



Housing Revenue Account Business Plan 2017- 2022

HOUSING REVENUE ACCOUNT BUSINESS PLAN CONTENTS

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Overview

1. Introduction

This Housing Revenue Account (HRA) Business Plan sets out the purpose and objectives that East Devon District Council will adopt in managing and maintaining its housing stock. It demonstrates that continued ownership and management by the Council will achieve and maintain good quality homes for tenants. The Business Plan was originally prepared as part of the reform of social housing finance in 2012 and has been updated every two years since to reflect changing circumstances

The Business Plan operates alongside the Council's Homes and Communities Strategy, and shows the main areas of income and expenditure on the housing stock and housing services that are within the Housing Revenue Account, projected over a thirty year timeframe concentrating in more detail on the first five years. The management and maintenance of tenants' homes and the council's assets is a corporate and service priority. There is an emphasis on asset management recognising that Council homes are valuable resources that need to be properly maintained for the benefit of the current and future occupants.

The Business Plan is being updated following significant and unexpected changes in Government policy that has created uncertainty and undermined confidence in financial forward planning. The rent reduction policy changes the ten year rent convergence policy dramatically, and takes significant levels of projected income out of the HRA. The threat of the sale of high value stock and accelerated Right to Buy will also have a damaging impact on HRA finances. These unhelpful interventions have damaged our otherwise financially healthy Business Plan causing us to reprioritise planned activities and reduce our development ambitions.

The Business Plan shows:

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

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

It is the Council's intention to review the Business Plan at regular intervals to ensure that it reflects as accurately as possible the known condition of the housing stock,

tenants' aspirations and the funding available to achieve the objectives and targets set. The Plan needs to be a dynamic document and will be subject to regular updates.

Throughout the Plan, it is assumed that where the term 'tenants' is used, it covers leaseholders where that is appropriate.

The Business Plan recognises that we are a social landlord with a range of legal and moral responsibilities for housing certain client groups. We are not a business driven by the need to make a profit, but we do need to service our debt and deliver a level of service that meets our commitments in a business-like way. It is appreciated that the selection of tenants is by housing need and not their ability to pay for services received. This introduces an interesting set of challenges for a social enterprise and this Business Plan attempts to balance these sometimes conflicting tensions.

East Devon Homes is being established as a Local Housing Company to work alongside and compliment the Councils social housing activities. It will be a development vehicle providing a range of housing products for sale, market and affordable rents.

Context for the Business Plan

The East Devon Area

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

East Devon is one of eight Devon districts and, with a population of 138,141 (ONS 2013). The rural nature of the district is emphasised by the low population density which is 1.5 per hectare (England and Wales average is 3.8). The district is fully parished with 68 Town and Parish Councils.

Our main settlements comprise the coastal resorts of Exmouth, at 36,000 population Devon's largest town, Budleigh Salterton, Sidmouth and Seaton. In the mainly rural inland area the main settlements comprise Honiton, Ottery St Mary, and Axminster.

Key issues for the Housing Service are:

- A need for more affordable housing (demand far exceeds supply)
- The high cost of owner occupation and renting in the private sector affecting the ability to secure suitable housing
- Low wages in the district as compared to the national average
- Poor housing conditions in the private sector
- Fuel poverty and affordable warmth
- Maintaining investment in Council homes
- The lack of suitable housing for young people.

Some, but not all, of these issues are addressed in this Business Plan.

Housing Demand

The demand for housing within East Devon has been estimated using a Strategic Housing Market Assessment Model. It demonstrates a need for 250+ new affordable homes per annum over five years. The Homes and Communities Strategy provides a more detail evaluation. There is also data on the housing stock in the district, both Council-owned and private. We are confident about the strong demand for Council housing over the life of the Business Plan, which gives some comfort over the security of future income streams.

Council-Owned Properties

In April 2017, the Council's housing stock consisted of 4,207 dwellings, comprising:

- 2,007 houses
- 988 bungalows
- 1,211 flats and Maisonettes
- 1 house in multiple occupation

Plus 751 garages, 14 community centres and 15 play areas.

The housing stock can also be broken down as follows:

- 1189 1 Bedroom dwellings
- 1408 2 Bedrooms dwellings
- 1546 3 Bedrooms dwellings
- 67 4 Bedrooms dwellings
- 6 5 Bedroom dwellings
- 1 HMO

1169 of these properties were sheltered accommodation intended for older tenants.

Our Business Plan is based around the management and maintenance of these assets and the provision of housing services to tenants.

The HRA is also responsible for a range of other non-housing assets such as grounds, paths, benches etc and our asset management plans include the maintenance of these items.

2. Purpose and Objectives

Purpose

The purpose of the East Devon HRA Business Plan is to:

Identify the resources and plans to maintain good quality homes and housing services for tenants and leaseholders.

This is consistent with the Homes and Communities Strategy which seeks to ensure that a good quality, affordable home is available to all households resident in the district, and that each home is adequate in size and suitably located for the occupants - in short a decent home for all. At its simplest the Business Plan is about how we plan to manage income and expenditure on housing landlord services and the housing stock.

Objectives

The HRA Business Plan Objectives are that:

We will charge rents that are affordable to our tenants, and that are in line with government policy;

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

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

We will increase the housing stock through new build and acquisitions;

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

We will make provision for tenants who are elderly, disabled or with special needs that meets tenants' needs for housing related support;

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

We will involve tenants in all aspects of the housing service, operating in accordance with the adopted Local Offers/Standards;

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

3. Business Plan principles

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

This Business Plan was first produced just prior to the implementation of the reform of social housing finance and updated in 2012 and 2014. We undertook a range of financial modelling using the assumptions in the various Government self-financing consultation papers and sensitivity testing as part of our preparations to take on

debt. We incorporated the results of a stock condition survey in our models to ensure accurate and up to date information on the investment needs in relation to tenants' homes. The first call on monies within the Business Plan is to service the debt and maintain tenant's homes as fit for purpose.

4. The Business and Asset Management Plan

The HRA Business Plan at its most basic is an estimate of income and expenditure over a thirty year period.

The Business Plan was updated as part of the Council's preparations towards self-financing in April 2012 using the Sector Treasury Services model (formerly Tribal) and refreshed in 2014.

It is underpinned by a comprehensive stock condition survey undertaken in 2010, which is due for updating in 2017/18, at which point a further review may be necessary.

At the centre of the Business Plan is the Operating Account which shows income and expenditure, revenue contributions to capital, the annual surplus and the operating balance on the HRA. The Operating Account in table and graph form is shown in **annex 1**.

Under the self-financing arrangements the HRA subsidy was replaced with a settlement payment to government of £84,376,000 requiring the Council to borrow to make this payment. The cost of borrowing is shown in the capital charges column of the Operating Account and the principal payments are shown in the column headed provision for repayment of external loans. A debt curve is also shown in annex 1.

Management includes the supervision and management items.

Depreciation includes most of the major repairs and capital works to the housing stock and represents the replacement of assets that are wearing out.

The Business Plan includes some key assumptions around rent loss/bad debt. This rises from 1.5% of the rent roll by 0.5% per annum until it reaches 3% of the rent roll. We have assumed inflation at 2.5% per annum. For certain costs we have allowed for 0.50% increases above RPI.

Preliminaries on repair and maintenance costs are allowed for at 10%, 3% for contingencies and 8% for fees.

We have set the minimum HRA surplus at £500 per unit, equivalent to approximately £2.1 million.

It can be seen that surpluses vary annually and throughout the Business Plan period. Decisions will be required on how best to reinvest some of this surplus into tenant services, asset management and new build/acquisitions.

A Volatility Reserve was set up in 2012/13 with the purpose of providing a cushion for repaying the self-financing loans should adverse fluctuations in spending and/or rent income occur. This reserve was increased annually and currently holds a balance of £4.4million. This sum is equivalent to the maximum debt repayment due

in any one year within the next 10 years, thereby giving the HRA at least one year's cushion to restructure budgets.

Priorities for additional expenditure and reinvestment include:

- New build/property acquisitions;
- Carbon management/energy efficiency measures;
- Updating sheltered housing schemes;
- Disabled adaptations and property extensions;
- Accelerated kitchen and bathroom improvement programmes;
- Additional surveying staff to specify; commission and oversee the additional works to the housing stock;
- Caretaking and communal cleaning services;
- Property MOTs and proactive maintenance;
- Additional staff to improve services to tenants;
- Welfare benefit advice for tenants following Welfare Reform;
- Mobile working.

This is not an exhaustive list.

Any new spending priorities will come forward with a business case for consideration and if approved will be built into the Business Plan as commitments.

Taking a cautious approach we can start to commit additional expenditure as the surplus increases.

We will be clear about 'one off' expenditure items and those that will incur ongoing revenue support.

Financial Framework

Financial Assumptions

The Business Plan is based upon a set of financial assumptions that will inevitably need to be reviewed and updated over time. The financial aspects of the Business Plan can be amended and rerun to model changes to maintain an up to date and relevant document. The income and expenditure plans are shown in the HRA Operating Account.

Housing Stock

Housing stock numbers have been assumed to reduce from present levels by Right to Buy sales throughout the Business Plan period. We have new build ambitions so stock numbers will be reassessed regularly and the Business Plan updated.

There is a requirement from central government to contribute a proportion of Right to Buy receipts to a central pool for redistribution by the Homes & Communities Agency for the provision of new social housing nationally. The amount is based on the government's assumption of the sum it would have received if the Right to Buy legislation had not been changed. We have an agreement to use retained Right to

Buy receipts on new build and acquisitions and provide 70% 'match funding' over a three year period.

Rent Strategy

(a) Background

The Government has previously determined that the setting of social rents by local authorities and housing associations should be based on a common system based on relative property values and local earnings, and that rents should move towards comparable rents using an approach which could be readily and easily understood.

This is referred to as "rent convergence". In March 2001 the Government issued the Guide to Social Rent Reforms which set out how the reforms would be achieved and detailing a standard methodology (or formula) for use by both housing associations and local authorities for the calculation of rents.

However, the Government ceased its rent convergence policy in April 2015, which has had a detrimental financial effect on the Council. The Council's HRA business planning consultant has assessed that the HRA will lose around £35million as a result of the Government's cessation of its Rent Convergence Policy – since many of the Council's social property rents did not reach their target rent level by April 2015. Therefore, rents will not be able to increase each year by as much as previously allowed and assumed – thereby reducing income to the HRA by this amount.

Moreover, as part of the Chancellor's Summer Budget, it was announced that provision will be included within the Welfare Reform and Work Bill requiring local authorities and housing associations to reduce rents by 1% per annum for 4 years from April 2016 whereas, previously, the Government's policy has been to allow local authorities and housing associations to increase their rents by Consumer Price Index (CPI) + 1% per annum.

The estimated loss in rental income to the HRA as a result of this requirement is around £2.9Million over the four years from 2016/17 to 2019/20 compared to the Council's previous HRA Financial Plan expectations.

In February 2016, the Government announced that rents for supported housing (including sheltered housing) could increase by CPI + 1% for one year (2016/17), whilst it considered the implications of rent reductions on supported housing.

(b) The Government's Social Rents Policy

Social rents are charged for all Council properties that have not been provided through the Council's New Housebuilding Programme.

The basis of the Government's formula for calculating social rents is as follows:

- 30% of a property's rent should be based on relative property values compared to national property values;
- 70% of a property's rent should be based on relative local earnings compared to national earnings;
- A bedroom factor so that, all other things being equal, smaller properties have lower rents.

The formula also takes account of national average Council and housing association rent levels, and produces a target rent for each property.

(c) The Council's Social Rents Policy

1. Properties let to existing tenants

The Council's Social Rents Policy is to reduce all rents, including sheltered housing, from April 2016 by 1% per annum for the next 4 years, as required by the expected enactment of the Welfare Reform and Work Bill prior to April 2016. The Cabinet considered the concession that rents for sheltered housing could increase by CPI + 1% for one year, but determined that it would be inequitable to treat sheltered housing tenants differently from other Council tenants.

2. Properties re-let to new tenants

In order to help reduce the financial impact of the Government's cessation of its Rent Convergence Policy on the Council's HRA to some degree, and with the endorsement of the Tenants and Leaseholders Federation, vacant properties have been re-let at their Target Rent (if they are not already at the Target Rent), and not the same rent level as charged to the previous tenant, since April 2014. This is the practice adopted by nearly all housing associations and many other councils for a number of years. It was estimated at the time that this will increase the amount of rental income received over the following five years by an average of £250,000 per annum – without affecting the rents of any existing tenants. New tenants know the proposed rent they are asked to pay, when they bid through the Home-Options choice based lettings scheme.

(d) Property Valuations

The relative property values used to calculate Target Rents under the Government's Social Housing Policy are based on 'existing use value'. The valuation base was set at January 1999. The Valuation Office, on behalf of the Council, valued separate "beacon properties" in 2002 for this exercise. Each beacon property was an example of a main property type owned by the Council in each of the main towns and villages and were representative of the total housing stock. These valuations were then used for all the other similar properties sharing the same characteristics and location.

These are not revisited, unless an individual property's characteristics have considerably changed.

(e) Service Charges

Social rents are only allowed to take into account all property related services and those services that may relate to a group of dwellings.

Examples of services covered by social rents include:

- Repairs and maintenance
- Management of properties

- Publicity and consultation
- Administration of rents

Examples of services provided to tenants, not covered include:

- Grounds maintenance
- Cleaning of communal areas
- Lighting of communal areas
- Intensive housing management at sheltered schemes

The other services not covered by rents are subject to further Government guidance on their treatment.

This guidance advocates the separation of service charges from rents, to enable a more transparent charging regime for tenants. Although not compulsory, the Council has followed the guidance and a number of years ago separated out the costs of services relating to non-property related services, and applied separate service charges to tenants. Under the Government's Social Rents Policy, service charges cannot be increased by more than CPI + 1%, which is the Council's policy.

Rental Income

Effective and efficient rent collection is critical to our ability to deliver this Business Plan. We are expecting Welfare Reform to impact adversely on rental income and will adjust rent collection assumptions when the full implications are known.

Average rents in 2017/18 have been reduced in line with the second year of the Government's four year rent reduction policy. This is having a dramatic effect on HRA balances and has been one of the main drivers for refreshing the Business Plan. We are expecting the 1% per annum reduction for four years will take £7.9m out of the HRA and this is triggering a fundamental review of income and expenditure projections.

Our average rent for 2017/18 is £80.81 per week, reducing from £81.58 in 2016/17.

We are moving rents up to Formula rents when properties become vacant a prior to reletting.

Rent lost through void properties and bad debts has been assumed at 1% and 0.5% respectively of total rents. This is in line with experience in recent years, but is being increased to 3% over the next few years.

Good performance on rent collection is critical as it brings in income to spend on housing services. We currently collect 99%+ of rent due. Similarly good performance on allocations and voids is also vital to the effective implementation of the Business Plan. Of this some 60% of rent due is currently met by Housing Benefit

payments which will form part of the Universal Credit system when introduced under Welfare Reform.

Service Charges

We aim to operate a fair service charge regime and plan to extend the service charges and de-pool certain costs to ensure that tenants pay for the services they receive. We currently operate service charges for housing related support and garden maintenance.

The Council is currently exploring a number of areas where service charges could be levied on tenants. Some of these charges may be Housing Benefit eligible and others not. Subject to consultation and agreement the Council will set reasonable and transparent service charges which reflect the service being provided to tenants. For social rent, we are also expected to identify service charges separately to the rent charge.

Service charges are not governed by the same factors as rent.

We introduced a support charge for sheltered housing tenants to replace some of the loss of Supporting People income and phased this in over two years (third year of the increase not implemented).

Our expectation is where new or extended services are introduced for which an additional charge may need to be made. Where this is the case, we would consult appropriately with tenants before introducing new or extended services and associated charges.

Other Income

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

Management Costs

The HRA budget as approved by the Council for each financial year is used as a basis for calculating management costs. As part of this process, each cost centre is considered in detail in terms of the resources required to meet our strategy and service plan aims.

Responsive Annual and Cyclical Maintenance

Responsive maintenance is primarily the day-to-day repairs reported by tenants. Partnership arrangements are in place and the retender in 2012 saw the appointment of two contractors for responsive maintenance work. The contract provides for price fluctuations based on the RPI movement using October 2011 as the base index. The budget for the year 2017/18 has been set at £1.92million.

Annual maintenance involves checking and servicing gas appliances and lifts. We have a budget of £450k for gas servicing in 2017/18; £85k for lift maintenance; £20k for testing and repair of emergency equipment; £180k for servicing of solid fuel appliances and £37k for the maintenance of communal areas.

Cyclical maintenance work is that carried out on a recurring basis such as the external decoration of properties. Annual and cyclical maintenance is estimated to cost £8k in 2017/18.

Repairs and Maintenance – Special Works is estimated to cost £1.3m

Expenditure in future years is projected using the base year costs with inflation uplift.

Major Repairs

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

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

We plan significant levels of investment in major repairs with £4.46m identified in 2017/18. This is in accordance with the requirements of the stock condition survey and over 30 years has been estimated at £134 million.

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

A summary of the proposed investment in major repairs appears under Operational Considerations. A detailed breakdown of proposed programmed expenditure appears within **Annex 2**.

Improvements and Other Capital Spend

The capital programme in 2017/18 amounts to £625k with expenditure planned on property extensions; off street parking; remodelling sheltered housing schemes and disabled adaptations. We have also made provision of £350k for a new housing IT system.

£200k per annum has been included in the Business Plan for the remodelling of sheltered units. An assessment of the properties concerned is being carried out. When it is complete, an appropriate course of action will be determined. This could involve property adaptation, disposal or reclassification. The expenditure has been phased over the next seven years.

We do have a desire to spend on environmental improvements, such as play areas and car parking improvements, which should be feasible during the Business Plan period.

New build/property acquisitions

We aim to maintain a modest new build programme and acquire properties where appropriate. It is essential that we spend our retained Right to Buy receipts on building or acquiring new social housing otherwise the receipts will have to be paid over to central government with interest. We can however only fund 30% of new build/acquisition expenditure from retained Right to Buy receipts, the balance has to

be funded from other sources, such as borrowing or an HRA contribution but we must also ensure that sufficient funds are still available to service the current debt.

The following table shows the amount of expenditure required and the date by when that expenditure must be incurred, the amount that can be funded from Right to Buy receipts and the balance to be funded from other sources. These figures are correct as at March 2017 but will change as further properties are sold and new ones built or bought.

Retained receipts each quarter	Cumulative retained receipts	Spend by	Required Funding (70%)	Cumulative Required Funding (70%)	Expenditure each quarter	Cumulative Expenditure
£	£		£	£	£	£
86,020.89	86,020.89	30/09/2015	200,715.42	200,715.42	286,736.31	286,736.31
105,423.62	191,444.52	31/12/2015	245,988.45	446,703.87	351,412.07	638,148.39
247,724.57	439,169.09	31/03/2016	578,024.00	1,024,727.87	825,748.57	1,463,896.96
248,120.37	687,289.46	30/06/2016	578,947.53	1,603,675.41	827,067.90	2,290,964.87
241,486.00	928,775.46	30/09/2016	563,467.34	2,167,142.74	804,953.34	3,095,918.20
281,150.21	1,209,925.67	31/12/2016	656,017.16	2,823,159.90	937,167.37	4,033,085.57
134,328.47	1,344,254.14	31/03/2017	313,433.10	3,136,593.00	447,761.57	4,480,847.14
340,437.95	1,684,692.09	30/06/2017	794,355.21	3,930,948.21	1,134,793.16	5,615,640.30
333,404.07	2,018,096.16	30/09/2017	777,942.83	4,708,891.04	1,111,346.89	6,726,987.20
414,218.75	2,432,314.91	31/12/2017	966,509.03	5,675,400.06	1,380,727.77	8,107,714.97
390,353.45	2,822,668.36	31/03/2018	910,824.71	6,586,224.77	1,301,178.16	9,408,893.13
117,236.44	2,939,904.79	30/06/2018	273,551.73	6,859,776.51	390,788.17	9,799,681.30
155,376.47	3,095,281.26	30/09/2018	362,545.13	7,222,321.64	517,921.60	10,317,602.90
166,490.68	3,261,771.94	31/12/2018	388,478.25	7,610,799.89	554,968.93	10,872,571.83
225,981.72	3,487,753.66	31/03/2019	527,290.68	8,138,090.56	753,272.39	11,625,844.22
268,820.29	3,756,573.95	30/06/2019	627,247.35	8,765,337.92	896,067.65	12,521,911.87
192,178.17	3,948,752.13	30/09/2019	448,415.74	9,213,753.66	640,593.92	13,162,505.78
159,803.31	4,108,555.44	31/12/2019	372,874.40	9,586,628.06	532,677.72	13,695,183.50
224,416.54	4,332,971.98	31/03/2020	523,638.58	10,110,266.64	748,055.12	14,443,238.62

We will need to consider the affordable rent regime for new build to cover the costs of development. It is likely that development will only be viable on land owned by the Council. Specific development proposals will be reported to the Housing Review Board for consideration and approval and the Business Plan amended to reflect future commitments.

We will work to a Development Statement which contains a set of development principles and where appropriate commission our Local Housing Company to undertake development.

Funding

Borrowing

The Business Plan shows borrowing of **£84,376,000** from year 1. Servicing this debt effectively replaces the HRA subsidy payment previously made each year.

The source of the borrowing is the Public Works Loans Board. The Business Plan shows that a number of fixed interest rate maturity loans (24) have been taken out, with repayments of principal and interest. We used the opportunity to borrow at low interest rates as part of the reform of the HRA. The average interest rate is 2.64% with short term loans at 0.75% and long term loans at 3.46%. The largest loan is £8,892,000 and the smallest £205,844 with the earliest loan repaid in 2015.

We have profiled the debt so when the HRA generates sufficient resources we are able to make repayments. The programme of investment that the Council proposes to make in its housing stock includes major elements of work scheduled for the first few years.

We had some existing borrowing taken out for new build in March 2011 amounting to £646k.

This is an annuity loan and the balance outstanding as at 31 March 2017 is £619k.

Over the thirty years of the Business Plan, sufficient cash should be generated to meet all investment requirements and ambitions for new build/acquisitions. However, because the pattern of expenditure is not even between years, there could be a need to borrow funds and/or use surpluses which would be repaid in later years.

Capital Receipts

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

Such receipts when they arise will be used for capital or major repair projects within the Housing Revenue Account.

We will consider the selective disposal of properties that are not fit for purpose and cannot be improved at reasonable expense.

Right to Buy receipts will make up the main areas of receipt and we have assumed 20 sales per annum throughout the Business Plan with a valuation of £145k and a discount of £75k.

Since the launch of the Government's 'Reinvigorating Right to Buy' policy which became effective from April 2012, we have seen an increase in council house sales from 3 or 4 per year to 20+ per year.

We have signed up to an agreement with the Department for Communities and Local Government to retain and reinvest the receipts from the Right to Buy into new social housing and that the receipts will represent no more than 30% of the cost of development/acquisition. There is an interest rate penalty if we fail to spend the receipts, at 4% above base rate.

Operational Arrangements for Asset Management

Council Housing Development Plan

Greater consideration is being given to how we might better plan to secure more property so that it can be added to the Council Housing stock and how we might be best placed to exploit any opportunities that enable the council to provide more council housing to meet its housing need. This is becoming more pertinent as the council sells more council homes – current rent loss is approximately £370,000 per annum.

Identifying housing need allows us to establish an order of priority. The greatest area of need may inform how we decide to allocate funding, resources etc. At the moment the greatest need is in the Exmouth area.

Simply purchasing individual property as and when it becomes available is not always good value for money and is not going to meet the current rate of RTB disposals or make any significant headway in addressing the identified housing needs in the District.

We are aware of a number of larger developments in the area that should provide greater numbers of affordable housing. Our approach will be to try and secure housing units by negotiating with developers/providers and being their 'preferred' partner. To do this we must consider funding and be in a position to act as and when an appropriate opportunity arises. To compete in this kind of arena requires substantial amounts of money, for example £1million might secure eight properties.

To increase the Council's housing stock we must be in a position to take advantage of opportunities as and when they happen and we need to plan (including financial planning) for the future. We need confidence that funding is available and in place, perhaps as a single 'pot' that can grow year on year subject to conforming with a 'Housing Delivery Plan'. This will enable the council to become pro-active to development opportunities or acquisitions and compete with Registered Providers in the market.

Acquiring property direct from a developer appears to provide better value for money than buying 'off the shelf' or building council homes on our land. Buying from the

open market is a quick fix but it isn't going to secure enough property to match or exceed the current rate of Right to Buy sales.

Ideally a minimum of £3.5m per year is required to deliver our development aspirations although this sum is not included in the 2017/18 budget. In order to do this we will have to consider borrowing as well as other funding sources such as HRA reserves or surpluses to take advantage of opportunities when available.

Major Repairs and improvements

The Council is committed to continuing high levels of investment into maintaining and improving the condition of the housing stock. The major repairs budget is a key element of the Business Plan and HRA reform allows for additional investment. It has been devised taking into account known stock condition, the notional lifecycles of building elements and tenant aspirations. We are keen that tenants have an increasing influence over the construction and delivery of this programme. The lifecycle assumptions are shown in **annex 3**.

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

Programme	Description and Investment Assumptions
Window Replacement	The initial programme of PVC window replacements was completed by the end of 2009. To ensure that no windows are over 30 years old, there will be a requirement to start the next programme towards the middle years of the Plan.
Doors – Front and Rear	All external doors will be replaced giving a maximum age of 30 years. The programme will not need to be restarted within the scope of the Plan.
Kitchens and Bathrooms	The current kitchen replacement programme is scheduled for completion in the next 10 years. At that point, no kitchen will be over 20 years old. The bathroom replacement programme will be accelerated such that no bathroom will be over 30 years old. Both programmes will be maintained such that the age of kitchens does not exceed 20 years and bathrooms 30 years.
Central Heating	The current programmes relating to gas boiler replacements and electric central heating replacements will be maintained through the Plan such that the former are replaced after 15 years and the latter after 30 years. Radiators will be replaced, but over a much longer timescale.
Rewiring	A programme of renewal will be maintained throughout the Plan, but will concentrate on individual elements rather than complete system replacement. An up-to-date provision of smoke alarms will be included in this programme. Properties should have wiring no older than 30 years.
Roofing	Roofing will be the subject of a regular age-based inspection programme, starting at 50 years old. Replacement will be carried out on a condition basis, at which time chimneys will be removed where possible to save on repair costs. No roofs should be older than 80 years.

Programme	Description and Investment Assumptions
Interior Structural Work	A small programme of work will be maintained concerned with the improvement and replacement of flooring.
External Structural Work	A small programme of work will be maintained concerned with the improvement and replacement of exterior wall structures. Where necessary, pointing and rendering will be carried out, but the bulk of this work will be done at the time of external painting, the cost being included in the cyclical maintenance programme.
Paths	No major programme of work will be maintained, with patch and repair work being carried out under the responsive maintenance budget.
Boundaries	A small programme of work will be maintained concerned with keeping walls, fences and gates in an acceptable condition rather than replacing them.
Drainage and Mains	There is sufficient provision under responsive maintenance to cover repairs as they become necessary. In the light of experience, it is not judged necessary to put in place a replacement programme.
Woodworm and Damp Treatment	There is sufficient provision under responsive maintenance to cover repairs as they become necessary. In the light of experience, it is not judged necessary to put in place a replacement programme.
Empty Property Repairs	As properties become void, they will be brought up to the current standard in each major category. The annual provision is about 10% higher than in recent years to ensure that the faster replacement of kitchens, bathrooms and doors can be maintained.
Communal Areas	There is a need for an annual programme of improvement work.
Fire Risk Assessments	There is a need for a budget to carry out work identified during Fire Risk Assessments that are being undertaken in all flats and sheltered housing schemes.
Lift replacement	We have identified a need to replace a number of lifts mainly in sheltered housing where they are coming to the end of their life.
Sewerage treatment plants	Inspection of our remaining plants has indicated a need to replace several that are becoming hard to maintain to an acceptable standard.

Stock Condition Data

A review of the Council's stock condition records was undertaken by an external consultancy company in 2010. The information we hold on stock condition was found to be accurate, fairly reflecting the condition of the stock, and up to date. The cost of implementing the stock condition survey findings are summarised and shown in **annex 4**. We plan to undertake a further survey in 2017/18 and use the findings to refine repair and improvement programmes.

A summary of the last survey findings are shown in **annex 5**.

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

A replacement IT system, Open Housing, was specified and sourced during 2014 and was installed during 2015/16. The estimated cost of £350K was met from the HRA. The database will be populated using the latest stock condition survey data, inspection records, repairs and improvement history, etc to help implement a good asset management strategy.

Responsive Repairs

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

The Council has partnering arrangements with building contractors for responsive repairs and works closely with partners to ensure that reported repairs are carried out quickly and to a high standard. We have also undertaken a Systems Thinking review and adopted a purpose – **to do the right repair at the right time, for it to be fixed and stay fixed.**

We are exploring alternative delivery models for responsive repairs and works to void properties including a price per property scenario and a Wholly Owned Subsidiary approach. These will be clarified prior to embarking on the procurement journey. The drivers for change are around improved value for money and greater control over the process.

In terms of **Operating Principles** we do our best to:

- Fully understand our customers' repair requests.
- Obtain relevant and correct information about the repair at first contact with the customer to ensure detailed identification of work required.
- Make it clear to customers what repairs we will and won't do.
- Give our contractors clear instructions on the work required, contact details and any other relevant information.
- Clearly record repair requests and action taken.
- Focus on getting the repair work done right first time.
- Do the work and only the work required by customer.
- Do the work required on time in one visit and for it to stay fixed.
- Be accountable and responsible for dealing with issues raised by customers and finding solutions to their problems.

The **value steps** in our work that have been subject to the review are:

- Tenant knows how to report a repair;
- Clear record of repair made; works authorised and issued to contractor;
- Contractor contacts tenant to arrange an appointment;
- Work undertaken by contractor within agreed timescale and to standard;
- Work checked by Maintenance Surveyor;
- Tenant completes customer satisfaction form;

- Invoice received, checked and paid.

Performance is carefully monitored against agreed targets. We operate a repairs call centre with dedicated and experienced Repairs Advisors handling reported repairs and passing jobs to our contractors.

Programme and Cyclical Repairs

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

Expenditure on external decoration has been programmed to reduce slightly, resulting in a slight lengthening of the times between the redecoration of some of the properties. Wooden fascias will be gradually replaced by uPVC resulting in a reduction in the external repainting budget requirement. At no point over the thirty years is this planned cycle to exceed five years. This will be reviewed as the Business Plan rolls forward, and adjustments only being made if cost constraints dictate. The Asset Management Plan is shown in **annexes 6 & 7**.

Fire Risk Assessments

The Council has a duty of care to all residents of our flats to ensure that the property is safe and complies with fire regulations and any enforcement notices issued by the Fire Service.

Fire Risk Assessments (FRA) have been undertaken in all blocks of flats over the last two years and each FRA recommends the work required to bring fire safety up to standard. £250k is included in the 2017/18 budget for this work.

Compliance

We prioritise tenant's safety and in that respect we will ensure that gas safety, solid fuel safety, electrical testing, asbestos, legionella servicing/surveys and compliance are adequately funded under this plan.

Involving Tenants

The Council looks on a high level of tenant satisfaction as a significant indicator of its performance. In recent years, surveys have shown this to be high. The STAR survey of tenant satisfaction demonstrated very high levels of satisfaction. The Council intends to build on this success by extending tenant involvement and by improving services. We created a Housing Review Board in 2006 that has significant tenant representation, and will develop partnerships already in existence in the shape of the Tenants' Representative Group and Residents' Associations. A longitudinal survey is underway with Birmingham University which we think will provide more valuable information on tenant aspirations and satisfaction.

We have a number of Service Review Groups where staff and tenants work together to improve services and monitor performance. We also have a Tenant Scrutiny Panel that chooses and reviews topics, presenting their findings to the Housing Review Board.

Widening Choice

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

We introduced a new Tenancy Policy in accordance with the Localism Act, with flexible five year tenancies for most general needs tenants from April 2013.

A decoration scheme for qualifying vulnerable elderly and disabled tenants will be introduced from April 2015 whereby two rooms are decorated every three years for a nominal charge.

Charging Affordable Rents

The Council acknowledges that rental levels are a major concern for most tenants. The Plan allows for several years of rent reduction then rent rises that are at the rate of inflation. Subsequently, rent increases are projected at a lower level; at no point are they projected to exceed the guidance levels of central government. The Council will expect tenants to meet their obligation to pay rent on time, recognising that rent arrears and write-offs impinge on the funding available to the housing service as a whole. The Plan anticipates a high proportion of rent being collected although we have made a higher provision for bad debt rising to 3% of the rent roll. Currently we only consider charging affordable rents on new build properties where it is necessary to make the scheme financially viable. **Annexes 8 & 9** consider projected rent increases over the Business Plan period.

Maintaining Information on Stock Condition

Comprehensive and accurate information on the condition of the Council's housing stock is considered a high priority. Inspections will be carried out on a regular basis; each year 10% of properties will be inspected internally and 20% externally, with the Council's stock condition database being updated accordingly. This will be particularly important in ensuring that no properties fall below the Decent Homes Standard at any point. A further warranted stock condition survey will be undertaken in 2017/18. It is planned to carry this out now new stock management software is in operation.

Investing to Improve

A major programme of investment in Council properties is planned, particularly in the early years of the Business Plan. The most significant investment will be in new kitchens, bathrooms, central heating, rewiring, roofing and doors. The aim is to reduce the maximum lives of individual elements towards those recognised as best practice within the housing sector.

Carbon management and affordable warmth

The housing stock is relatively energy efficient at an average SAP of 64. The least favourable results are found in pre-war and non-traditional homes and the highest ratings in flatted accommodation.

However, there is considerable scope for improvements in the energy efficiency of tenants' homes and retro-fitting technology such as solar panels.

We need to budget for these improvements over the life of the Business Plan. £0x has been allowed in 2017/18 as a specific budget for carbon management, and the surplus can be utilised in later years to reinvest in warmer homes for tenants.

Sustaining Property Value

It is planned to improve performance in maintaining properties, either periodically or responding to an immediate need. An appointment system for property repairs will be introduced, and stretch targets for the completion of responsive repairs achieved or exceeded. The partnership arrangements with major contractors will be developed further. It is intended to reduce void and relet times and improve the standard of properties achieved through the investment programme. These measures will contribute towards maintaining the value of our properties.

Improving Housing Services

The Council recognises that it needs to keep under review its management and staffing structure if it is to make gains in the efficiency and effectiveness of its service provision. A review of the way in which performance is monitored will be undertaken, with targets amended where necessary and new ones introduced.

Meeting Support Needs

The Council recognises that the considerable number of elderly and other vulnerable tenants present a challenge in terms of service provision. We will implement a review of all properties covered by the 'sheltered accommodation' designation. A major programme of upgrades will be progressed costing a potential £3m, excluding inflation, over several years to ensure all homes meet appropriate standards, are used for other client groups or are decommissioned. The outcome planned is that our sheltered housing stock is fit for purpose and desirable by current and future tenants.

The Council is also determined to meet the changing support needs of its tenants by ensuring that officers have the necessary skills to deal with this.

Achieving value for money

We have an adopted position on value for money.

VFM is a HCA standard that **ensures that we manage our resources to provide cost-effective, efficient, quality services and homes to meet tenants' and prospective tenants' needs**. Our stance on this has been to consult tenants and produce a number of actions to improve our value for money position. We have set out our local interpretation in the Annual Report to tenants.

In practice our embedded VFM approach has the key characteristics, behaviours and processes which are set out under the following headings:

- **governance** – the role of the governing body;
- **financial stewardship** – an increasingly broad range of practices that aim to ensure a social landlords viability;
- **performance management** – ensuring an organisation attains its objectives
- **people** – getting the best out of staff;
- **procurement** – buying goods and services with the optimum price and quality mix;
- **tenant focus** – ensuring services are shaped around *what tenants want* and that service outputs and outcomes are subject to tenant scrutiny.

We have a procurement plan and are active members of Advantage SW, a procurement club of 17 social landlords who have negotiated a range of framework agreements for the supply of building materials that are available to our contractors. The adopted Value for Money policy is reproduced in **annex 11**.

Enhancing Staffing Skills

It is only through the use of sufficient staff possessing appropriate skills that many of the Business Plan objectives can be achieved. Skill deficiencies will be addressed where they are identified, largely through the development and training of existing staff. We have a service training budget and plan which is reviewed annually. We also have a Housing Apprentice.

The Service had 90 employees in April 2017 although not all are employed on HRA funded activities.

Developing Communities

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

Our successful SWITCH project will be extended and additional resources will be put into community development initiatives as this is seen as a priority by the Housing Review Board.

Affording the Cost

The financial framework provided for the Business Plan ambitions is sound and robust. There will be sufficient funding available to meet all the programmes outlined above. It is planned to repay the self financing loans over the next thirty years.

The HRA surplus builds up in the Business Plan model and this will be used to meet the Business Plan ambitions. We are not assuming additional borrowing at this stage although that will be reviewed as specific major items of expenditure come forward such as new build projects.

Acknowledging the Risks

Clearly, there are risks that threaten the achievement of key Business Plan objectives. The most obvious is the need to manage a high level of debt and repay loans as planned.

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

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

Risks and Sensitivities

Risks Analysis

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

Severity:	1	Minor
	2	Significant
	3	Serious
	4	Major
Likelihood:	1	Remote
	2	Unlikely
	3	Likely
	4	Very Likely

This process of analysis will be developed further.

Risk	Potential Impact	Risk Severity	Risk Likelihood	Risk Rating	Possible Action
Loans taken out to meet the cost of self-financing of Council housing	Loans are the priority expenditure item where commitments must be met as the first call on income	3	2	6	Loans kept to the minimum required and negotiated at low/fixed interest rates. Maintain a healthy HRA surplus.
Rents do not rise or are not collected as anticipated due to	Less funding is available to finance Business	3	3	9	Provision made for increased bad debt. Welfare

Housing Revenue Account Business Plan 2017 - 2022

Risk	Potential Impact	Risk Severity	Risk Likelihood	Risk Rating	Possible Action
Welfare Reform and/or other factors.	Plan priorities.				Advisors appointed. Promote Credit Unions and use of Discretionary Housing Payments.
Rent reductions continue beyond 2020	Further rent reductions reducing income	3	3	9	Increase in service charges and move to formula rents to offset some reductions.
Enforced sale of high value stock	Reduction in stock numbers and rental income	3	3	9	Lobby for changes to be deferred.
Right to Buy receipts exceed predictions which need to be reinvested	We cannot afford to commit the 70% funding towards the 30% RTB receipts on new build/acquisitions	2	2	4	Cancel the agreement with the CLG and repay receipts with interest.
Right to Buy sales are lower than planned.	Less funding is available for the housing service.	1	2	2	Costs could be reduced, probably in the major repairs area. Loans could be increased.
The programme to bring sheltered housing up to fit for purpose standards.	Poor quality sheltered housing that becomes less desirable with tenants.	2	2	4	Reschedule costs, bid for external funding reprioritise work planned.
The cost of maintaining the planned cyclical repairs programme exceeds budget.	Costs are greater than planned.	3	2	6	Costs in other areas could be reduced. Loans could be increased.
The achievement of the major repairs programme proves more expensive than anticipated.	The planned age and condition criteria of certain building elements may not be achieved.	3	3	9	Programme items may need to be postponed or lengthened. Expenditure in other areas may need to be cut

Housing Revenue Account Business Plan 2017 - 2022

Risk	Potential Impact	Risk Severity	Risk Likelihood	Risk Rating	Possible Action
					back, threatening other plan objectives Additional loans may be taken on to ensure slippages do not occur.
The demand for responsive repairs exceeds planned levels.	Costs are greater than planned.	3	2	6	Costs in other areas could be reduced.
Failure of responsive repair contractor.	Interruption to service and urgent repairs delayed.	3	3	9	Other partnering contractor takes over the area.
Changing cost of borrowing.	Less funding available for improvement work.	3	2	6	Reschedule borrowing and/or work programmes.
Decent Homes Standard raised significantly.	Additional unplanned costs to be met from Business Plan.	3	2	6	Business Plan to be reviewed in light of changes.
Unforeseen expenditure required on Council homes.	Affects other programmes or borrowing required.	3	2	6	Programmes in other areas adjusted to compensate.
New development schemes, locally and nationally creating labour shortages.	Increased demand for tradesmen, resulting in an increase in repairs and improvement costs	3	2	6	Other costs could be reduced.
Ability to attract and retain suitably qualified housing staff.	Service targets and improvements not delivered.	3	3	9	Ensure that recruitment packages are attractive.
Housing staff lone working	Staff at risk of violence or injury.	2	2	4	Policies in place to mitigate the risk and Home Safeguard monitoring.

Sensitivity Analysis

Sensitivity analysis is a useful technique when attempting to determine the impact the actual outcome of a particular variable will have if it differs from what was previously assumed. For example in any budgeting process there are always variables that are uncertain. Future income projections, interest rates, inflation rates, operating expenses and other variables may not be known with great precision. Sensitivity analysis asks the question, if these variables or assumptions deviate from expectations, what will the effect be on the business model?

We have identified the assumptions that may change over time or due to factors beyond our control and considered how a variation will impact on the Business Plan Operating Account.

Assumption	Variation	Impact on the Operating Account Over 30 Years
Rental Income	Average rents increase by 0.25% less than anticipated	Reduced income which in turn reduces the surpluses arising over the life of the Plan
Rent arrears	Increase in arrears by more than the 3% assumption	Reduction in income leading to reduced surpluses arising over the life of the Plan
Supporting People income	Loss of 100% of Supporting People income	Significantly higher costs due to funding of service by HRA leading to reduced surpluses over the life of the Plan
Interest rate changes	Change in interest rate by 0.5% more than anticipated	Increased cost of borrowing which impacts on our surpluses arising over the life of the Plan
Inflation	Inflation exceeds the assumption by 0.5%	Paying more for staff and materials may necessitate finding savings elsewhere in budgets or the use of surpluses
Major Repairs	Costs increase by 0.5% more than anticipated	Higher expenditure reduces surpluses arising over the life of the Plan
Responsive and Cyclical Maintenance	Costs increase by 0.5% more than anticipated	Higher expenditure reduces surpluses arising over the life of the Plan
Management	Costs increase by 0.5% more than anticipated	Higher expenditure reduces surpluses arising over the life of the Plan
Right to Buy Sales	Ten or more additional home sales per year than anticipated	Increased level of capital receipt available but additional pressure to increase stock

Operations

Statement of Services

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

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

The Service aspirations for tackling expressed housing need within the district remains high and can be summarised into five broad themes :

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

Organisational Structure

The Housing Service is organised into four teams. The major areas of activity are shown in the following diagram:

Private Sector Housing Team	Housing Landlord Services Team	Property and Asset Team	Housing Needs and Strategy Team
Private sector housing conditions Empty property assessment Houses of Multiple Occupation Disabled Facilities Grants Energy efficiency measures Caravan and camping sites Gypsy and Travellers Private sewer and rural drainage Private Water Supply Regulation Home Improvement Agency Discretionary loans assistance for renovations	Estate management Tenancy sustainment Income management (rents, service charges) Tenant involvement Right to Buy Community development Support services (Mobile Support Officers) Home Safeguard The HRA Business Plan	Repairs and maintenance Programme/modernisation work Annual and cyclical works Gas safety Lift maintenance Adaptations Procurement Contract management Stock condition Asset management	Homelessness Housing advice and options Allocations/lettings/nominations Housing research and information Housing register Tenancy termination and 'sign up' Housing enabling Council own build Housing strategy Housing projects

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

Governance

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

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

Tenant Scrutiny was introduced in 2011 and this will include scrutiny of income and expenditure plans. Tenant Inspectors also play an important role in ensuring standards are maintained.

Performance Monitoring Framework

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

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

The Strategic lead - Housing, Health & Environment is responsible for delivering the Business Plan and the annual budget.

Performance Indicators

The Housing Service measures all aspects of its operations, using a range of performance indicators, and Systems Thinking measures. Commitments and local offers are monitored and an Annual Report to tenants shows customers how we have performed. We will use a dashboard of indicators to monitor our performance on budgets; rent collection; repairs and maintenance projects; complaints and service requests; voids; allocations; local offers/service standards etc.

We use capability charts to measure end to end times of key processes such as reporting a repair to job completed; date of tenancy sign up to first rent payment; and keys from outgoing tenant to keys to incoming tenant.

We produce a quarterly performance digest on a wide range of indicators and report these to the Housing Service Management Team and the Housing Review Board.

Where applicable, performance has been compared with other district councils and Registered Providers nationally, although this information is not available for all PIs. We belong to HouseMark and benchmark our performance annually with peers.

Financial Monitoring

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

Implementation of a new IT system, OpenHousing, is currently in progress. This system has greater capabilities for monitoring contracts let and orders placed and

will include a process for commitment accounting enabling managers to manage budgets more accurately.

Financial monitoring reports showing significant variations from budgets and identifying corrective action where appropriate are taken to the Housing Review Board on a regular basis.

Staff

Staff Numbers: At the beginning of 2017/18, 90 full time equivalents comprising full time and part time employees were employed in the Housing Service. It is planned to increase staff numbers to ensure the achievement of the key objectives in the Business Plan and Homes and Communities Strategy.

Stress Audits are undertaken periodically. The main themes that emerged were: – A desire for improved communications; Need for better clarity of individual roles and job purpose; Need for improved joint working between Teams in the Service; and a desire for greater praise and recognition. Stress Action Plans are drafted and consulted upon, and implemented in an attempt to resolve the issues identified.

Recruitment and Retention Issues:

Restructuring proposals were implemented in 2011 with the aim of producing a staffing structure better suited to meeting current and future service needs. The on-going need to recruit suitably qualified and experienced employees to fill any vacancies will remain a key issue.

As vacancies occur consideration will be given to the best way to deliver the relevant service rather than automatically replacing like with like as this will enable a move to more generic working.

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

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

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

Management and Operations

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

- **Senior Management** – The oversight of all housing service operations in accordance with the Housing Strategy, the Business Plan, Service Plan and Council policy. The Housing Service Management Team will be a key feature in delivering service improvements.
- **Housing Needs and Strategy** – This includes:
 - Managing the Housing Register of approximately 2,600 households seeking accommodation in East Devon;
 - Making housing assessments;
 - Receiving and investigating homeless applications;
 - Providing housing advice, and operating housing advice surgeries in Exmouth twice a week;
 - Ensuring that vulnerable tenants with special needs are appropriately supported in their homes;
 - Providing a Tenancy Sustainment service;
 - In addition, there are links with the Homelessness Strategy, which involves the assessing of the scale of housing needs, the investigation of approximately 300 homeless approaches each year and the securing of housing for typically 150 homeless households;
 - Responsibility for producing the Council's Housing Strategy which is a document setting out the plans for housing over a three year period. The Strategy considers housing needs and sets priorities and targets for future service delivery. The Homes and Communities Strategy is part of the Council Plan and will be delivered through partnership working;
 - Running a Systems Administration team to implement and manage the OpenHousing system.
- **Housing Repairs and asset management** – ensuring that the Council's properties are in a good condition and meet the needs of our tenants. This includes the management of:
 - Responsive maintenance;
 - Void property improvement
 - Programmed and cyclical maintenance programmes;
 - Compliance activities
 - Programmes of improvements and adaptations;
 - HandyMan service
 - Ensuring that all properties continue to meet the Decent Homes Standard.
- **Estate/Property Management** – This includes:
 - The management of all Council properties, plus about 750 garages and 14 community centres;
 - Dealing with tenant's complaints, including anti-social behaviour;

- Ensuring compliance with tenancy conditions and that the environment is well maintained.
- **Housing Rental** – Ensuring that tenants are charged the correct rents, and that rents and other charges are paid on time. Provide tenants with a variety of payment options and access to benefits and financial advice.
- **Supported housing** - Including Home Safeguard and the provision of housing for people with support needs. Specifically, this covers:
 - Providing a community alarm service to 1,160 Council sheltered housing units, as well as customers in the private sector; a total of 5,700 customers;
 - The Mobile Support Officer Service, supporting over 300 tenants in their own homes;
 - Scheme Managers service, providing support to about a further 500 tenants;
 - There are links to the Home Safeguard work with housing associations and other service providers to meet the special needs of vulnerable people.
- **Tenant Involvement and Participation** – This includes:
 - Enabling tenants to participate in the management of their homes;
 - Supporting the Tenant Representation Group, Village Contacts, Area Forum meetings, Leaseholder meetings and Residents Groups;
 - Implementing the Tenant Involvement Strategy;
 - Administering the sale of Council homes each year under the Right to Buy scheme.
- **Social Inclusion and community development** - Including race equality and diversity and children's issues – this involves working in partnership to devise and implement policies to ensure that residents are able to play a full and active role in their communities without fear of prejudice or discrimination. The Service will be leading on the Council's role in respect of safeguarding issues.
- Many but not all these activities are funded through the Housing Revenue Account, which is concerned solely with landlord related activities.

Commitments

The Housing Service recognises that the next few years are crucial ones for the Service. The key issues it identifies to be faced over that period are set out in **Our Commitments to You** document and Annual Report to tenants. The cost of the commitments has been factored into the Business Plan and these are summarised as follows:

Current Local Standards – effective since April 2011

Tenant Involvement and Empowerment Standard	1.1 – When you contact us we will answer you promptly, listen carefully, and treat you with respect.
	1.2 – When you contact us about issues that are not repairs related we will put you in touch with the right person to answer your query straight away. They will keep you informed of the progress of your case.
	1.3 – We will have an easily accessible complaints process for housing. Officers will be able to help you with this on request.
	1.4 – Repeat service requests (excluding repairs) will be logged as complaints by the receiving officer.
	1.5 – Complaints will be monitored quarterly by the Customer Care Commitments Service Review Group, made up of tenants and staff. Feedback will be given in the Annual Report to Tenants.
	1.6 – We will hold meetings at small local venues throughout the district and ensure the right staff attend.
	1.7 – As well as meetings we will use a range of involvement methods which will be widely published. We will listen to what you tell us and make service improvements as a result.
Home Standard	2.1 – We will produce a rolling five-year plan to identify improvement works to our properties, prioritising areas highlighted by the stock condition survey and feedback from the local standards consultation.
	2.2 – We will ensure all our contractors treat you with respect and courtesy. We will monitor the standard of workmanship and aim for a ‘right first time’ service.
	2.3 – We will introduce a question to ask when you report a repair to establish if there is a repeat repair issue occurring.
Neighborhood and community standard	3.1 – As well as our current local estate walkabouts, we will introduce regular in-depth estate inspections. In 2011 we will pilot this in Honiton and Axminster.
	3.2 – We will engage young people in positive free time activities that help them create positive outcomes for their lives.
	3.3 – We will work with other local agencies to tackle antisocial behavior issues. Incidents reported by EDDC tenants will be monitored by housing officers who will feedback regularly to the person reporting the problem.

Proposed new Local Standards –effective from April 2012

Value for Money Standard	4.1 – We will ensure the Housing Review Board approves the annual Housing Revenue Account budget and monitors expenditure.
	4.2 – We will publish each year what we have spent your rent on, in the Annual Report to tenants.
	4.3 – We will work with the Tenant Representative Group to monitor our services to make sure that they are being carried out to your satisfaction

	4.4 - We will inform tenants of our value for money savings through the Annual Report and the newsletters and set out future plans for savings.
Tenancy Standard	5.1 - We will aim to register your fully-completed Devon Home Choice application form within ten working days of receipt.
	5.2 - We will review housing applications on Devon Home Choice for bands A, B, C, and D every two years.
	5.3 - We will let our properties within twenty-five working days to ensure we maximise our rental income.
	5.4 - We will offer an accompanied viewing to all new tenants when we let an empty property
	5.5 - When possible, you will be given the opportunity to take on responsibility for fixtures and fittings left by the previous tenant.
	5.6 - We will let you know how much the rent and other charges of running the home will be.
	5.7 - We will provide you with a number of ways to pay your rent.
	5.8 - We will provide you with a rent statement every six months
	5.9 - We will take swift action against tenants who do not pay their rent.

From April 2013 two further local standards were introduced:

Standard	What this means
We will work in partnership with other agencies and council services to resolve parking, signposting, street lighting and dog fouling issues.	When an issue about persistent dog fouling, ongoing parking problems on an estate lack of street signs or street lighting is brought to our attention we will work with other agencies (Devon County Council, police, antisocial behaviour coordinator, the dog warden and Streetscene) to reach a satisfactory outcome.
We will work in partnership with other agencies and council services to make sure our tenants are aware of the impact of welfare reform.	We want all of our tenants to be fully aware of the changes being implemented by the government. We will do this by providing information in “Housing Matters” our tenant’s newsletter, facilitating training and awareness sessions, holding training sessions and writing to tenants individually about changes that will impact on them personally.

Appendices

East Devon District Council
HRA Business Plan
Operating Account
(expressed in money terms)

		Income			Expenditure															
Year	Year	Net rent Income	Other income	Total Income	Managnt.	Depreciation	Responsive & Cyclical	Other Revenue spend	Total expenses	Capital Charges	Net Operating (Expenditure)	Repayment of loans	Transfer to MRR	RCCO	Surplus (Deficit) for the Year	Surplus (Deficit) b/fwd	Interest	Surplus (Deficit) c/fwd		
		£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000		
1	2017.18	17,861	452	18,312	(5,186)	(1,279)	(4,088)	(245)	(10,798)	(3,840)	3,674	0	(3,187)	(3,533)	(3,046)	9,747	35	6,736		
2	2018.19	17,800	463	18,263	(5,316)	(1,312)	(4,191)	(251)	(11,070)	(2,563)	4,630	0	(3,267)	(3,556)	(2,193)	6,736	24	4,566		
3	2019.20	18,079	475	18,554	(5,449)	(1,347)	(4,295)	(257)	(11,348)	(2,598)	4,607	0	(3,349)	(3,581)	(2,323)	4,566	14	2,258		
4	2020.21	18,359	487	18,846	(5,585)	(1,382)	(4,403)	(264)	(11,633)	(2,691)	4,522	0	(3,432)	(1,347)	(258)	2,258	8	2,008		
5	2021.22	19,001	499	19,500	(5,725)	(1,418)	(4,513)	(270)	(11,926)	(2,861)	4,713	0	(3,518)	(1,203)	(8)	2,008	7	2,007		
6	2022.23	19,665	511	20,176	(5,868)	(1,455)	(4,626)	(277)	(12,226)	(3,011)	4,940	0	(3,606)	(1,340)	(7)	2,007	7	2,007		
7	2023.24	20,350	524	20,874	(6,015)	(1,493)	(4,741)	(284)	(12,533)	(3,120)	5,221	0	(3,696)	(1,499)	25	2,007	7	2,040		
8	2024.25	21,462	537	21,999	(6,165)	(1,533)	(4,860)	(291)	(12,848)	(3,161)	5,989	0	(3,789)	(2,240)	(40)	2,040	7	2,007		
9	2025.26	21,695	551	22,246	(6,319)	(1,573)	(4,981)	(298)	(13,171)	(3,205)	5,870	0	(3,883)	(1,993)	(7)	2,007	8	2,008		
10	2026.27	22,256	564	22,821	(6,477)	(1,605)	(5,106)	(306)	(13,493)	(3,249)	6,078	0	(3,980)	(2,106)	(8)	2,008	11	2,011		
11	2027.28	22,831	578	23,409	(6,639)	(1,637)	(5,233)	(313)	(13,823)	(3,294)	6,293	0	(4,080)	(2,224)	(11)	2,011	13	2,013		
12	2028.29	23,419	593	24,012	(6,805)	(1,670)	(5,364)	(321)	(14,160)	(3,316)	6,536	0	(4,182)	(2,367)	(13)	2,013	16	2,016		
13	2029.30	24,021	608	24,629	(6,975)	(1,703)	(5,498)	(329)	(14,506)	(3,324)	6,799	0	(4,287)	(1,967)	545	2,016	19	2,580		
14	2030.31	25,112	623	25,734	(7,149)	(1,738)	(5,636)	(337)	(14,860)	(3,255)	7,620	(2,597)	(4,394)	(536)	93	2,580	23	2,696		
15	2031.32	25,269	638	25,908	(7,328)	(1,772)	(5,777)	(346)	(15,223)	(3,126)	7,558	(2,972)	(4,504)	(705)	(622)	2,696	23	2,097		
16	2032.33	25,915	654	26,570	(7,511)	(1,808)	(5,921)	(354)	(15,595)	(3,066)	7,908	(525)	(4,616)	(769)	1,998	2,097	26	4,121		
17	2033.34	26,577	671	27,247	(7,699)	(1,844)	(6,069)	(363)	(15,976)	(3,093)	8,179	(16)	(4,732)	(836)	2,595	4,121	34	6,751		
18	2034.35	27,254	688	27,941	(7,892)	(1,881)	(6,221)	(372)	(16,366)	(3,135)	8,441	(16)	(4,850)	(906)	2,669	6,751	44	9,463		
19	2035.36	28,484	705	29,189	(8,089)	(1,919)	(6,377)	(382)	(16,766)	(3,178)	9,245	(17)	(4,971)	(980)	3,276	9,463	55	12,795		
20	2036.37	28,656	722	29,379	(8,291)	(1,957)	(6,536)	(391)	(17,175)	(3,225)	8,979	(18)	(5,095)	(1,058)	2,807	12,795	66	15,668		
21	2037.38	29,383	740	30,123	(8,498)	(1,996)	(6,699)	(401)	(17,594)	(3,271)	9,258	(1,323)	(5,223)	(1,139)	1,573	15,668	74	17,315		
22	2038.39	30,126	759	30,885	(8,711)	(2,035)	(6,867)	(411)	(18,024)	(3,218)	9,643	(1,600)	(5,353)	(1,224)	1,465	17,315	80	18,860		
23	2039.40	30,887	778	31,665	(8,929)	(2,076)	(7,038)	(421)	(18,464)	(3,153)	10,048	(5,000)	(5,487)	(1,312)	(1,751)	18,860	80	17,189		
24	2040.41	31,666	797	32,464	(9,152)	(2,117)	(7,214)	(432)	(18,915)	(2,952)	10,596	(5,744)	(5,624)	(1,405)	(2,177)	17,189	74	15,086		
25	2041.42	33,088	817	33,905	(9,381)	(2,159)	(7,395)	(443)	(19,377)	(2,722)	11,806	(6,536)	(5,765)	(1,501)	(1,995)	15,086	68	13,159		
26	2042.43	33,280	838	34,117	(9,615)	(2,202)	(7,580)	(454)	(19,850)	(2,459)	11,808	(8,954)	(5,909)	(1,601)	(4,656)	13,159	57	8,560		
27	2043.44	34,115	859	34,974	(9,856)	(2,245)	(7,769)	(465)	(20,335)	(2,103)	12,536	(3,305)	(6,057)	(1,705)	1,469	8,560	52	10,081		
28	2044.45	34,970	880	35,850	(10,102)	(2,289)	(7,963)	(477)	(20,831)	(1,970)	13,049	(3,736)	(6,208)	(1,814)	1,290	10,081	58	11,429		
29	2045.46	35,845	902	36,747	(10,354)	(2,334)	(8,162)	(489)	(21,340)	(1,820)	13,587	(4,199)	(6,363)	(1,928)	1,097	11,429	62	12,588		
30	2046.47	36,741	925	37,665	(10,613)	(2,380)	(8,367)	(501)	(21,861)	(1,648)	14,157	(13,588)	(6,522)	(2,046)	(8,000)	12,588	51	4,639		
31	2047.48	38,382	948	39,329	(10,879)	(2,427)	(8,576)	(513)	(22,395)	(1,108)	15,826	(2,654)	(6,686)	(2,170)	4,317	4,639	46	9,001		
32	2048.49	38,595	971	39,567	(11,151)	(2,475)	(8,790)	(526)	(22,942)	(1,002)	15,624	(2,732)	(6,853)	(2,298)	3,741	9,001	60	12,802		
33	2049.50	39,555	996	40,551	(11,429)	(2,523)	(9,010)	(539)	(23,502)	(893)	16,156	(36)	(7,024)	(2,432)	6,665	12,802	79	19,546		
34	2050.51	40,538	1,021	41,559	(11,715)	(2,573)	(9,235)	(553)	(24,076)	(891)	16,592	(38)	(7,200)	(2,571)	6,784	19,546	103	26,432		
35	2051.52	41,543	1,046	42,589	(12,008)	(2,623)	(9,466)	(567)	(24,663)	(889)	17,036	0	(7,380)	(2,715)	6,941	26,432	128	33,501		
36	2052.53	43,390	1,072	44,463	(12,308)	(2,674)	(9,703)	(581)	(25,266)	(889)	18,308	0	(7,564)	(2,866)	7,877	33,501	154	41,533		
37	2053.54	43,624	1,099	44,723	(12,616)	(2,726)	(9,945)	(595)	(25,883)	(887)	17,954	(6,720)	(7,753)	(3,023)	459	41,533	170	42,161		
38	2054.55	44,702	1,127	45,828	(12,931)	(2,779)	(10,194)	(610)	(26,514)	(618)	18,696	(7,397)	(7,947)	(3,186)	166	42,161	172	42,500		
39	2055.56	45,803	1,155	46,958	(13,255)	(2,833)	(10,449)	(626)	(27,162)	(322)	19,475	(8,120)	(8,146)	(3,355)	(146)	42,500	174	42,527		
40	2056.57	46,931	1,184	48,115	(13,586)	(2,888)	(10,710)	(641)	(27,825)	0	20,290	0	(8,349)	(3,532)	8,409	42,527	189	51,125		

The HRA Operating account includes all expenditure and income incurred in managing the council's housing stock over the lifetime of the business plan and in accordance with government legislation is ring fenced from all other council activities.

Based on current assumptions, the projections over the next 40 years shows surpluses in the HRA budget.

A snapshot of the results over the 40 years period is as follows;

- The rental projections over the 40 year period are estimated at £1.2 billion with an average of £30.1m each year.
- The capital investment is estimated at £293m with an average capital investment of £7.3M each year.
- Responsive repairs expenditure to keep the Housing stock in good operating condition, has been estimated at £276M over the 40 year period with an average yearly spend of £6.9m each year.
- Currently as it stands the HRA will be able to pay off its £87.8m borrowing from the PWLB over the 40 year period of this business plan.
- At the end of the 40 year period the HRA accumulated surpluses will be £51.1m with an average of £975k surplus projected each year.

Key Assumptions

- **Rents.** The 2016 Welfare Reform and Work Act introduced the requirement for all registered social housing providers to reduce social housing rents by 1% for the 4 years from 2016/17. Social housing rents have been reduced by 1% until 2019/20 for the majority of dwellings. This is estimated to cost the HRA £2.058m in lost rental income over the four years. The business plan assumes there will be a return to a consumer Price Index increase + 1% from 2020/21 onwards. The projections for rental income reflect Right to Buy assumptions and the increase in the stock due to the HRA New Build programme. It also assumes a void and bad debt provision level of 3.14% for the period covered by the plan.
- **Payments and prices.** The business plan provides for pay increases and inflationary increases on specific contractual commitments and utilities.
- **Service charges.** Service charges are projected to increase to reflect more closely the costs associated with providing services.
- **Efficiencies** in staffing and running cost reductions will continue to be realised over the period covered by the business plan.
- **Repairs to dwellings** will be maintained at current levels until 2019/20 and it is projected that from 2020/21 this budget will increase by RPI 2.50% each year.

- **Void rate and provision for bad debts.** Voids and bad debts have been projected at 3.14%. Provision for bad debts is dependent upon the expected level of arrears. The impact of universal credit roll out cannot be ascertained at this point however as the roll out across East Devon continues, the bad debt provision will be revised to take into account any increases in rent arrears.

Investing in the Housing stock remains a priority. The Council through the HRA remains committed to prioritising resources to meet the capital investment required to sustain its housing stock and to replace homes lost through Right to Buy. The HRA will maintain and ensure there are adequate resources to finance the required level of capital investment in the council's housing stock.

Business plan Risks

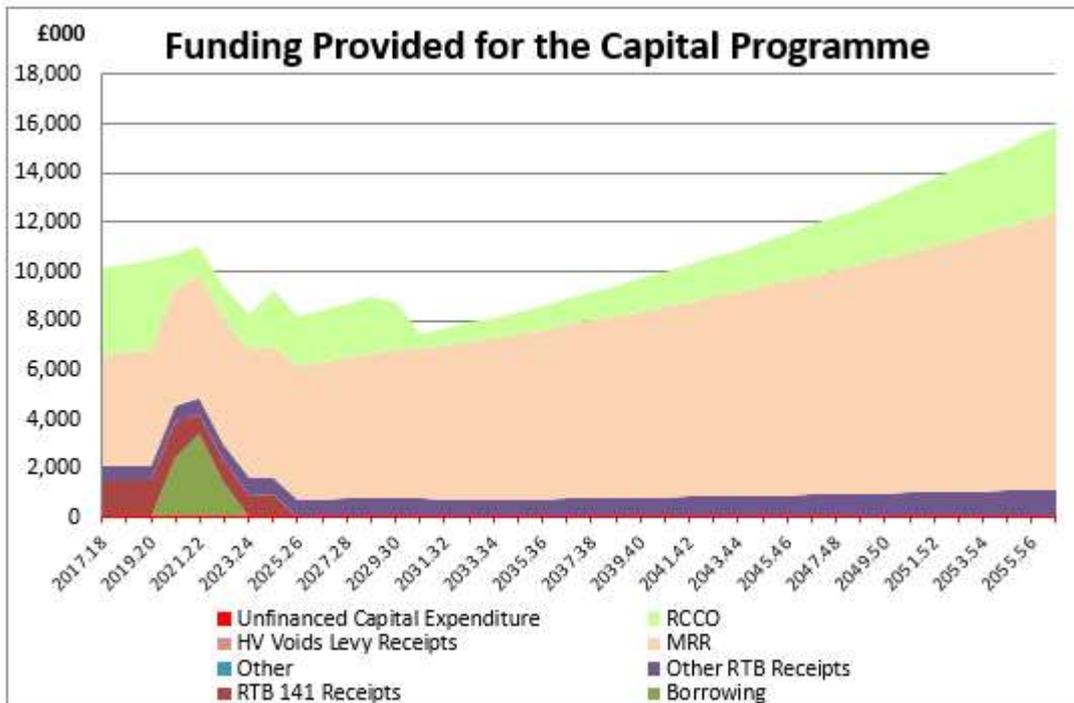
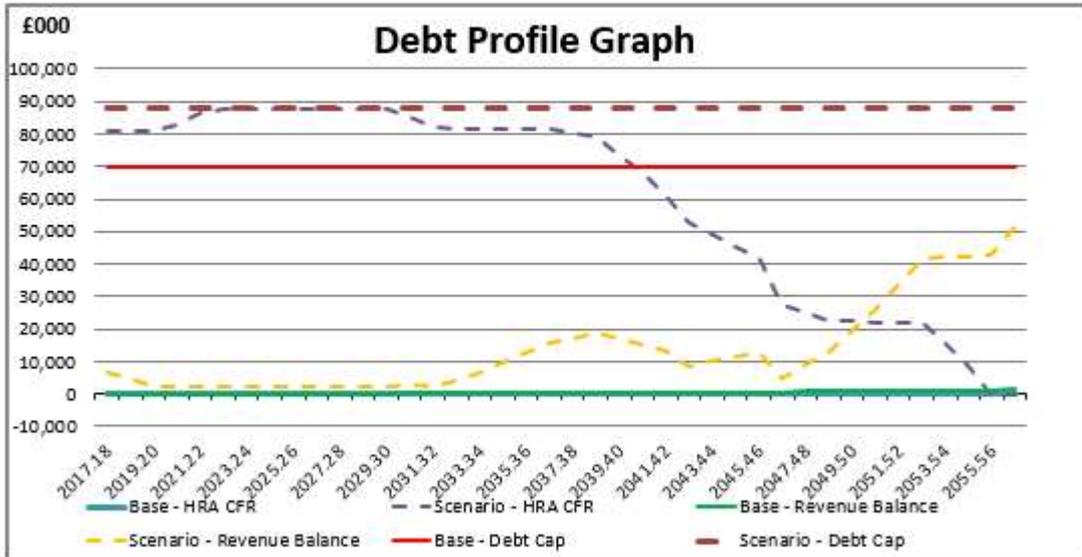
The 2016 Welfare reform and Work Act, the Housing and Planning Act 2016 and the Housing White paper 'Fixing our broken housing market' will influence the period covered by the financial plan.

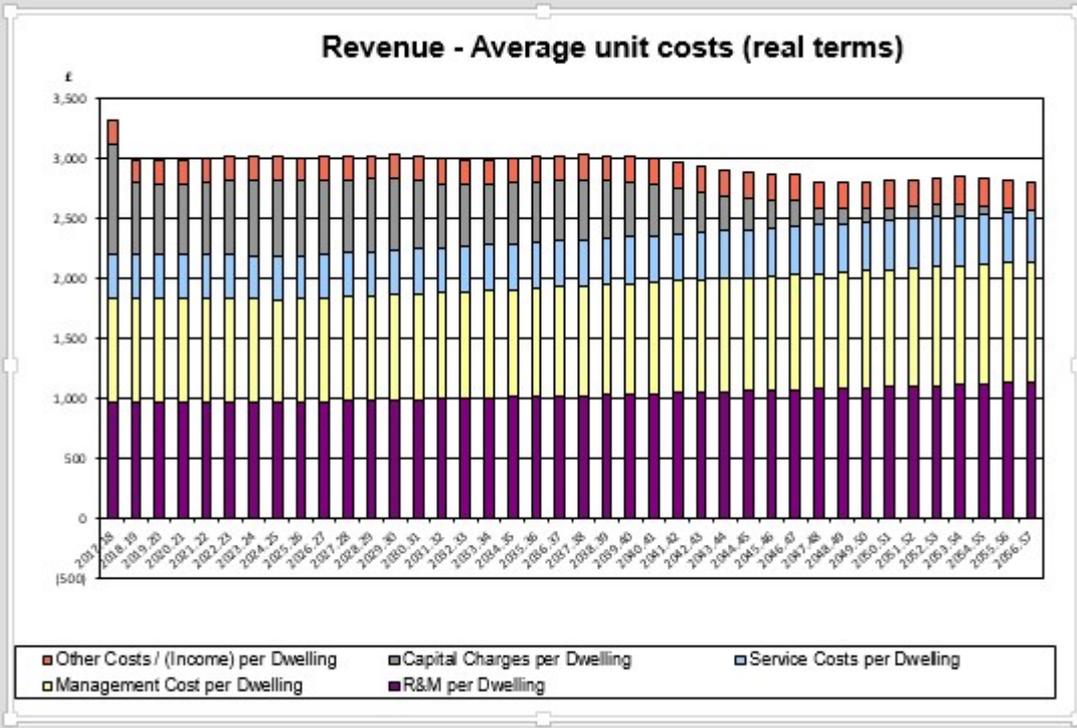
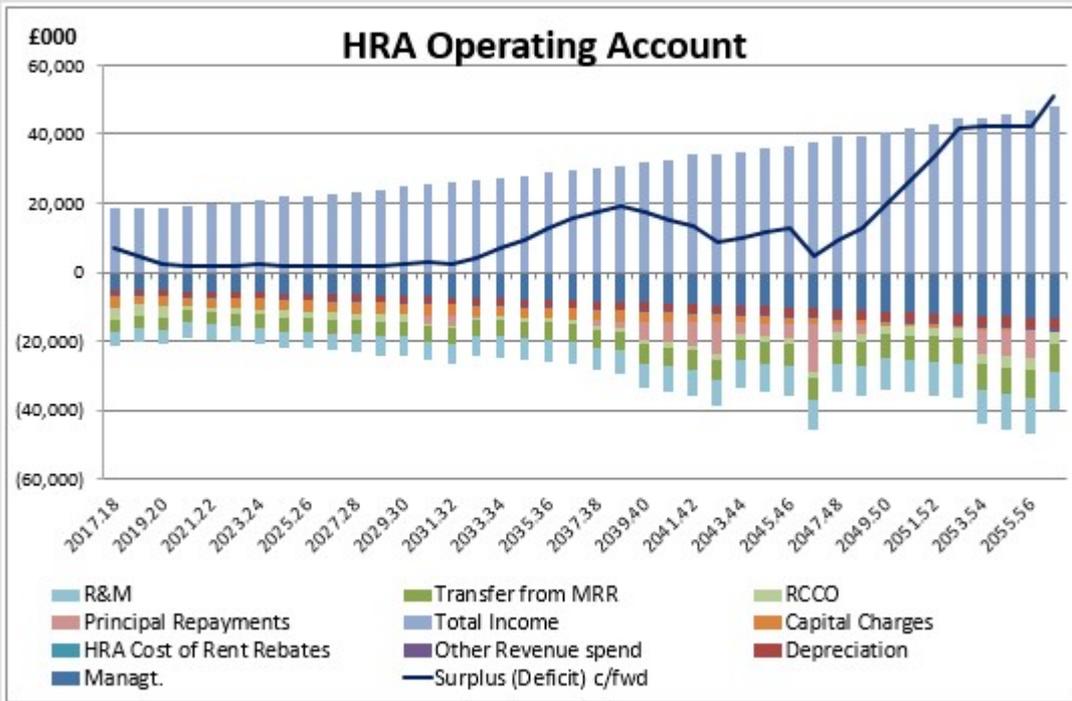
There are number of uncertainties which may impact on the level of resources available to the HRA.

- **Government's rent policy beyond 2020** – any change to the current government rental policy of a return to CPI+1% rental increase could impact significantly upon the level of resources available to the HRA. Previous changes to rent policy required the use of reserves to manage the 2016/17 to 2019/20 rent reductions, which cannot be sustained beyond 2020. A 1% variation in rent equates to approximately £180k.
- **Roll out of universal credit** – the rollout of Universal credit in East Devon commenced in December 2015 and once fully implemented it will require the council to collect rent directly from all tenants who are in receipt of full or partial Housing Benefit. Although the financial impact is still difficult to quantify an increase in arrears has been adjusted for in the 40 year business plan.
- **Increased right to buys** – a reduction in the qualifying period after which tenants are able to submit an application to purchase a council house through government's Right to Buy legislation continues to sustain an increase in the number of sales with a subsequent reduction in the amount of rent receivable. There is therefore a risk that the council sells more properties than anticipated.
- **Sale of higher value homes** - the Housing and Planning Act 2016 has introduced the requirement for local authorities to sell their higher value homes and allows the government to estimate the amount of money that they expect each local authority to receive from such sales each financial year. Authorities will then be required to pay these receipts to the Treasury every quarter. Details of the definition of higher value homes and the mechanism by which the government will calculate the amount to be paid by each Authority are yet to be published but implementation of this policy could have a significant impact upon the level of resources available.
- **Investment in HRA housing stock** – Investment has to continue unabated in the current 40 year business plan in order to maintain the condition of the existing and housing stock. A 40 year asset management plan is required to run in line with the current business plan. Currently this is in the process of being drawn up and it will take some time to achieve.

HRA business plan statistics at a glance.

East Devon District Council
 HRA Overview Graphs
 Debt Profile Graph and Capital Funding Graph





East Devon District Council
HRA Business Plan
Major Repairs and Improvements Financing
(expressed in money terms)

		Expenditure					Financing								
Year	Year	Major Works & Imps £,000	Leaseholder Works £,000	New Build Development Costs £,000	Higher Value Voids Levy £,000	Other £,000	Total Expenditure £,000	Borrowing £,000	RTB 141 Receipts £,000	Other RTB Receipts £,000	HV Voids Levy Receipts £,000	Other £,000	MRR £,000	RCCO £,000	Total Financing £,000
1	2017.18	5,091	0	5,000	0	0	10,091	0	1,500	592	0	0	4,466	3,533	10,091
2	2018.19	5,242	0	5,000	0	0	10,242	0	1,500	606	0	0	4,579	3,556	10,242
3	2019.20	5,397	0	5,000	0	0	10,397	0	1,500	620	0	0	4,695	3,581	10,397
4	2020.21	5,556	0	5,125	0	0	10,681	2,434	1,451	634	0	0	4,814	1,347	10,681
5	2021.22	5,721	0	5,253	0	0	10,974	3,350	835	649	0	0	4,936	1,203	10,974
6	2022.23	4,000	0	5,384	0	0	9,384	1,455	863	664	0	0	5,061	1,340	9,384
7	2023.24	2,742	0	5,519	0	0	8,261	0	893	680	0	0	5,190	1,499	8,261
8	2024.25	3,524	0	5,657	0	0	9,181	0	923	696	0	0	5,321	2,240	9,181
9	2025.26	8,162	0	0	0	0	8,162	0	0	712	0	0	5,456	1,993	8,162
10	2026.27	8,420	0	0	0	0	8,420	0	0	729	0	0	5,585	2,106	8,420
11	2027.28	8,687	0	0	0	0	8,687	0	0	746	0	0	5,717	2,224	8,687
12	2028.29	8,982	0	0	0	0	8,982	0	0	764	0	0	5,852	2,367	8,982
13	2029.30	8,739	0	0	0	0	8,739	0	0	782	0	0	5,990	1,967	8,739
14	2030.31	7,438	0	0	0	0	7,438	0	0	771	0	0	6,131	536	7,438
15	2031.32	7,658	0	0	0	0	7,658	0	0	677	0	0	6,276	705	7,658
16	2032.33	7,885	0	0	0	0	7,885	0	0	692	0	0	6,424	769	7,885
17	2033.34	8,118	0	0	0	0	8,118	0	0	707	0	0	6,576	836	8,118
18	2034.35	8,359	0	0	0	0	8,359	0	0	722	0	0	6,731	906	8,359
19	2035.36	8,606	0	0	0	0	8,606	0	0	737	0	0	6,890	980	8,606
20	2036.37	8,861	0	0	0	0	8,861	0	0	751	0	0	7,052	1,058	8,861
21	2037.38	9,124	0	0	0	0	9,124	0	0	766	0	0	7,218	1,139	9,124
22	2038.39	9,394	0	0	0	0	9,394	0	0	781	0	0	7,389	1,224	9,394
23	2039.40	9,672	0	0	0	0	9,672	0	0	797	0	0	7,563	1,312	9,672
24	2040.41	9,959	0	0	0	0	9,959	0	0	813	0	0	7,741	1,405	9,959
25	2041.42	10,254	0	0	0	0	10,254	0	0	829	0	0	7,924	1,501	10,254
26	2042.43	10,557	0	0	0	0	10,557	0	0	846	0	0	8,111	1,601	10,557
27	2043.44	10,870	0	0	0	0	10,870	0	0	863	0	0	8,302	1,705	10,870
28	2044.45	11,192	0	0	0	0	11,192	0	0	880	0	0	8,498	1,814	11,192
29	2045.46	11,524	0	0	0	0	11,524	0	0	898	0	0	8,698	1,928	11,524
30	2046.47	11,865	0	0	0	0	11,865	0	0	916	0	0	8,903	2,046	11,865
31	2047.48	12,217	0	0	0	0	12,217	0	0	935	0	0	9,113	2,170	12,217
32	2048.49	12,579	0	0	0	0	12,579	0	0	954	0	0	9,327	2,298	12,579
33	2049.50	12,952	0	0	0	0	12,952	0	0	973	0	0	9,547	2,432	12,952
34	2050.51	13,336	0	0	0	0	13,336	0	0	993	0	0	9,772	2,571	13,336
35	2051.52	13,731	0	0	0	0	13,731	0	0	1,013	0	0	10,002	2,715	13,731
36	2052.53	14,138	0	0	0	0	14,138	0	0	1,034	0	0	10,238	2,866	14,138
37	2053.54	14,557	0	0	0	0	14,557	0	0	1,055	0	0	10,479	3,023	14,557
38	2054.55	14,989	0	0	0	0	14,989	0	0	1,077	0	0	10,726	3,186	14,989
39	2055.56	15,433	0	0	0	0	15,433	0	0	1,099	0	0	10,979	3,355	15,433
40	2056.57	15,891	0	0	0	0	15,891	0	0	1,122	0	0	11,237	3,532	15,891

East Devon District Council
HRA Business Plan
Performance
(expressed in real terms)

		Average Stock				Unit Costs / (Income)													Ratios									
Year	Year	Social Rented	Affordable Rented	Leasehold	Total Tenant Stock	R&M per Dwelling	Management Cost per Dwelling	Service Costs per Dwelling	Capital Charge per Dwelling	Service Charge & Other Income per Dwelling	Average Social Rent	Average New Build/Affordable Rent	Average Rent per Dwelling	Other Costs / (Income) per Dwelling	Net Operating Expenditure / (Income) per Dwelling	Tenant's Capital Maintenance Improvements	New Build Expenditure per Dwelling	Higher Value Voids Levy per Dwelling	Other Capital Expenditure per Dwelling	Net Expenditure / (Income) per Dwelling	Leasehold Capital Maintenance & Improvements	Interest cover	Operating Surplus	Return on Capital Employed	Average Debt Per Unit	Gearing (Debt/Reserves)	Use of Debt Cap	
		£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£			Per Unit	£	£		
1	2017.18	4,184	26	100	4,210	971	866	366	912	(277)	(4,197)	(6,536)	(4,211)	196	(1,177)	1,209	1,188	0	0	1,221	0	2.0	41%	3.4%	19,137	3.09%	37%	92%
2	2018.19	4,164	51	100	4,215	970	865	365	593	(276)	(4,058)	(6,313)	(4,085)	192	(1,376)	1,213	1,157	0	0	995	0	2.8	39%	3.2%	18,648	3.13%	36%	92%
3	2019.20	4,144	76	100	4,220	969	864	365	586	(279)	(3,999)	(6,215)	(4,038)	190	(1,343)	1,217	1,128	0	0	1,002	0	2.8	39%	3.1%	18,172	3.17%	36%	92%
4	2020.21	4,124	101	100	4,225	968	863	365	591	(276)	(3,946)	(6,127)	(3,998)	189	(1,298)	1,221	1,127	0	0	1,050	0	2.7	38%	3.0%	18,242	3.24%	36%	95%
5	2021.22	4,104	126	100	4,230	967	862	364	613	(275)	(3,969)	(6,157)	(4,034)	190	(1,313)	1,225	1,125	0	0	1,037	0	2.6	39%	3.1%	18,493	3.33%	37%	98%
6	2022.23	4,084	151	100	4,235	965	861	364	628	(275)	(3,991)	(6,187)	(4,069)	191	(1,335)	835	1,124	0	0	624	0	2.6	39%	3.2%	18,325	3.41%	36%	100%
7	2023.24	4,064	176	100	4,240	964	860	363	635	(275)	(4,014)	(6,217)	(4,105)	192	(1,366)	558	1,123	0	0	315	0	2.7	40%	3.2%	17,857	3.50%	35%	100%
8	2024.25	4,044	201	100	4,245	963	859	363	627	(278)	(4,114)	(6,368)	(4,221)	196	(1,491)	698	1,121	0	0	329	0	2.9	42%	3.5%	17,401	3.55%	34%	100%
9	2025.26	4,024	213	100	4,237	965	861	363	621	(275)	(4,059)	(6,278)	(4,171)	194	(1,442)	1,581	0	0	0	139	0	2.8	41%	3.4%	17,056	3.60%	34%	100%
10	2026.27	4,004	213	100	4,217	970	865	365	617	(276)	(4,082)	(6,309)	(4,194)	195	(1,459)	1,599	0	0	0	140	0	2.9	41%	3.4%	16,720	3.65%	33%	100%
11	2027.28	3,984	213	100	4,197	974	869	367	613	(277)	(4,104)	(6,340)	(4,218)	196	(1,476)	1,617	0	0	0	141	0	2.9	41%	3.4%	16,390	3.70%	32%	100%
12	2028.29	3,964	213	100	4,177	979	873	369	605	(279)	(4,127)	(6,371)	(4,241)	197	(1,497)	1,639	0	0	0	142	0	3.0	41%	3.4%	16,067	3.72%	31%	100%
13	2029.30	3,944	213	100	4,157	983	877	370	595	(280)	(4,149)	(6,402)	(4,265)	198	(1,521)	1,563	0	0	0	42	0	3.0	41%	3.5%	15,750	3.75%	30%	100%
14	2030.31	3,924	213	100	4,137	988	881	372	571	(285)	(4,252)	(6,557)	(4,371)	202	(1,641)	1,304	0	0	0	(337)	0	3.3	42%	3.6%	14,984	3.75%	29%	97%
15	2031.32	3,904	213	100	4,117	993	886	374	537	(283)	(4,194)	(6,464)	(4,312)	200	(1,604)	1,316	0	0	0	(288)	0	3.4	41%	3.5%	14,178	3.73%	27%	94%
16	2032.33	3,884	213	100	4,097	998	890	376	517	(284)	(4,217)	(6,496)	(4,336)	201	(1,637)	1,329	0	0	0	(309)	0	3.6	41%	3.5%	13,811	3.74%	26%	93%
17	2033.34	3,864	213	100	4,077	1,003	894	378	511	(285)	(4,240)	(6,528)	(4,359)	203	(1,656)	1,341	0	0	0	(315)	0	3.6	41%	3.6%	13,538	3.78%	26%	93%
18	2034.35	3,844	213	100	4,057	1,008	899	380	508	(287)	(4,262)	(6,559)	(4,383)	204	(1,672)	1,354	0	0	0	(318)	0	3.7	41%	3.6%	13,270	3.83%	25%	93%
19	2035.36	3,824	213	100	4,037	1,013	903	381	505	(291)	(4,367)	(6,718)	(4,491)	207	(1,773)	1,367	0	0	0	(406)	0	3.9	43%	3.8%	13,008	3.89%	24%	93%
20	2036.37	3,804	213	100	4,017	1,018	908	383	502	(289)	(4,307)	(6,623)	(4,430)	206	(1,703)	1,380	0	0	0	(323)	0	3.8	42%	3.6%	12,751	3.94%	24%	93%
21	2037.38	3,784	213	100	3,997	1,023	912	385	499	(291)	(4,330)	(6,656)	(4,454)	207	(1,718)	1,393	0	0	0	(325)	0	3.8	42%	3.7%	12,300	4.00%	23%	91%
22	2038.39	3,764	213	100	3,977	1,028	917	387	482	(292)	(4,353)	(6,688)	(4,478)	208	(1,748)	1,406	0	0	0	(342)	0	4.0	42%	3.7%	11,821	4.01%	22%	90%
23	2039.40	3,744	213	100	3,957	1,033	921	389	463	(294)	(4,376)	(6,721)	(4,502)	209	(1,780)	1,420	0	0	0	(360)	0	4.2	42%	3.7%	10,855	4.01%	20%	84%
24	2040.41	3,724	213	100	3,937	1,038	926	391	425	(295)	(4,398)	(6,754)	(4,526)	210	(1,830)	1,433	0	0	0	(397)	0	4.6	42%	3.7%	9,815	4.01%	18%	77%
25	2041.42	3,704	213	100	3,917	1,044	931	393	384	(300)	(4,506)	(6,917)	(4,637)	214	(1,971)	1,447	0	0	0	(524)	0	5.3	43%	3.9%	8,700	4.01%	16%	70%
26	2042.43	3,684	213	100	3,897	1,049	936	395	340	(298)	(4,444)	(6,820)	(4,574)	212	(1,939)	1,461	0	0	0	(478)	0	5.8	42%	3.8%	7,289	4.01%	14%	60%
27	2043.44	3,664	213	100	3,877	1,055	941	397	285	(299)	(4,467)	(6,853)	(4,598)	213	(2,006)	1,475	0	0	0	(531)	0	7.0	42%	3.8%	6,698	4.01%	13%	56%
28	2044.45	3,644	213	100	3,857	1,060	945	399	262	(301)	(4,490)	(6,887)	(4,622)	215	(2,042)	1,490	0	0	0	(552)	0	7.6	42%	3.8%	6,070	4.01%	11%	52%
29	2045.46	3,624	213	100	3,837	1,066	950	401	238	(302)	(4,513)	(6,920)	(4,647)	216	(2,078)	1,504	0	0	0	(574)	0	8.5	42%	3.8%	5,403	4.01%	10%	47%
30	2046.47	3,604	213	100	3,817	1,071	955	403	211	(304)	(4,536)	(6,954)	(4,671)	217	(2,117)	1,519	0	0	0	(598)	0	9.6	42%	3.9%	3,555	4.01%	7%	32%
31	2047.48	3,584	213	100	3,797	1,077	960	406	139	(309)	(4,647)	(7,122)	(4,786)	221	(2,292)	1,534	0	0	0	(758)	0	15.3	43%	4.1%	3,153	4.01%	6%	29%
32	2048.49	3,564	213	100	3,777	1,082	965	408	123	(306)	(4,583)	(7,022)	(4,720)	219	(2,229)	1,549	0	0	0	(680)	0	16.6	42%	3.9%	2,755	4.01%	5%	25%
33	2049.50	3,544	213	100	3,757	1,088	971	410	108	(308)	(4,606)	(7,056)	(4,745)	220	(2,256)	1,564	0	0	0	(692)	0	19.1	42%	3.9%	2,697	4.00%	5%	25%
34	2050.51	3,524	213	100	3,737	1,094	976	412	106	(309)	(4,629)	(7,091)	(4,770)	221	(2,270)	1,580	0	0	0	(690)	0	19.6	42%	4.0%	2,641	4.00%	5%	25%
35	2051.52	3,504	213	100	3,717	1,100	981	414	103	(311)	(4,653)	(7,125)	(4,794)	223	(2,284)	1,596	0	0	0	(689)	0	20.2	42%	4.0%	2,591	4.00%	5%	25%
36	2052.53	3,484	213	100	3,697	1,106	986	417	101	(316)	(4,766)	(7,298)	(4,912)	227	(2,391)	1,611	0	0	0	(780)	0	21.6	43%	4.2%	2,541	4.00%	4%	25%
37	2053.54	3,464	213	100	3,677	1,112	992	419	99	(314)	(4,700)	(7,195)	(4,844)	225	(2,312)	1,628	0	0	0	(685)	0	21.2	42%	4.0%	1,739	4.00%	3%	18%
38	2054.55	3,444	213	100	3,657	1,118	997	421	68	(316)	(4,724)	(7,230)	(4,870)	226	(2,355)	1,644	0	0	0	(711)	0	31.3	42%	4.0%	893	4.00%	2%	9%
39	2055.56	3,424	213	100	3,637	1,124	1,003	423	35	(317)	(4,747)	(7,265)	(4,895)	227	(2,400)	1,660	0	0	0	(740)	0	61.6	42%	4.1%	(0)	4.00%	0%	0%
40	2056.57	3,404	213	100	3,617	1,130	1,008	426	(0)	(319)	(4,771)	(7,301)	(4,920)	228	(2,446)	1,677	0	0	0	(769)	0	0.0	42%	4.1%	(0)	0.00%	0%	0%

