Plans

- 4.8.1 An annual operational plan is produced annually where the council's priorities for council housing are stated along with performance targets for the year. These targets are then fed down to individual team service plans and through the staff development interviews to individual staff members.

## 4.9 Benchmarking

- 4.9.1 To date limited benchmarking with other local authorities has been undertaken. We have benchmarked the maintenance DSO against external contractors to check value for money as well as taking part in the Dorset planned maintenance benchmarking group.
- 4.9.2 We are planning to make use of the HouseMark benchmarking service. This will enable us to identify where our costs may be out of line with other similar landlord and to determine why this is the case and whether efficiencies can be generated. We will also look to ensure that processes will also be benchmarked.
- 4.9.3 The relevant housing staff are currently undertaking a process improvement project on the management of void properties. It is hoped that this will deliver efficiencies within the process reducing the time taken to let a void property and to deliver financial efficiencies.

- 4.9.4 Consultation and research has consistently shown that council tenants rate the quality of their wider home environment as importantly as the quality of their immediate homes. Anti social behaviour is not a big issue within the District and there are therefore no neighbourhood wardens funded by the HRA. The council does however employ an anti social behaviour officer to deal with the limited problems that do exist.
- 4.9.5 Two areas within the District receive an estate cleaning service that is currently funded by the HRA. The council would like to extend this service to all tenants of the council but funding is the key issue. Service charges are being considered to fund the expanded service but there are issues around whether tenants that receive the service currently should also pay a service charge.

#### **4.10 Increasing Resident Involvement**

- 4.10.1 Resident involvement is integral to “Decent Homes, Decent Neighbourhoods”. By listening to more tenants, we have a better chance of improving our services and ensuring our resources are directed in the right areas. Tenant involvement can also help solve local problems and bring communities together.
- 4.10.2 We were successful in engaging tenants in the stock transfer process and developing the Salisbury Standard. However since the no vote tenants appetite for involvement has waned and it is proving difficult to involve tenants once more.
- 4.10.3 The Status Survey 2006 shows the following satisfaction level with tenant involvement.
- Kept informed 84.1%
  - Tenant Views taken into account 87.8%
  - Opportunities for involvement 56.8%
- 4.10.4 The results are mixed. Although there is reasonably high satisfaction with the way the council keeps tenants involved and the way that tenant views are taken into account, the tenants are not satisfied with the opportunities for involvement. Additionally we found that the tenants believed that the way we take tenants views into account could be improved. We need to be aware that the survey was undertaken after the no vote on transfer and that such views could be based on the council deciding to hold a vote on transfer.
- 4.10.5 Whatever the reasons for lower tenant satisfaction with their ability to be involved in the management of council housing lessons can be learnt and we are constantly looking at new ways to involve and listen to tenants,
- 4.10.6 The Amesbury Area Forum has recently been started. Regular meetings will be held in the future. If this type of forum should continue to prove popular then similar ones will be set up around the District council area with the Friary being the next identified group. A compact review and monitoring group was set up in August this year. The role of this group will be to rewrite the compact and produce a working document and action plan for continuous improvement.

- 4.10.7 The tenants magazine "Housing Matters" will be produced on a quarterly basis. In addition we have developed a reader's panel to comment on and revise information produced by the housing department. A web site for tenants and leaseholders will be developed to create an informative site with up to date information for all tenants and leaseholders.
- 4.10.8 But we recognise that we need to continue to develop alternate means of reaching tenants and not rely solely on group meetings. To this end a thorough Review of how we undertake tenant participation is being undertaken with a view to developing a new tenant participation strategy.
- 4.10.9 This draft business plan has through necessity been produced with minimal tenant involvement apart from building on the work done during the transfer process. A programme of consultation has been developed. Existing tenant and leaseholder groups will be consulted and sheltered housing schemes will be visited. There will be an open meeting across the district and a special edition of "Housing Matters" produced. We acknowledge however, that to do this properly there will be the need to ensure that tenants have accurate & correct up to date knowledge to enable informed choices to be made.

## **5. Resource Planning**

5.1 In producing a resource plan a thorough examination has been undertaken of all capital and revenue resources and expenditure requirements. As with all long term projections it has been necessary to make assumptions about a number of issues. The key issues are highlighted at appropriate places in the rest of this section and a number of sensitivities are also shown.

### **5.2 Revenue Budgets – The Housing Revenue Account**

5.2.1 The revenue budgets record all the annual income and expenditure for the HRA. This includes housing management, repairs and improvements, welfare advice, sheltered housing services. It also contributes to bringing all Council properties up to the decent home standard. The Operating Account at appendix 4 shows the revenue spending plans and income included in the final business plan model. Some of these budget heads can be directly controlled by the council but others are heavily influenced by Government.

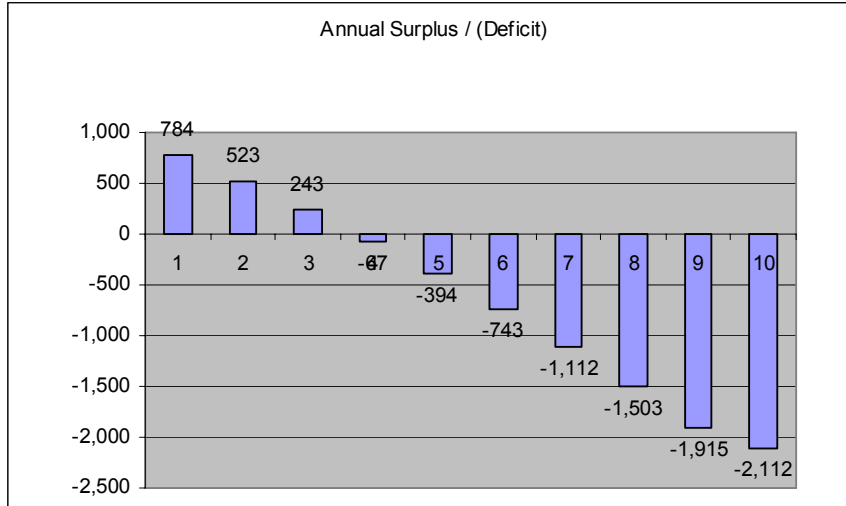
5.2.2 The key assumption which underpins the entire Business Plan is that the current system of HRA finance, including the HRA Subsidy System, will continue in its current form. In practice, experience dictates that the system changes, at least to some extent, quite frequently. In fact this business plan is based on the 2008/09 subsidy settlement which in itself is a one off settlement with significant changes from 2007/08 and with a review of the whole housing subsidy system just about to start. However, whilst sensitivity testing can be carried out on aspects of this assumption (for example different levels of subsidy allowance), it is not practical to construct a potential alternative system to test.

5.3.3 Government decisions have a significant impact on rent levels and HRA subsidy. The business plan assumes that the basic current subsidy methodology will continue for the thirty year planning period. Reasonable assumptions have been made about how, for example, Management and Maintenance allowances will vary in future years. However, projecting HRA Subsidy is difficult because it is based on annual determinations and, based on past experience, there will be regular changes to the methodology. This introduces a significant and uncontrollable element to the business plan. . The Council is paying money over into the “national HRA” and does not receive HRA subsidy. The sum paid over in 2008/09 amounts to £7.6m. The sums paid over will inevitably increase over the period of the business plan.

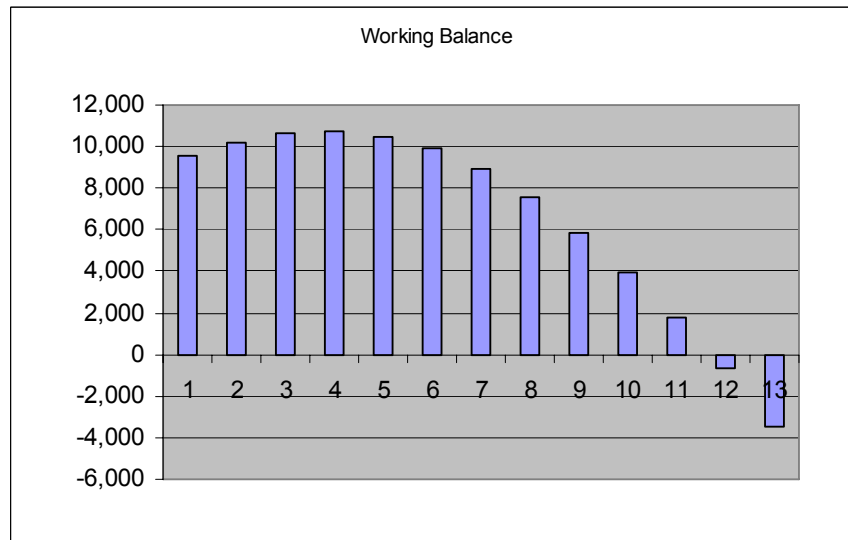
5.4.4 The current assumption is that Guideline Rents increase by RPI + 0.5% + movement to target by 2016/17 in equal annual steps as per the 2008/09 subsidy settlement that extended rent restructuring by 5 years. It has been assumed that Management and Maintenance Allowances increase by the GDP deflator measure of inflation + 0.2% rebasing allowance. We have assumed that there will not be any further changes to the rent restructuring regime and that rents charged to tenants will increase in real terms to match those charged to tenants of RSL's. To achieve this will require rent increases of around 3.2%. The increase is below RPI + 0.5% annual increase in the target as the current average rent are higher than the target rent.

5.4.5 The level of spending on Management and Maintenance are largely within the control of the Council. The basic assumptions is that the current budgets for housing management & repairs has inflation of RPI plus 1% over 30 years.

5.4.6 The chart below identifies the in year surpluses and deficits on the HRA for the period 2008/09 to 2018/19. It can see that in year deficits are projected from 2011/12 onwards. With the deficits increasing by approximately £350k per year. The full HRA projections are shown in Annex A.



5.4.7 However there is a substantial opening working balance on the HRA of £8.6m that could be used to cushion these losses in early years and or be used for invest to save schemes. The overall position of the working balance projections are shown in the chart below. The working balances remain in surplus until 2018/19.



## **5.5 Sensitivity Analysis**

- 5.5.1 In undertaking the business plan projections it is necessary to make certain assumptions about resources and expenditure. Unlike many organisations, interest rate changes do not have a material impact on the forecasts because of the HRA subsidy system.
- 5.5.2 The main sensitivity on the resources forecasts is the decisions from Government on HRA subsidy. Aside from the possibility of the introduction of a completely new regime, which cannot be assessed, the main variation is the rate at which the Management and Maintenance Allowances will get to target as we are currently below the full allowance that we should receive. If we were to get to target within the next five years (as opposed to the ten years in the base forecast), there would be a total gain in resources of £340,000 over the 10 year period.
- 5.5.3 In revenue expenditure terms, changes in the RPI represent a major variable because the RPI in September each year is the basis for the annual rent increase whereas the factor used in assessing the expenditure allowances within the HRA subsidy system is based on the GDP deflator usually a lower figure. The difference between these two inflation measures is key to the movement in subsidy each year. The base assumption is for a difference of 0.05%, however for each additional 0.1% difference the HRA loses approximately £200k in subsidy over the first 5 years.
- 5.5.4 The extent to which costs exceed RPI can produce significant additional revenue costs which would reduce the level of balances on the HRA. The forecast already assume a limited 1% real increase in costs (see paragraph 5.4.5), but if inflation should be 0.5% higher for the 5-year period than assumed then an additional £697k of costs would be incurred. These increases would have to be offset by further efficiency gains than those already being made.

## **5.6 HRA Savings**

- 5.6.1 As part of the plan to ensure that the HRA is sustainable over the longer term and that services to tenants can be provided in the most efficient manner a review of the housing structure has been under taken. One of the principles of the review is that that housing management functions should be managed within one division of the council rather than as now with sheltered housing managed outside of housing management. There are also one or two other posts in Strategic Housing which would also seem more logical to transfer into Housing Management so that all HRA functions are in one place. The need to improve the operational efficiency of the Direct Labour Organisation is also recognised and this requires additional management input and improvements in technology. It has been proposed that the following actions will be taken.
- 5.6.2 A Business Improvement Manager post will be created. This post will focus on improving performance through research, reviewing policies and practices, benchmarking and performance monitoring. The post will also have responsibility for the administration functions of supporting people, tenant participation, the management of leasehold and right to buy sales and rent accounting.



- 5.6.3 The senior housing support officers and housing support officers will be transferred into mainstream housing management. The supervision of these posts will fall on the area managers. With the support of the neighbourhood managers and repairs inspectors this will provide an improved service to sheltered housing tenants on the ground through improved communication with the housing support officers. As a consequence of this transfer the services of the Lead Officer/Services to Older People and Service Development Officer will be redeployed within the care connect unit which will result in salary savings to the HRA.
- 5.6.4 The performance of the DLO will be improved by adding additional administrative resources and supervision. Some of the projected savings achieved in 2007/08 from this restructure will be invested in new technology to improve the efficiency of the DLO with the full effect of the savings being realised in the next financial year. Workforce planning will be undertaken which will improve the service to tenants by being able to provide more appointments to tenants. In addition we will be looking at vehicle tracking and hand held devices. More administrative support will be required to implement and run these systems. A new post of senior repairs administrator will be created. These measures will improve the productivity of the DLO.
- 5.6.5 Other measures to be undertaken include a review of vacant posts and temporary arrangements. The total review will result in an approximate annual saving of £100,000 per annum from 2008/09. This has been included in the above HRA projections.
- 5.6.6 The review of garage rents was carried out in 2007 and proposed an increase in rents of £2 per week for 2008/09 and will generate an additional £120,000 per year.
- 5.6.7 In November 2007 we reviewed the service charges currently made to tenants. We have discovered that the charges made to tenants for both communal and individual utility charges have not been enough to cover the actual costs. The council has decided that such costs should be fully recoverable from tenants. However, it has been decided that such increases should be phased in to individual tenants at no more than £1 per week per annum. We have estimated that an additional £37,000 per annum will be recovered for 2008/09.

## **5.7 Efficiency savings**

- 5.7.1 The government requires all social housing landlords to achieve 3% cashable savings a year from 2008/09. This equates to £242,000 for the HRA at today's prices. If such savings were to be made from 2008/09 onwards (inc. £100k savings already proposed) based on the revised HRA position balances would remain above the minimum of £1m until year 29 or 2035/36.
- 5.7.2 To achieve such savings would in effect require management and maintenance expenditure to be frozen at today's prices for the whole life of the plan.
- 5.7.3 This plan identifies that with the current savings planned and achieved to date the HRA remains in balance until 2019/20. We will continue to look for efficiency savings / additional income generation. This cannot however, be

undertaken in isolation from the housing subsidy system. The subsidy system is constantly changing and a small change on management and maintenance allowances and or guideline rents can alter the financial health of the HRA.

## **5.8 Value For Money (VfM)**

5.8.1 A VfM Strategy will be developed for the financial year 2008/09. This Strategy will aim to set out the plans that the council has towards the delivery of better value for money and greater efficiency in all of the things we do. The strategy will cover the following areas:

- Summarised analysis of cost comparisons and benchmarking
- Overall financial direction of the AES and development thereof
- Performance Management Framework
- Financial reporting and information
- Continuing to develop a procurement strategy for Salisbury
- Developing a VFM culture
- Benchmarking
- Set (or review) targets for VFM activities and actions
- Continue to review specific service areas (as necessary)

5.8.2 The aim of the strategy is to ensure that Salisbury District Council will deliver excellent value for money services.

## **5.9 Revenue Contributions to Capital Investment**

5.9.1 Although the HRA is a ring-fenced account it can make contributions to council housing capital investment. If we want to increase the level of investment we could either use some of the identified HRA balances for capital spend or borrow cash and pay for the interest cost from the HRA. In light of the fact that the existing balances are being used to cushion the need for large reductions in management and maintenance expenditure we do not think that it makes good sense to use these balances for capital investment. There has to be a balance between the level of investment and the level of spend on day to day services and ensuring that a quality services are provided.

5.9.2 Equally as there is already a need to find substantial savings in order to balance the HRA it does not leave room to find even more savings to fund borrowing. Although there is a requirement to invest more in the stock in future years currently we believe that the balance between capital investment and spend on management and maintenance services is about right.

## **5.10 Self Funding HRAs**

5.10.1 We will continue to follow the progress of the self funding HRA pilot project and will look to contribute where possible to the government review of the subsidy system.

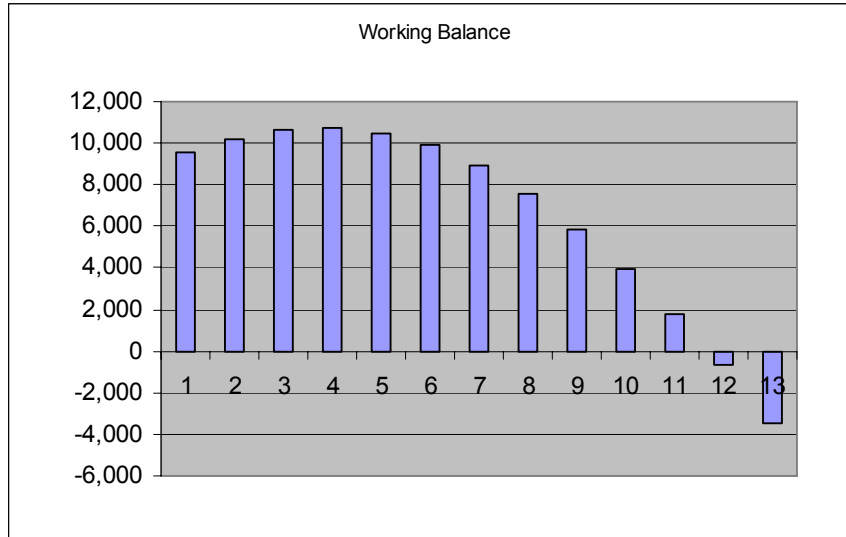
5.10.2 Once the review is complete we will then look to evaluate the benefits to the tenants and the council of the possibility of coming out of the subsidy system and having a self funding HRA.

## 6.0 Summary

- 6.1 In October 2006 the tenants of Salisbury Council voted against stock transfer. The ballot was undertaken in view of a Housing Revenue account going into deficit in year 10 with the need to achieve £1m of savings over the remaining years and an inability to deliver the improvements to the housing stock that the tenants and council aspired to.
- 6.2 This business plan identifies the current position on the Housing Revenue Account and the means for the council to deliver decent homes by 2010 and beyond.
- 6.3 The investment required to maintain the stock and other assets in a reasonable state of repair over the next 30 years is considered. For the first 5 year period there are sufficient resources to undertake the work required. However from year 6 onwards there is a mounting investment gap even when related assets such as garages and exceptional extensive works such as un-adopted drains and possible asbestos works are excluded.

	Year 1-5 2008.09 to 2012.13 £000	Yrs 6-10 2013.14 to 2017.18 £000	Yrs 11- 15 2018.19 to 2022.23 £000	Yrs 16- 20 2023.24 to 2027.28 £000	Yrs 21- 25 2028.29 to 2032.33 £000	Yrs 26- 30 2033.34 to 2037.38 £000
<b>Total Resources</b>	<b>17,135</b>	<b>19,259</b>	<b>21,638</b>	<b>24,299</b>	<b>27,279</b>	<b>30,612</b>
Planned	15,276	17,604	25,778	41,468	38,068	67,412
Disabled	1,375	1,457	1,678	1,931	2,221	2,553
Contingency	483	533	773	1,244	1,142	2,022
<b>Sub total</b>	<b>17,135</b>	<b>19,594</b>	<b>28,229</b>	<b>44,643</b>	<b>41,431</b>	<b>71,988</b>
<b>Investment Gap</b>	<b>0</b>	<b>335</b>	<b>6,591</b>	<b>20,344</b>	<b>14,152</b>	<b>41,376</b>
Related Assets	0	2,114	2,012	2,073	2,385	2,742
Exceptional Extensive	0	519	3,759	4,569	791	910
<b>Total Investment Gap</b>	<b>0</b>	<b>2,968</b>	<b>12,362</b>	<b>26,986</b>	<b>17,328</b>	<b>45,028</b>
<b>Cumulative Gap</b>	<b>0</b>	<b>2,968</b>	<b>15,330</b>	<b>42,316</b>	<b>59,644</b>	<b>104,672</b>

- 6.4 The council will need to review the plan over the next few years to identify how it will continue to maintain its stock in a reasonable condition from year 6 onwards.
- 6.5 The Housing Revenue Account has in year deficits projected from 2011/12 onwards. With the deficits increasing by approximately £350k per year.
- 6.6 However the HRA has a substantial opening working balance of £8.6m that could be used to cushion these losses in early years. The overall position of the working balance projections are shown in the chart below. The working balances remain in surplus until 2018/19.



6.7 The position of the HRA has therefore not moved on since that shown in the transfer ballot position. The savings and additional income achieved in 2007/08 and 2008/09 have moved positive balances onto year 11. To enable the HRA to stay in surplus over the longer term additional savings are required and these could be found through efficiency gains and other value for money improvements

6.8 This plan looks at current service delivery and performance and identifies areas where performance can be improved.

Appendix A

Action Plan

Action	Milestone	Resources	Partnership involved in delivery	Lead Service	Timescale
Review Tenant Participation Strategy	Draft Strategy due Aug 2008	£9,500	Universal enterprises consultants Tenants Panel	Head of Housing Management	Oct 2008
Review maintenance procurement strategy	EU advertisement of contracts – Sept2008	Officer time	WCC	Head of Housing Management	October 2008
Introduce Handyperson Service	Agree service to be provided	£40,000	Tenants Panel	Head of Housing Management	Autumn 2008
Performance Indicators in top quartile	monthly Monitoring	Officer time	Benchmarking Clubs	Head of Housing Management	On going
Introduce improved cleaning arrangements for communal blocks of flats	Review options	Officer time	Tenants and leaseholders	Business Improvement Manager	Winter 2008

SALISBURY COUNCIL 30 YEAR HOUSING REVENUE ACCOUNT PROJECTIONS

ANNEX A

	16 2023.24	17 2024.25	18 2025.26	19 2026.27	20 2027.28	21 2028.29	22 2029.30	23 2030.31	24 2031.32	25 2032.33	26 2033.34	27 2034.35	28 2035.36	29 2036.37	30 2037.38
Dwelling rent income	-30,042	-30,911	-31,805	-32,724	-33,668	-34,639	-35,639	-36,667	-37,723	-38,810	-39,926	-41,074	-42,255	-43,470	-44,716
Service charges	-205	-206	-207	-208	-209	-210	-211	-212	-213	-214	-215	-216	-217	-218	-219
Non dwelling rents	-511	-525	-539	-554	-569	-585	-601	-618	-635	-652	-670	-688	-707	-726	-746
SP Grant	-303	-311	-320	-329	-338	-347	-357	-367	-377	-387	-398	-409	-420	-432	-444
Housing Subsidy	14,509	14,996	15,502	16,024	16,561	17,116	17,692	18,286	18,898	19,531	20,183	20,856	21,553	22,272	23,012
Other income	-399	-412	-425	-439	-453	-468	-483	-499	-515	-532	-549	-567	-585	-604	-624
<b>Income</b>	<b>-16,951</b>	<b>-17,369</b>	<b>-17,794</b>	<b>-18,230</b>	<b>-18,676</b>	<b>-19,133</b>	<b>-19,599</b>	<b>-20,077</b>	<b>-20,565</b>	<b>-21,064</b>	<b>-21,575</b>	<b>-22,098</b>	<b>-22,631</b>	<b>-23,178</b>	<b>-23,737</b>
General Management	5,194	5,389	5,591	5,801	6,019	6,245	6,479	6,722	6,974	7,236	7,507	7,789	8,081	8,384	8,698
Special Services	2,409	2,499	2,593	2,690	2,791	2,896	3,005	3,118	3,235	3,356	3,482	3,613	3,748	3,889	4,035
Bad Debt Provision	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30
Repairs & Maintenance	7,909	8,206	8,513	8,832	9,164	9,507	9,864	10,234	10,618	11,016	11,429	11,857	12,302	12,763	13,242
Depreciation	4,637	4,746	4,857	4,971	5,088	5,207	5,328	5,453	5,580	5,711	5,844	5,980	6,119	6,262	6,407
<b>Expenditure</b>	<b>20,179</b>	<b>20,870</b>	<b>21,584</b>	<b>22,324</b>	<b>23,092</b>	<b>23,885</b>	<b>24,706</b>	<b>25,557</b>	<b>26,437</b>	<b>27,349</b>	<b>28,292</b>	<b>29,269</b>	<b>30,280</b>	<b>31,328</b>	<b>32,412</b>
<b>Net Cost of Services</b>	<b>3,228</b>	<b>3,501</b>	<b>3,790</b>	<b>4,094</b>	<b>4,416</b>	<b>4,752</b>	<b>5,107</b>	<b>5,480</b>	<b>5,872</b>	<b>6,285</b>	<b>6,717</b>	<b>7,171</b>	<b>7,649</b>	<b>8,150</b>	<b>8,675</b>
Interest charges & DME	180	180	180	180	180	180	180	180	180	180	180	180	180	180	180
Interest income	-140	-140	-140	-140	-140	-140	-140	-140	-140	-140	-140	-140	-140	-140	-140
<b>Operating income / expenditure</b>	<b>3,268</b>	<b>3,541</b>	<b>3,830</b>	<b>4,134</b>	<b>4,456</b>	<b>4,792</b>	<b>5,147</b>	<b>5,520</b>	<b>5,912</b>	<b>6,325</b>	<b>6,757</b>	<b>7,211</b>	<b>7,689</b>	<b>8,190</b>	<b>8,715</b>
Revenue Contributions to Capital	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>(Surplus) / Deficit</b>	<b>3,268</b>	<b>3,541</b>	<b>3,830</b>	<b>4,134</b>	<b>4,456</b>	<b>4,792</b>	<b>5,147</b>	<b>5,520</b>	<b>5,912</b>	<b>6,325</b>	<b>6,757</b>	<b>7,211</b>	<b>7,689</b>	<b>8,190</b>	<b>8,715</b>
<b>Reserve brought forward</b>	<b>-7,438</b>	<b>-10,706</b>	<b>-14,246</b>	<b>-18,076</b>	<b>-22,211</b>	<b>-26,667</b>	<b>-31,459</b>	<b>-36,606</b>	<b>-42,126</b>	<b>-48,037</b>	<b>-54,362</b>	<b>-61,119</b>	<b>-68,330</b>	<b>-76,019</b>	<b>-84,209</b>
Notional interest (enter)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Reserve carried forward</b>	<b>-10,706</b>	<b>-14,246</b>	<b>-18,076</b>	<b>-22,211</b>	<b>-26,667</b>	<b>-31,459</b>	<b>-36,606</b>	<b>-42,126</b>	<b>-48,037</b>	<b>-54,362</b>	<b>-61,119</b>	<b>-68,330</b>	<b>-76,019</b>	<b>-84,209</b>	<b>-92,924</b>