



South
Cambridgeshire
District Council

Affordable Homes Service Plan & HRA Business Plan 20010/11 – 2012/13



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SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL
AFFORDABLE HOMES SERVICE PLAN & HRA BUSINESS PLAN FOR
2010/11 TO 20112/13

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APPENDICES

- A Risk register
- B Service Improvement Plan
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1. INTRODUCTION

This Service Plan covers the period 2010/11 to 2012/13. The Plan will however be refreshed on an annual basis as Service Plans always need to accommodate change. This year's Service Plan is the first following the Housing Futures ballot result in June 2009 when the tenants voted against the proposed transfer to South Cambridgeshire Village Homes.

A stock retention project plan was drawn up in June 2009 and a number of workstreams have been running throughout 2009/10. Those workstreams that need to continue into 2010/11 have now been identified within the Service Plan.

With the agreement of the Portfolio Holder for Housing, the HRA Business Plan for 2010/11 - 2012/13 will now form part of the overall Housing Service Plan rather than being a separate document.

Purpose of Service Plan

This service plan operates within the context of the Council's overall planning process. Each year the Council carries out an annual business planning cycle, starting with setting high level objectives in June/July; then continuing with service planning and budget planning in the Autumn; and ending with the final approval of budgets and service plans in February/March. The Corporate Plan is revised and rolled forward at the end of that process and reflects all the preparation that has led up to it

This service plan covers both the Strategic Housing functions of the council and also its landlord role. This year it needs in particular to reflect the follow on actions from the Housing Futures project, the new demands arising from the Tenants Services Authority and the preparations for potential inspection in the autumn.

The Housing Futures project identified that the option to retain council homes under the ownership of South Cambridgeshire District Council would require current service levels to be reviewed and cuts to be made. Following the rejection of the transfer proposal in the tenant ballot a "Retention Plan" was developed with the following objectives which have shaped the actions in this Service Plan-

- To bring expenditure in line with available income and ensure that the HRA can remain balanced for the foreseeable future with a prudent level of working balance.
- To redesign the housing service to achieve maximum efficiency and value for money
- To identify new ways of working that will seek to meet the aims and objectives of the Council, the regulatory requirements of the TSA (from April 2010-details below) and the aspirations of the tenants whilst acknowledging the limited funds available

- To identify the potential impact on the General Fund and ensure that both the HRA and GF budgets are sustainable

The Tenant Services Authority (TSA) will take over responsibility for the regulation of council housing services from April 2010. The TSA are currently the regulatory body for housing associations having taken over from the Housing Corporation in that role in 2009. New service standards are still being devised by the TSA and it is anticipated that they will provide a more direct and challenging regulation function to that which the council housing sector currently experiences from the CLG. This will place fresh demands upon the Council to ensure that service standards are maintained. The TSA has the power to order an Audit Commission inspection at short notice. This regime is in addition to scrutiny under the Comprehensive Area Assessment (CAA) process.

An Audit Commission inspection of the housing service was postponed during the Housing Futures project and is now likely to take place during 2010. A new Journey to Excellence project will be launched to provide a focus for inspection preparations as well as a post transfer focus for the housing service that will take us beyond inspection.

Purpose of HRA Business Plan

The Government guidance on HRA Business Plans suggests that they contribute towards,

“Identifying and analysing the available options and strategies, including consideration of the fit of housing options with wider corporate strategies”
(ODPM Guidance)

The HRA Business Plan identifies how all available resources (capital, revenue, staffing and partnership contributions) will be used to deliver the Sustainable Community Objectives and support delivery of the Local Area Agreement. The overall aim is to provide well managed and well maintained affordable rented and leasehold homes in a way which:

- is sustainable and deliverable within resource constraints
- takes full account of the views and aspirations of current residents
- provides a customer focused service providing good value for money
- safeguards the housing stock for future occupiers
- takes full account of wider local and national policy imperatives, including energy efficiency and environmental awareness, community cohesion, resident participation in housing management and action to reduce crime and tackle anti-social behaviour.

2. SERVICE PLAN OVERVIEW

2.1 Key Functions and Responsibilities

The Housing Service has three primary functions:

- A landlord service providing housing management and property maintenance services to tenants
- An enabling service working in partnership with other local authorities and housing associations to ensure the development of new affordable homes within the District and in partnership on strategic sites in and close to Cambridge City.
- Housing advice and options service seeking to prevent homelessness and to provide accommodation for those in housing need (including those who are already homeless), through a new choice based lettings scheme and other housing options. The provision of this service delivers several statutory requirements for the local authority.

These broad functions can be further divided into a series of more specialist functions. The landlord service, for example, includes the sheltered housing service, with sheltered housing representing around one third of the 5,800 homes owned by South Cambridgeshire District Council. Within the landlord's service there is also a property services team that includes a Direct Labour Organisation (DLO).

The structure of the Housing service therefore reflects these primary functions and consists of four main service areas:

Housing Service Structure

Service area	Specialist teams
Housing services	Housing management, sheltered housing, leaseholder services, property sales, Carecall, Gypsy & Traveller management, floating support team
Property services	Property surveyors, capital improvements programme, responsive and void maintenance management, DLO
Housing advice & options	Housing advice, homelessness team, Choice Based Lettings
Housing Strategy & Enabling	Enabling function, housing strategy, development

2.2 Context

Strategic Context

The **Sustainable Community Strategy 2007-10** includes commitments that can most successfully be delivered by ensuring that the role that the councils housing stock currently plays can be safeguarded into the future. The key commitments are-

1. Active, healthy inclusive communities-this inclusivity will only be maintained if the housing stock can continue to accommodate people with diverse needs such as the frail elderly or people with disabilities. This means adequate staffing resources as well as funding for adaptations or remodelling where required. Monitoring of BME applications shows that minority households are able to access local affordable housing.
2. Safe and clean villages-the local housing management function is an important element in combating anti social behaviour and environmental and property improvements can help to combat crime.
3. Building successful new communities-the primary housing role here will be the provision of new affordable housing through housing associations and allocating those properties to a range of local households in housing need. The contribution from the existing stock will be to maintain the quality of life, and re-housing options, in existing communities so that local people have genuine choice about which communities they wish to live in.
4. A sustainable environment-the future capital works programme for the existing stock will be critical in minimising energy use and maintaining homes using sustainable methods and materials. New affordable housing will incorporate high levels of sustainability in design and construction methods

The **Cambridgeshire Local Area Agreement 2006-9 (LAA)** identifies the pressures of growth as one of its central themes but the benefits of increasing the supply of affordable housing in the new strategic growth sites will be lost if the long term sustainability of existing affordable housing cannot be safely secured. The existing stock is essential to addressing the most important issue emerging from the *2006 Cambridgeshire Quality of Life Survey* which identified "affordability of housing" as the feature of local life that respondents in South Cambridgeshire were least satisfied about.

The conclusions from the Cambridge Sub Region **Strategic Housing Market Assessment** demonstrate clearly that South Cambridgeshire has an affordability problem that not only affects many current households but will be a problem for emerging households, despite the increased building rate expected because of Growth Area status.

The analysis of supply and demand of affordable housing carried out for Housing Futures shows very clearly that all of the existing stock of council homes in South Cambridgeshire are in sustainable locations and experience high levels of applicant demand. They are therefore an important resource for the future and need to be maintained as good quality affordable homes for local households.

A contribution to improving tenant mobility is facilitated by a proportion of homes being made available to applicants across the sub region through the **Choice Based Lettings**

scheme introduced in February 2008. This enables cross border moves for transfers and applicants between all the participating councils and housing associations in the Cambridge sub region.

The **Housing Strategy 2007-10** contains a number of commitments that dovetail with the need to maintain a viable future for the council's stock of affordable homes and associated services. As part of that process, issues of poor standards or obsolescence are being addressed alongside improved housing management and support services for vulnerable occupiers. The strategy should be read alongside the HRA Business Plan for full details but particular points to note are commitments to:

- the redevelopment of older sheltered homes to provide a modern extra care facility at Linton
- the comprehensive redevelopment of the Windmill estate
- more move-on accommodation into permanent tenancies for occupiers of supported housing.
- an appraisal of council owned land to identify development options for the future
- identify redevelopment options for the remaining older sheltered housing schemes
- introducing Tenants pages on the councils housing web site

Annual monitoring of the Strategy shows that key objectives of the Strategy are being delivered.

Other more technical detailed issues are covered elsewhere in the HRA Business Plan. The commitments which provide improved services for vulnerable people are in line with the county wide Supporting People programme of reviews and improvements and are carried out in partnership with colleagues in other agencies and organisations e.g. housing associations, the PCT, the County Council, other district councils etc.

A range of other strategies which link to the HRA Business Plan and the Housing Strategy contain the details which shape these allied services. These include the Supporting People Strategy, the Homelessness Strategy, the Local Plan/Local Development Framework, the East of England Plan (the Regional Spatial Strategy) and the Rural Strategy for Cambridgeshire 2006-10.

Key issues include:

- the adoption of the Local Development Framework chapters on the Core Strategy and Development Control Policies to replace the Local Plan. The new requirement is for at least 40% of new developments to consist of affordable housing. An Affordable housing SPD is currently being subject to public consultation prior to adoption.

- to encourage sustainability new development will be focused on building on the fringes of Cambridge City and in the new town of Northstowe with only limited developments in larger, sustainable villages.
- the adoption of inter authority joint planning arrangements to progress the large strategic sites such as Northstowe and the Cambridge “fringe” sites which together make a significant contribution to providing 20,000 new homes in the district up to 2016 as part of the government’s Growth Plans.
- better information on local needs including a sub regional study of Gypsy and Travellers Needs, improved monitoring of BME households access to services, and identification of priority groups for Supporting People funding.
- the complete redevelopment of older, obsolete council housing such as the system built Airey properties. These will be replaced with modern housing association homes for existing tenants and households on the Housing Register. The Windmill estate in Fulbourn is being redeveloped to provide around 270 new homes for the existing residents as well as new tenants and buyers of shared ownership homes.

One important specific commitment in the Housing Strategy concerns the future of the Council’s housing stock. The Council is still on target to meet the Decent Homes Standard by 2010.

Following a full stock condition survey in 2006 and a re-appraisal of the likely future capital and revenue resources available, the Council will be able to maintain the Decent Homes Standard in the short term but only at the expense of the wider improvement needs of the homes. The capital shortfall identified is around £7M per year. The Council will find it increasingly difficult to maintain the DHS in the future and new requirements to bring older homes up to Code 4 sustainable homes levels will result in a further shortfall in resources available of at least £1M per year.

In partnership with the other authorities in the sub region a **Strategic Housing Market Assessment** (SHMA) was completed in Spring 2008. Key findings from that study include:

- house prices in South Cambridgeshire are amongst the highest in the sub region just behind Cambridge City. This creates affordability problems for a wide range of households, especially those buying at the lower end of the market such as first time buyers. Even lower quartile homes cost over £195K (Feb 2008) in South Cambridgeshire creating problems for many households with above average wages, including key workers.
- private sector rents are also expensive, taking up a third of an average household income. The average rent in South Cambridgeshire is over £820 pcm (2008)
- there is a growing shortage of affordable housing compared to previous studies. At present aroundt 300 new affordable homes are produced in

South Cambridgeshire each year but there is a need for over 600 per year just to stop the backlog growing as identified in the first phase of the SHMA. This gap has risen to over 800 pa by 2009 . It would need over 1800 new affordable homes per year to deal with the backlog and to meet the needs of newly emerging households for the future(2008 results).

- house price inflation in South Cambridgeshire is much higher than the rest of the County and higher than income growth meaning affordability problems are likely to increase. In 2005 house price inflation in South Cambridgeshire was nearly 10% in contrast to 1.5% across the whole County.
- the nature of the housing stock also causes problems for lower income buyers since over 40% of homes are detached houses with relatively few terraces or flats.
- This has meant that the number of households seeking assistance with affordable accommodation has risen from a low point of 1500 in 2001 to over 3,800 in 2009.

The sections of the SHMA are updated as new data becomes available. A review of the level of need for affordable housing shows that the number of households in need of affordable homes has increased between the initial findings in 2008 and the 2009 results. The majority of these households need 2 and 3 bedroom accommodation but there is also a need for more extra care sheltered homes for frail elderly residents. More detailed information about local village needs is obtained from village surveys carried out in partnership with Parish Councils or housing associations, and from the Housing Register.

PESTE Analysis

a) External Drivers

There are a number of potential external influences on housing service provision. The following is a brief PESTE analysis of those issues likely to affect housing in the next three years.

Political

Growth agenda – The potential development of significant numbers of new homes within South Cambridgeshire including the development of a new town within the District and significant development on the fringes of Cambridge City albeit delayed as a result of global economic slowdown.

New joint planning arrangements – the new arrangements are in place for an inter district planning lead for the growth agenda

Community empowerment – moves to make service delivery more accountable on an area basis rather than by service specific measure including the new Comprehensive Area Assessment regulatory process from the Audit Commission, alongside the new “short-notice” targeted inspections commissioned by the TSA

Partnership working – initiatives designed to help public sector organisations use their resources collaboratively to make efficiency savings whilst at the same time delivering improved services for communities.

HRA Subsidy Review-although the review findings have not yet been enacted the government are consulting on their proposals following the review outcomes. These are likely to include only marginal improvements in maintenance and management expenditure which means that the majority of South Cambridgeshire's rental income will still not be available for spending on local services but will be used to service debts resulting from expenditure elsewhere in the country. The position on capital receipts pooling may be reversed thus easing the problems of buying back sold equity share properties for the elderly but not compensating for the recent substantial reductions in capital expenditure. A draft settlement is scheduled for early March 2010.

Economic/Social

The continuing negative subsidy arrangement imposed on the Housing Revenue Account will put even greater pressure on the housing management and maintenance spends over the lifetime of this service plan, The national pooling of capital receipts together with reducing numbers of Right to Buy sales has already cut-back capital resources. Changes resulting from the HRA Subsidy review may require primary legislation and are unlikely to happen before 2012/13

Migrants – eastern European migrant workers in particular and earlier phases of migrants becoming eligible to apply for public services. Research is still being undertaken by organisations outside of the Council to try and quantify the potential impacts of migration and settlement patterns. Early findings (JSNA Migrant Workers 2009) have indicated that the vast majority of migrant workers are house in the low cost end of the private rented sector and with the effects of recession many are returning to mainland Europe

Uncertain economic conditions following the 'credit crunch' and volatile banking sector during 2008 and the overall economic downturn have resulted in a slowdown of private sector development – as a result of international changes in finance and the national slowdown in the housing market.

Olympic effect – could affect labour and material supplies and have an inflationary impact on the construction industry

Mortgage repossessions – potential issues emerging from falling house prices and high levels of existing debt plus a more cautionary lending policy from major institutions excluding some potential marginal purchasers. Low numbers in South Cambridgeshire to date.

Potential impacts on workload as a result of administration of the Mortgage Rescue package should the recent relaxation of rules increase demand

Private rented sector restructuring following international finance changes – impact on housing market overall and response of Buy to Let market in particular which may contract due to the shortage of mortgage funds for investors and an

exit route provided by a possible revival of the first time buyer market. Overall size of PRS has grown.

Possible increase in number of lets being made available by housing associations as 'intermediate lets' or hybrid tenures-(eg "try before you buy").

Rising unemployment

The welfare of children, young people and vulnerable adults.

The Housing Service is committed to safeguarding and promoting the welfare of children, young people and vulnerable adults. The Housing Service area will ensure:

- Safer recruitment and employment practices are followed
- Relevant officers are aware of safeguarding reporting policies
- Appropriate safeguarding training is given to officers

Public Funding for New Affordable Housing-the resources available for new homes are likely to be cut back in the Comprehensive Spending Review period starting 2011 in line with public spending generally.

Technical

New TSA regulatory framework from 1 April 2010 and likely inspection during 2010.

Changes to disabled and vulnerable people funding – individual budgets could shift demand for services or make budgeting problematic.

Housing Benefit changes - Local housing allowance/Broad Rental Market Areas may lead to increased demand on mediation services and has the potential for increased levels of homelessness.

Local Supporting People (SP) issues – the restructuring of SP funds within Cambridgeshire could lead to the tendering of the sheltered housing service within two to three years. The floating support service is being tendered in 2009 and Home Improvement Agency could also be tendered in the near future following the outcome of the HIA review in 2010..

Shared equity issues – the current treatment of capital receipts places a financial burden upon the Council which is unlikely to be resolved until 2012/13 at the earliest.

Ending of ring fencing for shared budgets in the LAA, including Supported People funding in the medium term

Energy Performance Certificates introduced – workload impacts. Two staff trained during 2009 to carry out this work in house.

New 'safeguarding' legislation may impact workload and may have budgetary impact

Impact of Mobile Homes Act on Gypsies and Travellers

Fire risk assessments.

New energy efficiency requirements (Code 4 standard) for older homes.

Environmental

Geography of district – the essentially dispersed and rural nature of the district with no central market town as a natural focus has a significant bearing on service delivery e.g. providing a focus for tenant participation activity, co-location of services etc

Climate change issues may lead to increased costs or delivery problems-eg off site construction methods may not suit small village development needs.

b) Key Partners

The housing service is delivered in partnership with a range of other organisations. The major partnerships are listed below.

The impact of these partnerships is maximised by a combination of activities including the hosting of events and meetings, regular attendance at liaison meetings, attendance at sub regional bodies, some service level agreements, the provision of information to partners and engagement in forums as well as direct funding of partners via cash (commuted sums) or other resources (eg free land). Joint procurement is adopted where this provides better value for money.

- Other local authorities
- Supporting People
- Various housing associations
- DAAT & CDIP
- MAPPA
- Homes & Community Agency
- Tenant Services Authority
- EERA
- County Council
- GO East
- PCT
- Probation & Youth Offending Team
- DIS Learning Partnership
- Connexions
- Office of Children & Young People Services
- Parish councils
- Cambridgeshire Horizons
- Various contractors
- Tenant Participation Group
- Various developers
- CAB & voluntary organisations
- Cambridge sub-Regional Housing Board
- Local Safeguarding Children's Board

This list is not exhaustive as there are at least 50 groups, working parties and liaison fora where housing services work with external partners. The Council has adopted a more vigorous risk management process for all partnership working from 2008 onwards. This has identified Supporting People as one of the Councils key partnerships.

c) Strengths & weaknesses

There are a number of factors affecting the ability of the Housing Service to deliver its service obligations. These are shown below as strengths and weaknesses.

Strengths

- There is a strong commitment to team working across the service and a focus on working with other services areas within housing and within the Council.
- There is a depth of experience and technical knowledge although this is threatened by the loss of staff as a result of the restructuring.
- The staff are committed to providing the best service they can
- The close proximity of most staff is an asset and the dispersed workforce is also managed well.
- Effective use of partnership working in some parts of the service
- The implementation of the new CBL procedure and the closely connected new voids procedure has produced a significant improvement performance from 41 days to 15 days.

Weaknesses

- The most significant factor is the reducing amount of finance available to run the service in the next three years and beyond.
- There is an increasing reliance upon IT but the support services are limited and not effectively coordinated with the housing service as identified during 2008 by Sovereign consultants.
- There is a lack of consistency around service standards and some service standards are missing. The introduction of ADAPT and Housemark will allow projects in the Service Plan to address this and prepare for the TSA standards
- Lack of embedded value for money ethos across all services
- Need to improve data management
- Need to improve relationship between costs of service and service charges and improve service charge collection
- Need to improve performance management
- Need to develop customer profiling

d) Opportunities and Threats

The PESTE analysis indicates the range of external factors that impact upon the environment in which the housing service is delivered. The following is a list of the specific opportunities and threats for the Housing Service over the next three years.

Opportunities

- Whilst there is a depth of knowledge and experience there are few mentoring schemes in place, no consistency in skill sharing and poor succession planning
- There is work still to be done to ensure that the structures to deliver services are the most effective ones for the future e.g. rents currently lies within Finance and not Housing (although the overall performance of this team has been good) Although the current staffing reviews arise from a lack of resources, they do present an opportunity to redesign service delivery.
- Opportunities include sub regional working, and partnership working with Cambridge City, continues to afford opportunities to share service delivery. Making Cambridgeshire Count may have a significant impact.
- An improved focus on resident engagement and tenant participation recognising the emphasis placed upon this aspect by the TSA
- The opportunity to increase efficiency arising from the implementation of a new web based system (ADAPT) for all polices and procedures, the use of Housemark and new technology e.g. PDAs
- The Supporting People commissioning strategy could offer new opportunities such as the development of floating support services as part of a consortium with RSLs
- The development opportunities offered by the strategic sites - though slowing down at present will be significant in the longer term.
- Potential Housing Inspection could be used as a further encouragement to improve the service.
- Approach to diversity not fully developed but improved as part of the corporate project during 2009
- Corporate Customer Care Excellence project

Threats

In determining these lists it is often the case that the opportunities identified could also be regarded as threats and vice versa. The key threats recognised by the Housing Service include:

- Lack of resources – there will be a significant budget cut over the next five years and an increasing lack of funds thereafter. This effects both the HRA and General Fund parts of the service.

- Some specialist staff are in high demand from other authorities and organisations who may be able to offer better terms eg planning staff, development and enabling staff, project managers etc
- The Government has yet to amend the financial regulations to prevent the equity share receipts being treated in the same way as RTB sales and it the CLG has recently stated that this change will not be introduced whilst they are considering the proposed reforms for the HRA.
- Supporting People tendering – the proposed changes could have a significant effect on the resources allocated to meet the cost of running our sheltered housing schemes and the future of the staff involved, A further complication arises from the possible introduction of Individual Budgets at the same time.
- Limited tenant involvement – the Housing Service is unlikely to have the funds required to promote tenant involvement if early efforts are met with a lack of engagement. Since transfer will not now happen, the problem will be encouraging a wider group of tenants to become involved in the context of significant reductions in their services.
- Reluctance to change (staff) – the service will be undergoing a significant period of change in the next here years and there may be some staff that will find change difficult to accept.
- Gypsies and Travellers –there are high numbers of Gypsies and Travellers in South Cambridgeshire and there is always the risk of significant social disturbance particularly if site provision is not able to match demand. The problems experienced at Smithy Fen in recent years are an example of this.
- Global economic uncertainty and the threat of national recession
- The fall in house prices makes it more difficult to negotiate contributions to affordable housing provision in conjunction with planning applications. Once the housing market revives the loss of production in the intervening years is likely to lead to renewed house price inflation due to shortages.
- The new arrangements for the LAA and the LSP whilst not focused specially on housing issues could provide some useful support for related activities such as tackling ASB. However, this could allow housing resources to be diverted to non housing issues
- Staff morale & retention in the face of cutbacks and the lost opportunities that transfer would have created
- Customer dissatisfaction resulting from changes to service following the implementation of the ‘retention’ changes.
- The DLO potentially losing the responsive repairs contract leading to the loss of the in house team.

2.3 Service Objectives

The Housing Service Plan is guided by the Council's corporate objectives. The Council has adopted the following vision for 20010/11:

"To make South Cambridgeshire a safe and healthy place where residents are proud to live and where there will be opportunities for employment, enterprise and world-leading innovation. We will be a listening Council, providing a voice for rural life and first-class services accessible to all."

This is supported by five guiding Aims with 25 Approaches and 33 specific actions. Whilst some of the actions have a connection with housing such as anti social behaviour, there are none where Housing is the lead service. Consequently there are no actions to list under the Action Plan template for this part of the service plan.

The five guiding aims are as follows:

- We are committed to being a listening council providing first class services accessible to all
- We are committed to ensuring that South Cambridgeshire continues to be a safe and healthy place for you and your family
- We are committed to making South Cambridgeshire a place in which residents can feel proud to live
- We are committed to assisting provision for local jobs for you and your family
- We are committed to providing a voice for rural life

In relation to these corporate aims:

- The Housing Service will seek to ensure the high standard and condition of the housing stock through efficient repairs and maintenance service, however the growing lack of funds is likely to make this target more difficult to achieve over the next five years.
- The Housing Service continues to work with contractors who offer value for money services, by managing costs to maintain low prices while continuing to strive for a better quality of service. Partnerships have been established with contractors to maximise the use of grant opportunities for sustainable and energy efficient improvements to the Council's housing stock. The Council's procurement strategy encourages an increase in the use of sustainable materials.
- As a Council we have a good record of enabling the construction of around 300 affordable homes each year. This has become more difficult because of national changes to funding arrangements and the slowdown in the housing market, but at the same time the settlements at Northstowe and around Cambridge will provide opportunities to increase the supply of affordable housing of various tenures. The new long term arrangements with the /Homes and Communities Agency (Cambridge Challenge) will help to deliver the affordable homes needed in these strategic sites.

The overall service objective for Housing is as follows:

To provide access to decent affordable housing

This is to be achieved by providing an excellent housing service to meet the needs and reflect the aspirations of South Cambridgeshire residents, working in partnership with tenants and other organisations at a local and national level to enhance quality of life and make South Cambridgeshire a place where everyone is proud to live and work.

This is to be sought in a way that provides for a sustainable service.

The service objectives for each of the main service areas are as follows:

Service area	Objective	Code
Housing services	Improve housing services and tenant involvement and promote sustainable communities	SO1
Property services	Providing decent housing through the delivery of effective maintenance & improvements	SO2
Housing advice & options	To provide housing advice to enable people to understand their housing options to sustain & improve their current home or access alternative good quality & suitable housing.	SO3
Housing Strategy & Enabling	To ensure that sufficient new schemes are identified for future development, approved schemes are delivered to meet identified needs and to ensure that new or emerging needs are properly identified for future provision.	SO4

The relationship between the service specific objectives and the Corporate priorities are demonstrated in the 'golden threads' that run through the Service Improvement Plan.

During 2008 Savills were commissioned to carry out a 'health check' of the housing service and in particular to identify areas where there was scope for further efficiencies. The report identified 68 different measures and these are summarised by theme in the table below:

Key efficiency themes

Theme	Notes	Count
Customer profiling	TP role Customer care excellence	16
Customer care	Customer care officer Customer care excellence	20
Benchmarking	Policy & performance manager Housemark etc VFM	10
Leaseholders	SMART action plan	1
DLO/repairs	Dependent upon procurement route	3
IT	Procurement project	2
Income maximisation	Policy & performance manager SMART key projects	3
Asset management	New asset management manager/team New software New policy	3
Gas safety	Project	1
Lettable standard	Customer profiling etc	1
Lettings process	Review New flexible sheltered team	3
ASB	SMART action plan	3
New SHO role	SMART action plan	2

Whilst one or two specific service projects were identified (e.g. gas safety) around 46 objectives were focused on improving customer service, customer profiling and benchmarking. These themes are therefore reflected in the service improvement projects listed in his service plan.

2.4 Progress/Performance Overview

Performance in housing is currently measured in three ways:

- The set of SCDC performance indicators selected for measurement using CORVU, adopted in 2008/09. These incorporate the relevant national indicators as well as local indicators. All the indicators have been refreshed in 2010/11 following consultation with frontline staff.
- Housing service managers use key 'heartbeat' indicators to monitor service performance in key areas: rent arrears, repair times and satisfaction, relet times and gas servicing. The indicators are a monthly snapshot. All of these key indicators are benchmarked using Housemark. This information is also used to produce 'performance at glance' for the residents' consultative forum and the portfolio holder. The 'performance at a glance' uses traffic light indicators and 'direction of travel' arrows to visually express the trends.

'Performance at a glance' categories
Emergency repairs attended to within 24 hours
Urgent repairs completed within 5 days
Routine repairs completed within 23 days
Average time to complete a repair
Satisfaction with repair contractors
Satisfaction with housing repairs service
Average time to relet a property (general needs minor repairs)
BVPI 212
Number of overdue gas services
Level of current rent arrears
Rent loss through empty dwellings

- The benchmarking of key areas of housing performance is undertaken using the benchmarking facilities provided by a national organisation called Housemark. Data was submitted to Housemark for the first time for 2009/10 for quarters 1 and 2. The following table indicates the results of the submitted data benchmarked against other organisations in the Eastern region posted in quarter 2 2009/10:

HOUSEMARK INDICATOR	SCDC SCORE	SCDC RANK IN EASTERN REGION	COMMENTS
% of emergency repairs completed on time	100%	1	This is excellent performance and we are top in the Eastern region
% of tenants with more than 7 weeks rent arrears	3.89%	2	Again excellent performance
% tenants in arrears served with a NOSP for arrears	7.38%	11	Whilst the rank is not as high, the action does

			have an impact on arrears performance
% tenants evicted for rent arrears	0.05%	7	Whilst the rank is low the number of evictions at 7 is small
% rent arrears of current tenants	1.59%	1	Excellent performance
% urgent repairs completed on time	91%	25	Whilst the performance appears a concern the target of 2 days is challenging.
Urgent repairs target time (days)	5	2	As above
% routine repairs completed on time	92%	26	Again the performance appears a concern but the target of 8 days is challenging.
Routine repairs target time (days)	23	8	As above
Average relet time in days	17	1	Excellent performance

The repairs PIs that are not in the top ranked measures are being addressed as part of the procurement of the responsive repairs service taking place during 2010.

2.5 The Customers of the Housing Service

The customers of the Housing Service incorporate the following groups:

- Tenants of SCDC
- Leaseholders
- People applying as homeless
- People seeking to be housed by SCDC or housing associations
- People seeking housing advice
- Gypsies and Travellers living on sites managed by SCDC
- Parish Councils
- RSLs
- Internal customers e.g. Planning Service

The list shows that the customer base is much wider than just the existing tenants. More work is needed to understand the profile of this customer set including issues of diversity. Better use of customer profiling was a key action identified by the independent assessment of the Housing Service carried out by Savills in July 2008.

Customer satisfaction is measured across the Housing Service in a number of ways. The approach to gathering this information is however not consistent throughout the service and so a separate project has been identified for 2009/10 to review and improve customer satisfaction data.

Every two years a survey of council tenants is undertaken on behalf of the CLG. This provides a useful overview of current level of satisfaction with the housing service as well as useful data on the tenants themselves. The executive summary of the latest report completed in January 2009 is included below.

Key Findings from 2008 South Cambridgeshire STATUS Survey

The household

- Two fifths of respondents (43%) have been a tenant for 21 years or more.
- Over half the respondents have lived in their home for 11 years or more (53%)
- Half the households (50%) contain someone who has a long-standing illness, health problem or disability which limits their daily activities. One in ten households have a wheelchair user.

Satisfaction with services provided

- Four fifths of respondents (82%) expressed satisfaction with the overall services provided by their landlord. This was consistent with the 2006 survey when 81% of respondents said they were satisfied.

Housing and Services

- The majority of respondents were satisfied with the overall quality of their home (88%), the general condition of their property (86%) and the value for money of their rent (82%).
- Nearly all respondents said they were satisfied with their neighbourhood as a place to live (92%).
- The biggest problem in the local neighbourhood was car parking.
- The three most important services for tenants were repairs and maintenance, the overall quality of home and value for money of rent.

Contact with Local Authority

- The majority of respondents (74%) had been in touch with their landlord in the last twelve months.
- The most popular way to contact the landlord was via the telephone.
- The main reason for making contact was repairs and maintenance.

- The majority of respondents rated aspects of contact as good. There has been an increase in the scores for the following aspects since the 2006 survey: ease of getting hold of the right person, helpfulness of staff and overall satisfaction with how enquiry was dealt with.

Repairs and Maintenance

- Four fifths of respondents (83%) expressed satisfaction with the way their landlord deals with repairs and maintenance. Satisfaction with the way the landlord deals with repairs and maintenance has increased from 79% in 2006 to 79% in 2008.
- For those respondents who have had a repair completed in the past twelve months, satisfaction was high with aspects of the repairs service. Results are consistent with the 2006 survey.

Communication and Information

- Nearly all the respondents said they prefer to be informed about issues that may affect them by letter (82%).
- Two thirds of respondents were satisfied their views were being taken into account (64%).
- Four fifths of respondents (82%) rated the way their landlord keeps them informed as good.
- The percentage of respondents rating the way their landlord keeps them informed has increased from 76% in 2006 to 82% in 2008.

Anti-social behaviour

- One in ten respondents (9%) have reported anti-social behaviour in the last twelve months.
- Of those, a quarter said it was difficult to get hold of the right person (23%) and a third of respondents (32%) said staff were unable to deal with their problem. A quarter said they were dissatisfied with the final outcome (24%)

Tenant Participation Compacts

- Half the respondents said they had heard of the Tenant Participation Compact (53%). This is a significant increase since 2006 when just 23% of respondents had heard of the Compact.
- Of those who have heard of the Compact, three quarters of respondents (75%) were satisfied with it.

Resident Involvement Framework

There is a Tenant Participation Agreement (Compact) in place. This is an agreement with the Council and its tenants to work in partnership to ensure the best possible service is delivered to tenants. This is currently being reviewed and the Tenant Participation Advisory Service has been commissioned to review resident involvement overall.

The review will propose improvements to the framework, our agreements and associated documentation. The review will incorporate staff and tenant views. It is envisaged that this work will shape the strategy and resulting action plan and also provide direction to maximising resident engagement.

The basic framework at present consists of an overarching Tenants Participation Group, which includes representation from the three sheltered housing forums, the leaseholder forum, resident groups, and Village Voices.

The council's magazine contains a section called Key Issues that is for tenants. This section is used to try to encourage resident involvement in all aspects of our work in any way that they feel that they want to be. The section is used to advertise resident issues and forthcoming items of interest.

The website contains information on resident involvement and how residents can be involved. The Tenants Handbook will soon be available on the website and in hard copy for those who want it and this contains further information on how residents can be involved.

It is recognised that there is a need within housing services to have a dedicated Resident Involvement team. This is reflected in the new structure of housing services. There is also a dedicated budget for the development and implementation of a robust Resident Involvement strategy and action plan. The total TP budget of between £40,000 and £50,000 or around £8.60 per dwelling, falls well short of the sector average of £30 per dwelling which would provide a budget of around £174,000 per year.

A TPAS 'health check' of the service in the Council was completed in November 2009. A survey of tenants that includes questions on how they wish to be involved in working with the Council was completed in January 2010. These will be used to develop a new TP strategy and action plan for 2010.

Section 3 – Stock Condition

Stock profile

The Council's housing stock comprises of nearly 5,800 dwellings, and over 1,100 garage units. The stock is spread over 102 villages of South Cambridgeshire. The stock is mainly traditional low rise house and bungalow construction, but there are a small number of non-traditional property types. There is a relative high proportion of sheltered accommodation at approximately 25% across 43 schemes, and around 500 leaseholds.

Stock condition survey

An independent survey of the Council's domestic housing stock was conducted in the autumn of 2006 by survey specialist's Savills. The survey brief was formed in partnership with Ridge Consultancy with specific requirements to establish the current condition of dwellings and garages and to identify investment needs over a 30 year period. The contractual agreement between the Council and Savills was drafted by solicitor's Trowers and Hamlins, and the survey findings are warranted by Savills.

The survey results are based on a comparatively high sample of 24.5% of the Council's 5,800 dwellings, and 1,100 garages. The methodology for the survey was in full compliance with CLG guidance and good practice recommendations, and the sample was selected to ensure high statistical accuracy.

The surveyors identified and assessed the condition of each property they visited and estimated the residual life of each of the key components. The cost of replacing components was based on the Council's own tender return rates and benchmark rates.

The survey identified that the stock is generally in a reasonable condition with evidence of whole house modernisation programmes being carried out in the past, along with an almost completed window replacement programme. However, the stock has not received the level of major capital investment necessary to maintain all the homes to a recommended condition. As a result, there are a significant number of major components that have reached/are reaching the end of their useful life and which will require renewal in the short term.

The total forecast expenditure to improve and maintain the stock and related assets over 30-years equals £323.3m. This equates to £56,963 per dwelling or £1,899 per dwelling per annum. This total expenditure over the 30-year horizon falls within expected benchmarks of a stock of this type and location.

The total investment costs are categorised under the following headings:

Catch up repairs – these are defined as “works necessary to put the housing stock into a lettable condition. These have been programmed over the next five years.
Total £643,389

Future major works – these are defined as “the provision, which should be adequate to cover the periodic overhaul / refurbishment / renewal of the building

components and landlord's fixtures and fittings, to keep the property in a lettable condition. Total £173,944,883 over 30-years.

Improvements – this work generally involves the installation of components that do not currently exist at a property but would enhance the property, or upgrading an element to be replaced (e.g. increasing insulation when repairing a flat roof covering) or renewing an element, such as a kitchen or bathroom, before the end of its life. Total £6,858,330 over 30-years.

Responsive and void property maintenance – this is defined as “maintenance arising from the landlord's obligations to carry out repairs to a property, either upon a tenant's request or arising from staff inspection or in connection with re-letting of a property”. Total £2,256,665 per annum this equates to £11,927 per unit over 30 years.

Cyclical maintenance - this similar to future major repairs but is more specifically identified with regular servicing and inspection of mechanical and electrical equipment and redecoration with associated repairs. Total £886,040 per annum this equates to £4,683 per unit over 30 years.

Related asset / estate works – this refers to garages and unadopted roads/footpaths etc. Total £6,113,263 over 30-years.

Contingent major repairs – these are defined as repairs of a kind, which cannot be specifically foreseen and may arise from latent defects in construction, design, timber infestations and decay, uninsured settlement and other uninsured risks. Total £313,032,388 over 30-years.

Exceptional extensive works – major works which are required to remedy particular significant defects that fall outside the definition of routine repairs and maintenance. An example would be structural repairs and improvements to our non-traditionally constructed properties. Total £10,564,000 over 30-years.

Disabled adaptations – these are works normally arising from referrals from health professionals to improve or modify properties to meet the needs of disabled tenants. Total £15,000,000 over 30-years.

Summary of stock condition report

Repair type	30 year Cost
Future major works	£173,944,883
Improvements	£6,858,330
Responsive and void property maintenance	£67,699,950
Cyclical maintenance	£26,581,200
Related asset / estate works	£6,113,263
Contingent major repairs	£313,032,388
Exceptional extensive works	£10,564,000
Disabled adaptations	£15,000,000
Total	£619.8M

Decent Homes Assessment

The Government's has set out a requirement for local authorities with housing stock and other registered social landlords to ensure all their domestic dwellings meet the decent homes standard by 2010.

To comply with the standard properties must meet four criteria;

- It meets the current minimum standard for housing (Housing Health and Safety Rating System –HHSRS)
- It is in a reasonable state of repair
- It has reasonable modern facilities and services
- It provides a reasonable degree of thermal comfort

Savills' survey report has identified that approximately 24% of the Council's stock is currently non-decent in accordance with this criteria. This percentage compares favourably with a national average failure rate of circa 43%. In addition between the date of the survey and 2010, 32% of dwellings are classified as potentially non-decent, if no investment is made.

Analysis of decency failures reveals that 79% fail on state of repair, 17% on thermal comfort, 3% on modern facilities, and 1% on HHSRS. An energy assessment of each surveyed property was conducted as part of the Savills' survey which identified the average SAP rating for the stock as 63. This is higher than the national average of 51.

The total cost of ensuring decent homes target is achieved by the end of 2010 is £8,938,735. The Council believes it can achieve the decent homes target based on current budgetary forecasts although maintaining it post 2010 is problematic based on current projections. If stock transfer does not go ahead the forecast resources are insufficient to prevent homes from becoming 'non decent' over the next 30 years.

Decent Homes Update

Since the survey was conducted, the Council has purchased and commissioned the Keystone Asset Management system. The information from the stock condition survey together with updated information on improvement works (targeting decent homes failures) carried out since September 2006 has been inputted into the asset management software programme, the current failure rate being 3.4% (January 2010).

The five-year Housing Maintenance Plan

A working group made up of Council Officers, Tenants, and Members have formulated a five year Housing Maintenance Plan (HMP). This brings together all the various activities that are intended to be carried out to maintain and improve the Council's housing stock over the next five years. In so doing, the plan will provide a useful single point of reference to anyone who wishes to know: *what, when, where, and how much* in respect to the housing maintenance.

The HMP will be updated yearly and provide details on how properties are selected for inclusion in maintenance programmes together with specification and budgetary

information on a programme basis. It is designed to make it easy for all stakeholders and interested parties to find out where the Council intends to target its resources

There are three distinct aspects of maintenance that are covered in the HMP:

Maintenance and improvements – Capital - Where the emphasis is on planned preventative maintenance. To be truly effective, the Council requires a detailed knowledge of the life expectancy of the various elements of our properties so that programmes can be planned in advance to replace items at the end of their useful life i.e. just before they become defective or obsolete.

Maintenance and Improvements - Revenue - The life expectancy, efficiency, and performance of many of the elements of properties are greatly enhanced by regular maintenance programmes.

Responsive Maintenance - The key to this aspect of maintenance is providing a swift and effective responsive service, with the emphasis on getting the job completed on the first visit.

The formulation of the HMP is the result of extensive investigation, the gathering of information from a wide range of sources, and consultation with all interested parties. The result is a clear statement of intent, and a focused approach to ensuring the Council's housing stock remains in reasonable condition. A copy of the HMP is included in the HRA Business Plan as Appendix C.

Overall the condition of the Councils housing stock is good reflecting the high level of investment in recent years and the council is on target to meet the DHS by 2010. However, the lack of capital funding available after 2009/10 will make it increasingly difficult to maintain the DHS into the future. The Savills stock condition survey also reveals that there is a significant gap between the quality of stock condition taken as the 'industry standard' and that of the South Cambridgeshire homes. The industry standard reflects a much higher quality level than that of the DHS.

The HMP details how the future maintenance of South Cambridgeshire District Council owned homes can be best met over the next five years within the known resources. However, the resources available will be below the level of spending to date and significantly lower than that required to maintain the properties to the 'industry standard'.

In addition consideration needs to be given to the Governments drive to reduce our carbon footprint and to reducing the consumption of energy to our existing housing stock. The level of investment that will be required by 2050 to achieve these targets is somewhere in the region of £5K-£12K per unit/property over and above what has been allowed for in the stock condition survey. Needless to say the existing stock condition survey has identified costs associated with a sample of 24.5% and as we have now surveyed 57% of the stock and move towards 100% validation it would be prudent to assume that our base level of investment will also need to increase. There is also no allowance in the existing survey for the introduction of new technologies, only replacement costs for existing elements. Some grant funding will be available to help with this government initiative but all in all there will be a shortfall of 1M – 1.5M per annum to achieve this target.

2.6 Resources

Introduction

The primary resource for the Housing Revenue Account (HRA) comes from rents and charges. Additional resources also come from Supporting People grant to help fund the sheltered housing service. More than half of the £20 million rental income has to be returned to the Government as 'negative subsidy' and this figure is likely to increase over the next five years. Capital funding is provided by the Major Repairs Allowance and the use of capital receipts. The reduction in capital receipts available will mean that the capital budget will reduce by over £4 million by 2010/11 leaving a capital budget for housing maintenance of £3.2 million.

The following chart summarises the scale of overall reductions agreed by cabinet in November 2009.

HRA Savings	2011/12 £000
Sheltered Housing (Appendix B)	360
Property Services (Appendix C)	150
Housing Management (Appendix D)	30
Grounds Maintenance (Appendix E)	90
Anticipated additional income (Para 33)	170
Total	800

In addition to the savings for the HRA there will be consequential savings of £110,000 for the General Fund and £40,000 for the capital programme.

The proposed changes will lead to a net HRA saving of around £100,000 in 2010/11 once anticipated redundancy and early retirement costs have been taken into account.

The Councils main capital asset is the housing stock. There are three types of valuations commonly used. The resource accounting valuation is that required by the CLG for their statistical returns and represents the market value of the stock with sitting tenants. The resource accounting valuation is shown below:

Resource Accounting Valuation		
Asset	Number as at 31/03/ 08	Valuation £000's as at 31/03/08
Council Homes*	5,625	474,991
Garages	1,141	3,162
Other		2,588
Total		480,741

*Includes Councils portion of Equity Share properties

The total vacant possession value of the homes on 31st March 2008 was £1,033 million. This is the equivalent of an open market valuation and is quite different from the third type of valuation the Tenanted Market Value (TMV) used to value properties for a stock transfer. The TMV is based on a revenue stream valuation rather than a capital valuation hence the difference in the figures produced.

Whilst the main landlord activity is funded through the HRA by rents the Council also carried out a number of strategic housing functions, which are mostly funded by the General Fund. The table below summarises.

Service area	Specialist teams	HRA/General Fund
Housing services	Housing management, sheltered housing, leaseholder services, Gypsy & Traveller management, floating support team Carecall, house sales	Mostly HRA
Property services	Property surveyors, capital improvements programme, responsive and void maintenance management, Direct Labour Organisation	HRA
Housing Advice & Options	Housing advice, homelessness team, , housing allocations/Choice Based Lettings	Mostly General Fund
Housing Strategy & Enabling	Enabling function, housing strategy development	General Fund

Summary of recent revenue and expenditure

The table below provides a summary of revenue and capital expenditure over the last four years. The estimates for 2008/09 are currently being revised and the revised figures together with estimate for 2009/10 will be considered by full Council in February 2010.

Of the total HRA revenue expenditure of around £20 million, over half (approximately £11 million) is 'negative subsidy', the amount sent to the Government. This amount is expected to increase in future years subject to decisions on the reform of the HRA currently in the consultation phase. .

The total capital expenditure includes a figure of around £xxx million in respect of equity share buy backs and is not money available for spending on the maintenance of homes.

Sources of Funding

Rents and Charges

The Council continues to strive to bring rents in line with the guideline levels set by Government. The Government has introduced a convergence scheme and through this mechanism an attempt is being made to arrive at a situation where the rent charged for a council property will be broadly in line with the rent charged for a similar property owned by a housing association. The recommended increase for 2010/11 is xxx% plus an additional amount of no more than £2 per week. The Council has to pay more than half of the rent income to the Government for redistribution, so this anticipated above inflationary increase is not as beneficial to the HRA as it appears.

The Government expects councils to charge recipients for any additional services provided. For SCDC, like most other councils, the cost of extra services is currently partially paid out of rents in general. It is, however, intended to gradually bring service charges up to a level that more nearly reflects the full cost of the service provided over the coming years.

Supporting People

For the Council Supporting People is predominantly relevant for the sheltered housing units which make up approximately 1,400 of the Council's 5800 total homes.

In 2003/4 the Supporting People regime was introduced by the Government and, as a consequence, part of the service charge for sheltered housing qualifies for Supporting People Grant rather than Housing Benefit, as was the case before. The Government funding from Supporting People projects comes from a fixed amount of money and this means that in future there may be pressure to reduce the amount available for Sheltered Housing in order to provide funding for other services within the County or to cope with reductions in the size of the overall national budget.

The changes to the distribution of Supporting People funds as part of the Local Area Agreement role brings further uncertainty to this aspect of funding.

Major Repairs Allowance (MRA)

The MRA is essential to the programme of works and contributed around £3.2m to the Council's resources in 2007/8. All the MRA is utilised for capital type expenditure, necessary major repairs and improvements to the housing stock. The remainder of these works are largely funded through capital receipts.

Grants and Contributions

The Council receives some further money from grants and contributions. Grant funding is available to support insulation of Council homes, improve thermal comfort and help reduce fuel poverty. In 2007/08, £20,000 was received for this activity. Where work is carried out to services shared with sold or leased properties a contribution towards the cost is claimed from the owner.

Capital Receipts

The Council lost a major part of its capital resources with the introduction by the Government of the capital receipt national pooling initiative. Under the pooling regime 75% of funds received from sale of right to buy (RTB) properties, goes to the Government and is distributed on a "needs basis". This has implications both for affordable housing development and for the Council's own capital improvement programme because the available resources have dropped drastically.

The Council's Equity Share Scheme also involves capital receipts. The scheme is unusual, as it does not apply to designated properties. As voids arise the Council can repurchases the void properties, which may then be re-let or resold. The allocation is determined through the Housing Register with the circumstances of the household determining whether it remains part of the scheme or is offered for rent. The scheme currently costs the Council approximately £3m per annum, but the income from the scheme also provides a capital receipt of approximately £3m. Capital receipts secured through the scheme were not expected to be subject to the pooling process, however, the wording of the legislation resulted in some of the receipts being caught by the scheme. Staff at the Department of Communities and Local Government (CLG) have declined to change to the legislation in order to completely exempt equity share receipts from pooling.

Capital Reserves

For the last few years the Council has been able to use its considerable reserve of capital receipts from property sales to fund a substantial capital programme. However, three main factors have combined in recent years to lead to a situation where this source of funding is expected to be exhausted during 2009/10. Firstly, receipts from Right to Buy (RTB) sales have reduced, probably because house prices in this area have become almost prohibitive for those on lower incomes. Secondly, the Council was capped in 2004/05 and since then has utilised some of the receipts from housing assets (which were previously only used to fund housing projects) to support General Fund capital expenditure, including a substantial investment in information technology. Thirdly, the fact that three quarters any in-year receipts from RTB sales now has to be transferred to the Government for redistribution has resulted in even more pressure on the reserve.

Working Balances

It is illegal for the Housing Revenue Account to go into deficit and should the capital funding resources turn out to be less than estimated, as there are no longer any accumulated capital receipts, capital expenditure could have to be funded from the HRA. The Council housing is not covered by buildings insurance and therefore there is also a risk of an unavoidable overspend on repairs in the event, for instance, of severe flooding. Primarily for these reasons, it is considered necessary to have a minimum working balance of £xxx million which represents around £xxx a property.

The five year HRA Business Plan is therefore based on a reducing resource. Revenue resources are subject to significant negative subsidy clawback as well as the potential reduction in funding from Supported People and an increased pressure to spend on responsive repairs as the planned capital programme is cut. The in year capital resources are affected mainly by the reduction in RTB numbers and the 75% pooling rules.

The following figures show the overall budget figures for the HRA Housing Service.

	REVISED 2008/09	ESTIMATE 2009/10	ESTIMATE 2010/11	ESTIMATE 2011/12	ESTIMATE 2012/13	ESTIMATE 2013/14
	£000	£000	£000	£000	£000	£000
REVENUE						
Expenditure	24,289	25,108				
Income	(23,652)	(24,242)				
REVENUE SAVING NEEDED	0	0				
(Surplus)/Deficit	637	866				
Balance Brought Forward @ 1 st April	(3,631)	(2,994)				
Balance Carried Forward @ 31 st March	(2,994)	(2,128)				
CAPITAL						
Expenditure	9,387	8,175				
Funding						
Capital Receipts	6,206	4,468				
Major Repairs Allowance	3,178	3,287				
Revenue	0	400				
Grants and Contributions	3	20				
Total Funding	9,387	8,175				

2.7 Value for Money Overview

In July 2008 Savills were commissioned to undertake an assessment of the efficiency and effectiveness of the housing service including the scope for value for money efficiencies. The report concluded that the service is not over staffed and is currently operating on a staffing base that is below that expected in such an organisation.

It has been identified that there is a need to undertake more extensive benchmarking of housing operations and to use this to develop a more sophisticated value for money culture within housing. To this end the housing service has subscribed to Housemark. Housemark is a nationwide benchmarking facility run by the Chartered Institute of Housing and the National Housing Federation and recommended by the Audit Commission. The service enabled detailed an accurate benchmarking of service costs to

be undertaken as well as providing access to good practice and advice from the housing sector.

As a general principle all Housing Service contracts that are up for renewal have a target of at least 4% savings in order to drive towards the Gershon efficiency target. New long-term partnering contracts are being implemented by property Services. The first one is the Decent Homes contract let in October 2007 on a 5 year (plus 3) basis. As a result we now have more competitive prices for kitchen and bathroom refurbishments.

2.8 Workforce Overview

There are around 150 staff delivering the housing service. The roles are diverse and include sheltered housing officers and DLO operatives as well as office based staff and staff with technical roles. There are few problems with recruitment and retention although there can be difficulties in recruiting to specialist roles such as development officers.

There is currently a corporate process underway to review the full staffing grading structure at South Cambridgeshire District Council. This is due to report back during 2010.

The appraisal process is the primary mechanism through which to identify training and support needs. However a more systematic assessment of training and skills gaps is required to plan a more targeted strategy for staff development. Investors in People accreditation was successfully secured by the Council during 2009.

The Cabinet agreed in principle in November 2009 to proposals to delete 52 current posts and create 33 new posts. There is therefore a net loss of 19 posts. This represents around 23% of all posts providing landlord services excluding the DLO. The overall number of staff employed will reduce and there will be a number of staff at risk of redundancy during 2010. It is anticipated that there will be around 12 redundancies.

The implementation of these changes (dependant upon Council decision) will be completed mostly by the end of March 2010. A programme of staff training and team building will form one of the service projects for 2010/11.

2.9 Equalities Overview

The workforce is diverse and contains people across a wide range of ages, people with different disabilities, people with family commitments and an overall balance of male and female staff. There are however few staff from BME backgrounds.

Whilst there is a corporate commitment to equality there is currently a paucity of data with regard to the residents and the survey conducted in December 2009 is intended to provide a more detailed and sophisticated understanding upon which to base service changes. The one exception is Gypsies and Travellers who make up the largest minority community in the area where a recent comprehensive needs assessment on a sub regional basis was carried out.

In research carried out by the County (November 2007) the housing issue which most concerns local BME households is the shortage of affordable homes. Their priorities for

improving services do not include any direct housing services. In addition, respondents were concerned not to be singled out for separate services and not to be seen as a “separate “ group.

The Council is participating in the development of both an older person strategy and a disability strategy that is being led by the County Council. There is also annual monitoring of BME housing issues that are reported to the Portfolio Holder.

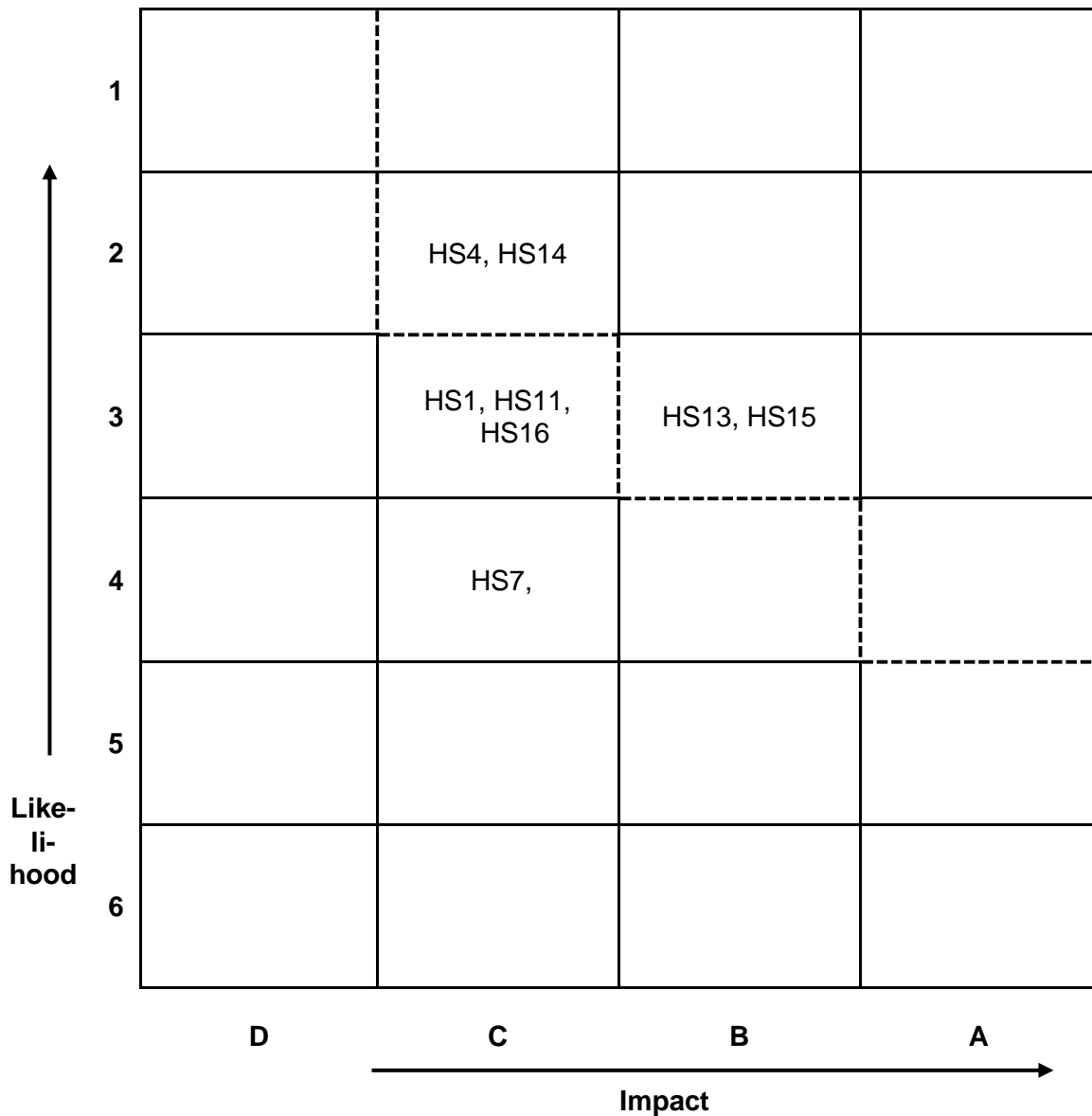
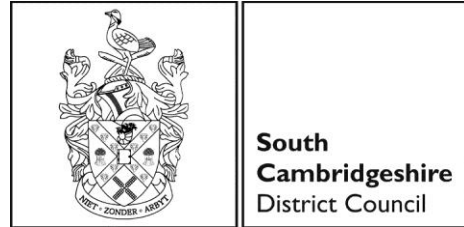
The Housing Service is committed to making a contribution to the consultation and scrutiny required for the development of the Comprehensive Equalities Policy. The Housing Service is also committed to implementing equality impact and needs assessments for each service area. This has already been done for example for Choice Based Lettings. The Service Plan contains a specific action to address this issue.

A number of key Equality impact assessments were completed during 2008/09 and the service plan sets out a programme of fresh assessments for 2010/11. These will be particularly important to assess the impacts of the service changes that will be implemented as a result of the overall restructuring work.

2.10 Risk Overview

The major risks associated with the Housing Service are noted in the table below. A fuller explanation of these risks is included in Appendix A. All risks are cross-referenced to that part of the Improvement Plan, which seeks to mitigate that risk.

Affordable Homes Risk Matrix November 2009



Likelihood

1 Almost certain

Impact

A Extreme

- 2 Likely
- 3 Possible
- 4 Unlikely
- 5 Seldom
- 6 Rare

- B High
- C Medium
- D Low

Note: The dotted line shows the Council’s risk tolerance line.

Risk Matrix Summary

Number	Risk	Impact /Likelihood
HS1	Redevelopment of Windmill Estate Fulbourn	C3
HS4	Supported housing	C2
HS7	Tenant participation	C4
HS11	Increase in numbers in temporary accommodation	C3
HS13	Housing retention	A4
HS14	Responsive repairs	C2
HS15	Income maximisation	B3
HS16	Energy efficiency	C3
HS17	Cottenham ‘gas works’	C3
HS18	Orchard replacement	D4

Those risks that come ‘above the line’ are shown in bold and require specific attention within the service plan.

3. Service Improvement Plan summary

The Service Improvement Plan is intended to capture the major issues to be addressed by the service in preparation for the future and identifies those projects that are required to address specific areas of poor performance or to respond to specific challenges such as changes in legislation.

Service Projects

- HSP 1 Customer Service Excellence
- HSP 2 Resident involvement strategy
- HSP 3 New IT implementation
- HSP 4 Performance Management
- HSP 5 Income maximisation
- HSP 6 Sheltered housing phasing of restructuring
- HSP 7 Asset management
- HSP 8 Responsive repairs procurement
- HSP 9 Hostel review
- HSP 10 Homelink review (disability and access)
- HSP 11 Homelessness strategy
- HSP 12 Domestic Violence
- HSP 13 Equality impact assessments
- HSP 14 Journey to Excellence project
- HSP 15 Windmill regeneration
- HSP 16 New affordable housing
- HSP 17 ASB review

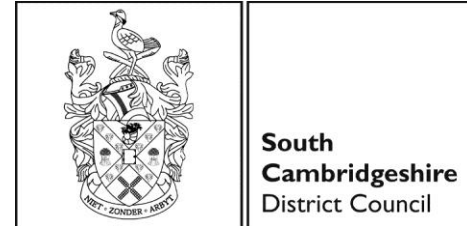
Full details of these projects are to be found in Appendix B.

5. Proposals for new expenditure

None

APPENDIX A

**Affordable Homes Risk Register
December 2009**



No. Title Description (The risk event, <i>leading to</i> consequence for ser- vice/Aim/Approach/Action, <i>resulting in</i> possible outcome(s).)	Impact/ Likelihood	Direction of Travel	Council Aims, Approaches, Actions	Owner	Timeline for Pro- gress	Cross ref- erence to Service Plan
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No. Title Description (The risk event, <i>leading to</i> consequence for ser- <i>vice/Aim/Approach/Action,</i> <i>resulting in</i> possible outcome(s).)	Impact/ Likelihood	Direction of Travel	Council Aims, Approaches, Actions	Owner	Timeline for Pro- gress	Cross ref- erence to Service Plan
<p>HS13 Housing Retention</p> <p>1. HRA not brought into balance by 2011/12</p> <p>Would result in drawdown on working balance and risk of an illegal deficit budget if cuts are not implemented in full.</p> <p>Would result in reputational damage to the Council and possible Government intervention if not resolved</p> <p>2. Savings achieved</p> <p>Risk of deterioration of overall housing service if not carefully managed</p> <p>Could lead to declining tenant satisfaction and inability to meet statutory obligations</p> <p>NB HS2 Housing Futures removed</p>	A4	New	A, C	Stephen Hills	Separate Housing retention project plan and risk log to mitigate these concerns prior to April 2010.	HSP5, HSP6, HSP7, HSP8, HSP14

No. Title Description (The risk event, <i>leading to consequence for service/Aim/Approach/Action, resulting in possible outcome(s).</i>)	Impact/ Likelihood	Direction of Travel	Council Aims, Approaches, Actions	Owner	Timeline for Pro- gress	Cross ref- erence to Service Plan
<p>HS4 Supported Housing</p> <p><i>1. Reduction in Supporting People Funding</i></p> <p><i>Requires loss of staff and changes to delivery structure</i></p> <p><i>Could lead to dissatisfaction amongst residents and concerns over well being of vulnerable people</i></p> <p><i>2. Loss of control over SP budget when informal ring fence removed within LAA</i></p> <p><i>Could lead to further cuts in SP funding not currently anticipated</i></p> <p><i>Service may not be sustainable leading to outsourcing of provision.</i></p> <p><i>3. Consortium not successful in winning floating support contract to be tendered end of 2009</i></p> <p><i>Staff and floating support service will move to another provider</i></p> <p><i>Reduction in the support available for vulnerable people, including older people residing in sheltered housing in the South Cambridgeshire.</i></p>	C2	→	A, C	Tracey Cassidy	April 2011	HSP6 HSP13 HSP14

No. Title Description (The risk event, <i>leading to</i> consequence for ser- <i>vice/Aim/Approach/Action,</i> <i>resulting in</i> possible outcome(s).)	Impact/ Likelihood	Direction of Travel	Council Aims, Approaches, Actions	Owner	Timeline for Pro- gress	Cross ref- erence to Service Plan
HS15 Income Maximisation Unable to increase income to meet shortfall identified after cuts made to balance HRA Would lead to further cuts being required to balance the HRA Would impact on ability of Council to meet its landlord obligations Replaces HS3 Voids	B3	New	A, C	Stephen Hills	March 2011	HSP5
HS14 Responsive Repairs Potential loss of responsive repairs contract to external contractor Would lead to close down of DLO & staff TUPE to new contractor This would mean loss of internal capacity, potential dip in tenant satisfaction and loss of control over managing costs in the longer term Replaces HS 12 DLO	C2	New	A	Sid Webb	July 2010	HSP8

No. Title Description (The risk event, <i>leading to</i> consequence for ser- <i>vice/Aim/Approach/Action,</i> <i>resulting in</i> possible outcome(s).)	Impact/ Likelihood	Direction of Travel	Council Aims, Approaches, Actions	Owner	Timeline for Pro- gress	Cross ref- erence to Service Plan
HS1 Redevelopment of Windmill Estate Fulbourn. Unable to proceed with phase2 & 3 master plan as a result of owner occupiers not moving out Would impact on planning and financial variability of the project Would result in loss of reputation and loss of opportunity to develop new homes in district	C3	→	Ai, Aii, Ci, Cii	Schuyler Newstead	Separate risk log maintained for project	HSP15

No. Title Description (The risk event, <i>leading to</i> consequence for ser- <i>vice/Aim/Approach/Action,</i> <i>resulting in</i> possible outcome(s).)	Impact/ Likelihood	Direction of Travel	Council Aims, Approaches, Actions	Owner	Timeline for Pro- gress	Cross ref- erence to Service Plan
<p>HS11 Increase in numbers in temporary accommodation.</p> <p>1. Potential impacts from current economic downturn and instability in the housing market.</p> <p>Not enough temporary accommodation available, leading to an increase in B&B use.</p> <p>Applicants not moved onto permanent accommodation quickly enough.</p> <p>2. Large-scale emergency leading to duties to provide accommodation for those who are homeless in the event of such an emergency.</p> <p>Could result in:</p> <ul style="list-style-type: none"> • High expenditure • Government targets not met. • Use of unsuitable accommodation 	C3	→	A, C	Sue Carter/ Heather Wood		HSP11

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<p>HS7 Tenant Participation:</p> <p>Failure to establish the mechanisms for involve- ment contained in the Tenant Participation Agreement in increasing the level of tenant in- volvement in decision making.</p> <p>Lack of commitment on the part of tenants to en- gage in the new arrangements.</p> <ul style="list-style-type: none"> • The level of tenant involvement in deci- sion-making will not be increased • SCDC would be unable to demonstrate an improvement in this area, which would at- tract negative comment in the event of assessment/inspection 	C4	→	A	Anita Goddard		HSP2

No. Title Description (The risk event, <i>leading to</i> consequence for ser- <i>vice/Aim/Approach/Action,</i> <i>resulting in</i> possible outcome(s).)	Impact/ Likelihood	Direction of Travel	Council Aims, Approaches, Actions	Owner	Timeline for Pro- gress	Cross ref- erence to Service Plan
HS16 Energy Efficiency Unable to find sufficient resources to meet new requirements to bring older properties up to higher energy effecting levels Would lead to failure to meet Government target Would result in reputation damage and potential finial or other regulatory sanctions	C3	New	A	Steve Annetts		HSP7
HS17 Cottenham Gas Works Scientific investigations require need for extensive work inlcuding demolition of occupied homes. Would require capital and revenue resources to carry out work needed. Could lead to imbalance in overall capital programme if have to draw on funds from main programme.	C3	New	A, B	Stephen Hills	June 2010	HSP7

No. Title Description (The risk event, leading to consequence for ser- vice/Aim/Approach/Action, resulting in possible outcome(s).)	Impact/ Likelihood	Direction of Travel	Council Aims, Approaches, Actions	Owner	Timeline for Pro- gress	Cross ref- erence to Service Plan
<p>HS18 Orchard replacement</p> <p>Replacement of current housing IT systems is not managed effectively.</p> <p>Could lead to overrun on budget or a loss of functionality during data transfer or delays in completing implementation.</p> <p>Could result in financial stress on HRA/GF, or potential disruption to the delivery of the housing service.</p>	D4	New	A	Stephen Hills	July 2010	HSP 3

Notes: The dotted line shows the Council's risk tolerance line.

<u>Impact</u>	<u>Likelihood</u>			Direction of Travel	Aims, Approaches, Ac- tions
A Extreme	1 Almost certain	↓	Priority reduced from last review (bracket indicates previous priority)		The references in this column are to the Aims, Approaches and Actions adopted by Council on 27 November 2008 with effect from 1 April 2009.
B High	2 Likely				
C Medium	3 Possible	→	Priority equal to last review		
D Low	4 Unlikely	↑	Priority increased from last review (bracket indicates previous priority)		
	5 Seldom				
	6 Rare				