

HIGH PEAK BOROUGH COUNCIL

HRA BUSINESS PLAN 2019/20 to 2048/49

February 2019

High Peak Borough Council

Housing Revenue Business Plan (2019/20 to 2048/49)

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Foreword

The Housing Revenue Account Business Plan sets out the Council's plans for the management of its housing stock over the next thirty years.

The plan has been produced during a time of significant challenge. This plan will be used to inform a significant programme of consultation with housing tenants that will be focussed upon the communication and support for the strategy that the Council is proposing in the light of three major challenges that have been faced over the last few years:

- April 2012 saw the introduction of new legislation that changed the way in which local authority housing is financed. Under the provisions of the Localism Act 2011, the centrally controlled HRA subsidy system was abolished and replaced with a one-off increase of £37.8 million in the Council's debt. This was called 'self-financing' and gave the Council local control in running the housing business;
- In April 2013 the Council dissolved its arms length management organisation (ALMO) High Peak Community Housing and brought back the management of the housing stock under its own control; and
- In April 2016, the financial landscape was further changed with the announcement for the social rent reduction requirements where housing providers are required to implement a 1% reduction in rents for four years commencing in 2016/17. This will result in significantly less money than anticipated with which to manage the housing stock.

With these challenges in mind, the Council made a commitment to undertake a fundamental review of the Housing Revenue Account (HRA) Business Plan. Subsequently the Executive agreed to adopt the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Chartered Institute of Housing (CIH) Voluntary Code for Self-Financed HRAs with a commitment to perform a full self-assessment against the code, the outcome of which provided the agenda for the development of this HRA Business Plan. The development of the plan was undertaken through a sub-committee established by the Corporate Select Committee.

With this "root and branch" review of the service over the last three years, including a comprehensive understanding of the condition of the properties, the new plan will be able to be focussed upon ensuring that the Council's landlord role delivers a service that meets the needs of residents and provides housing to tenants with the properties maintained at a high standard.

1. Introduction and Background

1.1 Introduction

The Housing Revenue Account (HRA) Business Plan is High Borough Council's strategic plan for managing and maintaining its housing stock. It sets out the Council's short-to-medium term plans and priorities for its housing and asset services, and provides a long-term (30-year) outlook on stock management and financial planning.

This revised plan covering the period 2018 to 2048 takes account of all of the key changes that have been introduced since the last plan was developed. It is the intention that the plan is a living document financial forecasts being reviewed annually. The plan will be fundamentally reviewed every four years to reflect ongoing changing circumstances and priorities.

This business plan underpins the forecasts contained within the Council's Medium Term Financial Plan (MTFP).

1.2 Purpose of the Business Plan

The plan focuses on the core business of managing and maintaining the Council's residential properties. As at 31st August 2018, the council owned some 4,000 homes.

The plan sets out how the Council will deliver its key housing and asset management objectives, within the resources available.

1.3 Scope of the Review of the HRA Business Plan

The plan has been developed to include the six areas of the CIPFA / CIH Code of Practice:

- Co-Regulation (extended to include the new regulatory requirement of the Housing & Planning Act 2016)
- Risk Management
- Financial Viability
- Financial & Treasury Management
- Asset Management
- Communications and Governance

The scope has been extended to include the following categories to reflect the broader remit of the Council's review:

- Strategic Management / Housing Strategy
- Housing Advice
- Responsive Repairs
- Tenancy Management

- Tenancy Support (including sheltered accommodation and carelink)
- Leaseholders & RTBs
- Income
- Systems Review

In determining the relative priorities for the review, the following issues dictated a higher priority:

- Financial pressure - the significance of the financial position meant that there needed to be focus on areas where reductions in financial provisions in the HRA could be made in order to ensure that the longer term financial position can be brought into balance
- Financing transactions – transactions such as the repayment of debt and that have a large impact on the financial position
- Staffing structures and roles – there was a requirement to finalise the staffing structure
- Channel shift / process change – this was essential for improving the services to the customer and maximising efficiency

1.4 Development of the Business Plan

The plan has been updated to reflect the current position and progress since the major self-financing related changes in April 2012. During that period, the Council has thoroughly reviewed its housing portfolio and the sustainability of its assets. The review of the business plan has been overseen by a cross-party working group of councillors.

This work has helped to clarify the investment needs of the housing stock over the 30-year period. A number of key challenges have been identified, and the plan seeks to address these, and sets out the necessary steps to do so where appropriate.

In order to enable the development of a sustainable business plan, there are three key challenges:

- Maximising rental and service charge income in order to remain financially sustainable;
- Maintaining homes to required standard; and
- Maintaining an excellent level of service to tenants;

An effective plan also needs to identify low performing stock that should be considered for disposal. In addition there should be the exporation for investment in new stock in order to improve the viability of the plan in both meeting need and improving financial sustainability.

2 Strategic Context

2.1 National Policy Context

Current and ongoing changes in the national policy context present some key challenges for the Council. They can be summarised as follows:

- **Rent Setting**

The Summer Budget 2015 included provision to reduce social rents by 1% per annum for each of the next four years from 2016/17 to 2019/20. This represented a shift from the previous rent setting formula of CPI + 1% calculation. This resulted in an ongoing reduction in rent income of some £2.2m from 2019/20 when compared with the previous plan income forecast.

In October 2017, the Government announced in the Housing White Paper that increases to social housing rents will be limited to the Consumer Price Index (CPI) plus 1% for 5 years from 2020. This marks a return to the rent setting approach which was to apply for 10 years from 2015 before being replaced with rent reductions from April 2016.

- **Housing and Planning Act 2016**

The act introduced a number of measures that will result in implications for the Council's HRA:

Sale of higher value vacant local authority homes

This is a requirement for local authorities that have retained ownership of their stock to sell higher value homes as they become vacant. The Act enables the government to set out a definition of 'higher value' homes and will create a duty on local authorities to consider selling homes that meet this definition when they become vacant. The Act allows the government to estimate the amount of money they would expect each individual authority to receive, in each financial year, from sales of higher value homes. Authorities will then be required to pay this amount to the Treasury. The Act also states that all higher value homes will be replaced with another 'affordable home' (which could be a starter home). This requirement was later removed following the publication of the Housing Green Paper (see below).

Starter homes

Local authorities are under a duty to promote the supply of starter homes. Starter homes will be new build homes available exclusively for first time buyers aged over 23 and under 40 and will be sold at 20 per cent below normal market prices. The Act creates a general duty on all local authority planning departments to promote the supply of starter homes in their area. The Act also allows the government to set regulations requiring a certain percentage of homes on all sites to be sold as starter homes. However government have now confirmed that they will not be implementing this element of the policy. Instead they will require 10 per cent of homes on most new sites to be made available for affordable home ownership. These could be starter homes, homes for shared ownership, rent to buy, or a combination of these.

Mandatory use of fixed term tenancies

The Act requires that most new local authority tenancies are granted for fixed terms of between 2 and 10 years. However local authorities will be able to grant households containing a child under the age of nine a longer tenancy, which will last until that child reaches the age of 19. The Secretary of State will also have the power to allow councils to grant a secure tenancy in some other circumstances, to be set out at a later date. At the end of a fixed term landlords will have to do a review to decide whether to offer a new tenancy, either on the same or a different property. The Act also requires that in future successions to secure tenancies, other than when a spouse or civil partner is succeeding, will result in the granting of a fixed term (rather than a secure) tenancy

High income social tenants: mandatory rents (Pay to stay)

It was originally intended that the Act would make it mandatory for local authorities to charge increased rents to higher earning tenants. However government have now confirmed that they no longer intend to proceed with this.

Self-build and custom housebuilding

Local authorities will have a duty to grant permission on enough plots of land to meet the demands for self-build and custom building in their areas. The demand is evidenced by the number of people on the housing register held by the local authority.

• **Welfare Reform**

Since May 2010 a programme of 'welfare reform' has been pursued by the Government that seeks to introduce '*...greater fairness to the welfare and pensions systems by making work pay and reinvigorating incentives to save for retirement...while protecting the most vulnerable – disabled people and pensioners*'. The Summer Budget 2015 accelerated the introduction, and widened the scope, of the Welfare Reform programme.

Universal Credit (UC) is the government's flagship welfare reform, replacing six existing benefits for working age people:

- Jobseeker's Allowance (administered by DWP)
- Income Support (DWP)
- Employment & Support Allowance (DWP)
- Working Tax Credits (DWP)
- Child Tax Credits (DWP)
- Housing Benefit (administered by local authorities)

The key differences between UC and the benefits it replaces are:

- The claiming process will generally be online.
- There are no break points between benefits, for instance, where the number of hours worked means someone has to cease one benefit and claim another. These can act as a disincentive to work and also create hardship through delays in a new benefit being assessed.

- Payments will be made monthly by a BACS payment into a bank account
- Help with rent is included in the single payment – and not generally be paid direct to landlord.
- UC has 7 waiting days, meaning that no benefit is generally payable for the first 7 days of any claim. There are some exceptions, for instance in cases of terminal illness.
- UC has a strong behavioural element in that people are required, more than previously, to seek employment and to increase their earnings and hours worked if they have a job. Their claims can be “sanctioned” (reduced or suspended) through missing appointments or failing to comply with their “claimant commitment”.

The implementation of UC was announced in 2010 and began on a pilot basis in 2013. The original plan was for full national implementation by 2018 but there have a number of revisions and “resets” of the timetable to allow more time. In July 2016, the DWP announced a further allowance for contingency, taking the date for 100% migration of existing claims up to March 2022.

- **Social Housing Green Paper**

In August 2018 government published a social housing green paper – a new deal for social housing. It sets out a proposed strategy for reforming social housing. It is based around five core themes:

Ensuring homes are safe and decent

- Implementing the recommendations from the Hackitt Review of building regulations and fire safety, legislating to fundamentally reform the current system
- Establishing a pilot with a group of social landlords who would trial options to improve communication and engagement with residents on safety issues
- Reviewing the decent homes standard. This might include adding new requirements
- Around energy efficiency and fire safety to mirror those recently introduced in the private rented sector.

Complaints resolution

- Looking at ways to speed up landlords’ internal complaints processes: exploring ways to improve the use of mediation in landlord/tenant disputes
- Looking at ways to raise awareness among tenants of their rights and the options available to them to make a complaint about their landlord
- Reforming or removing the requirement that complainants go through a ‘designated person’ (an MP, councillor or tenant panel) or wait eight weeks before they can contact the Ombudsman with a complaint.

Empowering residents and strengthening the regulator

- Requiring all landlords to provide data on a number of key performance indicators to the regulator for regular publication. The regulator would then publish these in the form of league tables to enable comparison between landlords. Performance could then be taken into account when government funding is being allocated to individual landlords, for example to support the development of new homes

- Enabling the regulator to take a more proactive approach to enforcing the ‘consumer standards’ (covering tenant involvement and empowerment, homes, tenancies and neighbourhoods and communities)
- Giving the regulator more powers to scrutinise the performance of local authority landlords
- Considering options to give tenants a voice on policy issues at a national level, including perhaps establishing a representative body
- Looking at a variety of options to promote more community ownership, or community leadership of social landlords.

Tackling stigma

- Providing support for community events and initiatives
- Encouraging greater levels of professionalism and a ‘customer service culture’ within the social housing sector
- Publishing further guidance on the National Planning Policy Framework (NPPF) to encourage new affordable homes to be designed to the same standard as other tenures and ensuring these are well integrated within developments.

Expanding supply and supporting home ownership

- Scrapping plans to require councils to sell their most valuable homes as they become vacant, in order to fund the extension of the right to buy to all housing association tenants
- Giving councils new flexibilities to spend the money raised from right to buy sales on new homes.
- Scrapping plans to require councils to offer all new tenants a tenancy for a fixed term. Local authorities will still be able to use fixed term tenancies at their discretion
- Ensuring that where an existing secure/ assured tenant needs to move as a result of domestic abuse, they are always able to retain their lifetime tenancy
- Entering into deals with some housing associations to provide certainty over government funding over a longer period than is currently possible. This is intended to address the ‘stop-start’ nature of government’s current approach to allocating funding for five years at a time
- Looking at ways to support the development of more community-led house building
- Gathering further evidence on how the current approach to social housing allocations is working in practice in different parts of the country
- Looking at ways to make it easier for new shared owners to increase their stake in their home in the future. This might include, for example, allowing them to buy much smaller increments than are usually possible.

The green paper is a consultation and many of the proposals put forward are broad statements of intent, or government has presented a number of different options to deal with a perceived problem. At this stage not all are concrete, detailed policy proposals. Government is seeking feedback on its plans.

2.2 Local Context

High Peak is one of eight boroughs in Derbyshire. It covers an area of 53,915 hectares. There are five main areas of settlement in the borough: around Buxton in the south west, around New Mills in the west, around Glossop in the north-west, around Whaley Bridge and Chapel-en-le-Frith in the central part of the borough, and the Hope Valley in the east. The northern part of the borough is close to the Manchester urban area. These areas have closer links to Stockport and Manchester than to settlements nearer Derby. Similarly, the villages of the Hope Valley are more closely linked to Sheffield.

The 2011 Census shows the borough has a resident population of 90,892 of which 50.7% are female. With just under 39,000 households the High Peak makes up almost 12% of the County's population. Since the last Census in 2001, overall the rate of population growth in High Peak was 1.7% whilst the population of Derbyshire increased by 4.8%.

The mean age of residents is 41 and the majority (22%) of the Borough is aged between 45 and 59 years old. The two largest ethnic groups are 'White' (97.9%) and 'Asian / Asian British (1%)'. 37% of households live in a home owned with a mortgage or loan and 35% own their home outright. 28% of households have dependent children of all ages. Educational achievement is above the County average with 29.4% of residents achieving level 4 qualifications or above.

High Peak is ranked 192 out of 326 districts for its deprivation score. The inequality score highlights pockets of deprivation by calculating the difference between the highest and lowest scoring areas within the Borough. The inequality score for High Peak is high by national standards, with the district scoring in the 40% most deprived of districts on inequality.

High Peak includes areas of outstanding natural beauty, green space, green belt, population density and weather. The quality of the natural environment has implications for a modern knowledge economy, which is associated with a decentralised geography of employment as workers try to find a good work-life balance

Average life expectancy was 81.3 years in 2014, which was in line with the national figure. Infant mortality in High Peak is low. Obesity levels stand at 62%, lower than the national figure of 64.59% but obesity amongst reception-aged children is the highest in the county at 9.3%. At 21.24% the proportion of the population who smoke in High Peak is estimated to be high. By comparison, the Derbyshire figure is 18.51% and the national figure is 18.45%.

The average house price in High Peak was £190,877 in the latest quarterly data from 2016. By comparison, the Derbyshire figure was £172,484, the East Midlands figure was £187,427, and the national average was £266,972.

In 2016, 75.3% of the resident working age population were in employment. By comparison, the Derbyshire figure was 77.76%, the East Midlands figure was 74.5%, and the national figure was 73.8%. The proportion of the working age population who are unemployed in High Peak is low, 0.7% of people are claiming job seekers allowance in 2016, compared with 0.99% in Derbyshire and 1.3% nationally. The

proportion of the working age population who are in long-term unemployment in High Peak is very high, 37.56% of people who are unemployed have been claiming job seekers allowance for at least 12 months, compared with 28% in Derbyshire and 29.77% nationally. Between June 2006 and June 2016, the employment rate in High Peak decreased by 3.71%. By comparison the employment rate changed nationally by 1.79%.

- **High Peak Local Plan**

The Council's Local Plan was adopted in April 2016 and sets out the council's vision and strategy for the borough through to 2031. It establishes the proposed locations for development, and policies, which will be used in determining planning applications. The Local Plan covers the High Peak area except for the part that lies within the Peak District National Park Authority.

The Local Plan covers a wide range of issues, including:

- **Housing** - setting the scale, distribution and mix of housing to be developed to support a changing population, identifying sufficient land to meet requirements and supporting policies
- **Business** - supporting the economy by providing sites for existing and new businesses, supporting the sustainability of town centres and specifying policies that address changing business needs
- **Environment** - helping to mitigate climate change and adapt to its effects and conserving the natural and historic environment
- **Health and well being** - supporting the needs of local people by enabling opportunities for leisure and recreation
- **Infrastructure** - enabling the provision of new infrastructure such as education, transport, health care and water supplies

The plan recognises that meeting local housing needs is a challenge for the creation of sustainable communities. Providing an appropriate range of different sizes, types and tenures is essential for meeting the needs of all local residents and in creating healthy and mixed communities that people will want to live in both now and in the future. There is a particular need across the plan area to provide affordable housing, and to address the needs of an ageing population.

Through the policies set out in the Local Plan, the Council will seek to maximise the delivery of affordable housing across the plan area by working in partnership with the Homes and Community Agency, Registered Providers, Developers and Local Communities.

In order to address the need for affordable housing, the established policy is that residential developments should seek to achieve the following proportions of residential units as affordable housing:

- 30% affordable housing on sites of 25 units or more
- 20% affordable housing on sites of 5-24 units (0.16ha or larger)

Where the provision of affordable houses proposed is below the requirements set out above, the Council will require applicants to provide evidence by way of a financial appraisal to justify a reduced provision.

The affordable housing provision should seek to achieve a target of 80% rented accommodation with the balance being provided as intermediate housing. These proportions may be varied where justified and with agreement with the local planning authority.

Affordable housing provision should normally be provided within the development site itself and in perpetuity. In exceptional cases, the Council may allow provision off-site or a financial contribution of broadly equivalent value.

In determining applications for residential development below the above thresholds, that would increase the net overall stock of unrestricted market housing, the local planning authority will want to negotiate a financial contribution towards the provision of affordable housing on suitable sites elsewhere within the plan area.

3. Corporate Plan Priorities and Business Plan Objectives

The HRA Business Plan supports the delivery plans of a range of strategies that together form the Council's corporate planning framework. In developing the plan, careful regard has been given to aligning the plan with corporate objectives and priorities, and other key strategy documents.

3.1 Corporate Plan

Following the local elections in May 2015, there was a fundamental review of the Corporate Plan focussing on the period 2015-2019 (up to the end of the current political administration).

The Council's 4-year Corporate Plan (2015-2019) articulates the aims, objectives and priority actions, which the Council is working to achieve over this period. Its delivery is measured through the Performance Framework, which has at its centre the three pillars of value for money - efficiency, economy and effectiveness. It in effect determines the Council's commitments in the delivery of services and community leadership to the citizens of High Peak.

The Council's Corporate Plan has been developed after taking into account the views and aspirations of High Peak citizens and having come to a clear understanding of empirical evidence. The plan has taken due recognition of the national and regional policy framework. It has taken on board learning from the progress made by the Council and has benefitted from input from councillors at a priority setting event which was held in July 2015.

The opportunity was taken in 2017, at the mid-point of the current administration, to reflect on the progress made during the first two years of the Plan and to reiterate the Council's commitment to the remaining objectives as well as adding any new areas of priority that have emerged since the Plan was first developed.

The Council's vision is expressed as:

"Delivering excellent services to High Peak residents and demonstrating value for money"

This vision is articulated further by four aims:

- Help create a safer and healthier environment for our residents to live and work
- Meet financial challenges & provide value for money
- Support economic development & regeneration
- Protect and improve the environment

These aims are supported by a number of objectives which also provide the framework for the delivery of service plans. The Council's objectives are summarised below:

Aim	Objectives
Help create a safer and healthier environment for our residents to live and work	<ul style="list-style-type: none"> • Effective relationship with strategic partners • Fit for purpose housing stock that meets the needs of tenants • Effective support of community safety arrangements • Provision of high quality leisure facilities
Meet its financial challenges and provide value for money	<ul style="list-style-type: none"> • Effective use of financial and other resources to ensure value for money • Ensure our services are easily available to all our residents in the appropriate channels and provided 'right first time' • A high performing and highly motivated workforce • More effective use of Council assets
Support economic development and regeneration	<ul style="list-style-type: none"> • Encourage business start-ups and enterprises • Flourishing town centres that support the local economy • Promote tourism • High quality development and building control with an 'open for business approach'
Protect and improve the environment	<ul style="list-style-type: none"> • Effective recycling and waste management • Provision of high quality public amenities, clean streets and environmental health • Provision of quality parks and open spaces • Car parking arrangements that meet the needs of residents, businesses and visitors

Providing a “fit for purpose housing stock that meets the needs of tenants” is one of the Council’s objectives

The Plan identifies key priority outcomes, which will be the highest priority in the development of performance targets and key actions. A significant proportion of the Council’s resources will be directed towards achieving them:

Aim	Priority Outcomes
Help create a safer and healthier environment for our residents to live and work	<ul style="list-style-type: none"> • Good quality social housing provision • Improved health
Meet financial challenges and provide value for money	<ul style="list-style-type: none"> • Balanced and sustainable medium term financial position • Council services provide value for money • High level of resident and customer satisfaction
Support economic development and regeneration	<ul style="list-style-type: none"> • Sustainable towns and rural communities • Increased economic growth

Aim	Priority Outcomes
Protect and improve the environment	<ul style="list-style-type: none"> • High recycling rates • Quality parks and open spaces and clean streets

Maintaining a “good quality social housing provision” is one of the Council’s priority outcomes.

3.2 Strategic Alliance

The Council maintains a Strategic Alliance with Staffordshire Moorlands District Council, formed around the principle of shared services in the pursuit of efficiency and realisation of savings. The Strategic Alliance has enabled the implementation and transformation of a joint management structure and services, consequently realising significant efficiency savings. The Council intends to continue to drive savings and service improvements through collaboration with its Alliance partner.

3.3 Medium Term Financial Plan

The Medium Term Financial Plan (MTFP) is a key element of the Council’s budget and policy frameworks. It aims to ensure that resources are directed effectively and efficiently towards delivery of the Council’s Corporate Plan. It describes the financial direction of the Council for planning purposes and outlines the financial pressures the Council is likely to experience over the next 4 years.

The medium-term financial planning process establishes how available resources will be allocated to services in line with the Council’s priorities which have been determined following consultation with residents, councillors and other stakeholders. The process facilitates the Council in planning the prudent management of its finances, in building resilience and in providing for the needs of residents over the long term.

The MTFP is updated regularly to fit in with the budget cycle. This review of the MTFP builds on the existing plan and updates assumptions to reflect known changes to income, costs and funding. The plan incorporates revenue and capital financial projections over the four years 2018/19 to 2021/22. It also includes an assessment of key risks and a presentation of longer-term financial issues which have the potential to impact on the Council.

The Council will demonstrate economy, efficiency and effectiveness in the application of its resources. Value for Money (VFM) is maximised when there is an optimum balance between economy, efficiency and effectiveness.

- Economy: the price the Council pays for providing its services
- Efficiency: how much the Council gets out of what’s put in (productivity)
- Effectiveness: value of the impact achieved (quantitative or qualitative)

3.4 Efficiency and Rationalisation Strategy

The Efficiency & Rationalisation Strategy was approved in February 2017. Its principal focus is meeting the efficiency savings target required to meet the £2.13m deficit predicted to accrue on the Council's non-housing activities by 2021.

The Strategy will have the effect of both reducing expenditure and increasing income. The need to grow income is now more of a priority as the Council moves more towards being self-financing i.e. not reliant on direct government funding such as revenue support grant.

The strategy has been developed with the underlying principles of protecting frontline service delivery. It is also intended that the strategy is a tool to enable the Council to ensure that its service spending is determined by the established priorities set out in the Corporate Plan.

There are five areas of focus:

- Major Procurements – Improving the financial effectiveness of waste collection, leisure management and facilities management where existing external contracts are coming to an end
- Asset Management – A continuation of the existing priority of rationalising the Council's asset base with a focus around priorities in order to allow for the necessary capital investment.
- Growth – Development of a clear focus upon housing and economic growth based upon the clearly established Local Plan.
- Income Generation – Increasing the yield from existing and new sources of income.
- Rationalisation – Reducing expenditure on non-priority areas of spend.

Although the efficiency programme is aimed at reducing non-housing expenditure there could be some financial benefit accrued to the HRA.

3.5 HRA Financial Improvement Plan 2017/18 to 2020/21

The current Medium Term Financial Plan approved in February 2017 summarised the latest financial forecasts for the HRA Business Plan and provided a detailed summary of the financial position from 2017/18 to 2020/21. At this stage the HRA still showed an overall deficit, as the review of the business was not yet complete. Consequently the Council developed a financial improvement plan which set out the areas where savings will be focused in order to provide for a balanced HRA.

The forecast annual deficit upon the announcement of the social sector rent reduction was some £2.2 million. The below shows the areas that had been identified by February 2017 to improve the position by some £1.4 million.

Budget Heading	Savings	Annual Reduction
		£
Rent Income	Reduction to bad debt provision based on recent collection rates	80,000
Various Expenditure Headings	Reduction to general inflation assumptions	60,000
Employee Costs	Reduction to pensions contribution to deficit based on recent valuation	200,000
Capital Financing	Reduction in interest costs in respect of the refinancing of debt at lower levels and the removal of loan premiums	320,000
Accommodation	Reduction in accommodation charges following move from Furness Vale to Buxton Town Hall	40,000
HRA Contribution to Capital	Annual reduction in capital contribution (to be confirmed upon completion of the stock condition survey)	700,000
Total Annual Saving		1,400,000

The Financial Improvement Plan identified further savings that would more than cover these are set out in the table below.

Budget Heading	Savings	Potential Annual Reduction
		£
Capital Financing	Reduction in voluntary repayment of debt (currently £1.2 million per annum) – to be benchmarked – maximum annual reduction	500,000
Rent Income	Introduction of new rent policy	150,000
Repairs and Maintenance	Reduction in repairs and maintenance expenditure due to implementation of an alternative service delivery model and / or improvements in productivity	250,000
ICT Costs	Reduction in costs of ICT systems	50,000
Rent Income / Repairs & Maintenance Expenditure	Savings from improvements in voids turn around times	100,000
Various headings	Disposal of surplus stock after consideration of net present value assessment following completion of stock condition survey	150,000
Total Annual Saving		1,200,000

3.6 HRA Business Plan Objectives and Priorities

The councillor working group commenced its work in June 2016 with an early focus on the policy issues that needed to be considered during the review.

The sub-committee review schedule and the progress made to date is summarised in the table below:

Meeting Date	Agenda Items	Actions
June 2016	Stock Condition	<ul style="list-style-type: none"> • Full stock condition survey underway, majority completed in 2017/18 • Option to vary annual debt repayment – further comparative work to be carried out
	Financing Transactions	
	Housing & Planning Bill Implications	
August 2016	Capital Programme	<ul style="list-style-type: none"> • 2017/18 capital programme reviewed with schemes included on a priority basis using internal information pending stock data • Rent Policy currently being written with an implementation plan to start during 2017/18, which focuses on raising additional income streams
	Rent Policy	
	Carelink / Other Support	
November 2016	Lettings	<ul style="list-style-type: none"> • Review of voids/tenancies underway to reduce loss of income and streamline processes • Options analysis for the operation of sheltered accommodation to ensure service is affordable – stock condition information to be incorporated when available
	Voids	
	Sheltered Accommodation	
January 2017	Tenancy & Neighbourhood Management	<ul style="list-style-type: none"> • Emerging findings presented of Tenancy & Neighbourhood process and service review operational changes and enhancements to the allocations process. Further review/consideration required for some aspects • Emerging findings presented from the review of void and responsive repairs. Business case for rationalisation of systems and integration in development. Revised policy for repairs recharges and void repairs required.
	Repairs	
March 2017	Revised HRA Business Plan	
	Tenant Engagement	
April/May 2017	Housing Need & Supply	
	Future Development	

During the development of the the business plan the following objectives have been established:

- Spending on the housing management, maintenance and support services that meet the needs of the tenants;
- Providing the required investment in the existing housing stock to ensure the required standard is achieved;
- Repaying the housing debt;
- Ensuring a sustainable business plan with fair and affordable rent levels; and
- Where possible, investing in new homes in order to contribute to meeting local housing demand.

4 Housing Need and the Council's Housing Stock

4.1 Analysis of the High Peak Housing Market

At the time of the Census in 2011, there were 38,946 dwellings in the High Peak. The table below provides a breakdown over tenure together with regional and national comparisons.

Tenure	High Peak		Derbyshire	East Midlands	England
	No.	%	%	%	%
<i>Owned Outright</i>	13,693	35.2	35.9	32.8	30.6
<i>Owned with a mortgage or loan</i>	14,366	36.9	35.1	34.5	32.8
Owned	28,059	72.1	71.0	67.3	63.4
Shared Ownership (part owned and part rented)	229	0.6	0.4	0.7	0.8
<i>Rented from council (Local Authority)</i>	3,836	9.8	10.5	10.1	9.4
<i>Other social rented</i>	1,109	2.8	4.8	5.7	8.2
Social Rented	4,945	12.7	15.3	15.8	17.6
<i>Private landlord or letting agency</i>	4,706	12.1	10.8	13.6	15.3
<i>Other private rented</i>	525	1.3	1.2	1.3	1.4
Private Rented	5,231	13.4	12.0	14.9	16.7
Living Rent Free	482	1.2	1.3	1.3	1.4
TOTAL	38,946				

The proportion of households that own and occupy their accommodation (outright and mortgage) in the High Peak totals 72% which is comparable with the Derbyshire average (71%). The private rented sector represents 13.4% of stock, slightly higher than the Derbyshire average (12%) but lower than the regional (14.9%) and the national (16.7%) averages. The proportion of households living in social housing stock totals 12.6% in High Peak, slightly lower than Derbyshire (15.3%), regional (15.8%) and national (17.6%) averages.

High Peak has more flats, maisonettes and apartments than the Derbyshire average. Buxton Central has almost 50% flats, with a large proportion of around 281 HMOs of which 80 are mandatory licensable. The largest proportion of the housing stock is terraced properties (34.4%), which is significantly higher than regional and national averages and can be attributed to industrial heritage. Consequently, the proportion of detached and semidetached properties (52.7%) is much lower. Despite the relatively high proportion of flat and terraced property types, typically associated with entry level accommodation, High Peak has consistently experienced higher house prices than the Derbyshire average and prices have continued to rise steadily over the last few years. Accessing home ownership can be problematic due to high house price to income ratios. 6.5 times the annual residence based earnings are required to purchase a lower quartile or entry level home. The table below compares the ratio of house price to residence-based earnings (lower quartile and median) with that in Derbyshire as a whole.

	High Peak			Derbyshire County		
	Q3 2016 House Price	2016 gross annual residence-based earnings	2016 Ratio of house price to gross annual residence-based earnings	Q3 2016 House Price	2016 gross annual residence-based earnings	2016 Ratio of house price to gross annual residence-based earnings
Lower Quartile	£127,000	£19,543	6.50	£116,000	£19,593	5.92
Median	£168,000	£25,368	6.62	£155,000	£27,218	5.69

The table below gives an analysis of Registered Provider current stock holdings (non-sheltered) in the High Peak.

Provider	Bedsit	Flat		House				Bungalow		Shared Ownership	TOTAL
		1 bed	2 bed	1 bed	2 bed	3 bed	4 bed	2 bed	4 bed		
Equity	1	28	47	-	36	21	-	2	1	60	196
Your Moorlands	-	26	25	-	29	83	-	-	-	-	163
Anchor	-	-	-	-	-	-	-	-	-	-	-
Johnnie Johnson	-	10	-	2	64	53	-	-	-	13	142
Guinness	-	73	18	-	46	108	5	2	-	-	252
Peaks and Plains	-	28	10	-	21	10	-	-	-	-	69
Peak District Rural	-	-	-	-	12	2	-	4	-	2	20
Stonewater	-	-	-	-	-	-	-	-	-	-	-
Total	1	165	100	2	208	277	5	8	1	75	842

Housing associations also provide some 284 sheltered units across 10 different sheltered schemes across the borough. These are detailed in the table below:

Scheme Detail / Provider				Property Type			
Scheme Name	Location	Scheme Provider	Total Units	Bedsit / Studio	1 bed flat	2 bed flat	3 bed flat
St Annes House	Buxton	Johnnie Johnson	21	15	6	-	-
Wesley House	Buxton	Johnnie Johnson	26	-	26	-	-
Ventura Court	New Mills	Johnnie Johnson	34	-	34	-	-
Acre Court	Glossop	Anchor	32	26	6	-	-
Caroline Court	Hope	Anchor	30	-	30	-	-
Cornmill House	Glossop	Stonewater	38	-	38	-	-
Chatsworth Lodge	Buxton	Equity	27	14	6	6	1
Robinwood Lodge	Glossop	Guinness	28	-	28	-	-
Primrose Court	Hayfield	Guinness	28	-	26	2	-
Fidlers Close	Bamford	Guinness	20	-	-	20	-
Total			284	55	200	28	1

In addition there is one existing Extra Care scheme (45 units) in Glossop and another in Buxton (53 units and 16 bed specialist dementia care unit) which was completed in April 2018.

The Council has had some recent success in enabling the development of homes across the Borough through S106 agreements, Homes and Communities Agency (HCA) funding and Right to Buy receipts. The capacity of traditional delivery mechanisms, principally HCA subsidy have been squeezed under reduced funding regimes. The table below summarises the housing completions in the Borough in the last few years.

Year	Total Completions	Of which Affordable
2011/12	102	40
2012/13	207	64
2013/14	36	-
2014/15	100	54
2015/16	160	40
2016/17	330	49
Total	935	247

In order to facilitate access to affordable home ownership the County Council provide a Derbyshire-wide Local Authority Mortgage Scheme (LAMS). The scheme provides help for those who can afford mortgage payments, but not the initial deposit. This constitutes a financial indemnity of up to 20% of a mortgage for first time buyers, who qualify for support and meet the strict lending criteria.

The private rented sector continues to be of increasing importance for households in receipt of housing benefit and for first-time buyers unable to access home ownership. The private sector is typically associated with higher rental costs and lesser security of tenure, with six month tenancies typically offered. The table below provides rental comparison between the rents charged by private sector landlords and those charged by the Council.

			Local Housing Allowance Rates		
Property Type	HPBC Rent £pw	Median Private Rent £pw	Peaks and Dales (Buxton, Dove Holes and Hope Valley)	Southern Greater Manchester (Whaley Bridge, New Mills, Chinley, Chapel en-le Frith, Hayfield etc)	Tameside and Glossop (All Glossop areas up to Chunal)
Bedsits/ Shared Accommodation Rate	56.65	not available	67.93	57.84	56.58
1 Bed	64.93	118.00	90.21	102.25	86.30
2 Bed	71.46	132.00	110.72	128.19	103.56
3 Bed	79.05	150.00	128.19	151.78	126.58
4 Bed	83.73	183.00	168.00	200.09	156.38

The private rented sector is also associated with poorer quality housing. The 2009 Private Sector House Condition survey found that 30.5% of private sector housing is pre 1900 and 4,498 properties were estimated to have at least one Category 1 hazard, representing 12.6% of private sector stock this is considerably higher than the equivalent 0.4% of Council stock.

The Council works with landlords to tackle inadequate property conditions and this work is achieved through a combination of advice and enforcement and through the Council's Landlord Accreditation Scheme. During 2016-17, 97 private sector dwellings were found to have one or more category 1 hazards following environmental health service inspection and 89 private sector dwellings were made free from Category 1 hazards as a result of Council action taken during the same period.

The recently approved Empty Property Strategy focuses activity and strategic direction in relation to empty properties, in order to maximise available housing stock, reduce the effects that empty properties may have and realise the benefits of bringing empty properties back into use.

4.2 Analysis of Housing Need

The most recent Strategic Housing Market Assessment (SHMA) completed in May 2015 recommended a new range of between 310-350 new dwellings per annum, equivalent to 6,200 to 7,000 dwellings over the Local Plan period 2011-2031. The property type of future housing requirements summarised in the table below.

Property Type	Current Stock 2011	Recommended Property Sizes of New Stock 2011-2031	Additional Housing (470 dpa) 2011-2031
1 bed flat	3,411 (8.8%)	10%	940
2 bed flat / house / bungalow	11,421 (29.4%)	45%	4,230
3 bed house / bungalow	15,786 (40.6%)	30%	2,820
4 bed + house	8,255 (21.2%)	10%	940
Total	38,873 (100%)	100%	9,400

The analysis predominantly suggests a need for the development of 2 and 3 bed sized properties. In order to meet with an overall average annual development rate of 350 dwellings the Local Plan identifies land to accommodate up to 3,549 additional dwellings on new sites distributed across the Borough. The sites identified in the plan are summarised in the table below.

Sub Area	% of Borough Total	No. of dwellings on new sites
Glossopdale	27-35%	958-1,242
Central	30-33%	1,065-1,171
Buxton	32-43%	1,136-1,526

During 2016/17, 105 households were found to be statutorily homeless and a further 214 households were provided with assistance to prevent homelessness from occurring, through assistance to remain in existing accommodation or access alternative suitable accommodation. The Homelessness Reduction Act 2017 has significantly amended and strengthened the Councils statutory homelessness prevention duties with effect from April 2018. A new duty to help to secure accommodation commences 56 days prior to homelessness.

There is significant demand for social housing with 1,835 households registered on Home Options. The table below summarises the current Home Options applications by number of bedrooms required.

Bedrooms	Number of Applicants
1	1,048
2	449
3	203
4 & +	66
Misc	69
Total	1,835

The largest area of housing register demand is for 1 bedroom accommodation, representing 57% of those registered. Some 57% of those requiring 1 bedroom accommodation require general needs accommodation rather than older persons

accommodation. The table below confirms this by summarising home options demand for 1 bedroom accommodation by age range.

Age Range	No. of applicants	%
60 +	367	35.0
55 -59	81	7.7
50 -54	100	9.6
45 - 49	76	7.3
40 - 45	46	4.4
25 - 39	274	26.1
Under 25	104	9.9
Total	1,048	

Similarly demand for 2 bedroom accommodation is predominantly for general needs (85%) rather than older person's accommodation. The table below shows home options demand for 2 bed accommodation by age range.

Age Range	No. of applicants	%
60 +	38	8.5
55 -59	31	6.9
50 -54	46	10.2
45 - 49	43	9.6
40 - 45	42	9.4
25 - 39	200	44.5
Under 25	49	10.9
Total	449	

Home Options lettings data from 2016/17 shown in the table below illustrates that 43.4% of allocations relate to older persons accommodation. There is greater availability of older persons accommodation and lower demand, which is expressed through a lesser number of bids (between 2-10 bids per vacancy). Whilst conversely there is lesser availability and greater demand for 1, 2 and 3 bed general needs accommodation.

Property Type	No. available	% allocations	Average No. bids
Sheltered (1 bed)	50	43.4	2.56
Bungalow (1 bed)	56		10.5
Bungalow (2 bed)	15		9
Other over 55's	13		5.1
1 bed GN	34	14.2	14.5
1 bed GN (40+)	3		10
1 bed GN (25+)	6		15.2
1 bed GN (45+)	1		7
2 bed flat GN	34	25.9	17.5
2 bed flat (25+)	2		4
2 bed house	44		19.6
3 bed house	46	14.9	22.6
4 bed house	5	1.6	11.2
Total	309		

The 2011 Census showed the population of the High Peak having increased by 1.6% since 2001. The number of people over 65 totalled 15,699 which represent some 17% of the total population. With improvements to health care, people are generally living longer and Projecting Older People Population Information System (POPPI) estimates a steady increase in the number of older people living in High Peak (see table below). In 2030 they project the figure to be 26,100, a 47% increase. The ageing population will require more in terms of housing, health and social care than ever before.

	2014	2015	2020	2025	2030
People aged 65-69	6,000	6,100	5,600	6,200	7,100
People aged 70-74	4,300	4,500	5,700	5,200	5,800
People aged 75-79	3,100	3,200	4,000	5,100	4,700
People aged 80-84	2,200	2,300	2,600	3,300	4,300
People aged 85-89	1,300	1,400	1,600	1,900	2,500
People aged 90 and over	800	800	1,000	1,300	1,700
Total population 65 and over	17,700	18,300	20,500	23,000	26,100
Percentage increase from 2011	3%	16%	30%	47%	47%

The Council provides a tenure-neutral, 24 hour community alarm monitoring and response service (Carelink) to older persons throughout the Borough. The service works closely with social workers to provide telecare technology to support older people to remain at home, without this technology and response service the client may not be able to remain at home and have to enter Adult Care. 1,800 clients across High Peak are currently being supported through a variety of offer packages,

with each client visited at least four times per year. During support visits risk assessments are undertaken and a variety of advice is provided in relation to trip hazards, claiming benefits, social inclusion etc. The former Derbyshire County Council strategy for accommodation, care and support for older people in Derbyshire focused on the development of Specialist Community Care Centres and Extra Care housing developments. Derbyshire County Council is currently developing a new Derbyshire wide older persons housing strategy with the Districts/ Boroughs which will look at the housing requirements and wider housing related implications and needs of all older people not just Adult Care clients.

There is limited information available regarding the housing and housing related support requirements of those with other specialist needs. Department of Health 'Projecting Adult Needs and Service Information System' (PANSI) area based data projections (see table below) do not suggest a future increase in learning and physical disabilities and mental health needs amongst the High Peak population.

		2017 No. of households	2025 No. of households	2035 No. of households
Learning Disability	Mild, moderate or severe	1,332	1,294	1,228
	Common mental disorder	8,882	8,599	8,102
Mental Health	Borderline personality disorder	248	241	227
	Antisocial personality disorder	192	185	176
	Psychotic disorder	221	214	201
	2 or more psychiatric disorders	3,968	3,839	3,622
Physical Disability	Moderate	4,634	4,588	4,106
	Serious	1,416	1,435	1,250

The annual number of Disabled Facilities Grants (DFG) provided has increased since 2012/13 and due to budget constraints the number of 'held over cases' (considered in line with the statutory requirement to approve within 6 months) are increasing. However this is not considered to necessarily be an indicator of greater demand, rather the stream lining of DFG processes. The number of DFG adaptations is summarised in the table below

Year	DFG Adaptations
2016/17	41
2015/16	42
2014/15	36
2013/14	15
2012/13	26

In addition 377 HRA funded disabled adaptations have been undertaken since 2010, with predominantly 59% providing wet room facilities.

Adaptation	Undertaken since 2010
Extension	2
Through floor lifts	2
Hoists	12
Ceiling track	12
Ramps	58
Wet rooms	226
Stair Lifts	61
Level threshold	4
Total	377

In August 2017 there were 154 households registered on Home Options with a disability requirement, with a household member that either:

- uses a wheelchair indoors and outdoors all of the time (15 households)
- needs a wheelchair outdoors because they cannot manage steps, stairs or steep gradients
- has restricted mobility and can only manage one or two steps or stairs

As part of the Derbyshire and Nottinghamshire wide 'Local Authorities Energy Partnership' funding bids and programmes are co-ordinated to deliver affordable warmth and ill health interventions. For instance the Healthy Homes project (working with GPs, social services, hospital discharge teams, care coordinators, Council housing officers, fire and rescue service) provides targeted assistance to High Peak residents in fuel poverty living with long term health conditions (cardiovascular disease; respiratory failure; mobility issues; mental health problems and people with suppressed immune systems) made worse by living in a cold home. These residents are at a significantly higher risk of illness and death as a result of cold weather than the rest of the population and place a significant burden on the NHS and Adult Care.

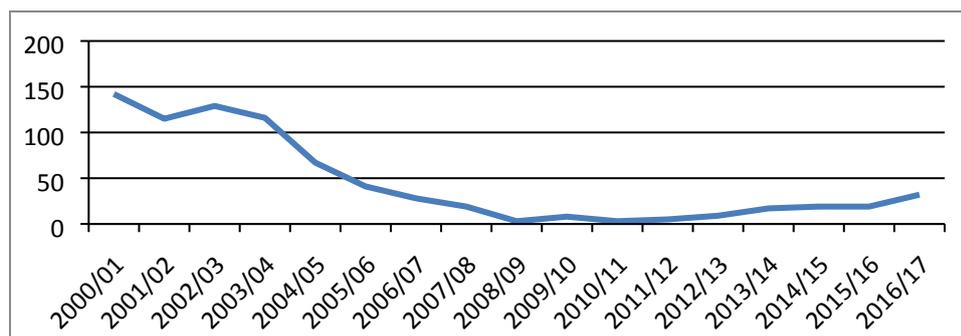
4.3 Analysis of HRA Stock

As at 1st April 2017 High Peak Borough Council owned 3,989 properties. The table below details the housing stock by number of bedrooms.

No. of Bedrooms	Stock at 01/04/2017	%
Bedsit	133	3
1	1,294	32
2	1,253	31
3	1,232	31
4	77	2
Total	3,989	

The value of the stock (based on 1999 prices) is £79.404 million.

Since 1993 the Council has sold 1,166 properties, approximately 20% of stock through Right to Buy, with the highest number (142) sold in 2000/01.



During the last 5 years, there has been 1 stock addition due to conversion and additional management of 23 units for Nottingham Community Housing Association.

The stock is spread across the borough. The table below shows the housing stock by area and property type. This information excludes the sheltered accommodation which is analysed separately below.

	Bedsit	Bungalow				Flat			House				Maisonette		TOTAL
Bedrooms	0	1	2	3	4	1	2	3	1	2	3	4	2	3	
Glossop	-	23	-	1	-	118	178	3	-	79	134	6	2	12	556
Gamesley	-	206	-	-	-	-	-	-	-	275	186	29	-	10	706
Hadfield	-	10	-	-	-	68	88	-	14	55	127	1	-	-	363
Padfield	-	-	-	-	-	-	-	-	-	-	4	-	-	-	4
Tintwistle	-	35	12	-	-	8	-	-	-	12	43	-	-	-	110
Charlesworth	-	-	-	-	-	22	-	-	-	4	2	1	-	-	29
New Mills	3	113	51	-	-	21	2	1	6	93	124	4	-	-	418
Hayfield	4	23	5	-	-	28	-	-	-	14	24	1	-	-	99
Doveholes	-	-	-	-	-	28	-	-	-	10	7	-	-	-	45
Chapel-en-le-Frith	-	70	14	-	1	12	8	-	-	25	64	2	-	-	196
Peak Dale	-	-	-	-	-	25	-	-	-	8	2	-	-	-	35
Chinley	-	12	-	-	-	5	4	-	-	-	14	4	-	-	39
Whaley Bridge	-	26	1	-	-	18	-	-	-	13	75	6	-	-	139
Furness Vale	-	22	4	-	-	6	17	-	-	-	18	-	-	-	67
Buxton	2	4	-	-	-	30	14	-	-	33	85	-	-	-	168
Fairfield	11	28	59	-	1	21	53	-	-	71	232	20	-	-	496
Harpur Hill	-	6	-	1	-	32	-	-	-	8	22	1	-	-	70
Buxworth	-	4	-	-	-	2	7	-	-	1	8	-	-	-	22
Castleton	-	23	-	-	-	4	3	-	-	-	3	-	-	-	33
Bamford	-	6	3	-	-	19	-	-	-	7	22	-	-	-	57
Edale	-	-	6	-	-	-	-	-	-	-	-	-	-	-	6
Hope	-	27	-	-	-	-	-	-	-	3	5	-	-	-	35
TOTAL	20	638	155	2	2	467	374	4	20	711	1,201	75	2	22	3,693

The table below details the Council's sheltered housing stock.

Scheme	Total dwellings	Bedsit	1 bed	2 bed	3 Bed
Hartington Gardens, Buxton	81	57	18	6	-
Milton Court, Buxton	36	24	11	-	1
Marian Court, Buxton	29	21	7	1	-
Queens Court, Buxton	41	-	41	-	-
Alma Square, Buxton	23	11	11	1	-
Eccles Fold, Chapel en le Frith	39	-	39	-	-
Cromford Court, Whaley Bridge	42	-	42	-	-
TOTAL	291	113	169	8	8

The above analysis illustrates that at least 30.8% stock provides for older people; this includes 20% (797) bungalows, 3.5% (138) over 55s age-designated flats and 7.3% sheltered housing (291 sheltered units across 7 different schemes).

In the case of the Council's HRA stock, low demand is only experienced in relation to sheltered housing. As at November 2017 some 6.9% of sheltered units were void, with voids occurring predominantly within Marian Court and Alma Square schemes. 65% of sheltered voids are bedsit type accommodation, with the longest bedsit void period 1557 days in Marion Court. A current 'Review of Older Persons' accommodation in the High Peak' considered the demand for sheltered accommodation and found that while there was high demand for sheltered accommodation and an increasing aging population the quality of the local authority sheltered housing offer fell below potential tenant aspirations.

Currently there are 270 local authority tenants affected by the Spare Room Subsidy, with 40 (14.8%) in receipt of DHP (Discretionary Housing Payment). A further 98 other social sector tenants are affected, with 16 in receipt of DHP.

The likelihood for households to fall into rent arrears has increased with Welfare Reform and Universal Credit changes.

4.4 Tenant Priorities

Tenant priorities relate to housing location preference, and the quality of housing and housing services.

Potential tenants want a home that meets their families' immediate need and any potential identified future need. The area in which a property is situated is as important as the property itself and those not in pressing need are often content to wait a little longer to secure the right home in the right location. For those in pressing need the urgency of finding accommodation can often override the size of dwelling but not the area – applicants are more likely to accept a smaller property that is in their ideal area of choice.

Once within a property, tenants' main priorities are the standard of fixtures and fittings, kitchens and bathrooms most notably. The speed with which repairs are dealt with is also important, however the communication around both these and capital improvements is almost more important than the actual installation.

5. Tenancy Policy & Procedures

5.1 Regulatory Framework

The Homes England is responsible for regulating social housing providers including local authorities. Regulatory standards contain specific expectations and the outcomes that providers are expected to achieve. Providers' boards and local authority councillors who govern service delivery are responsible for meeting the relevant standards and determining how this is done. The standards are classified as either 'economic' or 'consumer'.

Homes England proactively seeks assurance from providers that they are meeting the 3 economic standards, which are:

- Governance and Financial Viability Standard
- Value for Money Standard with associated code of practice
- Rent Standard

The economic standards apply to all registered providers except for local authorities because the regulator has no power to set economic standards for local authorities. Further, the levels of rental that can be charged until 2021 are covered by the Welfare Reform and Work Act 2016 and whilst rental levels are governed by this Act the rent standard does not apply.

The Consumer standards apply to all registered providers including local authorities. Home England's role is to set the consumer standards and to intervene where failure to meet the standards has caused, or could have caused, serious harm to tenants. The 4 consumer standards are:

- Tenant Involvement and Empowerment Standard - covers customer service; choice and complaints; involvement and empowerment; and understanding and responding to the diverse needs of tenants.
- Home Standard - relates to the quality of accommodation; and repairs and maintenance
- Tenancy Standard - relates to allocations; mutual exchange; and tenure
- Neighbourhood and Community Standard - relates to neighbourhood management; local area co-operation; and anti-social behaviour

In order to meet the consumer standards the Council must ensure that they have adopted adequate policies and procedures in place. It is important however that in developing these policies that discretion or ability to deal with exceptional situations is not limited.

The policies that are required to enable the Council to meet these standards are outlined below.

5.2 Allocations Policy

Housing stock is designated as either:

- General needs;
- Sheltered accommodation;
- Age designated (over 55's); or
- Specific needs i.e. adapted property.

The Council participates in the Derbyshire Home Options scheme. This is a choice-based lettings scheme which is designed to allow an element of choice for people applying for council and housing association homes. The Derbyshire Home Options is a partnership of councils and housing associations who work together to advertise available homes and offer advice to people looking for accommodation in High Peak, Derbyshire Dales, Erewash and Amber Valley.

As properties become available for letting, full details are advertised on the Home Options website and applicants can bid for available properties. Properties are advertised on a weekly basis and a paper version of properties available is also sent to various support agencies. The Council's staff also place bids for those applicants who are unable to access the bidding system themselves, this is known as assisted bidding.

Homelessness legislation places a duty on housing authorities to ensure that advice and information about homelessness, and preventing homelessness, is available to everyone in their borough free of charge. The legislation also requires authorities to assist individuals and families who are homeless or threatened with homelessness and apply for help. The Council's housing advice team provide general housing advice and the statutory duty to assist individuals and families who are homeless or threatened with homelessness.

5.3 Tenancy Agreement

The relationship between the Council as landlord and the tenants of the housing stock is governed by a Tenancy Agreement. The latest version of this agreement was approved in March 2017.

The agreement sets out the rights of tenants in addition to their responsibilities.

5.4 Neighbourhood (Estate) Management

The Council was awarded a £90,000 grant in 2017 for an environmental review of 3 areas within High Peak in relation to the housing stock:

- Fairfield, Buxton
- Gamesley
- New Mills

Part of this brief was to look at master planning and assessing various approaches to improving the estates under review. The detailed assessment of sites with development potential will support the emerging land disposal strategy. Potential environmental improvements are identified in the final report. These will need to be considered following the approval of this business plan.

The work has also identified affordable housing investment opportunities which potentially can be used to improve the long-term sustainability of the Council's Housing Revenue Account (HRA) or allow offset of affordable housing requirements from other sites.

5.5 The Council's Approach to Equality and Diversity

Equality legislation means that all local authorities have a duty to publish information about how they are meeting the requirements of the Equalities Act 2010. The Equality Act 2010 places a duty upon High Peak Borough Council to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act;
- Advance equality of opportunity between people who share a protected characteristic and those who do not; and
- Foster good relations between people who share a protected characteristic and those who do not.

The Council's Equality & Diversity Policy sets out how the Council will go about fulfilling this duty. The purpose of having this policy is to provide a coherent approach to tackling equality and diversity across all the protected equality characteristics (age, disability, sex, gender reassignment, marriage and civil partnerships, pregnancy and maternity, race, religion/belief and sexual orientation) It also aims to make equality and diversity integral to the way that the Council works in order to achieve:

- A clearer understanding of the needs of the residents of the High Peak
- Better informed decision-making and policy development
- Excellent quality services which meet varied needs
- More effective targeting of policy and resources that will do the most to increase equality
- Better outcomes and greater confidence in public services
- A more effective use of talent in the workforce

In the provision and commissioning of services the Council is committed to fair and equitable access to services, whether they are provided directly by Council employees, in partnership with other agencies or indirectly through external contract, funding or commissioning arrangements. All service areas are required to take steps to ensure that Council functions and policies are carried out in a way that complies with statutory requirements and meets the needs of all local people as appropriately as possible.

The Council aims to ensure that all its functions and policies are carried out in a way that complies with statutory requirements by:

- Ensuring equal access, fair treatment and appropriate provision to the whole community regardless of age, disability, gender, gender reassignment, marital or civil partnership status, pregnancy or maternity status, race, religion, nationality, social background or sexual orientation;

- Providing services that are designed to meet a wide range of different needs in the community;
- Providing appropriate services, adapting them, where reasonable, to meet the needs of the whole community promoting equal access to services, including producing clear information about how to access our services (for example in large print);
- Providing and publicise clear information on how customers can complain or comment about the services they have received and respond efficiently to complaints;
- Ensuring that wherever practicable, all services and buildings are accessible to everyone;
- Carrying out consultation and undertaking formal impact assessment when necessary to ascertain whether current service provision and any proposed changes are consistent with legal obligations.

The Council will take into account in its tender evaluation and contracting processes a potential contractor's approach to equalities in terms of its employment practices and service delivery. It will do this by asking potential contractors relevant questions and include appropriate provisions in its contract documents relating to these matters.

The starting point for all decisions about the Council's services, activities and plans is an understanding of our communities in general and specifically in relation to the protected characteristics. The Council's understanding is informed by data about its communities, direct engagement with people including those with 'protected characteristics, feedback from service users as well as information from a wide range of other sources such as national research and reports.

The first element that is considered is the basic data about the community as a whole – demographic and other data – which details things like how many people live in the borough, helps to categorise residents into different groups. The basic data is sourced from the 2011 census. Other data is drawn from a variety of sources and can only provide an estimate of the numbers of people with certain protected characteristics.

Gender

Residents	Total	Percentage
	No.	%
Males	44,774	49.26
Females	46,118	50.74
Total	90,892	100

Age

Age Range	Persons	Percentage
	No.	%
Age 0 to 4	4,961	5.5
Age 5 to 7	2,986	3.3
Age 8 to 9	1,905	2.1
Age 10 to 14	5487	6
Age 15	1,137	1.3
Age 16 to 17	2,339	2.6
Age 18 to 19	2,279	2.5
Age 20 to 24	5,059	5.6
Age 25 to 29	4,643	5.1
Age 30 to 44	17,591	19.4
Age 45 to 59	20,405	22.4
Age 60 to 64	6,431	7.1
Age 65 to 74	8,642	9.5
Age 75 to 84	5,059	5.6
Age 85 to 89	1,262	1.4
Age 90 and over	706	0.8
Total	90,892	100

The mean age of residents is 41.1 years old

The median age of residents is 43 years old

Ethnicity

Ethnic Group	Persons	Percentage
	No.	%
White; English/Welsh/Scottish/Northern Irish/British	87,131	95.9
White; Irish	596	0.7
White; Gypsy or Irish Traveller	10	0
White; Other White	1,217	1.3
Mixed/Multiple Ethnic Groups; White and Black Caribbean	348	0.4
Mixed/Multiple Ethnic Groups; White and Black African	113	0.1
Mixed/Multiple Ethnic Groups; White and Asian	284	0.3
Mixed/Multiple Ethnic Groups; Other Mixed	199	0.2
Asian/Asian British; Indian	148	0.2
Asian/Asian British; Pakistani	78	0.1
Asian/Asian British; Bangladeshi	10	0
Asian/Asian British; Chinese	228	0.3
Asian/Asian British; Other Asian	247	0.3
Black/African/Caribbean/Black British; African	87	0.1
Black/African/Caribbean/Black British; Caribbean	82	0.1
Black/African/Caribbean/Black British; Other Black	15	0
Other Ethnic Group; Arab	33	0
Other Ethnic Group; Any Other Ethnic Group	66	0.1
Total	90,892	

Disability – people with physical disabilities, sensory impairments, limiting long-term illnesses, learning disabilities, mental health difficulties and carers

Health and Provision of Unpaid Care	Persons	Percentage
Day-to-Day Activities Limited a Lot	7,451	8.2
Day-to-Day Activities Limited a Little	9,013	9.9
Day-to-Day Activities Not Limited	74,428	81.9
Day-to-Day Activities Limited a Lot; Age 16 to 64	3,173	3.5
Day-to-Day Activities Limited a Little; Age 16 to 64	4,551	5
Day-to-Day Activities Not Limited; Age 16 to 64	51,023	56.1
Very Good Health	43,185	47.5
Good Health	30,980	34.1
Fair Health	12,011	13.2
Bad Health	3,696	4.1
Very Bad Health	1,020	1.1
Provides No Unpaid Care	80,578	88.7
Provides 1 to 19 Hours Unpaid Care a Week	7,092	7.8
Provides 20 to 49 Hours Unpaid Care a Week	1,185	1.3
Provides 50 or More Hours Unpaid Care a Week	2,037	2.2

Adults not in Employment and Dependent Children and Persons with Long-Term Health

Problem or Disability for All Households	Households	Percentage
No. Adults in Employment in Household; With Dependent Children	1,110	2.9
No Adults in Employment in Household; No Dependent Children	11,305	29
Dependent Children in Household; All Ages	11,046	28.4
Dependent Children in Household; Age 0 to 4	3,967	10.2
One Person in Household with a Long-Term Health Problem or Disability; With Dependent Children	1,698	4.4
One Person in Household with a Long-Term Health Problem or Disability; No Dependent Children	8,466	21.7

Applying national estimates ranging from an incidence 2.37% – 3.6% in the population (but taking no account of other important local demographic factors which will mean the actual local picture is different): Between 2,154 – 3,272 people in High Peak could have some form of learning disability.

There are more than 10 million people in the UK with some form of hearing loss, or one in six of the population. Applied to High Peak this would mean 15,148 people. More than 800,000 people in the UK are severely or profoundly deaf. Applied to High Peak this would mean 1,145 people.

There are almost two million people in the UK living with sight loss. That is approximately one person in 30. This figure includes those that have uncorrected refractive error or cataract that may be reversed. This figure also includes around

360,000 people registered as blind or partially sighted in the UK, who have severe and irreversible sight loss. Applied to High Peak this would mean 3,029 people.

The diversity profile of existing 1,309 Home Options applicants (August 2018) revealed the following characteristics:

Disability /Mobility

Disability	Number of Applications	% of Applications
Uses a wheelchair indoors and outdoors all of the time	20	1.53
Needs a wheelchair outdoors because cannot manage steps, stairs or steep gradients	48	3.67
Restricted mobility and can only manage one or two steps or stairs	193	14.90
Physical disability	170	12.99
Unable to access parts of their home due to age or disability	27	2.06
In receipt of High Rate Disability Allowance or Attendance Allowance	120	9.17
Learning disability	98	7.49
Visual impairment	43	3.28
Hearing impairment	54	4.12

Gender

Gender	Number of Applications	% of Applications
Female single household	324	24.75
Male single household	306	23.38
Female single pregnant	10	0.76
Female lone parent household	234	17.88
Male lone parent household	16	1.22
Childless couple	153	11.69
Other family type	266	20.32

Age

Age (Ranges main applicant)	Number of Applications	% of Applications
Under 25	138	10.54
23-39	451	34.45
40-54	275	21.01
55-59	93	7.10
60+	340	25.97
Unspecified	12	0.92

Ethnicity

Ethnicity	Number of Applications	% of Applications
Asian/Asian British - Any other Asian background	1	0.08
Asian/Asian British - Chinese	4	0.30
Black/Black British - African	2	0.15
Mixed - other	3	0.23
Mixed - White and Black African	1	0.08
Mixed - White and Black Caribbean	7	0.53
White - English/Scottish/N. Irish/British	908	69.36
White - Irish	5	0.38
White - any other white background	13	0.99
Other	1	0.08
Not Stated	362	27.65

6. Asset Management

6.1 Strategic Approach to Asset Management

The housing stock is the Council's most valuable asset and has its largest spending obligation. The Council needs to ensure that the properties it owns and manages are:

- Maintained in good condition;
- Designed for modern purpose
- Meet the needs of residents; and
- Sustainable.

The purpose of asset management in this context is to ensure the housing stock is closely managed in order to:

- Keep dwellings in a good condition in cost effective ways;
- Continue to meet the government's Decent Homes Standard;
- Comply with current and future regulations;
- Provide a balance between responsive and cyclical repairs and capital investment; and
- Provide value for money;

The Council's strategic approach to asset management is to:

- Survey housing stock condition on a rolling programme and continue to improve the accuracy of stock data;
- Consider age and condition based approaches when replacing key components;
- Develop a capital programme that meets tenants' aspirations and priorities, whilst also maintaining the Decent Homes Standard;
- Secure value for money in all investment decisions and contract procurement;
- Let void properties promptly thereby minimising rent loss;
- Ensure compliance with all of the health and safety related standards;
- Develop the responsive repairs service to provide the service customers require; and
- Examine the most appropriate ways to dispose of underused assets and the acquisition of land/property in order to achieve more affordable housing for rent.

6.2 Asset Management Key Objectives

In developing and approving the Council's approach to asset management, some key underlying objectives are proposed in order to balance assets and needs to ensure that the housing stock meets the needs and standards required now and in the future:

- Stock condition surveys to assess condition, use and required reinvestment over the next 30 years;
- A planned maintenance programme of replacing components dependent on the priority of the component;

- Regular cyclical maintenance to certain components of a property, including heating appliance servicing, door entry systems, electrical upgrades and external painting;
- Continual programme of works to meet Health and Safety requirements (e.g. asbestos removal, structural repairs etc.);
- An efficient and effective voids repair service, helping to hasten the repairs process and protect revenue;
- A responsive maintenance service to respond to unplanned failures in the properties and to prevent deterioration in their condition;

And in the more medium term:

- A programme of environmental estate Improvements aimed at improving car parking, fencing, lighting and safety on estates; and
- A new build programme to increase the amount of affordable housing for rent, to respond to levels of need identified on the housing register and to replace properties sold through the Right to Buy.

6.3 Assessment of the Stock Condition

The Council's previous understanding of the condition of the housing stock was informed by a condition survey which was undertaken in January / February 2012 as part of which 820 of the Council's 4,098 dwellings were surveyed. The report concluded that the stock is generally in good condition. The survey identified total required expenditure of £234.7m over the 30-year business plan – which included responsive, void, cyclical repairs and planned maintenance. The Council reported 0% non-decent homes as at 1st April 2010. Nationally the percentage of social housing stock that was 'non-decent' as at 1st April 2010 was 10.2%, down from 14.5% a year earlier. For local authority stock only, the percentage of non-decent homes declined from 22.0% to 16.2%.

In April 2016 the Council's Executive made a commitment to complete a full condition survey on the portfolio of housing properties by March 2019. It was agreed that the surveys will be phased and prioritised. It was recognised that the longer-term solution to for bringing the HRA into balance following the rent reduction obligations would need to be underpinned by stock condition surveys in order to accurately inform the level of expenditure required to maintain the housing properties to the required standard. It is recognised that reliable and up-to-date stock condition data is critical for investment planning. Although a 20% survey is accurate enough to provide high level estimates of expenditure, the remaining 80% is then based on estimation and so should not be used for developing detailed programmes of work. It is also reliant on internal property systems being kept up-to-date otherwise works programming is extremely difficult.

It was also agreed that ultimately this data may be used, in conjunction with financial projections, to identify the net present value of rental receipts and projected maintenance expenditure, and that it will also potentially identify groups of properties whereby other potential delivery options could be explored.

The main objectives of the survey were to:

- Provide accurate and statistically reliable information concerning repairs and maintenance as well as improvement costs, in the standard reporting categories, forecast over a 5 and 30 year term;
- Collect, validate and report upon attribute and condition information about the stock for the purpose of improving existing records and future maintenance planning;
- Establish a methodology upon which further surveys may be undertaken in the future to supplement this survey exercise;
- Provide accessible, reliable and easily maintainable planning data for future repairs, maintenance and improvement programmes including the provision of a written summary report and integration of the outputs into the Council's existing Keystone asset management system;
- Assist the Council at an operational level to direct resources to the best effect in the repair, maintenance and improvement of the housing stock;
- Inform the Council's Housing Revenue Account Business Plan and the Housing Investment Programme

The stock condition survey should include the following items (where applicable):

- A general building description, location and record of survey addresses
- A summary of the area of the building and type of accommodation/ usage/ current occupancy
- A brief history of the building including all recent alterations or additions
- Any proposals for future use including remodelling or structural alterations
- Details of landscaping, external buildings and works – existing and recommended
- A coded building component condition assessment ranging from very good to very poor
- An assessment of the general condition of the structure, the fabric, services, facilities and fittings
- An assessment of the state of repair and energy efficiency in respect of the Decent Homes Standard
- An indication of the presence, type and removal of asbestos products and an asbestos register
- Details of recommended measures required to reduce the incidence of crime related problems
- Identification of actions required to comply with the Disability Discrimination Act
- Details of required energy conservation measures and the standard to be achieved
- Details of any requirements for upgrading of existing, or the installation of, fire precaution measures
- Details of required alterations and improvements to comply with houses in multiple occupation
- Outcomes of the testing for the presence of lead in drinking water
- Outcomes of the testing for the presence of radon radioactive gas
- Identification of window restrictors fitted and an escape window from the first floor (to meet current Building Regulations)
- Identification of low-level glazing fitted with laminated safety glass
- Assessment of the need for any 'Structural Adaptations' to meet tenants' needs

- A prioritised five year maintenance programme with detailed estimated costs
- A 30-year projected life cycle maintenance spend profile
- The extent and any limitations of the surveys conducted
- Existing floor plans and photographic evidence
- The current value of the property
- SAP assessment

6.4 Outcome from the Stock Condition Survey

Michael Dyson Associates (MDA) was appointed to undertake the surveys. MDA are specialists in this type of surveying. As part of the survey the Council took the opportunity to update all their data and to collect data for the external and communal areas of the blocks of flats. The data is stored in the Council's asset management system called Keystone. Keystone is the market leading asset management system in the sector.

The survey work was undertaken in three separate elements:

- An intrusive survey of the non-traditional properties;
- A survey of the garage sites; and
- A survey of the general needs and sheltered stock.

The required outputs from the survey were as follows:

- Assessment of the structural condition of the non-traditional properties
- Identification of Housing Health and Safety Rating System (HHSRS) hazards for dwellings.
- Ascertain dwellings failing the Decent Homes Standard.
- Determination of the energy rating (RdSAP) of each dwelling.
- Provide data required to inform investment plans for 5, 10 and 30 year cost forecasts

The surveys commenced in July 2017 and were completed in December 2017. The surveyors gained access to 90.2% of the dwellings.

Non-traditional Properties Structural Condition

Within the whole stock there are 941 non-traditional properties which are summarised in the table below:

Non-Traditional Property Type	Site	Number of Houses	Number of Bungalows	Number of Maisonettes
Airey	Hope	3	-	-
Kenkast	Glossop	-	1	-
	New Mills	-	39	-
	Whaley Bridge	-	1	-
MOHLG 5M	Fairfield, Buxton	121	-	-
	Gamesley, Glossop	156	63	-
Timber Frame	Hadfield	3	-	-
Wates	New Mills	17	-	-
Wimpey No-Fines	Chapel en le frith	18	-	-
	Fairfield	18	3	-
	Gamesley, Glossop	343	145	10
Totals		679	252	10
Overall Total Number of HPBC Stock of Non-traditional Properties				941

MDA carried out a structural investigation of the non-traditional housing to establish the structural condition of the properties and recommend appropriate repairs to maintain their structural integrity for at least a further 30 years and calculate budget costs associated with this.

Property Type	Construction	Recommended Repair Type	Rec. Repairs Year Band	Archetype Total Repair Costs	Mid Life Up-Lift Repair Year Band	Archetype Total Mid Life Up Lift Costs	Total Archetype Cost Repairs /Mid-life Up Lift
Airey	PRC	Only Regular Routine maintenance required to maintain weather tightness.	N/A	-	-	-	-
Kenkast	PRC	Cover exposed PRC plinths with EWI or PVC detail to prevent any further deterioration.	1-5	£82,000	10-15	£41,000	£123,000
MOHLG 5M	Steel	Only regular routine maintenance required to maintain weather tightness. Stanchions should continue to be inspected for deterioration every 5 years.	N/A	-	-	-	-
Suspected Timber Frame	Trad.	Install remedial wall ties to brickwork, remove any loose areas of render. Apply External Wall Insulation with brick effect.	1-5	£37,500	15-20	£3,000	£40,500
Wates	PRC	Only regular routine maintenance required to maintain weather tightness until a Mid-life up-lift of existing EWI.	N/A	-	10-15	£17,000	£17,000
Wimpey No Fines	In-situ	Only regular routine maintenance required to maintain weather tightness and a Mid-life up-lift ASAP to attend to damp/staining issues.	N/A	-	1-5	£805,500	£805,500
Totals				£119,500	-	£866,500	£986,000

Housing Health and Safety Rating System (HHSRS)

The housing health and safety rating system (HHSRS) is a risk-based evaluation tool to help local authorities identify and protect against potential risks and hazards to health and safety from any deficiencies identified in dwellings. It was introduced under the Housing Act 2004 and applies to residential properties in England and Wales. The HHSRS takes into account any extra risk to young children or older people.

Hazards are rated according to how serious they are and how likely they are to affect someone badly. A category 1 hazard is the most serious. A category 1 hazard is a hazard that poses a serious threat to the health or safety of people living in or visiting a dwelling. Examples include:

- Exposed wiring or overloaded electrical sockets
- Dangerous or broken boiler
- Bedrooms that are very cold
- Leaking roof
- Mold on the walls or ceiling
- Rats or other pest or vermin infestation
- Broken steps at the top of the stairs
- Lack of security due to badly-fitting external doors or problems with locks

The Council must take action if its assessment shows that there is category 1 hazard identified.

During the fieldwork 69 Category 1 Hazards were found by MDA, relating to various issues, all of which were reported to HPBC for immediate rectification. This accounts for 1.72% of HPBC's total stock and many of these related to tenants' modifications. All of these failures were immediately rectified.

In addition Category 2 hazards were also assessed. These hazards are not required to be rectified immediately by but, rather, should be considered as likely precursors to a category 1 hazard.

Decent Homes Standard (DHS)

A priority for the Council is to ensure that the housing stock meets the Government's Decent Homes Standard (DHS) and that they are maintained at that standard for the next 30 years, together with meeting other landlord statutory obligations. The DHS was originally issued in March 2001 and it provided a minimum standard for properties to be maintained. Various updates to the standard have taken place since 2001. The original intention was for all properties across the country to meet the standard by 2010. The key elements of the DHS are that properties must:

- Meet the minimum Housing Health and Safety Rating System (HHSRS) standards;
- Be in a reasonable state of repair;
- Have reasonably modern facilities and services; and
- Have efficient heating and effective insulation

The survey revealed that 715 (17.9%) properties failed to meet the Decent Homes Standard. Benchmarking suggests that these results are not untypical. The survey assessed the stock against the various categories within the Decent Homes Standard and the details are set out below:

HHSRS		Disrepair		Modern Facilities		Thermal Comfort		Overall Total	
No.	%	No.	%	No.	%	No.	%	No.	%
69	1.72	462	11.52	28	0.7	156	3.9	651	16.24

The Decent Homes Standard failures represent a total cost liability of £1,776,134. This is broken down as follows:

HHSRS – £0.00

No costs are apportioned to individual HHSRS failures as these have been immediately rectified funded through the responsive maintenance budget.

Disrepair - £1,741,519

This cost is attributed to disrepair on a number of elements including: chimneys, external doors, electrical supply and windows.

Modern Facilities - £28,040

This cost would be attributed to the replacement of kitchens, improvements to kitchen layouts, replacement bathrooms and improvement to bathroom layouts.

Thermal Comfort - £6,575

This cost is attributed to the installation of effective loft insulation, wall insulation and replacement heating systems.

The majority of costs to remedy Decent Homes Standard failures sit within the Planned Maintenance Profile, as they represent like for like element replacements. The properties that failed the DHS will be given priority in the programming for capital investment. However there are a number of minor items that are not like for like replacements but involve a degree of improvement works and these are set out below:

Kitchens layout: £118,530

Effective Insulation: £4,851

Efficient heating: £1,724

This results in a cost of £125,105 for Decent Homes Standard failures not accounted for elsewhere.

Energy rating – Reduced Data Standard Assessment Procedure (RdSAP)

The Standard Assessment Procedure (SAP) is the methodology used by the Government to assess and compare the energy and environmental performance of dwellings. Its purpose is to provide accurate and reliable assessments of dwelling energy performances. SAP was commissioned by former Department of the Environment in 1992, as a tool to help deliver its energy efficiency policies. The SAP methodology is based on the BRE Domestic Energy Model (BREDEM), which provides a framework for calculating the energy consumption of dwellings.

Reduced Data SAP (RdSAP) was introduced in 2005 as a lower cost method of assessing the energy performance of existing dwellings.

SAP works by assessing how much energy a dwelling will consume, when delivering a defined level of comfort and service provision. The assessment is based on standardised assumptions for occupancy and behaviour. This enables a like-for-like comparison of dwelling performance. Related factors, such as fuel costs and emissions of carbon dioxide (CO₂), can be determined from the assessment.

SAP quantifies a dwelling's performance in terms of: energy use per unit floor area, a fuel-cost-based energy efficiency rating (the SAP Rating) and emissions of CO₂ (the Environmental Impact Rating). These indicators of performance are based on estimates of annual energy consumption for the provision of space heating, domestic hot water, lighting and ventilation. Other SAP outputs include estimate of appliance energy use, the potential for overheating in summer and the resultant cooling load.

As part of the survey MDA were asked to collect energy data. In order to provide an accurate assessment of the energy rating for the stock, MDA carried out RdSAP (version 9.92) surveys to all dwellings where a stock condition survey was completed. The information in the table below shows the average results for the whole stock, broken down by archetype.

The SAP ratings in the table below show how energy efficient or inefficient the properties are. The higher the rating, the more efficient the property is considered to be. The maximum SAP rating that a property can have is 100.

The SAP ratings appear consistent with MDA's expectations, with the overall average SAP rating for the stock being 62.86 (Equivalent of a mid-band D) which is to be expected for such a varied stock. Currently, the reported average SAP at 'Housemark' rating for social landlords within the UK is 66.9. Therefore, the average noted in the table is slightly below the 'Housemark' average.

	Average of CO2	Average of Energy Use	Average of Lighting Costs	Average of Space Heating Costs	Average of Water Heating Costs	Average of SAP
House	3,256.77	18,552.50	60.23	553.02	87.52	59.88
Flat	2,158.42	12,358.51	50.27	362.30	89.69	69.16
Bungalow	2,397.63	13,702.17	41.25	439.99	73.07	61.58
Maisonette	2,076.98	11,960.59	65.93	309.09	104.22	79.20
Bedsit	1,885.93	10,808.71	27.18	291.94	92.74	68.93
Grand Total	2,765.62	15,781.58	53.17	474.77	85.22	62.86

As can be seen from the table above, the lowest average SAP score is associated with houses, which has a score of 59.88 which is equivalent to a low band D. The highest average SAP rating is associated with HPBC's stock of Maisonettes with an average rating of 79.20 which equates to a high band C. The highest individual dwelling SAP value was 79.69 and the lowest was 11.96.

It is important that the Council sets a realistic and achievable target for gradually improving the average SAP score year on year. The works and the costs required to improve the least well performing properties could then be identified, as this is where the worst fuel-poverty issues will be found.

6.5 Capital Investment Programme Requirement

The survey identified a need to invest £142.034m in the whole stock over the next 30 years, including the repairs to the non-traditional stock.

Once the survey was completed and the outputs from it were finalised, the Council commissioned the external housing consultancy DTP to undertake an independent review of the stock condition survey to provide some context and analysis for the Council in relation to the Business Plan and HRA Funding.

The table below sets out the costs identified by MDA and it has been sorted to identify the elements with the highest overall costs, Electrics then Kitchens, then Heating, etc.

Element	TOTAL
	£
Electric	22,207,407
Kitchen	19,569,990
Heating	18,948,106
Roof	17,845,057
Windows	16,080,979
Bathroom	11,578,966
External Walls	9,207,839
Doors	7,700,340
Internal Finishes	7,283,866
Communal	4,510,086
Outbuilding	3,366,932
Environment Works	2,368,279
Garages	254,804
Non-Traditional Repairs	986,000
Decent Home Failure Costs	125,105
TOTAL	142,033,756

The costs of improving the energy profiling are not included in the totals as the timing and cost of the works are not known at this stage.

The costs are raw and have not been 'smoothed'. The surveys show that the investment required over the 30 year period would be as follows:

Years	TOTAL Required
	£
1 to 5	17,092,252
6 to 10	21,482,774
11 to 15	22,844,016
16 to 20	25,893,458
21 to 25	23,817,296
26 to 30	30,903,960
Total	142,033,756

In order to provide estimates of future costs, MDA used industry-standard life cycles and Schedules of Rates based on HPBC's real costs. The industry typical life cycles for the major dwelling components are as follows:

Component	Renewal Years
Boilers	12
Kitchen	20
Bathroom	30
Re-wire	30
Front Doors	30
Lifts	20
Detectors	10
Extractor Fans	15
Roofing	50

The investment required over the 30 year period is £35,597 per property. The feedback from DTP when reviewing the outcomes from the survey highlighted that results for surveys of this type usual identify approximately £30,000 to £35,000 per property over 30 years, so roughly about £1,000 to £1,170 per annum. The figure of £1,186 is above their benchmark. DTP then considered the potential for adjusting these projections for business planning purposes.

DTP suggested two amendments to the capital investment cost outputs:

- Electrics – The cost provision included in the outputs was £4,000 and the life cycle replacement was 30 years. DTP considered that this is an over provision as experience shows that full rewires are rare. They recommended reducing this figure by 1/3rd.
- Kitchens - The cost provision was £3,500 and the life cycle replacement is 20 years. They considered this to be an over provision and recommend reducing the cost provision figure by £500.

They also suggested adjustments to the cost outputs for a number of discretionary areas of spending. The adjustments are to be made on the basis that necessary repairs are picked up as responsive maintenance. The adjustments made are as follows:

- Garages – all of the cost picked up as responsive maintenance or investments offset against rental gains
- Outbuildings – costs reduced by 50%
- Internal Finishes – costs reduced by 50%
- Environmental Works – costs reduced by 50%

The adjusted 30 year projection is as follows:

Element	ORIGINAL TOTAL	REVISED TOTAL
	£	£
Electric	22,207,407	16,659,719
Kitchen	19,569,990	17,123,100
Heating	18,948,106	18,948,106
Roof	17,845,057	17,845,057
Windows	16,080,979	16,080,979
Bathroom	11,578,966	11,578,966
External Walls	9,207,839	9,207,839
Doors	7,700,340	7,700,340
Internal Finishes	7,283,866	3,641,933
Communal	4,510,086	4,510,086
Outbuilding	3,366,932	1,683,466
Environment Works	2,368,279	1,184,140
Garages	254,804	-
Non-Traditional Repairs	986,000	986,000
Decent Home Failure Costs	125,105	125,105
TOTAL	142,033,756	127,274,836

The investment required over the 30 year period is £31,898 per property which is within the DTP benchmark. This equates to £1,063 per property per year.

Years	TOTAL Required	Spend per Year
	£	£
1 to 5	15,072,263	3,014,453
6 to 10	19,432,065	3,886,413
11 to 15	19,908,503	3,981,701
16 to 20	22,792,467	4,558,493
21 to 25	22,089,898	4,417,980
26 to 30	27,979,642	5,595,928
Total	127,274,836	

It can be seen that the revised profile results generate average spend per year of £4,242,495, on a straight line or smoothed basis. The table shows that there is lower annual requirement in the early years of the investment plan.

6.6 Capital Programme

Up until 2018/19, the HRA capital programme had been established based on the previous sample stock condition surveys that were commissioned in 2012. This was supplemented with more up-to-date information from the Council's records and knowledge. On this basis, a capital programme was set for 2018/19 totalling £3.94 million. This was replicated as the forecast for 2019/20-2021/22 within the Medium Term Financial Plan (MTFP) as approved in February 2018 – pending the completion of the full stock condition survey.

The previous HRA 30-year business plan included capital expenditure forecasts based on the previous 20% surveys for year 5-30 of the plan – with year 1-4 (2018/19 – 2021/22) matching the MTFP. Consequently, the current average annual capital programme forecasts after year 4 of the HRA business plan was broadly £5.2 million (ranging from £3 million to £7.5 million for individual years)

A report was approved by Executive on 21st January 2016 which established that the current capital programme forecasts within the HRA business plan were unaffordable as a result of the Governments 4 year 1% rent reduction. In order to fully fund the capital programme external borrowing was required and consequently over the 30 years the Government imposed debt cap of £68.2 million was reached. Consequently, a Financial Improvement Plan (presented with the MTFP in February 2017) identified a £1.2 million HRA efficiency programme over a 4 year period (2017/18 – 2020/21) which – assuming the savings are realised, improves the financial position, but the capital forecasts still remained unaffordable

The findings of the latest MDA stock condition surveys adjust the average annual capital programme to £4.2 million. Although the MDA surveys suggest a lower annual investment requirement in the early years, the Council has resolved to smooth the capital programme over the 30 years. Therefore, providing the opportunity to reprofile some planned spend required in later years and/or address the SAP rating issues or consider estate regeneration requirements.

Consequently, the new capital programme will result in a £1 million reduction per annum on average from year 5 on the previous HRA business plan. This is slightly offset by an increase of £0.22 million in the first 4 years. This removes the requirement to externally borrow to finance capital expenditure and the programme therefore now becomes affordable.

In reducing the capital programme, surpluses are generated over the 30 year business plan. This allows provision for improving SAP ratings, additional costs to maintain garages as necessary and any additional costs required for minor repairs. It would potentially also allow consideration of any proposals for estate regeneration and new build programmes.

6.7 Future Stock Condition Surveys

Whilst the Council now has a comprehensive understanding of the housing stock maintenance requirements, it is important that this knowledge remains up-to-date to inform the HRA business plan.

In order to do this, it is critical that the Council's asset management system (Keystone) is maintained. Therefore, an annual desktop exercise will be completed to reconcile the asset management system to the capital works undertaken to ensure all works have been captured. There also needs to be a link with Housing Repairs to capture relevant information to ensure the data held is fully complete.

This in itself will ensure the Council maintains an up-to-date view of the condition of its housing stock. However, to supplement this, it is proposed to undertake external

validation surveys on a sample basis every 4 years – in line with the proposed periodic full review of the HRA business plan.

This is on the basis that there is most confidence in the first 5 years stock condition information collated by MDA, with less detailed information (in terms of the exact financial year expenditure is required) from year 6 onwards. So an external validation in year 4 will further support and confirm or provide challenge to the internal records held on Keystone.

6.8 Cyclical Repairs

Cyclical maintenance relates to the regular maintenance of certain components of a property including the mechanical and electrical plant. Cyclical servicing is planned at regular defined intervals based on statutory requirements or best practice. The Council's current cyclical maintenance programmes are as follows:

- Annual boiler servicing;
- Maintenance of fire extinguishers, fire alarms and warden call systems in former sheltered housing schemes;
- Fixed wiring periodic tests of electrical installations;
- Smoke alarm servicing;
- Door entry systems

6.9 Health & Safety Compliance

The Council has to ensure that dwellings meet Health and Safety requirements so that tenants are living in a safe and secure environment.

In order to meet this obligation the Council identifies and manages risks of the following:

- Housing Health and Safety Rating System;
- Asbestos;
- Legionella;
- Gas installations;
- Electrical installations;
- Smoke Alarms;
- Carbon Monoxide Detectors;
- Fire safety; and
- Estate Risk Assessment Inspections.

Housing Health and Safety Rating System (HHSRS)

The HHSRS assesses the 29 main health and safety risks inherent in a property. If a property fails the HHSRS it automatically fails the Decent Homes Standard. HHSRS failures which are classified as priority one works have to be addressed at the earliest opportunity.

As part of an ongoing strategy for meeting the HHSRS requirements, all condition surveys of properties will be used to identify potential HHSRS failures.

Asbestos

The Council has in place an Asbestos Policy which details the action taken in response to this risk.

The identification of asbestos risk in buildings is at the core of the Council's approach. The Council ensures that those surveying buildings are competent by training and hold the P402 certificate, coupled with at least six months experience surveying to HSG264. In addition the Council's repairs team receive regular asbestos awareness training and continue to do so on an annual basis.

The Control of Asbestos at Work Regulations 2012 does not wholly apply to domestic properties this is detailed in the policy. However, they do in part apply to common areas of domestic properties in areas such as lobbies, lifts, laundry rooms and other communal areas.

The general duties under the Health and Safety at Work Act 1974 require employers to ensure the health and safety of employees and others so far as reasonably practicable. The Management of Health and Safety at Work Regulations 1999 also require employers to assess the health and safety risks to third parties, such as workers carrying out work in the premises and tenants, who may be affected by activities connected with their business, and to make appropriate arrangements to protect them from this. In addition to this the Construction (Design and Management) Regulations 2015 (CDM) also apply to the management of asbestos.

The Council needs to have comprehensive records regarding the location of asbestos to allow effective management of asbestos. Regular surveys are undertaken to ensure that these records are maintained. Contractors are made aware where asbestos-containing materials are located before undertaking repairs or refurbishment work and refurbishment / demolition surveys are carried out before any construction work.

For any capital works on the housing stock, surveys are procured by Assets/Property Investment Section. For void housing, surveys are procured by the Housing Options Team. Finally, if during normal housing maintenance works, asbestos is suspected, then the Repairs Team procure surveys before commencement of work, this can result in the delay of the work in hand. The surveys feed into an asbestos register which is used to provide sufficient information about the location and type of risks in order to allow effective management during any refurbishment or maintenance work

Legionella

The Council has a Policy for the Control of Legionella in Hot and Cold Water Systems which details the action taken in response to this risk. The Council's policy is that (so far as is reasonably practicable) all premises under its control will be proactively managed, to control risk from legionella, centred on a comprehensive risk assessment programme. Risk assessments will be recorded, and kept for five years.

Risk assessments will be reviewed at least every two years, and be retained for 5 years, or more frequently if circumstances change or an incident occurs. Those undertaking the various roles in pursuance of this policy will be given appropriate training to enable them to fulfil the duties.

Gas Installations

The Council has a Gas Safety Policy that ensures the safety of tenants in homes that contain a gas supply and associated appliances. It is a requirement under the Gas Regulations that landlords issue a Landlords Gas Safety Certificate within 12 months to each property. There is a target to ensure that 100% of certificates are renewed within this timescale.

The servicing of Gas Appliances is audited on the Council's behalf by a third party company.

Electrical Installations

Periodic electrical safety inspections of the fixed wiring installations are undertaken at periods of no more than five years, and based on condition. The next inspection date is detailed on each certificate issued.

The contract for electrical safety inspection work is tendered when required. At the time the inspections are carried out the emergency remedial work is undertaken in conjunction with the inspection.

Carbon Monoxide Detectors & Smoke Alarms

Housing associations and other private landlords are required to fit carbon monoxide and smoke detectors, local authorities however are exempt from the Smoke and Carbon Monoxide Alarm Regulations 2015. The Equality Act 2010 and (Building Regulations Part J - for new installations, wood burners etc.) does require them to be fitted where tenants are vulnerable.

Despite the limited statutory requirements, the Council does fit smoke alarms in all properties, which are independently checked annually. In the case where tenants are vulnerable the Council carries out a risk assessment and list those additional requirements needed to support the individuals needs.

In addition where there is a risk of carbon monoxide poisoning say in the case of an open fire, the Council considers, after assessing the risk through a home safety visit whether to fit a CO alarm to alert those vulnerable tenants to the presence of CO gas. Other equipment can be provided to enable vulnerable tenants to sustain their tenancy include strobe/ vibrating pads for those who cannot hear a conventional fire alarm, stove guards to prevent cooker fires, misting systems for those at significant risk from fire.

Fire Safety

In accordance with the Regulatory Reform (Fire Safety) Order 2005 the Council has undertaken fire risk assessments of communal areas to flats and sheltered housing schemes.

The Fire Risk assessments are reviewed on a regular basis, or when physical changes are made to the layout of a building and recorded on a register. Any physical work required to mitigate the risks identified is undertaken and management processes put in place.

Housing management officers carry out regular checks of the communal areas of flats, and property services staff and the Housing Health and Safety Co-ordinator carry out checks on sheltered housing schemes, as well as planned fire evacuation exercises.

As these inspections are completed they are recorded.

Estate and Common Part Risk Assessment Inspections

Housing management staff carry out regular inspections of the estate areas, garage sites and other common parts of our assets. An assessment is undertaken based on ensuring the health and safety of tenants, residents and visitors. Where high risks are identified, mitigating works are undertaken through planned or responsive repairs contracts

6.10 Responsive Repairs

The objective of the repairs service is to provide a customer focussed responsive repairs service, which achieves high levels of performance, customer satisfaction and good value for money.

The priorities to achieve this objective are:

- Making appointments for all repairs;
- Getting the job done right first time as quickly as possible;
- Using tenant views to shape the service;
- Carrying out as many repairs in a pre-planned way as possible; and
- Developing successful working relationships with contractors.

A 'responsive repair' is a repair carried out as a result of wear and tear, accidental or deliberate damage. Requests for responsive repairs are usually tenant driven and undertaken as a single job normally of a low value, which make them difficult to programme.

The majority of responsive repairs are undertaken by the Council's "in-house" Repairs Service. Contracts with external providers are in place for a number of responsive repairs including:

- Heating Repairs – combined with gas servicing;
- Door Entry Systems and TV aerial maintenance to blocks of flats;
- Stairlifts following a Disabled Adaptation.

The key statistics for responsive repairs are detailed in the table below:

	2015/16 Actuals	2016/17 Actuals
Responsive Repairs Total Cost	£1,631,533.32	£2,060,559.87
Number of repairs completed by Contractors	2,391	2,271
Number of repairs completed by the Repairs Service	13,239	12,145
	15,630	14,416
Average Responsive Repairs job cost	£104.38	£142.94

Repairs that are not the Council's responsibility, or which arise through the unreasonable actions of a third party are recharged.

Following the decision to dissolve the Council's arms length management organisation (ALMO) High Peak Community Housing and to return the stock to the direct control of the Council, the Council employed external consultants to review the repairs service and make recommendations for improvement. This review was undertaken and implemented under the scrutiny of the Housing Select Committee.

There were a large number of positive improvements that were made to the service and as a whole the service is fundamentally better than it functioned within the ALMO. However a number of the recommendations weren't followed through or were discontinued due to issues of ongoing capacity, consequently the service has continued to under perform. However it should be noted that despite poor productivity and response times, customer satisfaction has improved.

The performance of the repairs service was reviewed in 2016 and a report was presented to the HRA Working Group in January 2017 which summarised the findings from the review. The review included an external analysis of the current housing systems and processes, workshops and one to ones with staff and analysis of performance information. The outcomes from this process review were inextricably linked to the channel shift activity that was being undertaken and the systems decisions were therefore based on the principles of digital transformation, self serve and rationalising the number and cost of current systems.

The review resulted in work to improve the ICT systems that support the repairs function and resulted in the upgrade of the Council's Housing Management System (OHMS) which has improved processes and facilitated improved reporting and resulted in improved performance.

The working group agreed that once the ICT improvements had been implemented it would be appropriate to look at the options available for the Council to improve the level of productivity and effectiveness of the repairs service. It is important that the service is considered in the light of the comprehensive efficiency programme required to achieve the required savings over the term of the current Medium Term

Financial Plan (MTFP). Although much work has been done, and a lot has been achieved, the totality of the savings programme is complex, requires management capacity and up front investment to achieve results. In the light of this it was considered prudent to look at alternative options for the ongoing management of the service. Consequently an independent consultant was employed to carry out a soft market testing exercise and evaluate the options open to the Council. The brief was to talk to the main private sector providers in the sector, and also to other social landlords who may be prepared to work with High Peak to provide a more immediate and cost effective solution the future ongoing management of the Council's Housing Stock.

The options available are as follows:

- Direct labour service
- Managed services arrangement
- Wholly owned subsidiary model
- Joint venture – Joint venture companies and limited liability partnerships
- Outsourcing

The soft market testing exercise identified a number of housing providers who are interested in working with the Council on a joint venture approach.

The main conclusions that were drawn from the review of options were as follows:

- The Council's in-house service will struggle to make a step change in improvement due to the lack of capacity and economies of scale;
- There is a healthy market of providers should the Council move towards externalisation;
- If the Council decides to externalise the service then the scope and content of the service specification needs to be considered in some detail in order to ensure that the best service is secured for tenants; and
- There are a number of opportunities to work with another housing provider – these all would involve exploring some form of joint venture.
- Given the interest expressed from three registered providers in developing some form of joint arrangements it is recommended that these opportunities are considered in more detail as the next stage of the process.

The detailed consideration of the joint venture opportunities is ongoing.

6.11 Voids

The objective of the void process is to make void properties available for letting as quickly as possible, minimising rent loss and maximising housing availability, whilst striving to meet customers' expectations.

The priorities are to:

- Provide safe and secure homes;
- Improve re-let timescales; and

- Provide a re-let standard that meets customers' expectations.

Some 1,200 properties became void in the last 4 financial years. The key statistics are detailed in the table below:

	2015/16 Actuals	2016/17 Actuals
Number of voids in year	318	271
Minor Voids - Revenue Costs	£486,234.01	£289,226.36
Void - Capital Works	£474,287.14	£218,347.50
	£960,521.15	£507,573.86

The voids process commences with a termination notice. Once this is received, a member of the housing team contacts the tenant and arranges an appointment to carry out an inspection of the property (pre-termination inspection). This inspection determines if the outgoing tenant needs to address any tenancy breaches, such as rent arrears, repairs or tenant damage prior to leaving. This is an attempt to reduce the need for any tenant recharges and also inform the team of any major works that may be required, with the aim of reducing void times.

A review of the void process was undertaken in 2016 and reported to the HRA Working Group in January 2017. The conclusions of that review were:

- Ownership of a void can be an issue with conflicting interests around turnaround times, financial investment and quality.
- Voids targets and performance accountability should be clarified and shared between all parties, regardless of reporting lines.
- The cost of void repairs needs to be carefully reviewed along with the void standard and affordability should be a key consideration.
- The Council should consider the approach of re-letting properties as quickly as possible to avoid rent loss and carry out repairs once the tenant has moved in.

In order to address these conclusions and to drive improvement, a multi team workshop was held. The result of this was agreement to trial a number of significant changes to staffing, process and operations over a 90 day period.

At the point the challenge started the void turnaround was averaging 35 days. A target reduction of 10 days was agreed. During the period of the challenge the following changes were implemented:

- Reviewing Pre-Tenancy Inspection (PTI) process to maximise the potential of the notice period
- Creation of charge hand roles to complete inspections
- Moving responsibility for allocations to the tenancy management team
- Push on in-situ viewing
- Push on back to back allocations
- Bringing void clearance in house

The following improvements were achieved at the end of the challenge:

- The average turnaround time of properties at the end of the challenge was 22.9 which exceeded the target set.
- The total void rent loss during the challenge was £17,038.92. This is almost 35% less than if the properties had been re-let using the previous performance figures of 35 days (£26,018.51).
- A further £1,426.34 saving could have been achieved if we were using a daily tenancy model.
- Changes in staffing to support the challenge included the upgrading of an existing post to create a second charge hand to complete the void inspections that were previously completed by non-technical housing staff. The cost of upgrading the existing role equates to an extra £1,100 per annum.
- Previously these inspections had been completed by non-technical lettings assistants. With an average inspection and additional follow up work taking approximately 90 minutes this was costing approximately £19.99 per visit. By removing this duplication £1,239.69 of staff resource was saved, this has been used to support the more intensive PTI visits.
- A further change has been implemented to the way void properties are cleared and cleaned. Historically, these works have been undertaken by a sub-contractor but are now being undertaken by the Estate Caretakers. The team has been increased from 3 to 5 employees and all works, excluding major cleans, will be undertaken by this team. The additional cost of creating this team will be approximately £50,000 per annum. Clearance works on voids in 2016/17 cost £150,314.44. It is anticipated that this new way of working will save a minimum of £10k per annum and help to reduce turnaround times even further.

Further work resulted from the positive outcomes from the challenge which included:

- A review of how minor and major voids are categorised
- A review focus of resources within the reactive repairs team
- An analysis of major voids to identify areas for efficiency
- A review the efficiency of the void clearance works
- A review the way in which performance is reported
- A relaunching of the approach to recharging.

The improvements made from the review were incorporated into a revised void procedure.

6.12 Procurement

The capital programme spending requirement that emerges from the stock condition information is significant - in excess of £127m over the life of the business plan. It is essential that the Council manages future procurement exercises effectively in order to ensure that value for money is obtained.

The Council has robust Procurement Procedure Rules in place and has a dedicated procurement within the Finance Service.

7. Development of New Housing Stock

7.1 Current Position

Following the introduction of self-financing in 2012 the Council made provision for the development of additional housing stock in its business plan. The strategy at the time was focussed upon the replacement of the stock that was sold under the Right to Buy (RTB) scheme.

The resources to enable this were proposed as partially from the RTB receipts with the balance coming from borrowing which could be facilitated within the debt cap that applied at the time. However, following the Budget in July 2015 and the imposition of a 1% rent reduction for four years from 2016/17 to 2019/2020, the Council had to reconsider this programme. As a result, the Council's proposed new build programme had to be placed on hold until the fundamental review of the business plan was complete.

7.2 Potential for the Development of New Stock

The financial forecasts contained within this plan due indicate a financial surplus. The Council could as a result earmark an element of this surplus for the development of new stock.

There are a number of potential routes for adding new homes to the Council's HRA stock. These include:

- The construction of properties on Council owned land allowing development with no land purchase costs;
- The construction of properties on land purchased by the Council for affordable housing development, where combined land purchase and constructions costs offer a reasonable financial return in line with average viability timescales and projections;
- The purchase of land and the construction of properties carried out in partnership with developers, where this arrangement meets the Council's viability requirements;
- The acquisition of properties through developers, under a commercial agreement, or a section 106 agreement;

All of these potential routes could be considered should the Council choose to consider the development of new stock.

7.3 Potential Development on HRA Land

The Council reviewed its strategic land holdings with a view to developing options to either generate additional capital receipts or opportunities to generate ongoing financial returns. The outcomes from this review were agreed by the Executive in July 2018 following recommendations by the Corporate Select Committee through the work of its Asset Management Working Group.

The review identified a number of work streams that formed the foundations of the emerging strategy. There are five areas of focus:

- Routine Land Disposal Work
- Accelerated Housing Delivery Project
- Housing Infrastructure Fund Bids
- Assessment of Other Land Holdings
- Housing Estate Environmental Review

A programme of land disposals emerged from this strategy. HRA sites were categorised as longer term which needed to be considered upon completion of this HRA Business Plan

The Housing Estate Environment review work identified potential development sites with both Gamesley and Fairfield. These could potentially be investment opportunities for the Council to build new stock which potentially can be used to improve the long-term sustainability of the Housing Revenue Account (HRA) or allow offset of affordable housing requirements from other sites.

Future development sites will need to be subject to a detailed review. This will allow a holistic approach to site value and deliverability as the sites will be reviewed in the context of surrounding sites and the wider environment which can provide for a full determination of sale value and maximisation of value and opportunities. The establishment of timescales for disposal will also need to be established as part of this exercise.

7.4 New Build Property Type and Tenure

In accordance with the High Peak Local Plan and the Affordable Housing Supplementary Planning guidance, the type of affordable housing to be built will need to complement the characteristics of the site and the proposed development, viability, local factors and overall need locally and across the borough.

The analysis of housing need will be critical to determining the nature of any stock that is developed.

7.5 Evaluation of Feasibility

Should the Council consider new development the following system of evaluation will apply in order to ensure that each proposed scheme receives full financial and non-financial appraisal based on the following factors:

- Demand
- Viability
- Deliverability
- Compliance with planning policy
- Positive financial assessment
- Availability of capital

Any schemes will require Executive approval following consultation with ward councillors and then the Corporate / Community Select Committees. Should a scheme enter a new build programme, further consultation may be undertaken in line with the Council's planning process.

8. Rent Policy

8.1 Income Streams

The Council's HRA has the following rent income streams:

Housing Rent

Social Housing rent income generates approximately £15 million per annum (based on the 2015/16 outturn). This has been reduced by the 1% reduction imposed by the budget in 2015 which applied for each financial year from 2016/17 to 2019/20.

Supported Housing (Sheltered)

Sheltered Housing has previously been subject to the same restrictions as Social Housing rent. However, in response to the Government announcement to reduce rents by 1% per annum over a period of four years, there was intensive lobbying by providers of supported housing – which tend to operate on lower margins. As a result, the Government announced a one-year exemption from the rent reduction for support housing.

The income generated from Sheltered Housing totals approximately £1,000,000 per annum. High Peak B.C. applied the 1% rent reduction to supported housing in line with other properties in 2016/17 due to the late announcement of the exemption announcement. This produced a reduction in rental income amounting to £10,000. However, consideration would be given to not applying the reduction if the exemption continued.

The Council engaged the Chartered Institute of Housing CIH to conduct a review into service charges and provision of sheltered housing in 2016.

Garages

Income from garage rental totalled £170,000 in 2015/16. Garage rents are not regulated by Central Government, the Council increased garage rents by 1% in 2016/17.

There is potentially significant investment required over the medium-term to ensure the garages remain fit-for-purpose, this has been quantified in the stock condition surveys. It was concluded that the investment made to improve the quality of the garages will need to be covered by additional rental receipts.

Shops

Income from the rental of shops (situated within Council Housing estates) totalled £55,000 in 2015/16, with charges linked to individual lease arrangements which are managed by the Council's Assets team.

A number of the shop units are currently long-term empty. A review as to the viability of maintaining the units, against the financial benefit has been considered as part of the estate environment review.

Service Charges

The Welfare Reform and Work Bill defines a service charge as ‘an amount payable by the tenant of particular accommodation as part of, or in addition to, the rent, and which is payable, directly or indirectly, for services, repairs, maintenance, improvements or insurance or the landlord’s costs of management.’

The Council’s housing service charges include; cleaning, caretaking, maintenance of communal areas etc. In line with guidelines, service charges have to be separated from the rent charges and should reflect the cost of providing such services. The method of calculation should be transparent and easily understood.

The Council applies service charges to 312 properties (292 sheltered properties and 20 properties that are within old sheltered blocks).

The current service charge is £7.51 per property. However, the Chartered Institute of Housing (CIH) service charge toolkit was traditionally used to calculate the total cost of providing service charges in sheltered housing. These charges were reviewed as part of the CIH report commissioned by the Council. This showed that the Council is was under-recovering on service charges.

Support costs are not eligible for Housing Benefit, whilst other service charges are eligible for Housing Benefit. Support costs relate to anything associated with maintaining the tenancy, for example financial assistance, support with gaining employment or accessing funding.

Following consideration by the HRA Working Group following the CIH review, the Council increased its service charges with effect from 2017/18 to ensure that they more accurately reflected the true costs of the services provided. The Council recognised that moving from a capped increased service charge to one based on actual cost could cause financial hardship for some tenants. Furthermore, in future years factors such as high inflation could result in cost-based service charge increases being unaffordable for some tenants. It was decided that through its annual budget and rent setting process, the Council may decide to place a maximum limit on the service charge increase in a particularly year, based on an assessment of the affordability of the charge.

Fuel Recharges

Tenants should be recharged for fuel costs based on the cost to the Council. These charges are specific to the block and are required to be reviewed annually. Tenants should be informed of all rent, fuel and service charges via an annual statement.

Housing Repairs – Recharges

The tenancy agreement makes provision for tenants to be recharged for repairs and other works required that are either their responsibility as set out in the tenancy or which arise through damage or neglect – for example lost door keys, removal of items left at the tenancy etc.

The process of recharging for housing repairs has been recently reviewed in order to ensure that all repairs that should be recharged to tenants are done so. The review incorporated the invoicing and recovery processes, to ensure the most efficient process was adopted.

8.2 Previous Rent Policy

Prior to this business plan review the Council did not have an all-encompassing policy document that incorporates all the processes for the setting and collecting of HRA related income. There were several separate documents which outline some processes i.e. rent arrears collection processes, with others not formally documented for example the setting of rents.

The Council HRA rents were based on a national valuation undertaken in 1999, adjusted to reflect local circumstances in different areas. Using this as a base, the Council has then uplifted rents in line with Government established formula – but choosing in some years to not uplift by the maximum allowed to reduce the impact on tenants. The same formula calculation is also applied to Sheltered Housing.

Other HRA income streams – for example garage and shop rents - are not subject to Government established formula. However, guidelines suggest that service charges should reflect the cost of providing the services. These have historically been uplifted linked to inflation.

8.3 Regulation – Setting Rents

In 2002 the Government introduced a rent convergence policy under which, over a ten-year period, rents in social housing were to be brought into alignment with the aim of removing arbitrary differences between rents of similar properties in a locality and neighbouring areas.

A rent formula was established with actual rents moving towards a national formula rent which took account of values of properties and local earnings relative to national earnings. The formula rents were increased each year by RPI + 0.5%.

Subsequent governments continued with this policy, but with a revised target convergence date for local authorities of 2015-16, subject to a maximum annual rent rise of RPI + 0.5% + £2 per week. Local Authorities could choose to increase rents by a lower amount – which High Peak did in some years.

As part of the 2013 spending review, the Government announced that from 2015-16 social rents would rise by CPI +1% annually for ten years. This cut short the policy of converging rents, with some authorities not reaching 'target' levels by 2015-16, but the ten-year settlement provided certainly around income levels. High Peak had not

reached the targeted formula rent at this point in time. Based on average weekly rents, the Council was approximately £3.10 per week below formula weekly rents.

However, the certainty of the 10-year settlement was short lived when the Chancellor announced as part of the Summer Budget in July 2015 that rents in social housing would be reduced by 1% a year for four years from 2016/17. The measures were contained within the Welfare Reform and Work Bill. This contributes to the Government's planned welfare budget savings by simultaneously reducing the cost of Housing Benefit payments. The rent baseline on which to apply the 1% reduction was the rent payable on 8th July 2015.

The financial impact of this on the High Peak HRA Business Plan over the four years was estimated at £2.4 million (compared to the assumption that rents would be increasing by 3% annually over the four year period)

In September 2018 MHCLG issued a consultation paper proposing to direct the Regulator of Social Housing to set a new standard on rent for registered providers, to come into effect from 1st April 2020.

The consultation covers two areas:

- Bringing local authority registered providers within the scope of the Regulator of Social Housing's rent standard; and
- Permitting registered providers to increase rents by up to CPI+1% each year

8.4 The Council's approach to rent and service charge setting

The council has adopted the following principles to guide its rent setting policy:

- Rents to be set at a level that ensures that the Council can meet its landlord obligations to tenants by delivering good quality services, continuing to maintain stock to the adopted high modern standard, and delivering a financially viable Housing Revenue Account over the longer term.
- Any service charges to be set annually and aim to recover the costs incurred in providing the services.
- The council will provide tenants and leaseholders with clear information that explains how rents and service charges are set and, if applicable, what changes have been included.
- Where possible, guidance will be given to those tenants who have difficulty in managing their finances, ensuring income is maximised and debts are kept to a minimum.

Rent increases are agreed by the Council in February each year as an integral part of the budget-setting process.

8.5 Rent Policy

Following the review by the HRA Business Plan Working Group a formal Rent Policy document was agreed. The policy outlines the mechanism for calculating rent, service charges and other HRA income streams.

The new policy provides for the following:

- Applying 'target rent' to new tenancies;
- Reviewing current service charges (including support costs and fuel charges) to assess if they are covering the cost of providing the services;
- Applying service charges consistently; and
- A policy for uplifting shops/garage rent with consideration to the capital investment required over the medium-term and the demand implications.

The draft rent policy was used to consult and involve tenants and leaseholders with regard to the changes proposed alongside an amended tenancy agreement. The Rent Policy became effective from 1st April 2017. A copy of the policy is available on the Council's website and also is included with the tenancy agreement for new tenants.

It was agreed to maintain a 4-year cycle of review for the Rent and Service Charge Setting Policy, subject to any changes being required in the interim period.

9 Capital Financing & Debt Management

9.1 Debt Repayments (Minimum Revenue Provision)

The total HRA debt requirement (known as the 'capital financing requirement') as at 31st March 2017 stood at £57,108,000. This is made up of historical borrowing to support the HRA capital programme and £37,481,000 external borrowing undertaken to fund the 'subsidy buy-out' payment to Central Government as part of the HRA reform.

The previous 30-year Business Plan included an annual commitment to reduce the amount of external borrowing. This is undertaken by making a charge to revenue – known as 'minimum revenue provision' (MRP). Under accounting regulation, there is no specific requirement to charge MRP to repay HRA debt (unlike the General Fund where there is a requirement to do so) so this is a voluntary charge to revenue.

Up to 2011/12 the HRA included a voluntary MRP charge of £1.2 million per year. Assuming no further borrowing, this would fully repay existing debt in 47 years. In 2016/17 the total cost of servicing the HRA debt was £2.2 million which included debt repayment, interest and expenses. By charging MRP, this reduces the capital financial requirement, which then reduces the cost of servicing the debt.

During the HRA review options for reducing the annual MRP charge were explored. It was agreed after consideration of a number of options that there would be a reduction in the annual MRP charge to £1,000,000. This would increase the CFR over the 30-year business plan but would also result in annual revenue saving of approximately £240,000. It was also agreed that in addition to the £1 million annual payment up to 100% of any in year surplus generated could also be assigned to further reduce the debt liability.

9.2 Depreciation

Depreciation is the decline in the value of an asset over time due to wear and tear. Before the introduction of HRA self-financing in 2012, depreciation was not charged to the HRA; the subsidy payment provided as the Major Repairs Allowance (MRA) was used as a proxy for depreciation. In order to allow local authorities time to properly prepare for accounting for the fully "componentised" costs of depreciation (costs broken down to reflect the individual items depreciating: boilers, roofs etc.), the CLG provided a transitional period until March 2017 in which local housing authorities could continue to use the MRA figure as a proxy in the HRA.

On this basis, the current annual depreciation charge to the HRA revenue account is £1.5 million. In line with accounting rules, this charge is then transferred to the Major Repairs Reserve and used to fund capital expenditure.

Therefore, unless annual capital expenditure is below £1.5 million per annum, there is no benefit in amending the current policy as any reduction in depreciation would just result in an increase in the HRA revenue contribution to capital expenditure and therefore have no impact overall.

The end of the 'transitional period' means that all local housing authorities will be properly accounting for depreciation in the HRA. The CLG proposal is that depreciation should be accounted for as a transfer to the Major Repairs Reserve which can be used to fund capital expenditure, or to pay off debt. Therefore there will be no change to the fact that depreciation can be used to fund capital expenditure, however, the changes may increase the annual 'depreciation' charge.

10. HRA Financial Plan

10.1 Introduction

The financial model that underpins the HRA Business Plan includes forecasts for all revenue and capital income and expenditure associated with the HRA over a 30-year period along with debt repayments.

The HRA Financial Plan requires continual updating in the light of changes to national housing policy.

10.2 Key Principles

The following key principles underpin the HRA Financial Plan:

- The plan supports the Council's key housing objectives;
- The replacement of dwelling components maintains the useful life of each dwelling, and ensures that the Council's adopted dwelling standards are adhered to;
- Rents will be set in adherence to central government policy, statute and regulation;
- Borrowing to support the HRA is affordable, sustainable and prudent;
- Sufficient reserves and balances will be maintained to enable the council to maintain its financial standing and to ensure financial sustainability throughout the life of the plan.

10.3 Assumptions

The key financial assumptions are as follows:

Inflation

The key factors used to provide for inflation are as follows:

- Retail Price Index (RPI) – 2.0%
- Consumer Price Index (CPI) – 1%
- General Pay and Price Inflation provided in forecasts:

Year	Factor
2019/20	3.00%
2020/21	2.75%
2021/22	2.50%
2022/23	2.25%
2023/24 onwards	2.00%

Changes in Budget Demand

Known changes in budget demand are provided as forecast values.

Income Forecasts

The rent forecasts have been reduced to provide for the following:

- Voids – 1%
- Bad debts – 1%

Right to Buy Sales

A reduction of 20 dwellings per year has been provided for in the plan

Capital Expenditure

Capital costs are as identified in the stock condition survey. For the purposes of the business plan there has been no attempt to provide for a “smoothed” annual programme of expenditure. This will be undertaken in the Medium Term Financial planning process.

Interest Rates

The interest on borrowing is provided at actual values. There is no new borrowing forecast for the life of the plan.

The interest on investments is provided for as follows:

Year	Factor
2019/20	0.65%
2020/21	1.26%
2021/22	1.85%
2022/23	2.21%
2023/24 onwards	2.48%

10.4 Financial Forecasts

The financial forecasts are summarised in Appendix B.

The financial forecasts over the 30-year period reveal the following position:

- The level of HRA debt is reduced by £30 million to £25.9 million by March 2048 - This reflects the £1 million annual debt repayment committed in the plan. No new borrowing is required to finance capital spending.
- The HRA balance is increased to £53 million by the end of 2047/48.
- There is a surplus of approximately £50 million over the life of the plan - this is available for investment in additional areas of priority.

10.5 Sensitivity Analysis / Financial Risk

There are a number of sensitivities that can be run to test the base HRA Financial Plan model and to assess the impact of variations in, for example:

- Rent and service charge increases;
- Bad debts and voids;
- Inflation;
- RTB sales; and
- Future capital investment.

Sensitivity testing is undertaken as part of the annual budget setting and Medium Term Financial Plan review processes and outcomes are used to inform the 30-year HRA Financial Plan model.

With regard to inflationary assumptions, it must be noted that all management, maintenance and capital expenditure is forecast to increase by specific inflation factors, most notably the BCIS inflationary uplifts are applied on repairs and maintenance budgets and component replacements in the capital programme. Any real increases above these provisions would therefore have to be met by efficiency savings, reductions in planned service enhancements, or by scaling back the capital programme.

Assumptions built into the HRA Financial Plan in respect of RTB have been updated to reflect the sales the council is currently experiencing. An increase in sales above the anticipated levels would have a detrimental impact on the rental income receivable over the life of the 30-year plan.

The move to self-financing has significantly altered the risk profile in HRA Financial Plans. Operational risk registers are developed in line with the Council's risk management framework. These are used to identify and manage key service-based and financial risks associated with the business plan.

10.6 Use of Identified Surplus

The 30-year financial projections detailed above show a significant surplus. This surplus can be used to consider further investment proposals over the life time of this Plan:

The guiding principle is to invest funds to:

- Improve and enhance the quality of existing properties including improving energy efficiency ratings;
- Development of new stock for rent; and
- Respond to the service needs and aspirations of customers.

Any changes to priorities will be subject to consultation with HRA tenants. Investment decisions will be taken in the long-term interest of the service and will be

fundable within 30-year forecasts without detrimentally impacting on priorities for the service.

11. Maintaining Performance and Service Delivery

11.1 Corporate Performance Management Framework

All of the Council's services operate within the corporate performance management framework, which enables the council to determine and monitor the achievement of its priorities as set out in the Corporate Plan.

11.2 Housing & Property Performance Indicators (PIs)

The suite of Performance Indicators (PIs) developed in respect of HRA activities are outlined below:

- Number of gas safety checks overdue
- Stock condition (% & Number of homes meeting Decent Homes Standard)
- Number and % of Right to Buy transactions completed within statutory timescales
- % of active housing register applicants in priority need (classes A and B) who have been registered in excess of 6 months
- Average time from request to repair (DLO)
- % of responsive repairs for which an appointment was made and kept
- % of jobs (DLO) undertaken by appointment for non-priority 1 work
- % of rent lost due to vacant stock
- Average time taken to re-let Council homes
- Collection rates: Rent

These indicators are monitored by the Alliance Management Team on a monthly basis. Quartely reports which detail progress are considered by the Coporate Select Committee and the Executive.

The Council uses Housemark to benchmark its performance against other landlords.

Targeted service reviews are sometimes undertaken, to identify areas for improvement and actions required to implement change. Recent and ongoing reviews can be summarised as follows:

- A review of the sheltered housing service
- The previous tenants' sctuiyny panel reviewed a number of areas of activity
- A fundament review of staffing was undertaken

11.3 Customer Feedback

The Council relies on feedback form residents / customers both when services have been well received and when customers are not happy with the service they have received. The Council has an established feedback system which allows residents / service users to make compliments, comments or complaints

The Council aims to resolve complaints as soon possible and is committed to using the information that is received from complaints to improve services and therefore undertakes regular reviews of this information. The Council guarantees a response

within 10 working days advising of the action taken. If the complaint is to follow the formal complaints process then the following will apply:

Stage 1 - A manager will respond to the complaint within 10 working days.

Stage 2 - If the resident / service user is not satisfied with the stage 1 response the director for the service area will review the matter and contact them within 20 working days with a view to resolving their complaint.

If the resident / service user is still dissatisfied and they've been through all stages of the complaints procedure they can refer your complaint to the relevant Ombudsman.

11.4 Councillor Scrutiny Arrangements

The Council has three Select Committees:

- Corporate Select Committee
- Community Select Committee
- Economy & Growth Select Committee

These select committees scrutinise decisions made by the Executive, review current and emerging policies and challenges the performance of the Council's services.

11.5 Tenants' Scrutiny

It is important that the views of housing tenants continue to be taken in to account in an appropriate and planned way when considering housing matters. Tenant involvement across the housing sector has evolved into a much more focused and subject specific approach using a variety of communication methods that ensure involvement of a more diverse cross section of tenants.

As part of the governance and involvement stream of the HRA Business Plan Review, a specialist in this field was engaged to help the Council to develop a strategy that is fit for the future and ensures that tenants' voices are heard.

It is intended that future tenant involvement initiatives are linked to select committee work programmes and reported to councillors as appropriate. The specialist was provided with a brief that included the following:

- Working with Councillors and Tenants, develop a framework of mechanisms for tenants to have their say on key issues. This should be manageable and affordable within existing resources.
- Many housing providers have developed their involvement to include digital involvement such as e panels, virtual meetings, and e surveys, reducing the cost and resource needed for physical meetings and reaching a more diverse range of tenants, this approach should be included in the framework.
- Physical meetings should be an option, however, they should be focussed on specific issues and carefully planned to manage expectations.
- Identify ways to develop a bank of tenants to be involved in these mechanisms for involvement and suggestions for communicating decisions and changes to all tenants in an affordable way.

- Identify ways to monitor impact and outcomes of involvement.
- Develop a toolkit for both officers and tenants, which will set out in brief terms what involvement will mean and what participants can expect and what will be expected of the council. This will help manage expectations and provide appropriate guidance and information for each exercise.

12. Key Issues and Action Plan

12.1 Issues Identified in the HRA Business Plan

There are a number of key issues and challenges identified throughout the business plan:

Strategic Context (Section 2)

- Assessing the impact of welfare reform – in particular the impact of Universal Credit
- Responding to policy changes made in line with the Housing Green Paper
- Supporting the implementation of the Council's Local Plan

Council's Corporate Plan Priorities & HRA Business Plan Objectives (Section 3)

- Completing the implementation of the HRA Financial Improvement Plan

Housing Need and Council's HRA Stock (Section 4)

- Comparing housing stock with assessed housing need and identifying priorities for development
- Understanding tenant priorities

Tenant Policy & Procedures (Section 5)

- Considering the outcomes of the estate environment reviews
- Assessing the equality and diversity profile of current housing tenants with a view to identifying areas of unsupported need

Asset Management (Section 6)

- Ensuring that priority is given to Decent Homes Standard failures in capital programming
- Identify potential improvements in energy rating standards
- Developing a programme of future stock condition surveys
- Completing external assessment of statutory compliance in order to identify any shortfalls and potential improvements to processes
- Developing improved arrangements for the delivery of the housing repairs service

Development of New Housing Stock (Section 7)

- Identifying priorities for the development of new stock
- Identifying surplus HRA land

HRA Financial Forecasts (Section 10)

- Developing options for allocation of financial surplus

Maintaining Performance and Service Delivery (Section 11)

- Developing new tenants scrutiny arrangements

12.2 Action Plan

An action plan has been developed to respond to the issues identified above. This is detailed at Appendix C.

13 Governance, Monitoring and Review

13.1 Approval of the HRA Business Plan

The HRA Business Plan is approved by the full Council as required by the Council's policy framework within its Constitution. The Executive is the main decision-making body of the council and its decisions must be made within the overall budgetary and policy framework set by the Council. Decisions with regard to the HRA Business Plan will be made in accordance with these constitutional arrangements. Any significant changes to the plan require Executive approval.

13.2 Business Planning, Service Planning and Financial Planning Cycles

The Council has in place an established annual financial and service planning cycle. This sets the process for refreshing corporate priorities, aligning budgets, undertaking corporate and service planning activities and reporting against progress. The monitoring and refreshing of the HRA Business Plan is integrated into this process and the variable element of this document will be updated annually. The review process will commence in September each year, with the final version being approved by Council the following February as part of the budget setting process.

13.3 HRA Business Plan Monitoring

It is important that progress on the Action Plan and achievements against performance targets are monitored throughout the year. The Financial Plan and risks associated with the HRA Business Plan must also be kept under review. Any significant movements in the financial assumptions and budgets associated with the HRA Business Plan will be dealt with through the council's financial management and reporting arrangements.

High level risks and associated mitigation plans identified through the reviews of the HRA Business Plan risk register will be reported to the Audit & Regulatory Committee as part of the risk management framework.

APPENDIX A

Housing Review Scope & Prioritisation

Category	Sub category Function/Process	Priority (1,2,3)	Services	Systems/ Technology	Stream Lead
Co-Regulation Regulatory requirements	Regulatory Standards	3	Housing (Lead) Communities		Helen Core
	Governance Arrangements	3			
	Housing and Planning Act Implications	3			
Strategic Management Housing Strategy	Future Plans	3	Housing (Lead) Regeneration		Michelle Costello
	Housing Need & Supply	3			
	Housing Policy	3			
Risk Management	Operational & Strategic Risk Register	3	OD & Transformation		Mary Walker
	Risk Review	3			
Financial Viability	Rent Levels	2	Finance Procurement (Lead) Housing &	Finance Systems	Claire Hazeldene
	Revenue Income & Expenditure	2			
	Interest Rates	2			
	Bad Debts	2			
	Capital Expenditure	1			
	Service Costs	2			
	Service Level Agreements	3			
Financial Treasury Management &	CIPFA Code of Practice	3	Finance		Claire Hazeldene
	Long term investment	1			
	HRA Borrowing Policy	1			
	Depreciation Charge to HRA	1			
Allocations	Lettings	2	Housing (Lead) Customer Services	Home Options OHMS	Helen Core
	Voids Process	2			
	Void Inspections	2			
	Tenancy Offers	2			
	Sign Ups	2			
	Creating Tenancies	2			
	Ceasing Tenancies	2			
	Nominations	2			

Category	Sub category Function/Process	Priority (1,2,3)	Services	Systems / Technology	Stream Lead
Housing Advice	Homelessness	2	Housing (Lead) Customer Services	Home Options OHMS Microsoft Access	Helen Core
	Home Options Verifications	2			
	Maintaining waiting list	2			
Asset Management	Planned Maintenance	1	Assets (Lead) Finance & Procurement Housing	OHMS Liberty System Keystone	Paul Hare
	Cyclical Maintenance	1			
	Statutory Compliance Including Gas	2			
	Disabled Adaptations	2			
	Decent Homes Standard	2			
	Stock Condition	1			
Responsive Repairs	Raising Jobs	2	Operational Services (Lead) Assets Customer Services	OHMS Mobizmo Cloud Dialogs Opti time Locator plus	Nicola Kemp
	Review repair obligations	2			
	Day To Day Repairs	2			
	Reporting Repairs	2			
	Scheduling Repairs	2			
	Inspections i.e. Damp	2			
	Channel Shift/Frontline function	2			
	IT Systems link	2			
Communications and Governance	Consultation with Tenants, Members, Officers, Stakeholders	3	Communities (Lead) OD & Transformation Housing	Website	Mark Forrester
	Performance Indicators	3			
	Benchmarking	3			
	Communication	3			
	Coregulation & Scrutiny	3			
	Tenant Publications	3			
	Website Information	2			

Category	Sub category Function/Process	Priority (1,2,3)	Services	Systems/ Technology	Stream Lead
Tenancy Management	Neighbourhood Teams & Functions	2	Housing (Lead) Customer Services Communities	OHMS E-Cins	Helen Core
	ASB	2			
	Variations & Successions of Tenancies	2			
	Neighbourhood Offices	2			
	Tenancy Support	2			
	Neighbour Nuisance	2			
	New Tenancy Visits	2			
	Tenancy Health Checks	2			
	Access arrangements i.e./e gas	2			
	Court attendance/papers	2			
	Eviction	2			
	Mutual Exchange	2			
	Tenancy Conversions	2			
Garages and intro tenancies	2				
Tenancy Support	Carelink	2	Housing	Mobizmo Cloud Dialogs OHMS	Sandra Webster
	Older Persons Services	2			
	Cat 2s (sheltered schemes)	2			
	Tenancy Support	2			
Leaseholders & RTBs	Service Charges	3	Asset (Lead) Legal Services	OHMS	Paul Hare
	Legal/Lease enquiries	3			
Income	Recharges	3	Finance & Procurement (Lead) Housing		Claire Hazeldene
	Management fees	3			
	Additional income opportunities	3			
Systems Review	Interfaces	3	OD & Transformation	OHMS Mobizmo Cloud Dialogs Opti time Locator plus	Tanya Cooper
	Software	3			
	Hardware	3			

APPENDIX B

HRA 30 Year Financial Forecasts

Year	Income				Expenditure								Net Operating Surplus	RCCO	Surplus (Deficit) for the Year	Cum. Surplus (Deficit)
	Net rent Income	Other income	Misc. Income	Total Income	Sup & Mgt.	Dep'n.	Maint.	Other Revenue spend	HRA Cost of Rent Rebates	Misc. expenses	Total expenses	Capital Charges				
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
2018.19	14,088	588	30	14,705	(3,104)	(2,099)	(4,404)	(105)	0	(570)	(10,283)	(2,977)	1,445	(1,666)	(221)	11,344
2019.20	14,182	592	30	14,804	(3,166)	(2,099)	(3,861)	(105)	0	(593)	(9,825)	(2,925)	2,054	(1,934)	120	11,196
2020.21	14,191	592	30	14,813	(3,239)	(2,099)	(3,647)	(105)	0	(618)	(9,708)	(2,906)	2,200	(765)	1,435	11,457
2021.22	14,471	592	30	15,093	(3,307)	(2,099)	(3,755)	(105)	0	(638)	(9,904)	(2,910)	2,278	(1,533)	745	13,118
2022.23	14,756	592	30	15,378	(3,365)	(2,099)	(3,855)	(105)	0	(659)	(10,083)	(2,881)	2,414	(2,658)	(243)	14,161
2023.24	14,858	592	30	15,480	(3,432)	(2,099)	(3,932)	(105)	0	(680)	(10,248)	(2,899)	2,333	(753)	1,579	14,265
2024.25	15,448	604	30	16,082	(3,501)	(2,099)	(4,011)	(107)	0	(702)	(10,419)	(2,885)	2,777	(2,391)	386	16,070
2025.26	15,448	616	30	16,094	(3,571)	(2,099)	(4,091)	(110)	0	(725)	(10,595)	(2,847)	2,652	(2,481)	171	16,652
2026.27	15,751	628	30	16,409	(3,642)	(2,099)	(4,173)	(112)	0	(749)	(10,774)	(2,809)	2,826	(2,572)	253	17,023
2027.28	16,060	641	30	16,730	(3,715)	(2,099)	(4,256)	(114)	0	(774)	(10,958)	(2,771)	3,001	(2,555)	446	17,483
2028.29	16,374	653	30	17,057	(3,789)	(2,099)	(4,341)	(116)	0	(800)	(11,145)	(2,733)	3,178	(2,648)	530	18,141
2029.30	16,694	666	30	17,390	(3,865)	(2,099)	(4,428)	(119)	0	(827)	(11,337)	(2,695)	3,357	(2,799)	558	18,892
2030.31	17,347	679	30	18,056	(3,943)	(2,099)	(4,516)	(121)	0	(161)	(10,840)	(2,657)	4,559	(2,897)	1,662	19,680
2031.32	17,351	693	30	18,074	(4,021)	(2,099)	(4,607)	(123)	0	(161)	(11,011)	(2,619)	4,444	(2,997)	1,446	21,588
2032.33	17,689	707	30	18,425	(4,102)	(2,099)	(4,699)	(126)	0	(161)	(11,186)	(2,581)	4,658	(3,099)	1,559	23,302
2033.34	18,032	721	30	18,783	(4,184)	(2,099)	(4,793)	(128)	0	(161)	(11,365)	(2,543)	4,875	(3,203)	1,672	25,150
2034.35	18,382	735	30	19,146	(4,267)	(2,099)	(4,889)	(131)	0	(161)	(11,547)	(2,505)	5,095	(4,105)	989	27,133
2035.36	19,098	750	30	19,877	(4,353)	(2,099)	(4,987)	(133)	0	(161)	(11,733)	(2,467)	5,678	(4,229)	1,448	28,454
2036.37	19,100	764	30	19,894	(4,440)	(2,099)	(5,086)	(136)	0	(161)	(11,922)	(2,429)	5,543	(4,356)	1,187	30,253
2037.38	19,468	780	30	20,278	(4,529)	(2,099)	(5,188)	(139)	0	(161)	(12,115)	(2,391)	5,771	(4,485)	1,286	31,811
2038.39	19,843	795	30	20,668	(4,619)	(2,099)	(5,292)	(142)	0	(161)	(12,312)	(2,353)	6,003	(4,617)	1,386	33,488
2039.40	20,225	811	30	21,066	(4,712)	(2,099)	(5,398)	(144)	0	(161)	(12,513)	(2,315)	6,237	(4,497)	1,740	35,286
2040.41	20,613	827	30	21,470	(4,806)	(2,099)	(5,506)	(147)	0	(161)	(12,718)	(2,277)	6,474	(4,629)	1,845	37,460
2041.42	21,412	843	30	22,286	(4,902)	(2,099)	(5,616)	(150)	0	(161)	(12,928)	(2,239)	7,119	(4,764)	2,355	39,767
2042.43	21,410	860	30	22,300	(5,000)	(2,099)	(5,728)	(153)	0	(161)	(13,141)	(2,201)	6,958	(4,901)	2,057	42,615
2043.44	21,819	877	30	22,726	(5,100)	(2,099)	(5,843)	(156)	0	(161)	(13,359)	(2,163)	7,204	(5,041)	2,164	45,197
2044.45	22,235	895	30	23,160	(5,202)	(2,099)	(5,959)	(160)	0	(161)	(13,581)	(2,125)	7,454	(7,002)	452	47,917
2045.46	22,658	912	30	23,601	(5,306)	(2,099)	(6,079)	(163)	0	(161)	(13,807)	(2,087)	7,706	(7,184)	522	48,947
2046.47	23,089	931	30	24,049	(5,412)	(2,099)	(6,200)	(166)	0	(161)	(14,038)	(2,049)	7,962	(7,370)	592	50,061
2047.48	23,979	949	30	24,958	(5,520)	(2,099)	(6,324)	(169)	0	(161)	(14,274)	(1,996)	8,689	(7,559)	1,129	51,259

HRA Debt

Year	Borrowing Opening Balance	Principal Repayments	Additional Required Borrowing	Borrowing Closing Balance	Housing Capital Financing Requirement
	£	£	£	£	£
2018.19	55,858,933	1,000,000	-	54,858,933	54,858,933
2019.20	54,858,933	1,000,000	-	53,858,933	53,858,933
2020.21	53,858,933	1,000,000	-	52,858,933	52,858,933
2021.22	52,858,933	1,000,000	-	51,858,933	51,858,933
2022.23	51,858,933	1,000,000	-	50,858,933	50,858,933
2023.24	50,858,933	1,000,000	-	49,858,933	49,858,933
2024.25	49,858,933	1,000,000	-	48,858,933	48,858,933
2025.26	48,858,933	1,000,000	-	47,858,933	47,858,933
2026.27	47,858,933	1,000,000	-	46,858,933	46,858,933
2027.28	46,858,933	1,000,000	-	45,858,933	45,858,933
2028.29	45,858,933	1,000,000	-	44,858,933	44,858,933
2029.30	44,858,933	1,000,000	-	43,858,933	43,858,933
2030.31	43,858,933	1,000,000	-	42,858,933	42,858,933
2031.32	42,858,933	1,000,000	-	41,858,933	41,858,933
2032.33	41,858,933	1,000,000	-	40,858,933	40,858,933
2033.34	40,858,933	1,000,000	-	39,858,933	39,858,933
2034.35	39,858,933	1,000,000	-	38,858,933	38,858,933
2035.36	38,858,933	1,000,000	-	37,858,933	37,858,933
2036.37	37,858,933	1,000,000	-	36,858,933	36,858,933
2037.38	36,858,933	1,000,000	-	35,858,933	35,858,933
2038.39	35,858,933	1,000,000	-	34,858,933	34,858,933
2039.40	34,858,933	1,000,000	-	33,858,933	33,858,933
2040.41	33,858,933	1,000,000	-	32,858,933	32,858,933
2041.42	32,858,933	1,000,000	-	31,858,933	31,858,933
2042.43	31,858,933	1,000,000	-	30,858,933	30,858,933
2043.44	30,858,933	1,000,000	-	29,858,933	29,858,933
2044.45	29,858,933	1,000,000	-	28,858,933	28,858,933
2045.46	28,858,933	1,000,000	-	27,858,933	27,858,933
2046.47	27,858,933	1,000,000	-	26,858,933	26,858,933
2047.48	26,858,933	984,733	-	25,874,200	25,874,200

APPENDIX C

HRA Business Plan – Action Plan

Section	Issue	Action	Ownership	Completion Date
Strategic Context (Section 2)	Assessing the impact of welfare reform – in particular the impact of Universal Credit	Develop plan to ensure an effective response to Universal Credit implementation	Head of Customer Services	March 2020
	Responding to policy changes made in line with the Housing Green Paper	Assess potential changes and implications	Head of Customer Services	September 2019
	Supporting the implementation of the Council's Local Plan	Ensure that Local Plan priorities are taken into account in new stock development	Asset Manager	September 2020
Corporate Plan & HRA Business Plan Objectives (Section 3)	Completing the implementation of the HRA Financial Improvement Plan	Ensure Financial Improvement Plan targets are met	Finance & Procurement Manager	March 2021
Housing Need & the Council's Housing Stock (Section 4)	Comparing housing stock with assessed housing need and identifying priorities for development	Identify housing needs shortfalls	Head of Customer Services	December 2019
	Understanding tenant priorities	Consult with tenants to establish priorities	Operational Manager (Housing & Benefits)	September 2019
Tenancy Policy & Procedures (Section 5)	Considering the outcomes of the estate environment reviews	Report outcomes of reviews and develop response	Asset Manager	December 2019
	Assessing the equality and diversity profile of current housing tenants with a view to identifying areas of unsupported need	Establish profile of current housing tenants and identify unsupported need	Community & Democratic Services Manager	March 2020
Asset Management (Section 6)	Ensuring that priority is given to Decent Homes Standard failures in capital programming	Identify DHS failures and amend capital programming	Assets Manager	September 2019
	Identify potential improvements in energy rating standards	Develop programme of potential improvements	Asset Manager	March 2020
	Developing a programme of future stock condition surveys	Agree approach to future stock condition assessment	Asset Manager	September 2019
	Completing external assessment of statutory compliance in order to identify any shortfalls and potential improvements to processes	Complete and report assessment	Asset Manager	June 2019
	Developing improved arrangements for the delivery of the housing repairs service	Complete options appraisal and make recommendations	Executive Director (Transformation)	September 2019

Section	Issue	Action	Ownership	Completion Date
Development of New Stock (Section 7)	Identifying priorities for the development of new stock	Establish options for the development of new stock	Executive Director (Transformation)	September 2020
	Identifying surplus HRA land	Complete review of HRA surplus land and develop disposal programme	Assets Manager	September 2020
HRA Financial Forecasts (Section 10)	Developing options for allocation of financial surplus	Agree focus for surplus	Executive Director (Transformation)	September 2019
Maintaining Performance & Service Delivery (Section 11)	Developing new tenants scrutiny arrangements	Establish new scrutiny arrangements	Operational Manager (Housing & Benefits)	September 2019