

Public Document Pack



JOINT HOUSING BOARD

Contact: Committee Services
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DATE	Monday, 16 January 2017
PLACE	<i>Lecture Theatre, Mid Suffolk District Council, Needham Market</i>
TIME	<i>2.15pm (refreshments available from 1.30pm)</i>

6 January 2017

A G E N D A

P A R T I

1.	Apologies for absence		
2.	To receive any declarations of pecuniary or non-pecuniary interests		
	Report		Pages
3.	JHB/01/17	To confirm the Minutes of the meeting held on 12 December 2016	4 to 7
4.	JHB/02/17	Viability of Assisted Gardening Scheme (Gavin Fisk, Corporate Manager – HRA Income and Business Performance)	8 to 18
5.	JHB/03/17	Housing Revenue Account Rents and Service Charges (Tricia Anderson – Professional Lead - HRA Accountant)	19 to 22
6.	JHB/04/17	Housing Revenue Account Business Plan (Martin King, Assistant Director - Improvement and Involvement Officer)	To follow
7.	JHB/05/17	Joint Housing Board Forward Plan (Victoria Freer - Improvement and Involvement Officer)	23 to 24
7.		Any other business relating to Joint Housing Board	

8.

RESOLUTION TO EXCLUDE THE PUBLIC

Recommended Motion

That under section 100(4) of the Local Government Act 1972 the public be excluded from the meeting for item 12 on the grounds that it involves the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Act in the paragraphs registered against the item

Note: *Information is exempt only if:*

- *It falls within one of the 7 categories of exempt information in the Act and;*
- *In all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.*

P A R T II

9.

JHB/06/17

Quarterly Report on Council House Build Programme
(Anne Bennett, Corporate Manager – Housing and Regeneration)

25 to 31

Krissy Dillon
Governance

Support

Officer

Members:

Babergh District Council:

Ms J Jenkins
Mr T Bavington
Ms J Osborne

Mid Suffolk District Council:

Mrs L M Mayes
Mr N Gowrley
Ms S Mansel

Tenants:

Mr M Berry
Mr R Chapman
Ms M Hilton
Mr S Phillips
Mr J Taylor
Mr K Wykes

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Agenda Item 3

JHB/01/17

BABERGH AND MID SUFFOLK DISTRICT COUNCILS

Minutes of the meeting of the Joint Housing Board held at the Mid Suffolk District Council Offices, Needham Market at 2:15pm on 12 December 2016

Present:	<u>Mid Suffolk</u>	<u>Babergh</u>
Councillor:	Nick Gowrley Lesley Mayes Sarah Mansel	Tony Bavington Jennie Jenkins Jan Osborne (Chairman)
Tenant Representative:	Steve Phillips Keith Wykes	Michael Berry Roger Chapman Maria Hilton
In attendance:	Martin King – Assistant Director - Supported Living Gavin Fisk – Corporate Manager – HRA Business Planning and Budget Management Amanda Vince – Financial Inclusion Officer Krissy Dillon – Governance Support Officer	

JHB43 APOLOGIES

Apologies for absence were received from James Taylor.

JHB44 DECLARATIONS OF INTEREST

There were no declarations of interest.

JHB45 MINUTES OF THE MEETING HELD ON 14 NOVEMBER 2016

[Report JHB/32/16](#)

Martin King, Assistant Director – Supported Living advised Board Members that a definition of the Net Present Value and an explanation as to how it had been worked out, as referenced in the Resolution of Minute JHB15, had been received from Ridge and guidance for Board Members was being worked on.

Councillor Nick Gowrley asked if any further information regarding the sale of high value assets had been received from Government, in relation to Minute JHB37, Martin King, Assistant Director – Supported Living, advised that discussions with the District Valuer were still ongoing.

Tenant Representative Steve Phillips requested that when Recommendations are amended or added to, that this is made clear and the use of bold text to show amendments be replaced. Officers advised this comment would be taken on board.

RESOLUTION

That the Minutes of the meeting held 14 November 2016 be confirmed as a correct record.

JHB46 UPDATE ON INCOME MANAGEMENT STRATEGY AND FINANCIAL INCLUSION OUTCOMES

Report JHB/34/16

Gavin Fisk, Corporate Manager – HRA Income and Business Performance introduced Report JHB/34/16 and advised Board Members that the report followed on from the Income Management Strategy that was signed off by Joint Housing Board at the beginning of the year. The report provided Members with an overview of work that was developing as a result of the agreed Income Management Strategy.

Gavin Fisk, Corporate Manager – HRA Income and Business Performance highlighted to Board Members the Income Strategy Pledge priorities for 2017, and also gave an overview of the pledges that had been achieved to date.

Board Members debated various points, including:

- Future ways and opportunities of managing the business and how to improve upon the current way of working
- Working towards direct debit being the preferred method of payment, with a view to phasing out payments by credit, debit or cheque in Post Offices. Board Members raised concerns regarding this as it was felt that tenants found making payments in Post Offices much more convenient than having to travel to a new location once the Councils move.
- The increase in rent arrears that was being experienced nationally by all Councils involved in the pilot scheme.
- Succession planning and knowledge sharing within the team, to ensure a smooth and continued service going forward.

Gavin Fisk, Corporate Manager – HRA Income and Business Performance introduced Amanda Vince, Financial Inclusion Officer to provide Board Members with an overview of a recent case study so they could gain an understanding of the work the team carry out and how they provide help, advice and support to those that use the service.

In response to Board Members concerns regarding lone working, Officers advised that there are various processes in place to ensure that colleagues were safe when working, including the Lone Worker Policy, working with other agencies and the Customer Alert List. Gavin Fisk, Corporate Manager – HRA Income and Business Performance advised that Board Member comments would be taken to the Health and Safety Manager to seek advice on improving current systems and policies.

Board Members commented that the work the team had done had been outstanding, and was a fantastic achievement that should be commended.

By a unanimous vote.

JHB47 2017 JOINT HOUSING BOARD MEETING DATES

[Report JHB/35/16](#)

Martin King, Assistant Director – Supported Living advised Board Members that alternative rooms, other than the Council Chambers for Joint Housing Board meetings were being looked at for 2017. He also advised that due to the upcoming potential move to Ipswich, alternative venues within the districts were to be found and requested that any suggestions from Board Members be emailed to Victoria Freer – Improvement and Involvement Officer. Board Members requested that holding meetings elsewhere in the districts was trialled, prior to the accommodation move. Officers advised this could be looked into.

Martin King, Assistant Director – Supported Living suggested that this be added as an agenda item, once a move date to Ipswich had been advised.

By a unanimous vote.

JHB48 JOINT HOUSING BOARD FORWARD PLAN 2016/17

[Report JHB/36/16](#)

Martin King, Assistant Director – Supported Living advised the Board of some changes that had been made to the Forward Plan and advised reasons why these changes had been made.

Councillor Jan Osborne requested that reports yet to be assigned a meeting date be added to the Forward Plan, under ‘Dates to be agreed’.

RESOLUTION

That the Forward Work Plan be noted.

JHB49 ANY OTHER BUSINESS

Gavin Fisk, Corporate Manager – HRA Income and Business Performance advised Board Members that there would be a review of resident involvement options commencing in January through to April.

Tenant Representative Roger Chapman brought to Board Members’ attention a Christmas Card sent to the Board by the Tenant forum. Councillor Jan Osborne expressed thanks on behalf of the Board.

JHB50 RESOLUTION TO EXCLUDE THE PUBLIC

RESOLUTION

That under section 100(4) of the Local Government Act 1972 the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Act in the paragraphs registered against the item:

Item
JHB42

Schedule 12a Reason
2, 4, 5

JHB51 CONFIDENTIAL MINUTE OF THE MEETING HELD ON 14 NOVEMBER 2016

Report JHB/33/16

Councillor Jan Osborne requested that 'By a unanimous vote' be added to minute JHB42.

RESOLUTION

*That the confidential Minutes of the meeting held 14 November 2016 be confirmed as
a correct record, with the addition of 'By a unanimous vote'.*

The business of the meeting concluded at 15:30.

.....
Chairman

Agenda Item 4

BABERGH DISTRICT COUNCIL and MIDSUFFOLK DISTRICT COUNCIL

From: Corporate Manager - HRA Income & Business Performance	Report Number: JHB/02/17
To: Joint Housing Board	Date of meeting: 16 January 2017

HB Report – Assisted Gardening Scheme

1. Purpose of Report

- 1.1 To update the Housing Board on the future of an Assisted Gardening Scheme further to a report JHB/02/16 discussed in January 2016.
- 1.2 To update the Housing Board on the research into whether the Council should create a gardening service to offer to tenants.

2. Recommendations

- 2.1 To note the content of this report and to agree to the continuation of the current Babergh Assisted Gardening Scheme for existing users (subject to regular review).

3. Financial Implications

- 3.1 None

4. Legal Implications

- 4.1 None

5. Risk Management

- 5.1 This report is most closely linked with the Council's Corporate / Significant Business Risk No. Key risks are set out below:

Risk Description	Likelihood	Impact	Mitigation Measures
None	None	None	None

6. Consultations

- 6.1 A desk top review has been carried out with no wider consultation taking place

7. Equality Analysis

- 7.1 No Equality analysis has taken place

8. Shared Service / Partnership Implications

- 8.1 None

9. Links to Joint Strategic Plan

9.1 Manage our housing assets effectively.

10. Key Information

10.1 A report was presented to the Housing Board in January 2016 which discussed the future of the Assisted Gardening Scheme (Babergh Only). A decision was made by the Housing Board to continue with the scheme for those existing users.

10.2 The Housing Board agreed that:

“the scheme would continue for one year, with a further report to consider potential future opportunities (such as time, cost, benefits, and potential income opportunities) to develop a form of ‘handy man’ service, or an equivalent, to be brought to the Board within a year.”

10.3 The attached Appendix titled ‘Research in to whether the Council should create a gardening service to offer to tenants’ was conducted by David Cleary with the final recommendation that it is not cost effective to developing any form of gardening service further, based on current constraints.

10.4 Consideration of a ‘Handy Man service’ for minor repairs and improvements has not been considered at the present time due to the current changes to the existing trades’ team, and the formulation of Babergh and Mid Suffolk Building Services Team. In addition there are already providers of ‘handyman’ services within Suffolk for example Orbit Care & Repair.

11. Appendices

Title	Location
(a) Research into whether the Council should create a gardening service to offer tenants Author David Cleary – Project Officer	Attached

12. Background Documents

12.1 Report JHB/02/16 – Future of Assisted Gardening Scheme (Babergh Only)

Authorship:

Gavin Fisk

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Corporate Manager - HRA Income & Business Performance

gavin.fisk@baberghmidsuffolk.gov.uk



**RESEARCH INTO WHETHER THE COUNCIL SHOULD CREATE A GARDENING
SERVICE TO OFFER TENANTS**

Author: David Cleary
Supported Housing Project Officer

Date: 3 January 2017

Research into whether the Council should create a gardening service for tenants – 3 January 2017

Research into the possibility of creating a Gardening Service

The purpose of this report is to establish whether it would be beneficial and cost effective for the Council's to set up and run a Gardening service for tenants in BMSDC.

What business problem are you trying to solve or analyse?

- To establish whether there is a value to the Council to set up a Gardening service?
- To establish whether this is a cost effective use of the Councils resources?
- This particular project does not meet any specific Strategic Priorities, but could be seen to influence:
 - o Managing our housing assets effectively

Scope

- To identify and establish what the current provision of Gardening support is within the Council
- To identify who may require this type of service
- To identify what services are already in existence within Suffolk
- To identify what the costs are for providing any service

Is this the type of service the Councils should provide?

- To propose/agree what the Gardening Service could provide
- To identify and establish what the estimated costs would be for setting up and providing a Gardening service
- To investigate/suggest alternative ways of providing a gardening service
- To provide guidance/advice as to whether it would be advisable for the Council to set up a Gardening Service

Current Situation

MSDC

- There is no current support or provision of a Gardening service by the Council for tenants
- MSDC currently have a Direct Service Team (DST) that undertake all the work for and on behalf of the Council on Council owned land and undertake Grass Cutting, Hedge Trimming
- The MSDC DST use commercial, larger equipment, to undertake this work.
- The MSDC team do not provide private gardening services
- The MSDC DST do occasionally get involved in the clearance of overgrown gardens etc. when requested to by the Housing if the issue has been ongoing and detrimental to the state of the property/estate.
- Most of the time the cost of this work would be recharged, only in exceptional circumstances would this charge be waived

BDC

- There is an "Assisted Gardening" service provided to some BDC residents
- The service is provided by the Landscape group
- The Landscape group are contracted to provide the overall grass cutting, hedge trimming, gardening services for BDC
- It appears that the "assisted gardening service" was a bolt on to the overall council contract and is offered as a loss leader by the Landscaping group.
- The Landscape group have had to downsize and purchase non-commercial equipment in order to undertake this work

- The service will cost £5,270 in 2016
- The service is paid for by the Council, no recharge is made to the tenants who receive this service
- The service currently supports 30 people, approximately costing £175 per household
- The recipients ages range from under 50 to over 90 and initially in order to qualify needed to be of pensionable age (60 for woman and 65 for men) or registered disabled and also receiving DLA, and have not got any family or friends
- In 2013 the management team made the decision to no longer accept referrals/new users to this scheme
- Since 2014 no new residents have been signed up to this service
- In January 2016 a report was taken to the Joint Housing Board Members with a proposal to stop the service. Outcome from the meeting:
 - *During discussions it was decided that this report should be withdrawn, as the savings that would be gained were minor, and as the scheme was no longer offered to new tenants, it would naturally cease to operate.*
 - *It was agreed that the scheme would continue for one year, with a further report to consider potential future opportunities (such as time. cost, benefits, and potential income opportunities) to develop a form of 'handy man' service, or an equivalent, to be brought to the Board within a year.*
- Since this report there has only been a reduction in 1 on the number of individuals who receive it.
- Based on the ages of those who receive this service, there is 1 individual who is under 50 years of age; it would be quite a few years before the service stopped naturally.
- The Housing team do occasionally get involved in the clearance of overgrown gardens etc, they would normally involve Morrison's in this work (very occasionally the MSDC DST if the property is close to the border), if the issue has been ongoing and detrimental to the state of the property/estate.
- Most of the time the cost of this work would be recharged, only in exceptional circumstances would this charge be waived

Tenant Requirements

As part of the tenancy agreement, tenants are required to:

- Keep their garden tidy, lawns must be cut, and hedges trimmed.
- Trees must be maintained to prevent loss of light, damage to property or growing to a height which is unmanageable.
- The maintenance of gardens, trees and hedges are the responsibility of the tenant. Any works undertaken to trees should be carried out by a professional trade's person or tree surgeon. The Council will only undertake works to the garden, trees and hedges in exceptional circumstances for example where there is a health and safety risk or a risk of damage to the property. (In such circumstances the tenant will be recharged for the cost of the works including VAT and an administration charge.)
- Keep the garden and surrounding areas free from rubbish, furniture or domestic or commercial appliances. The council may remove these items and the tenant will be given a minimum of seven days' notice that the council will be removing the items and will charge the tenant for doing this.

Who might require this type of service? (Information from Community Housing Officers)

The target audience could cover a wide range of individuals or tenants:

- Elderly
- Frail
- Disabled / ill
- Socially Isolated / Vulnerable (no friends or family)

Why might the need arise?

- Elderly/frail residents may not be able to undertake the gardening work themselves
- Tenants may not have friends or family close by who can assist them
- Sometimes the problems (i.e. overgrown garden) has only occurred because the tenant has not known who to get to do the works
- Tenants are often concerned about the cost of services, they may feel more reassured if there was a 'pre-approved' list
- Tenants often feel vulnerable getting in 'outside' agencies, they may feel more reassured if there is an 'pre-approved' list

What services are already available already in Suffolk?

- Age UK Suffolk
 - Do not provide a gardening service themselves but have a database which they use to recommend gardeners.
 - They do not investigate or vet these individuals but ask for references for individuals
 - If they receive negative feedback they remove these individuals from their database
 - They do not offer any financial assistance towards this service
- Good Neighbour Schemes –
(<http://infolink.suffolk.gov.uk/kb5/suffolk/infolink/results.action?qt=good+neighbour+scheme&term=&adultchannel=0&sorttype=relevance&sr=0&nh=10>)
 - Some communities have these schemes which may offer help to individuals to maintain their gardens, but it is not specifically mentioned in any of their promotional information.
- Suffolk Trader Scheme
 - Suggests using "Checkatrade", or "Which? Trusted Traders" websites/schemes to source reputable garden services
- CAB – do not make any recommendations for the provision of this type of service
- There are quite a few independent gardening services (both small businesses and larger organisation) available throughout the districts – researching this provision, the Needham Market newsletter lists 3 that would provide this type of service and it is likely that similar adverts appear in other Parish and Town newsletters

Having spoken to SCC – Customer First team, they have stated that should an individual be in receipt of direct payment and it can be established that the maintenance of their garden could contribute to the well-being of that individual then they could use their Direct Payment to pay for this type of service

What sort of service could be provided / be required?

Based upon the information obtained from the community housing officers it would appear that the services that would be of most use would be:

- Grass Cutting
- Hedge Trimming
- Garden Clearance

- Bigger clearances where the garden has become overgrown because it has not been maintained
- One off garden clearances- rubbish has built up
- Property clear ups (where their property has become dirty/ cluttered/ hoarding tendencies)

What are the alternative ways that a Gardening Service could be provided?

1. Continue to provide the service, as add on to the existing contracted out gardening service
2. Set up a Council provided gardening service
3. Compile/Create an approved suppliers list
4. Provide a list of suppliers / Contractors for this type of service
5. Do nothing, refer to the local Town/Parish newsletter

1. Continue to provide the service, as an add on to the existing contracted out gardening service

- The current Landscape group contract is being reviewed and an Options appraisal undertaken on future provision of all Public Realm services for the future – this is due out in November 2017.
- Should the Landscape group not be awarded another contract then this service would cease, and there is no guarantee that even if the Landscape group were to be contracted that this service would continue to be provided by them
- Based on the information already supplied, cost of the service and what is provided, it is unlikely that any new contractor would be willing to undertake this service in order to win the contract – however that is an conjecture as no evidence is available at the moment and would not be until the options appraisal work is completed and tenders undertaken.

2. Set up a Council provided gardening service

What do the current Public Realm DST team provide?

The team maintain the grass, flower beds, shrubberies, hedges and trees on open spaces and recreation grounds and on parts of the highway found within our towns and larger villages.

- Cutting and otherwise maintaining grass
- Edging grass growth back from paved areas on highway verges and open spaces (approx. once every four years);
- Pruning and caring for trees to keep them healthy and in a safe condition;
- Maintaining shrubberies, rose beds and hedges;
- Designing and planting out spring and summer bedding schemes;
- Generally maintaining play areas, collecting litter, sweeping paths and emptying litter bins

As these sites are normally larger than an average garden, the majority of the machinery – lawn mowers etc. are commercial

Could this service be provided by existing staff?

Having met with the CM – Public Realm, he has stated that the team are working at full capacity, he did state that they work on an annualised basis, in that more and longer work is undertaken during the Spring/Summer and Autumn (the growing season) when longer daylight hours and warmer temperatures result in greater and faster growth. This would be the same for any form of gardening service offered and he did not feel that would be feasible for existing staff to provide this service.

This would mean there would be a requirement to create a new individual/team who would undertake work on a chargeable basis for tenants in Council Houses; this team could also diversify into the open market.

Having spoken to the Commissioning Team they have stated that there are legal implications of doing this work in-house.

“If the Councils were to develop a chargeable service that replicates existing local services/ businesses then it will have to be set up as a completely separate trading arm”, advice received from CM – Commissioning and Procurement

What would the cost of providing a new gardening service?

Currently the Councils Public Realm employ grounds maintenance operatives on Grade 3. Job descriptions and evaluation would be required to confirm this, but the grading is based on the requirements to be skilled operatives and to have specialist training.

Staff Costs:

- £17,891 (Spinal point 18 – bottom of the scale)
- 30% on cost - £5,367.30
- Annual Leave = 23 + 2 Statutory days. Annual leave – this could be accommodated without requiring cover
- Sickness cover based on National average of 9 days –this could be accommodated without requiring cover
- **£23,258.30**

Management / Supervision (costed as part of the Council, however this may need to be a separate trading arm):

- Undertaken by Public Realm Operations Officer
- Grade 5 Spinal Point 34 = £29,854
- Assume 10% cost
- **£2,985**

Administration (costed as part of the Council, however this may need to be a separate trading arm):

- Undertaken by existing Public Realm admin. staff
- Includes taking on customers
- Setting up on-line records
- Setting up billing/payment systems
- Grade 2 Spinal Point 16 = £ 16,169
- Assume 10%
- **£1,616**

Total Staffing costs - **£27,859.30**

Equipment Costs

Equipment	£
Pick-up (costed for a 2 nd hand vehicle)	5,000.00
Pedestrian Lawn Mower	550.00
Multi Tool – Strimmer / Hedge Cutter	600.00

Selection of Hand Tools	70.00
Protective Clothing	150.00
Total Costs	6,370.00

(A new vehicle would cost £17,000 which is why costs for a second hand vehicle have been used)

These costs could be depreciated over a 5 year period, in which case the Annual figure used for these calculations would be - £ 1,274

Overall cost of equipping 1 member of staff to undertake this service for a year would be:

Total Staff cost -	£27,859.30
Annual Equipment cost -	£1,274
Total Cost -	£29,133.30

Assuming this service would be charged at £15 per hour, which having spoken to some of the local companies who provide this type of service is the average of what they charge, then in order to break even the individual/team would be required to undertake 1942.22 hours of work a year, or 52.49 weeks per year. As per the statement from the CM- Public Realm below, this is not a service that would have standard hours/working day/week all year round, and more work would be likely in the Spring/Summer and Autumn.

No costs have been included for Marketing/Advertising, IT/Technology or phone costs etc.

3. Compile/Create and Approved Suppliers list

This proposal would see the creation of an approved suppliers list that could be published and promoted through a range of mediums; Tenants Newsletter; Website etc.

There would be a cost to setting up and maintaining such a list and it is extremely difficult to quantify what those costs would be.

Could the Council create and have available a list of individuals/organisations that they could recommend to tenant if they are in need of assistance? Having spoken to both Legal and Commissioning staff within the Council the implications and issues of this are:

- How would an approved list be created?
 - Advertise
 - Seek applications for being added, these could include:
 - References
 - Financial information
 - DBS check Info.
- There would be a requirement for a member of staff to:
 - undertake the initial information gathering and collation
 - maintain of the database
- What would be the implications if anything goes wrong?
- There would be a cost to the Council that would not be recovered

4. Provide a list of suppliers / Contractors for this type of service

The main difference between this option, and Option 3 above, is that the Councils would not create an approved suppliers list, but would simply identify and collate a list of those individuals / organisations that provide this type of service within the districts that they could make available should they be asked.

Research into whether the Council should create a gardening service for tenants – 3 January 2017

This list, once created, could be maintained by a member of the admin. team at no additional cost. The list that could be published and promoted through a range of mediums; Tenants Newsletter; Website etc

Having spoken to Jonathan Reed – Legal Services Team, there would be a need to caveat this list with a statement that the Council were not recommending the provider, simply highlighting the services that were available.

5. Do nothing, refer to the local Town/Parish newsletter

This option would simply be to tell someone where to look to find this type of service.

Summary

- There are currently different services provided to BDC and MSDC tenants
- The current Landscape Group contract has been extended whilst an Options Appraisal on the future provision for both Councils is undertaken
- The provision of Public Realm services for both Councils is currently being reviewed as part of an options appraisal which is due to report in November 2017
- There are quite a few independent small companies who provide gardening services
- There do not appear to be any free schemes available within the district, from charities or other organisation, to provide gardening support
- Charitable organisations, such as Age UK, refer individuals to independent companies
- SCC Trading standards recommend or refer individuals to an independent website rather than making recommendations themselves
- There is a Risk to the Council financially. The cost of setting up a new service is expensive, and although it may end up at least covering its operational costs, once developed, the initial investment by the Council is unlikely to be recovered
- Is this in keeping with the Councils Joint Strategic Plan:
 - **Business Growth and Increased Productivity**
 - Increased understanding of our local businesses and their needs
 - We will support business to become more sustainable
- Should the Council be operating in direct competition with local small businesses?

Recommendations

From the information obtained it would not be cost effective for the Council to set up a gardening service.

Treating this purely as a business case it is recommended that:

- The Council do not look to adding this service onto any new contracts for a joined up Public Realm service
- The Council do not create an independent gardening service
- The Council do not set up/create an approved suppliers list
- The Council do not create a list of local suppliers
- The Council refer individuals to their local parish/town magazine

If this recommendation is adopted then there would be a need to contact and brief the current customers of the Assisted Gardening service that it is likely to cease, when and what the alternative provision would be and that it would need to be an individual arrangement that they would have to pay for.

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Agenda Item 5

BABERGH DISTRICT COUNCIL and MID SUFFOLK DISTRICT COUNCIL

From: Assistant Director of Supported Living	Report Number: JHB/03/17
To: Joint Housing Board	Date of meeting: 16 January 2017

HOUSING REVENUE ACCOUNT RENTS AND SERVICE CHARGES

1. Purpose of Report

- 1.1 To provide Joint Housing Board Members with the early headlines for the Housing Revenue Account (HRA) Budget 2017/18.
- 1.2 To provide Members with an overview of the impact of the Housing and Planning Act 2016 and Government announcements on the HRA.

2. Recommendations

- 2.1 That the mandatory decrease of 1% in Council House rents, equivalent to an average rent reduction of £0.91 a week as required by the Welfare Reform and Work Bill be implemented.
- 2.2 That rent increases under Pay to Stay for tenants with a household income above £60k is not introduced.
- 2.3 That garage rents in Babergh be increased by 10% to provide some additional income to the HRA (an average increase of 88 pence per week per garage).
- 2.4 That garage rents in Mid Suffolk be increased by 10% to provide some additional income to the HRA (an average increase of 74 pence per week per garage).
- 2.5 Sheltered Housing service charges to be increased by a maximum of £4 per week for each scheme.
- 2.6 That New Build and Acquisition spend in Babergh is increased by £1.5m in 2017/18.
- 2.7 That capital spend in Mid Suffolk is reduced by £1.5m in 2017/18 and for each year from 2018/19 to 2021/22, to ensure it stays within the debt cap for the 30 year Capital programme.

3. Risk Management

3.1 Key risks are set out below:

HRA			
Ongoing impacts of the Welfare and Funding Reforms could lead to unpreparedness for further changes.	Unlikely - 2	Bad – 3	Ensure adequate bad debt provision and that the Income Management Strategy seeks to mitigate the impact of the changes on residents, the Council's income streams and budgets.
Failure to spend retained RTB receipts within 4 year period, will lead to requirement to repay to Government with an additional 4% interest.	Unlikely - 2	Bad - 3	Provision has been made in the updated HRA Investment Strategy to enable match funding and spend of RTB receipts, subject to the announcement of the details of the Housing & Planning Bill measures affecting council housing.
Council Housing self-financing results in a greater risk to investment and service delivery plans from inflation and other variables.	Unlikely - 2	Noticeable – 2	Inflation and interest rate assumptions have been modelled in the HRA business plan. Capital receipts and capital programme funding reviewed.

4. Key Information

4.1 The HRA Business Plans faces some short to medium term challenges exacerbated by the proposals announced in the Chancellor's July 2016 Budget:

- The Welfare Reform and Work Bill includes a requirement for all social landlords to reduce their rents by 1% each year from 2016 to 2019
- This Bill reduced the benefit cap for working age families from £23k to £20k
- The Housing and Planning Bill includes requirements for households with an income higher than £30k to be charged higher rents. However in the Autumn Statement 2016 this amount was amended to £60k and changed it from being a mandatory policy to discretionary. To implement this policy would increase costs and work pressures to the HRA.
- This Bill also requires councils to sell their high value council homes to fund Right to Buy discounts for housing association tenants. A letter from the Housing Minister following the Autumn Statement explained that the pilot scheme for housing association Right to Buy will be expanded. The government will fund the expanded scheme and the levy will not be brought in for 2017/18. Details of how the levy will be calculated are still unknown. On the advice of the Chartered Institute of Housing the budget does not include a figure for the levy.

- The impact of these measures and the action required to mitigate them are described below.

5. Impact on HRA

5.1 Although the 4 year rent reduction may be seen as good news for some tenants, the reductions in rental income has a significant impact on the Councils' Housing Revenue Accounts (HRA) and Business Plans, and therefore the resources available to deliver services, property and estate improvements and development plans.

5.2 The announced reduction in rents by 1% per year for four years will have a significant impact on the HRA. The cumulative impact of the rent reduction results in a reduced income (against business plan projections) to the HRA as follows:

Babergh

Year 1:	£0.3m
Years 1 to 4:	£4.5m
Years 1 to 10:	£18.1m

Mid Suffolk

Year 1:	£0.3m
Years 1 to 4:	£4.0m
Years 1 to 10:	£15.6m

6. HRA Budget 2017/18

6.1 A balanced HRA budget must be achieved for 2017/18. The early headlines (based on a 52 week year) are:

- Property rents will reduce by an average of 84p from £83.58 to £82.74 for MSDC and by 91p from £90.82 to £89.91 for BDC.
- A new BMBS team will be in place by April 2017 to provide repairs and maintenance and capital work to the HRA. It is predicted that a loss will be made in 2017/18 but a surplus will be made from year 2 onwards.
- The Sheltered Housing Review concluded that some schemes which are difficult to let should be 'de-sheltered' ahead of a predicted reduction in Housing Related Support funding. This will lead to a one-off increase in revenue spend in 2017/18 as accommodation is de-sheltered.

6.2 Garage rents

These are not controlled by the same regime as council house rents. Members therefore have the option to impose a rent increase and may wish to take the opportunity to raise additional income through this route. A 10% increase will provide £26k additional income for Babergh and £42k for Mid Suffolk.

6.3 Service Charges

Babergh - Sheltered Accommodation Service Costs are currently subsidised by £400k per annum. Proposals to increase the service charge by a maximum £4 per week will reduce the subsidy by £72k

Mid Suffolk - Sheltered Accommodation Service Costs are currently subsidised by £100k per annum. Proposals to increase the service charge by a maximum £4 per week will reduce the subsidy by £80k

6.4 Capital Spend

Babergh - Increasing the New Build and Acquisition spend by £1.5m (£3.5m to £5m total) will enable Babergh to look into new ways of providing affordable homes (either by building or buying), regeneration schemes or other opportunities that will increase income.

Mid Suffolk - HRA Business Plans are currently viable over the next 8 years only; and shortfalls in the available funding then continue for some 11 years before returning to surplus over the remainder of the 30 year period. This is an improvement on 2016/17 by 4 years due to the predicted underspend of £2.4m this year and the proposed £1.5m reduction on spend in 2017/18. However, if we wish to remain within the debt cap for the 30 years Capital programme we will need to reduce Capital spend by a £1.5m for a further 4 years. This does not include a provision for the High Value Asset Levy

6.5 Further savings may be required for 2018/19 once the detail is received regarding the amount of contribution required for the High Value Assets Levy.

7. Next Steps:

7.1 Our approach to HRA business planning includes, reviewing and realigning housing stock condition data and capital programme expenditure. Our current stock condition data is six years old. A project is underway to renew the data to enable an evidence based programme of capital works to be designed for 2017/18 and the following two years.

7.2 Reviewing the existing Capital Projects Team (formerly part of the Asset Management Team) and Private Sector Housing Team has brought them together in one team called Property Services. This has led to a change in the way the work is being carried out and how the teams are structured to introduce a more efficient and consistent way of working. The new structure will be in place by March 2017.

7.3 Babergh & Mid Suffolk Building Services (BMBS) team will be in place from April 2017.

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Agenda Item 6

BABERGH DISTRICT COUNCIL and MID SUFFOLK DISTRICT COUNCIL

From: Assistant Director, Supported Living	Report Number: JHB/04/17
To: Joint Housing Board	Date of meeting: 16 January 2017

HOUSING REVENUE ACCOUNT BUSINESS PLANNING

1. Purpose of Report

- 1.1 To seek the views of the Board on the Babergh and Mid Suffolk Housing Revenue Account (HRA) Business Plans before they are presented to Strategy and Executive Committees for approval.

2. Recommendations

- 2.1 That the Councils do not exercise the discretionary power within the Housing and Planning Act to charge higher rents to tenants with a household income exceeding £60,000 per annum
- 2.2 That the Board notes the contents of the Babergh and Mid Suffolk Housing Revenue Account Business Plans and recommends them to the respective committees of the councils

3. Financial Implications

- 3.1 The HRA Business Plan is the cornerstone to the financial sustainability of council housing. The Plan contains a chapter on financial analysis and a programme of work around financial control. A 30-year forecasting model is used to ensure each council remains within its specified financial limits (the debt cap). The model is complex and we have retained the services of the Chartered Institute of Housing Consultancy to support the HRA Accountancy team.
- 3.2 The Business Plan describes a programme of work streams which are either being delivered or in the planning stage. The work stream leads are required to provide a business case, including financial analysis, for each piece of work. Details will be available on the Connect intranet by the end of January.

4. Legal Implications

- 4.1 Over a 5 year time period, while there may be no specific issues currently arising from this report as written, matters may change both legislatively and structurally which will require regular review and potential rewrite of some or all of the Business Plans

5. Risk Management

5.1 This report is most closely linked with the Significant Business Risk:

4b Failure to manage our corporate and housing assets effectively

Key risks are set out below:

Risk Description	Likelihood	Impact	Mitigation Measures
Financial Reducing rents regime; Welfare Reforms (including Universal Credit); increased Right to Buy sales; Babergh & Mid Suffolk Building Services; High Value Assets levy			Reduced capital programmes (Mid Suffolk); HRA Business Plan modelling & stress testing; review of sheltered service charges; review of leaseholder service charges; income management strategy; rent policy
Productivity Babergh & Mid Suffolk Building Services			New Corporate Manager appointed; four team leaders to be recruited; mobile technology operational from November 2016; new vans on order; scheduling software to be investigated from April 2017
Health and Safety Babergh & Mid Suffolk Building Services (working at height, operating machinery, hazardous substances); Gas servicing; CDM regulations			New programme of tool box talks and health & safety training; introduction of a corporate health & safety dashboard; inclusion of health & safety measures in performance management measures; recruitment of a CDM specialist health & safety officer
Reputation Sheltered housing review; New ways of working including review of tenant services and Home Ownership review; Babergh and Mid Suffolk Building Services;			Thorough consultation with stakeholders; robust communications strategy and plans

6. Consultations

6.1 The outline Business Plan proposals have been presented to:

- Joint Housing Board 14 November 2016
- Portfolio Holder Briefing 13 December 2016

- Mid Suffolk Administration 19 December 2016
- Babergh Administration 20 December 2016

The plans have been amended to reflect these consultations.

7. Equality Analysis

- 7.1 The Business Plans do not require an equality analysis. As the projects within the Plans progress equality analyses will be undertaken as required.

8. Shared Service / Partnership Implications

- 8.1 Babergh and Mid Suffolk remain two sovereign councils and are in very different financial positions. Separate HRA Business Plans are therefore required to reflect the different opportunities available to the councils. Babergh's draft HRA Business Plan is found labelled **Appendix 1**. **Appendix 2** is Mid Suffolk's draft HRA Business Plan.

9. Links to Joint Strategic Plan

- 9.1 The Housing Revenue Account Business Plans will deliver outcomes within four of the five strategic outcomes identified in the Joint Strategic Plan: Housing Delivery; Community Capacity Building and Engagement; Assets and Investments; and Enabled and Efficient Organisation. Further details are provided in the draft Business Plans at **Appendix 1 and 2**.

10. Key Information

- 10.1 The Housing Revenue Account Business Plans are key documents which set out the councils' plans for management, maintenance and investment in their housing stock. Every stock retaining council is required to maintain 30 year forecasts of its financial position.
- 10.2 These Business Plans will replace the previous ones, produced in 2012 when the Councils became 'self-financing'.
- 10.3 The Board will note that the financial position of the Councils' HRAs are very different.
- 10.3.1 Babergh is in a strong position with significant headroom available for investment in new housing and initiatives and to maintain its capital programmes.
- 10.3.2 By contrast, Mid Suffolk faces significant financial difficulty and must make reductions in capital programme expenditure over the next five years to avoid hitting the debt cap. Match funding of Right to Buy receipts should remain the priority for Mid Suffolk's limited investment fund as this does provide 30% of the development capital which would not otherwise be available.
- 10.3.3 Both Councils should aim to transform their Housing Service Delivery in the ways described in the Business Plans to ensure modern, efficient, fit for purpose services that meet the needs of the people who need them.

10.4 Section 2.4 of the Business Plans refers to the Housing and Planning Act 2016, including the discretionary power to charge higher rents to tenants with a household income exceeding £60K per annum. There is no benefit to Babergh or Mid Suffolk in exercising this power since the additional income must be paid to the Treasury to support Right to Buy discounts for housing association tenants. Indeed, there would be additional cost to administer the scheme and it is anticipated that Right to Buy sales of council stock would increase as a result. The reports to the Councils will therefore recommend that the discretionary 'Pay to Stay' scheme is not adopted.

10.5 The HRA Business Plans at **Appendix 1 and 2** are in draft. Officers would like the Joint Housing Board to consider several key questions before the Plans are presented to the respective Council committees:

10.5.1 Do the Business Plans contain the information that the Board would expect to find in the HRA Business Plans?

10.5.2 Will the programmes of work proposed within the Business Plans deliver the Strategic Priorities set out in the Councils' Joint Strategic Plan (found in section 1.2 of the Plans)?

10.5.3 Does the Board agree with the vision statements, in section 1.3, for each Council?

11. Appendices

Title	Location
(1) Draft Babergh HRA Business Plan 2017-2022	Attached
(2) Draft Mid Suffolk HRA Business Plan 2017-2022	Attached
(3)	
(4)	

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Babergh District Council

Housing Revenue Account

30 year Business Plan

2017- 2047

(5 year medium term 2017 – 2022)

DRAFT

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1. INTRODUCTION

The Housing Revenue Account Business Plan is a key document that sets out the Council's plans for the management, maintenance and investment in its housing stock. It is a vital tool for seeking continuous improvement in the quality of its Housing Service. The plan looks at the current position and how this might change, with reference to:

- Stock condition
- Service delivery
- Rents and income
- Tenants' views
- Housing need
- Financial control
- Risk management

Councils with retained housing stock are required by the Local Government and Housing Act 1989¹ (section 74) to keep Housing Revenue Accounts (HRAs) which record all revenue expenditure and income relating to the provision of Council dwellings and related services. In addition, since 2012 Local Authorities have been required to maintain 30 year business plans setting out their financial projections and investment requirements.

The business plan is primarily concerned with the local authority's landlord role and should be read in conjunction with the Council's Housing Strategy which is currently being commissioned. The Housing Strategy will have a wider cross tenure strategic purpose and establishes objectives for meeting the housing shortage in Babergh.

The plan contains an investment programme, formulated on a five year and a 30 year basis, reflecting many of the Government's targets and requirements for a longer term planning cycle. The 30 year projections are based on the most up to date information available.

This business plan is written for Members, tenants and staff involved in the governance and management of the Housing Service and sets the scene for the next five years (2017-2022) of a longer term 30 year plan.

Stock condition data has been built into the model on which the projections have been based. The business plan is a key element in determining the future direction of the Housing Service. The plan also demonstrates the Council's performance as a landlord and identifies proposals and improvements made through internal and external reviews. This will ensure that the Council optimises its efforts and use of resources to improve the standard of homes and contributes to tenants' enjoyment of a decent quality of housing.

In summary the business plan:

- examines the current position and the Council's performance as landlord.
- summarises the functions of the Housing Service.
- sets out the Council's vision for the Housing Service.
- sets out a five year plan for capital investment and maintenance.
- sets out a five year plan for service development and improvements.
- compares how much money is needed with the amount that will probably be available.
- summarises the projects that have been identified to transform the Council's HRA finances.
- identifies options for additional investment as resources become available immediately and throughout the lifetime of the plan.

1.1 Babergh and Mid Suffolk District Councils - Working Together

In 2012, Babergh and Mid Suffolk District Councils appointed their first joint Chief Executive. This was the first step in our integration and transformation programme that would ensure both Councils could continue to thrive as separate sovereign entities, run by their own elected Councillors, but with a fully integrated staffing structure. By working together, across teams and service areas, we are focussed on delivering key outcomes for our communities in Babergh and Mid Suffolk in a way that would have been impossible for either Council to have achieved alone. A Joint Strategic Plan sets out the vision and priorities for both Babergh and Mid Suffolk District Councils from 2016-2020.

1.2 The Joint Strategic Plan

Within the Joint Strategic Plan, Babergh District Council's vision is to create an environment where individuals, families, communities and businesses can thrive and flourish. The Council's priority in terms of housing is to shape, influence, and provide the leadership to achieve the right mix and supply of housing.

The housing priorities are delivered under four key strategic themes:



The Joint Strategic Plan sets out how Babergh aims to deliver enduring and positive changes for the many and diverse communities that they serve. The plan provides a shared direction and common purpose with Mid Suffolk District Council, against which we can work with our communities to deliver the outcomes the Councils wish to see. It outlines the context in which we are operating and the challenges and opportunities of the future. It articulates three key priority areas: Economy and Environment; Strong and Healthy Communities; and Housing. Councillors and staff at both Councils are fully committed to working together and with partners to achieve the outcomes described in the Joint Strategic Plan.

1.3 The vision for Housing

We want to be a modern landlord with a more commercial approach, retaining our function of providing support to our most vulnerable tenants in our communities. We recognise that we need to work more efficiently, targeting our resources and support where it is needed the most. We aim to enable the majority of tenants to take more responsibility to resolve their own problems. The Council's relationship with tenants needs to shift from the traditional paternalistic model to encourage citizenship where tenants take responsibility for their own lives and communities and are economically active. The key to this is the Council, our businesses and the communities we serve increasing their capacity by identifying partnership working opportunities. We will encourage staff, tenants and Members to be adept at working through bespoke housing solutions, that reflect local needs. To provide an innovative, efficient and sustainable service to our tenants we must understand our operating costs and continually identify where efficiencies and improvements can be achieved.

The key elements of our vision for Housing are:

- Sustainable Housing Revenue Account
- System wide collaboration to achieve better outcomes through prevention
- Evidence based decision making
- Good quality affordable homes
- Reduced homelessness and waiting list for affordable housing
- Supporting the needs of our ageing population
- An ambitious programme of development and acquisitions
- Use of technology to provide a modern, efficient service that suits the users' requirements

2 NATIONAL POLICY AND EXTERNAL INFLUENCES

There are many factors at both local and national level which impact upon housing markets and the social housing sector. The rural economy of Babergh has as much influence on local housing markets as national housing and welfare policies.

The Autumn Statement (November 2016)² diluted the Housing and Planning Act³ slightly by removing the requirement for Councils to introduce Pay to Stay and announced a new white paper to be published in due course with further details of a comprehensive package of reforms to increase housing supply and tackle rising housing costs .

Locally, we have recently seen the publication of the North East Essex West and East Suffolk NHS Sustainability Transformation Plan, which outlines how local health and social care organisations will continue to work together to sustain and transform services over the next five years around a central theme of '*collaboration, not competition*'. This builds upon the commitments set out in the Housing and Health Charter for Suffolk in 2014. Babergh has an important role to play in supporting our partners in the NHS and Suffolk County Council to make this work.

² Autumn Statement 2016 - <https://www.gov.uk/government/news/autumn-statement-2016>

³ Housing and Planning Act 2016 - <http://www.legislation.gov.uk/ukpga/2016/22/contents/enacted/data.htm>

2.1 Self-financing

The Localism Act 2011⁴ replaced the HRA subsidy system with 'self-financing'. The self-financing changes were the most radical changes for 30 years to the way in which Councils manage their Council house finances. From April 2012, Babergh took on a share of the national housing debt calculated by the Government as their 'debt settlements'. The self-financing debt settlement figure was £83.6m. Babergh's total maximum loan portfolio became £97.9m (the debt cap). The current debt is £84.8m leaving a headroom of £13.1m.

The introduction of self-financing required the Council to take a long term strategic approach to their finances using 30 year business plans. The plans must take into account the current environment in which the Council is operating: housing shortages; an ageing population; increasing numbers of smaller households; Welfare Reforms; and a reduction in funding for public services.

2.2 Localism Act

The Localism Act contains a wide range of measures which have and will have a significant impact on the delivery of the Housing Service. A summary of the key changes are as follows.

Right to buy reinvigoration - A maximum discount of 70% – or £77,900 across England and £103,900 in London boroughs (whichever is lower).⁵

New model of affordable housing - the affordable rent tenure (ART) regime sets maximum rents for this tenure at up to 80% of local market rents and applies to all new build schemes receiving grant from the Homes and Communities Agency (HCA).

2.3 Welfare Reform Act⁶ (Welfare Reform and Work Act)⁷

The Government's welfare reform measures, first introduced in 2012, are aimed at deficit reduction (reducing the overall benefits bill); increasing incentives to work; creating greater fairness in the welfare system between those on out of work benefits and taxpayers in employment; and reducing long term dependency on benefits. A summary of the relevant key changes are as follows.

Spare room subsidy - a reduction in housing benefit for working age tenants who under occupy their homes. This has resulted in greater demand for one and two bedroom Council properties.

The benefit cap - on 7 November 2016 the welfare benefit cap came into effect, meaning the total amount households can receive in benefits is limited to £20,000 across the UK or £23,000 within Greater London. For single people without children, the cap outside London is £13,400. The new cap will be fully implemented by local authorities by January 2017.

Universal credit – a welfare benefit introduced in 2013 to replace six means tested benefits and tax credits. Universal Credit was announced as a reform designed to bring "fairness and simplicity" to the British social security system. In practice, payment of Housing Benefit to the tenant rather than direct to the landlord has resulted in increased rent arrears in all pilot areas. Universal Credit will be rolled out in Babergh in late 2017/early 2018.

⁴ Localism Act 2011 - <http://www.legislation.gov.uk/ukpga/2011/20/contents/enacted>

⁵ Right to Buy: buying your council home - <https://www.gov.uk/right-to-buy-buying-your-council-home/discounts>

⁶ Welfare Reform Act 2012 - <http://www.legislation.gov.uk/ukpga/2012/5/contents>

⁷ Welfare Reform and Work Act 2016 - <http://www.legislation.gov.uk/ukpga/2016/7/contents/enacted>

Local Housing Allowance - from 1 April 2019, housing benefit for new tenants since 1 April 2016 will be restricted to the Local Housing Allowance (LHA) level for that size of household for tenants of social housing. If the tenant is single and under 35 years old the benefit eligible rent and service charge will be capped to a shared accommodation rate (SAR) unless an exemption applies.

A ministerial statement released on 22 November 2016 announced that the LHA cap will also apply to all tenants in general needs accommodation who receive Universal Credit, not just those who sign new or renewed tenancies.

Social rent reduction - the Act requires registered providers in England to reduce social housing rents by 1% a year for four years (until 2019/20). The reduction applies to the rent element and not to service charges.

2.4 Housing and Planning Act⁸

The Housing and Planning Act makes widespread changes to housing policy and the planning system. The Act is intended to promote homeownership and boost levels of housebuilding in England. The key changes affecting Council housing are outlined below:

High income social tenants – mandatory rents (Pay to Stay) - the Act provides local authorities with the option to charge higher rents to tenants with a household income exceeding £60,000. There is no benefit to Babergh in exercising this power since the additional income must be paid to the Treasury to support Right to Buy discounts for housing association tenants. Indeed, there would be additional cost to administer the scheme and it is anticipated that Right to Buy sales of council stock would increase as a result. Babergh District Council has therefore agreed not to adopt Pay to Stay.

High Value Asset Sales - Section 76 of the Act imposes a duty on local housing authorities to consider selling higher value homes when they become vacant. The definition of “higher value” will be clarified by regulations made under the Housing and Planning Act. The payment will take the form of a levy, giving local authorities a choice in how they raise the funds. The money will again fund housing association Right to Buy discounts and new house building.

Fixed Term Tenancies - lifetime (secure) tenancies for Council houses will be replaced with finite or fixed term tenancies of up to ten years. All other tenancy rights, including the Right to Buy, will remain.

The Housing Minister reaffirmed the Government’s commitment to these policies in a letter to local authorities in November 2016, although the date for implementation appears likely to be April 2018.

2.5 Homelessness Reduction Bill⁹

The Homelessness Reduction Bill 2016-17 aims to reform the Housing Act 1996 to ensure that Councils have a duty to prevent and relieve homelessness irrespective of someone’s priority status. If it becomes legislation, the Bill will bring about many changes that will affect how the Council manages the Homelessness service (a General Fund service).

2.6 National Planning Policy Framework¹⁰

⁸ Housing and Planning Act 2016 - <http://www.legislation.gov.uk/ukpga/2016/22/contents/enacted/data.htm>

⁹ Homelessness Reduction Bill - <http://services.parliament.uk/bills/2016-17/homelessnessreduction.html>

¹⁰ National Planning Policy Framework - <https://www.gov.uk/guidance/national-planning-policy-framework>

The National Planning Policy Framework was published on 27 March 2012 and sets out the government's planning policies for England and how these are expected to be applied. The Framework states:

'to boost significantly the supply of housing, Local Planning Authorities should ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out within this Framework'. (paragraph 47).

3 THE DISTRICT

3.1 Demographic information

Population

Babergh is a rural district with a population of approximately 88,840, with its main population areas being Sudbury, Cornard and Hadleigh. Since the publication of the last business plan (2012), there has been an increase in the population of the district of 2,840.

Suffolk's population is growing, but more slowly than regional and national trends. Since 2009, the rate of growth in Suffolk has slowed down and the county's population has increased by around 3 per cent compared with 4 per cent for England and 5 per cent for the East.

Across Suffolk's districts, population changes have been very different. For example, Babergh is growing particularly slowly and in contrast Mid Suffolk is growing faster than the average of England.

The latest population estimates for age composition in Babergh's Housing Market Area (SHMA) shows that between 2005 and 2015 the number of people aged 60 or over markedly increased. In contrast, the number of people aged between 30 and 44 decreased¹¹.

Babergh's population will increase by 10% to 96,400 by 2035. According to this growth forecast figure, 12,927 people are expected to be aged over 80 (13.4%). This poses challenges for us in terms of how we adapt our services and work with our communities to meet the needs of an ageing population.

Rurality is pertinent to the issue of housing need because rural households are exposed to a series of additional challenges including extra transport costs, particular housing needs (such as higher domestic fuel costs) and access to essential services, educational choices and employment opportunities.

Research suggests that people living in rural villages and hamlets need to be able to spend between 15 and 25 per cent more than their urban counterparts in order to be able to afford the same, minimum socially acceptable standard of living. (Hidden Needs Report 2011-2016). This means that income deprivation in rural households has an even greater impact than it does in urban areas. People living in poverty and hardship, for those on a low income, is exacerbated by barriers to accessing services and the higher additional costs associated with living in the countryside.

Household Size

The Census 2011 shows that the average household size has changed since 2001. In Babergh the average household size was 2.35 in 2001, dropping to 2.30 in 2011. The population has increased at a slower rate than the number of households between 2001 and 2011, resulting in a falling average household size.¹²

¹¹ ONS Population Estimates 2016 - www.ons.gov.uk

¹² Census 2001 and 2011 - <https://www.ons.gov.uk/>

Household composition

Figures taken from the Census 2011 indicate that there are more one person households than any other household type in the Babergh district. The overall household distribution does not differ notably from the regional and national averages.

Change in household types

The Census 2011 looks at the percentage change in household groups between 2001 and 2011 at district level. The figures show that lone parent households have increased most notably and that there has been a fall in the number of couple households.

Overall, in the Housing Market Area (SHMA), it is interesting to note that households with non-dependent children have increased whilst the number of households with dependent children has decreased. This suggests that household formation rates amongst young adults may have reduced.

3.4 The housing market

Babergh is a relatively expensive places to live, partly because of the desirability of the area, and partly because the supply of new homes of all types has not kept pace with the demand over recent years. For many residents including young families, this makes owning their own property impossible in the short to medium term.

The high cost of housing in Babergh, together with relatively low average earnings suggests a strong and ongoing need for affordable housing. The median house price to salary ratio is 10.5. This is against a national average of 6.96.

In August 2016, the average price of a house in Babergh was £262,393, 10% higher than the national average of £235,573 and an increase of 11.6% from August 2015 when the average price was £235,183¹³. The average first time buyer will pay around £231,323 for their first home. An average former owner occupier will pay around £311,280. The average private rent per calendar month is £635 in Babergh.

Many of our tenants are facing hardship caused by the rising costs of basic goods and services in particular rising energy bills. The high cost of housing, together with relatively low earnings suggests a strong and ongoing need for affordable housing.

3.5 Economic factors

The district of Babergh has a small local economy with much of the workforce commuting outside Suffolk. Many local jobs are less skilled and lower waged than elsewhere in the country which has an effect on housing affordability. Babergh has an unemployment rate of 3.2%, below the UK average of 5.1%. Latest information (November 2016) shows there were approximately 4,020 (7.8%) benefit claimants in Babergh. The East has 9.6% and the Great Britain average is 11.8%. Babergh has 2048 recipients of part or full housing benefit and 455 (0.9%) out of work benefit claimants¹⁴.

3.6 Public access and accommodation – All Together

The world of government and the public service sector is being transformed by technology, new ways of working, a severely constricting financial environment and public expectations. We have to enable our communities to become more resilient and to rely less heavily on public sector services and resources by being more efficient, flexible, agile, innovative, collaborative and accessible.

¹³ <https://www.gov.uk/government/publications/uk-house-price-index-england-august-2016/uk-house-price-index-england-august-2016#price-change>

¹⁴ NOMIS - <https://www.nomisweb.co.uk/>

To do this, we must develop our communities and use new technologies to establish improved ways of working that are better for our residents, simpler for our staff and cheaper for the Councils. Our vision is for the Councils to have much improved public access arrangements, making it easy for anyone to do business with the Councils through channels that: (a) are effortless to navigate (b) promote individual and community self-service (c) are available when the customer requires them (d) make work more straightforward and enjoyable for our staff (e) reduce confusion for the public about who does what across the Suffolk System.

Our new Public Access Strategy devolves control and responsibility to our residents. It fosters community resilience and will enable us to learn from each interaction. It is customer focused, and promotes an evidenced understanding of the bespoke requirements of individuals, a culture of collaboration and continuous refinement of the way we do business.

Babergh and Mid Suffolk District Councils currently have many different ways for the public to make contact. There are face to face service points in the Council buildings at Needham Market and Hadleigh and at the Sudbury Advice Centre. They deal with the very low volumes of unannounced walk-in demands with enquiries about Council services. This is supplemented by individual services who may visit residents or businesses, have duty rotas or make appointments for customers to come and see them, for example, to seek advice from their Community Housing Officer about a tenancy issue.

Alongside this face to face provision, the public can make contact via telephone, although we know that often it can be difficult to get an answer and / or to get to the right person to answer an inquiry. There are many numbers publicised and some arrangements that appear confusing from the outside.

Our Public Access Strategy takes a whole system approach and supports collaborative work with partners in order to enable communities to do more for themselves, generating less demand on public services. Together with developing self-service options, this will mean we can focus more attention on those that really need our help.

In September 2016, Councillors agreed to improve the delivery of public services by re-locating to new Headquarters in Endeavour House in Ipswich. There will continue to be one access point in each district to ensure the public retain a 'face to face' interaction with the Councils.

The accommodation and Public Access Strategy are fundamental to supporting the delivery of the Joint Strategic Plan. Both will support the creation of an enabled and efficient, customer focused organisation that works in and with its communities.

4 THE HOUSING SERVICE

4.1 Customer Services

The planned transformation of the Council's public access arrangements has significant implications for the Housing Service. Tenants will be encouraged to self-serve and complete more transactions online. New Customer Relationship Management software will be configured to enable the Councils' contact centre to resolve as many enquiries as possible at first point of contact and to co-ordinate the data that all Council services hold about our residents to enable more targeted service provision. Training will be key to ensuring that we maximise the opportunities presented by our new public access arrangements.

4.2 Council housing stock

Tables 1 below provide details of Babergh's current housing stock.

The Councils' responsibilities extend beyond just collecting rent and maintenance. Good quality and appropriate housing for all needs is an essential component in ensuring successful, diverse and dynamic communities and supports a successful and growing local economy.

Table 1 - Council housing stock at November 2016

	Bungalows	Flats	Houses	Total
General needs	877	372	1795	3044
Sheltered	100	245	0	345
Shared ownership	0	3	0	3
Leasehold	0	97	0	97
Temporary accommodation units	0	16	0	16
Total	977	733	1795	3505

In addition the council owns and manages 1,216 garages.

Total projected rental income from houses and garages for 2016/17 is £ 16,996,226. This figure includes, rental income (including compulsory garage rent), garage income and service charges. An average rent in 2016/17 is £90.90.

4.3 Housing need

Table 2 below provides details of the number of people on the Council's housing register. Vacant dwellings are allocated through a Choice Based Lettings system (Gateway to Home Choice) in partnership with seven other local authorities.

Table 2 - Babergh – Number of people on waiting list (by need) at November 2016

	Band A	Band B	Band C	Band D	Band E	Total
1 bed	8	51	188	25	248	520
2 bed	41	59	86	8	173	367
3 bed	4	35	10	2	70	121
4 bed	1	6	1	1	4	13
5 bed	0	2	0	0	0	2
Total	54	153	285	36	495	1023

Around 50% of those on the waiting list are in the lowest band – these people are considered adequately housed, typically those in private rent, owner occupiers and those with an existing social housing tenancy which is deemed suitable. These people have no particular need to move.

Table 3 - Number of people on waiting list (by age) at November 2016

	16-25	26-35	36-45	46-55	56-65	66+	Total
1 bed	51	64	56	74	93	182	510
2 bed	74	109	77	53	20	34	350
3 bed	4	46	43	19	7	2	120
4 bed	0	4	7	2	0	0	3
5 bed	0	2	0	0	0	0	2
Total	129	225	183	148	120	218	1023

Table 4 - Number of homes let 2015/16

(excludes Housing Association and very sheltered accommodation)

	Flats and houses	Bungalows	Sheltered	Total
1 bed	20	17	24	61
2 bed	51	24	3	78
3 bed	53	0	1	54
3+ beds	8	0	0	8
Total	132	41	28	201

The number of people on the Council's housing register has decreased since 2012. This may be attributed to the introduction of Choice Based Lettings (CBL). CBL is a more transparent way of advertising and allocating housing, and allows applicants to see how likely it is that they will be housed by the Council – this may deter people from joining the register if they would be a low priority.

4.4 Tenant involvement

The Council is fully committed to tenant and leaseholder participation and has actively enhanced the opportunities for tenants to become involved in helping to shape, monitor and review the Housing Service, including:

- The Joint Housing Board – consisting of six Councillors and six elected tenants each representing an area of the districts.
- Tenant Scrutiny Panel – undertakes detailed reviews of specific services areas with a view to improving the tenant experience.
- Babergh and Mid Suffolk Tenants' Forum – a group of tenants that meet monthly to review service areas to develop their knowledge and make recommendations for change.
- Mystery Shoppers – tenants who 'shop' our customer service offer three times a year and report back on their experience and make suggestions for change.
- Estate Inspectors – report directly any issues within the estates where they live, such as fly-tipping.

The programme of work includes reviewing the effectiveness of our involvement with our tenants to ensure that we are embracing the opportunities that technology and social media present.

4.5 Repairs

Our new in-house trades team, Babergh and Mid Suffolk Building Services (BMBS), goes live on 1 April 2017, replacing an outsourced arrangements for Babergh and an under-resourced Direct Labour Organisation at Mid Suffolk. Babergh and Mid Suffolk Building Services will undertake the following works:

- Cleaning and caretaking services
- Repair inspections and responsive repairs
- Mechanical and engineering works
- Void works and inspections
- Planned and cyclical works on council houses
- Maintenance of corporate buildings
- External business as obtained through competitive processes

Further detail about BMBS can be found in chapter 37 'Programme Management'.

4.6 Property Services

Property Services fulfils the client role where Babergh and Mid Suffolk Building Services is the contractor. Between them, they manage the maintenance and improvement of the housing stock and more.

Stock condition data

The last stock condition survey was undertaken by consultants Ridge and Partners LLP in 2011. Ridge consultants estimated that at November 2011 6.1% (approx. 215 homes) of the stock did not meet the standard and that there was a £108m requirement for capital investment in Babergh's housing stock over the next 30 years. The Council must maintain the decent homes standard going forward.

Viability – Housing Asset Management Group

In order to ensure continuing provision of quality, affordable services more particularly during a period of significant financial constraint, it is essential that the Councils have in place a sustainable strategy for the management of assets. The Councils have an adopted Asset Management Strategy which will help the Councils to address the pressures it will experience in the coming years to make the best decisions in relation to investment and expenditure and to direct resources where they are most needed. The Asset Management Strategy supports the aims of the Council's Joint Strategic Plan.

Babergh and Mid Suffolk have a Housing Asset Management Group with the main objective of assessing works programmes, carrying out options appraisals, considering wider initiatives, monitoring and reviewing performance and taking ownership of the Decent Home standard.

4.7 Financial Inclusion

The Financial Inclusion team, made up of Tenancy Support Officers, support our most vulnerable tenants with financial advice, support and signposting. The Tenancy Support Officers currently support the county wide poverty strategy which embeds the key aims of the fuel poverty strategy within the organisation. The key themes of the strategy are to extend financial inclusion and improve people's financial skills, to reduce levels of food and fuel poverty, to reduce levels of child poverty, to improve people's skills and employment prospects and to reduce health inequalities.

Our improvement programmes include energy efficiency measures that enhance the housing stock's Standard Assessment Procedure (SAP) ratings. This will reduce energy consumption for tenants and promote the use of innovative energy efficient fuel systems such as ground and air source heat pumps. We aim to bring real achievements in reducing fuel poverty to some of the most vulnerable members of the community.

4.8 Development and Regeneration

The Investment and Development team is developing a pipeline of new HRA homes development using HRA resources including: earmarked development funds; Right to Buy receipts; Homes and Communities Agency Grant Funding; existing HRA owned land such as garage sites. Housing developments will also be brought forward by taking opportunities which arise within the HRA estate by making best use of our existing HRA assets to maximise development opportunities:

- Turnover of HRA homes – voids
- Garden severances and infill opportunities
- Garage site opportunities

- Review of existing housing that is no longer fit for purpose as a result of low demand or the asset is uneconomical to maintain or has a high value
- Joint ventures with neighbouring landowners

4.9 Performance Management

Voids

The current voids target days for re-lets is 28 days. The table below outlines overall re-let times for all types (standard, major works and mini majors i.e. kitchen/bathroom replacements) for both Councils.

	2012/13	2013/14	2014/15	2015/16	April 2016 - November 2016
Number of days	27	52	45	43	24

Rent collection

Percentage of Local Authority Housing Rent collected	2014/15 (Target 98%)	2015/16 (Target 98%)
Quarter 1	98.55%	98.78%
Quarter 2	98.39%	98.26%
Quarter 3	98.59%	98.61%
Quarter 4	98.61%	98.21%
As at August 2016		98.55%

Tenant Satisfaction

From our 2014 STAR survey, 88% of tenants that responded were satisfied with the services provided by us as their Landlord. This high rating demonstrates the high regard that tenants of Babergh have for us as their landlord.

We are developing new satisfaction surveys for our transactional based services such as our lettings process. We are also looking to introduce ways for tenants to rate their satisfaction with us over various means including web and mobile technology.

Right to Buy sales

2013/14	2014/15	2015/16	April 2016 – November 2016
20	23	21	15

Development

Houses purchased through use of Right to Buy Receipts

	2012/13	2013/14	2014/15	2015/16	2016/17
1 bed	0	0	0	2	1
2 bed	0	0	0	2	5
3 bed	0	0	0	0	0
4 bed	0	0	0	0	0
5 bed	0	0	0	0	0

Total	0	0	0	4	6
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New builds to be completed during 2017

1 bed	2 bed	3 bed
12	9	6

4.10 Complaints

Following a successful trial, we have introduced a new process when responding to complainants. This new process ensures that a response to a complaint is reviewed by an independent officer before issuing. This will ensure that we are meeting our own commitments within our complaints process and that tenants are receiving a clear and fair response to their complaint. Hopefully this will see a reduction in complaints moving onto stage 2 and the Housing Ombudsman.

5 HOUSING STRATEGY

5.1 Housing Enabling

The Housing Enabling function sits outside of the HRA within the Strategic Planning Team which also incorporates Planning Policy, Neighbourhood Plans, Infrastructure Strategy, Community Infrastructure Levy (CIL) and Housing Strategy. Work encompasses housing across all tenures. The team works in partnership with parish Councils, registered providers (housing associations) and private developers to deliver new homes of the right type, of the right tenure and in the right places, which will include affordable housing, self / custom build housing, private rental housing and homes for the open market, as well as continuing to support the delivery of new homes to meet the housing needs of Gypsies and Travellers, military personnel and groups at risk of social exclusion. Increasing the range of housing options for older households is also a priority for this team.

A new joint BMSDC Housing Strategy is on track for spring 2017. The strategy will describe the steps BMSDC is taking to ensure housing is delivered alongside providing housing support for vulnerable groups.

5.2 Joint Local Plan

Current adopted planning policy for Babergh is set out in the Babergh Core Strategy 2014 and the saved policies of the Babergh Local Plan 2006. The current housing requirement for the District is 5,975 over the period 2011 – 2031 (220pa 2011 – 16 and 325pa 2016 – 31).

Babergh and Mid Suffolk District Councils are producing a new Joint Local Plan which will establish new housing requirements for the Districts to 2036 (aligning the Councils with Suffolk Coastal and Ipswich) and will identify locations for new homes, jobs and infrastructure.

As part of the production of the new Local Plan, the Councils have recently commissioned a new Strategic Housing Market Assessment (SHMA), along with Ipswich Borough Council and Suffolk Coastal and Waveney District Councils. The SHMA is required by the National Planning Policy Framework. The new SHMA will recommend the percentage of affordable housing required on new developments and will contain evidence of housing need by type, tenure, affordability, household types and ages. The evidence will be provided at district (and whole Housing Market Area) level. The SHMA will link with the Council's Housing Strategy and is a key piece of evidence for the new Joint Local Plan.

Alongside the SHMA, and as part of the same commission, the Councils are also carrying out a new assessment of the accommodation needs of Gypsies and Traveller needs, military housing needs and specialist accommodation needs.

There are close links between the Local Plan and the HRA Business Plan: the housing need information from the SHMA contained in the Local Plan will influence the type and location of housing that the HRA chooses to build. In turn, housing development arising from the HRA Business Plan will contribute towards the requirements of the Local Plan.

6 RISK

Risk management is a vital element of the Business Plan. Risks can broadly be divided into three categories.

Firstly there is Corporate Risk, affecting the organisation at the highest level and often across a range of functions. These risks are identified in the Significant Business Risk Register, which is held centrally on the Connect intranet and reviewed annually by the Senior Leadership Team.

Secondly, is the risk which is specific to a particular project or work stream, which will be identified by the project lead at the business cases stage, re-visited in greater detail at the detailed planning stage and closely monitored as the project progresses.

The final category is day to day business risks. In some cases, projects have been specifically designed to mitigate against the day to day risks, for example, the Income Management Strategy is intended to reduce the impact of welfare reform measures such as Universal Credit.

It should be noted that where work streams are in their early stages, the detailed work around risk and mitigation is still to be completed. It is clear, however, that there are a few key risks to the HRA Business Plan and its ability to deliver the vision for Housing.

We have included some key risks below under themes. Others key risks which have already been identified have been included under specific projects in section 8 'Programme Management'.

6.1 Financial

Self-financing gives councils control over their own financial affairs, which includes ensuring that the HRA remains sustainable. This is no small task given the annual turnover of around £16million, the range of services delivered by Housing and the changing landscape in terms of rents, Welfare Reform, high value assets and Right to Buy re-invigoration.

The HRA Finance Team have been working with the Chartered Institute of Housing Financial Consultancy to 'stress test' the HRA Business Plan model against all of the known financial threats (details can be found in the Financial Analysis section of this report).

The greatest risk to the sustainability of the HRA at this time is the levy on the sale of high value assets (HVAs). The Autumn statement provided a stay of execution by announcing that this will not be introduced in 2017/18. However, we must plan for it to become a requirement from the following year. The size of the levy remains unclear at the time of writing.

6.2 Productivity

Babergh and Mid Suffolk Building Services (BMBS) will go live in April 2017. The forecasts in the BMBS Business Plan approved by Members are conservative in all areas. However, should

productivity fall below the forecast levels the balance of Plan will soon begin to tip towards a deficit rather than a surplus.

A number of measures are planned in order to maximise productivity. A new Corporate Manager joined BMBS in December 2016. One of his first tasks will be to recruit four Team Leaders to provide the tradesmen with the much needed support and supervision they have lacked for the past four years. Mobile technology now enables jobs to be sent and signed off electronically. New vans have been ordered and work scheduling software will be investigated after the service has gone live.

6.3 Health and Safety

The Housing Service is responsible for some high risk activities in terms of health and safety: gas servicing; working at height; working with dangerous substances to name just a few. Officers have been reviewing our processes in respect of health and identified that more can be done to protect the organisation. Some examples of additional measures include:

- the employment of a CDM specialist to support Property Services and BMBS (as well as Building Control and Public Realm).
- the introduction of a corporate health and safety dashboard.
- a revised programme of training and toolbox talks for BMBS.
- inclusion of health and safety measures in performance management reporting

6.4 Reputation

Transformation by definition involves significant change and this will not always be popular. The sheltered housing review is an example of a well progressed project which has met with some adverse press coverage and some resistance from both officers and Members. Thorough consultation with stakeholders and a robust communications strategy are vital to enhancing the reputation of the Council through the change process. Our new ways of working projects such as: the review of tenant services; Babergh and Mid Suffolk Building Services; and the home ownership review all have the potential to be controversial. Delivery will become even more difficult if our reputation as a fair and considerate landlord is damaged.

Proactive monitoring of risks will be required in future to ensure changes are effectively identified and appropriately and proactively mitigated or managed. The ongoing budgetary management process for the HRA will also help to mitigate the risks. Additionally, the risk process will be integrated into the decision making processes of the Council.

7 FINANCIAL ANALYSIS

This section sets out the current forecast of HRA income and expenditure over the next 30 years, together with the financial issues that arise from those expectations and an assessment of the major changes to plans which would have a significant impact on the financial position.

Babergh is in a strong financial position with a current Headroom of £13.1m which will increase to £18.1m by 2021. The Headroom is the amount of money the Council can borrow before reaching its Debt Cap of £97.8m.

To enable Babergh to understand what the financial implications of its Capital programme and the Governments HRA reforms will be over the next 30 years, a Business Plan financial model has been produced by Chartered Institute of Housing Consulting. The Business Plan will also feed into the budgets and business planning cycles. The key assumptions used in the model are:-

- A mix of loans will be taken out for the settlement payment which gives us some predictability around interest rates but gives us flexibility for refinancing as the plan develops over time (for example if we want to increase investment in regeneration or new build).
- Housing Related Support Grant (HRS) for Supported Living will end in 2018.
- We will continue to invest in service delivery at current levels but look for efficiencies and greater effectiveness in service improvements and through the service transformation and integration with Mid Suffolk District Council.
- The model will be rolled forward each year and is currently based on 2016/17 HRA Budgets and a five year Capital programme. This will be updated once the HRA Budgets for 2017/18 have been agreed. It is currently anticipated that there will be a £1.3m savings on Capital spend in 2016/17.
- We will continue to invest in the current stock in line with the needs of the Babergh Standard. We will operate a depreciation policy in line with CIPFA guidance which covers the individual components within the stock.
- Our minimum working balance for the HRA is £1million.
- We will develop options for additional investment taking into account information about the stock, long term asset needs and the opportunities for investment set out in this summary.

The Council has made assumptions within the Business Plan model due to new Government proposals which are shown in the table below:

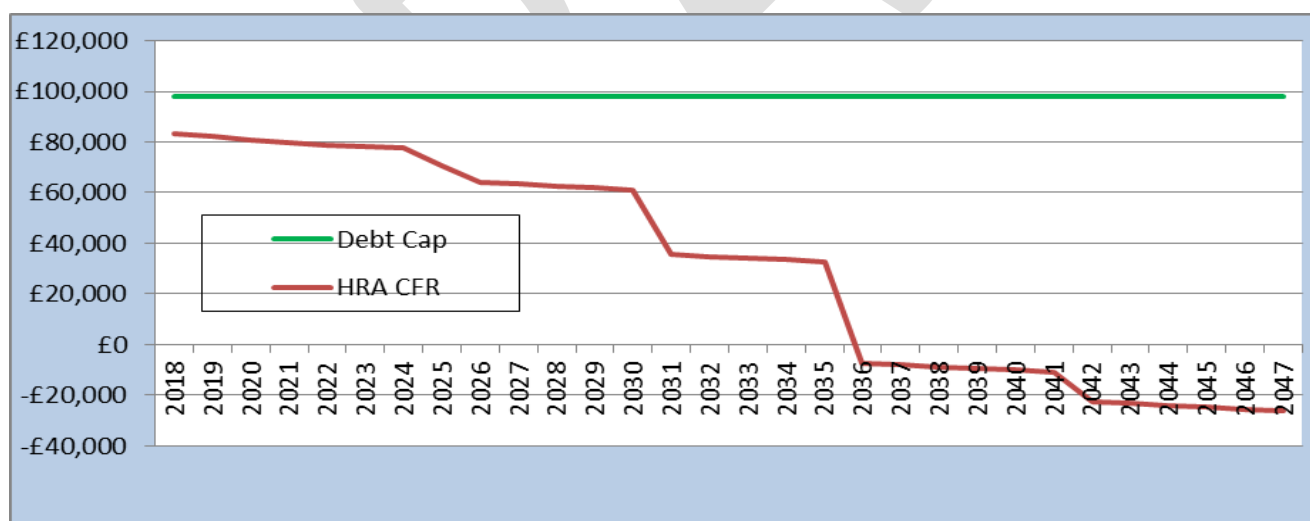
Description	Current Assumption
Basis for settlement – listing the key components and funding elements	Potential to repay settlement loan by Year 25
Property changes over the plan	RTB sales increased to 25 per annum as discount increased and is currently 70% with a cap of £77,900 (increasing by CPI each year)
Economic – inflation and interest rates	2.5% core inflation, 1% rent reduction for 4 years 2016/17 to 2019/20 then 3% inflation, interest rates stable at 3.29% long term, except existing borrowing
Rents – rent decrease RPI/CPI + assumptions	RPI basis changed to CPI + 1 %.Welfare and Work Reform Act 2016 introduced social rent decreases of 1% for 4 years starting 2016/17, then proposed 3% long term rent increases (i.e. assuming CPI + 1%)
Management costs	Inflation long term at 2.5%

Repairs costs	Inflation long term at 2.5%
Capital profile	Babergh Standard on existing stock moving with 2.5% inflation but this will be reviewed after the Stock Condition Survey
Assumptions of efficiencies being delivered	All inflationary pressures above main inflation absorbed

Headline Outputs for Self-Financing (HRA Reform)

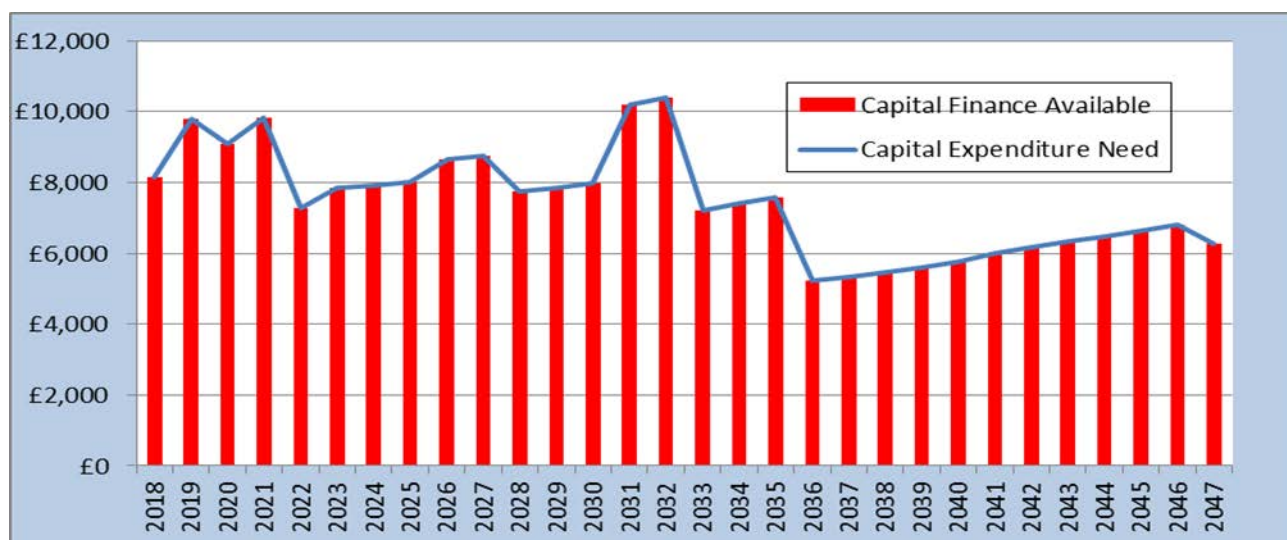
The debt taken on to fund the self-financing payment of £83.6m is repaid within 30 years. The Business Plan assumes that Loan repayments are made of £6m in 2024/25 and 2025/26, £25m in 2030/31 and £47m in 2035/36. This demonstrates clear viability on the basis of the assumptions within the plan; however this does not include reforms suggested under the Housing and Planning Act 2016. Comparison with the debt cap of £97.8m is also shown.

The chart below shows the HRA Capital Financing Reserve and Debt Cap in £000's.



The Base position projections forecast that the income generated by rent and from other sources will be more than sufficient to pay for the ongoing management and maintenance costs of the Council's housing stock, the anticipated future capital expenditure and the interest and principal repayments on the settlement loan.

The chart below shows the Capital Expenditure vs Capital Finance available in £000's.



Capital Spend

Capital budgets for the next five years is budgeted at £26m on planned maintenance and £18.1m on New Build and and acquisitions. However, there is a forecast underspend in 2016/17 of £1.3m due to Capital work being stopped until the Stock Condition data has been reviewed. As a result of this, the Budget for 2017/18 has a contingency amount in it based on the February 2016 HRA Business Plan. This will be split over individual areas once data from the Stock Condition Survey of 2011 has been checked and a revised and evidence based Capital programme has been prepared and agreed.

Five year Capital Projections are below and 30 year Capital Projections in Appendix A.

HOUSING 5 YEAR CAPITAL PROJECTIONS

Babergh District Council

Year	2017.18	2018.19	2019.20	2020.21	2021.22
£'000	1	2	3	4	5
EXPENDITURE:					
Planned Variable Expenditure	0	0	0	0	-7
Planned Fixed Expenditure	-4,451	-6,335	-5,358	-5,794	-3,066
Disabled Adaptations	-200	-200	-200	-200	-200
Other Capital Expenditure	-3,040	-3,200	-3,520	-3,840	-4,000
New Build Expenditure	-469	-53	0	0	0
Total Capital Expenditure	-8,161	-9,788	-9,078	-9,834	-7,273
FUNDING:					
Major Repairs Reserve	2,762	2,721	2,101	2,253	2,684
Right to Buy Receipts	66	66	66	66	66
HRA CFR Borrowing	0	0	0	0	0
Other Receipts/Grants	66	0	0	0	0
HRA Reserves	912	4,368	1,056	1,152	1,200
Revenue Contributions	4,354	2,633	5,854	6,363	3,323
Total Capital Funding	8,161	9,788	9,078	9,834	7,273

Revenue Spend

The HRA Business Plan model is used to forecast Dwelling rent and other income, Loan interest payments and RCCO.

Assumptions have been made as follows:

- Salaries will increase by 1% plus increments where staff are not at the top of the scale

- Major contracts will increase by 3%.
- The five year breakdown of where income is spent on revenue is shown in the table below and the 30 year breakdown is in Appendix B.

HOUSING 5 YEAR REVENUE ACCOUNT PROJECTIONS

Babergh District Council

Year	2017.18	2018.19	2019.20	2020.21	2021.22	2022.23
£'000	1	2	3	4	5	6
INCOME:						
Rental Income	16,244	16,092	15,949	16,371	16,819	17,293
Void Losses	-150	-149	-148	-152	-156	-160
Service Charges	540	538	552	565	580	594
Non-Dwelling Income	192	197	202	207	212	217
Grants & Other Income	38	39	40	41	42	43
Total Income	16,864	16,716	16,594	17,032	17,497	17,987
EXPENDITURE:						
General Management	-2,101	-2,340	-2,398	-2,458	-2,520	-2,583
Special Management	-1,116	-1,144	-1,173	-1,202	-1,232	-1,263
Bad Debt Provision	-76	-75	-74	-76	-78	-80
Responsive & Cyclical Repairs	-2,141	-2,218	-2,330	-2,448	-2,602	-2,667
Total Revenue Expenditure	-5,434	-5,777	-5,976	-6,185	-6,432	-6,593
Interest Paid	-2,803	-2,774	-2,727	-2,694	-2,665	-2,646
Finance Administration	0	0	0	0	0	0
Interest Received	18	148	184	173	188	230
Depreciation	-2,721	-2,721	-2,721	-2,721	-2,789	-2,859
Net Operating Income	5,924	5,592	5,355	5,606	5,798	6,119
APPROPRIATIONS:						
Revenue Contribution to Capital	-4,354	-2,633	-5,854	-6,363	-3,323	-3,566
Total Appropriations	-4,854	-3,133	-5,854	-6,363	-3,323	-3,566
ANNUAL CASHFLOW	1,070	2,459	-499	-756	2,476	2,553
Opening Balance	7,632	8,702	11,161	10,662	9,905	12,381
Closing Balance	8,702	11,161	10,662	9,905	12,381	14,934

Financial Issues

The business plan modelling and associated work has identified the following as important financial issues.

Rent Decrease

The four year 1% rent decrease introduced in the Welfare Reform and Work Act 2016 from 2016/17 has had a major effect on the resources available to the HRA. We have assumed that Rent increases of CPI +1% will be applied from 2020/21 but any changes to this will further reduce income and the amounts available for additional investment in the short and long term.

New Duties and Initiatives

The HRA Planning Act 2016 has proposed a new Higher Value Asset (HVA) Levy, to fund the discounts Housing Associations will have to give after introducing Right to Buy (RTB). In the Autumn

Statement November 2016, it was announced that the Housing Association's pilot scheme for RTB's would be increased to a larger area so the HVA Levy will not be introduced in 2017/18.

It also proposed the end of Lifetime Tenancy which will result in new cost and time pressures to the HRA. Both timescales and detailed requirements have not yet been determined by the government so detailed planning has not yet taken place to identify how this work will be resourced and the likely cost implications.

HRA Reserve

One way in which the HRA can be protected against risk is to hold an appropriate level of reserves. The financial model underpinning the business plan assumes a constant reserve of £1m is held for the life of the plan, which is in line with current levels.

8 PROGRAMME MANAGEMENT

A series of programmes and projects have been developed to transform the Housing Service and deliver new housing initiatives using the headroom available within Babergh's HRA. They will deliver a range of benefits and are aligned to deliver one or more of the key outcomes identified in the Joint Strategic Plan.

- Financial Control – a set of activities designed to improve financial controls, reporting and traceability.
- Meeting Housing Need - a programme of work to make housing stock and schemes appropriate for the districts' needs and cost efficient.
- New Ways of Working – a series of initiatives to improve processes through re-organisation, new technology and adopting best practices.

There are variations in the development of the programmes with some having well developed goals and projects within them, whilst others are in the early stages of definition. Members and staff can find more details of individual programmes and projects on the Council's intranet, Connect, which is kept updated by the project leads.

Below outlines the key programmes for the next five years.

8.1 Financial Control

8.1.1 Business plan modelling

The Business Plan financial model created and supported by the Chartered Institute of Housing enables us to forecast income and expenditure and their impacts on the financial health of the HRA over a 30 year period.

There are a number of unknown factors which will have a significant impact on the HRA finances. Scenario Testing is important in order to assess the relative scale and impact of changes from the base assumptions in the HRA Business Plan financial model. The following sensitivities have been modelled with the results detailed in Table A below.

i) Higher Value Asset Levy

The Autumn Statement delayed the implementation of the Higher Value Asset Levy from April 2017. The advice from the Chartered Institute of Housing to not factor an estimated figure into the Business Plan model. However, we have scenario tested an additional cost to Capital of £750k per year from 2018/19, in anticipation of the levy figure being announced during 2017/18. This would reduce the level of Capital available thereby reducing Babergh's Headroom and increasing our

likelihood of reaching the Debt Cap. Overall this would decrease the resources available to the HRA over the 30 years of the plan by £21.75m.

ii) Building costs

Building costs often increase at a higher rate than general inflation, and there are published tables of Building Cost Inflation, which apply to both new build work and building maintenance and improvement. If these costs were to increase year on year by 1% more than the general rate of inflation, then this would reduce resources available to the HRA by £33.1m and it would take an additional two years to repay the settlement loan.

iii) Rents

The HRA financial model is predicated upon annual rent increases of 3% (assuming CPI is 2%). The model already shows a significant downturn in income due to the imposition of a 1% rent reduction for four years (2016 – 2019). A further loss of 1% per annum, whether due to Government restrictions or continued low interest rates will reduce income over the 30 year life of the plan by an additional £73.9m.

iv) Right to Buy sales

Babergh's business plan originally assumed seven Right to Buy sales per year. The Council sold twenty five properties in 2015/16. The Council has agreed to retain Right to Buy Receipts to reinvest in new council housing. These receipts must be match funded (70:30) from HRA funds. As the number of Right to Buy sales increases or decreases, the amount of match funding to be found from the HRA varies.

Table A Sensitivities against the base Business Plan

Sensitivity	Yr 30 HRA Base Position £m	Yr 30 ("Cost") / Benefit to HRA £m
Base Position	122.2	-
High Value Asset Levy £750k	100.4	(21.8)
1% increase in CPI	162.0	39.8
1% reduction in CPI	91.2	(31.0)
1% annual increase in capital programme building costs	89.1	(33.1)
Rents increased only by CPI	48.3	(73.9)
2 extra Right to Buy sales per year	101.2	(21.0)
5 less Right to Buy sales per year for four years	165.1	42.9

8.1.2 BMBS trading account

The new Babergh and Mid Suffolk Building Services (BMBS) team will carry out responsive repairs and programmed works from April 2017. The new team will replace the outsourced contract with Morrisons in Babergh and internal Direct Labour Organisation in Mid Suffolk.

The BMBS business plan forecasts a surplus in year two of trading (2018/19) onwards and will be closely monitored by the BMBS Corporate Manager and Professional Lead HRA Accountant. The five year business plan is below:

BMBS Forecast	2017/18	2018/19	2019/20	2020/21	2021/22
Expenses					
Employee Costs	1,719,677	1,736,872	1,960,777	1,980,384	2,000,189
Premises	12,000	12,120	12,241	12,363	12,487
Transport	111,000	111,000	129,000	129,000	129,000
Supplies and Services	2,110,048	2,147,773	2,192,383	2,245,725	2,306,460
Total Expenses	3,952,725	4,007,765	4,294,401	4,367,472	4,448,136
Income					
Capital and Planned Maintenance	-1,900,000	-2,090,000	-2,299,000	-2,528,000	-2,781,000
Responsive Repairs	-1,906,700	-1,932,800	-1,961,510	-1,993,091	-2,027,830
General Fund	-50,000	-55,000	-60,500	-66,550	-73,205
External Income	-50,000	-55,000	-60,500	-66,550	-73,205
Total Income	-3,906,700	-4,132,800	-4,381,510	-4,654,191	-4,955,240
Net (Surplus)/Deficit	46,025	-125,035	-87,109	-286,719	-507,104

8.1.3 Income management strategy

A five year strategy has been agreed to maximise the income collected by the Council in the face of the most significant welfare reforms in many decades. Universal Credit (UC) is the flagship policy reform, designed to reduce dependence on the state and encourage people to find work. UC will be rolled out in Mid Suffolk at the start of 2018. The pilot schemes have invariably found that rent arrears have increased.

Our Income Management Strategy focusses on the collection of rents and bad debts, the culture and attitudes of government, tenants and partners and opportunities offered by new and existing technologies and services.

8.1.4 Rent Policy

Babergh has been planning, acquiring, and developing new council homes since self financing in 2012. Further changes to the housing costs our tenants can claim through welfare benefits require that we have clear policy around rent setting. This will affect dwellings newly built and acquired and possibly some re-lets. A report will be presented for Members consideration in Summer 2017.

8.2 Meeting Housing Need

8.2.1 Stock condition data project

Robust stock condition data enables the Council to plan and to budget for the work required to maintain the housing stock in a reasonable and lettable condition. Accurate data provides confidence that HRA funds are spent on the right work in the right places.

Babergh last undertook a stock condition survey in 2011, sampling 23% of the housing stock. The data was used to plan the 30 year capital programme in the 2012 Business Plan, which has been rolled forward each year.

A project is underway to update the data to enable an evidence based programme of capital works to be designed for 2017/18 and the following two years. In the meantime, all non-essential work has been ceased, resulting in a forecast underspend of £1.3million against the capital programmes budget for 2016/17.

The Babergh Decent Homes Standard and Lettable Standard will be reviewed as part of the stock condition data project.

A fresh sample stock condition survey will be required in 2019/20.

8.2.2 Estate regeneration

The estate regeneration project aims to improve the match between housing applicants need and available stock. This will be achieved by increasing the opportunities to allocate stock to applicants by:

- Reconfiguring individual properties to better meet housing need.
- Adjusting the portfolio of stock through disposals, acquisitions and new build.
- Redeveloping garage sites.
- Making better decisions when allocating stock using tools and techniques, e.g. viability modelling.
- Commission a desk top exercise to identify all regeneration opportunities on Council owned sites.
- Regeneration of sites which are beyond economic repair.

The project will also consider whether changing the tenure of some of the housing stock would better serve the community. For example, some low demand rented stock might be better suited to shared ownership. Welfare reform measures due in 2019 will increase the need for shared housing for people under 35. The project will explore the options for leasing some properties to partner agencies specialising in supported shared housing to meet this need.

By making best use of housing assets and effective stock utilisation the project will help deliver one of the key strategic outcomes identified in the Joint Strategic Plan: Housing Delivery – More of the right types of homes, of the right tenure in the right place.

8.2.3 Sheltered housing review

Babergh currently has 270 sheltered housing units spread across 20 schemes. The bulk of the sheltered housing review will be completed by April 2017 with the following outcomes:

- Providing independent living for the over-60s with minimum support.
- Appropriate schemes now and in the future to meet the older community's housing needs.
- Appropriate stock allocation now and in the future to meet individual's needs and ensure the most in need are prioritised.
- A cost effective service that remains within budget through a robust service charging regime.

Still to be completed:

- Where a scheme is identified as having potential for full or partial redevelopment, recommendations will be brought to members when a full appraisal has been undertaken.

- Investigate the option of leasing Babergh's two Very Sheltered Housing schemes to a housing association on a long term lease.
- Collaborate with Adult Care Services and the voluntary sector to form a vision of future housing provision for older people.

8.2.4 Older Persons Housing Vision

The importance of appropriate and good quality housing to the short and long term health and wellbeing of individuals is widely acknowledged in Suffolk. The Suffolk Health and Wellbeing Board have formally launched a Housing and Health Charter recognising the importance of collaborative working between Housing, Health and Social Care; including an agreed set of commitments that will inform and influence the future direction of all partners throughout the Suffolk System.

This collaborative approach is crucial to ensuring that future housing provision across all tenures meets the needs and aspirations of older people living in Suffolk. The recent Strategic Review of Specialist Housing in Suffolk drills down into variables that enable us to gain some understanding of which proportion of the current population of Suffolk are likely to be in need of the care and support services aligned to specialist housing. These variables have then been used to create projections as to how that level of need may change over time, which has also been compared and contrasted with more generalised population changes. The Review enables us to quantify likely demand over time broken down in relation to district and borough areas.

The review examines different models of housing to aid understanding of what currently works well in supported housing and will help the Councils to design future supply to meet the needs of those needing specialist/supported housing, including older people.

8.2.5 Housing Need Intelligence Project

The Joint Strategic Plan is clear that the Council will ensure that decisions are based on good intelligence and evidence. This project will for the first time ensure that all sources of data available to the Council are utilised to provide the clearest possible picture of housing need across the district. This will bring together data from:

- Gateway to Homechoice
- The Strategic Housing Market Assessment (housing need and affordability data)
- Local Housing Needs Surveys
- The Suffolk Housing Needs Survey 2014
- Neighbourhood Plans
- The Suffolk Strategic Review of Specialist Housing
- The Housing Strategy
- Objectively Assessed Housing Need (calculated from ONS statistics and used to determine housing delivery numbers in the Joint Local Plan)
- Homelessness data

This co-ordinated data will be used to inform our: Older Persons Housing Vision; New Build and Acquisitions Programme; and Estate Regeneration Project, as well as future allocations policies and housing policies within the new Joint Local Plan.

8.2.6 New Build and Acquisitions Programme

Babergh's HRA has headroom of £14.3million in 2017/18 rising to £18.9m in 2021/22, making a strong programme of new building and acquisition of council housing a priority for the Council. While we build our intelligence base to inform longer term development plans, we have the following development and acquisition activity happening already:

- 27 new homes, funded by an HCA Grant of £473k, are being built at a cost of £3.4m (£2.9m net after HCA grant). The first 12 homes are due for completion in February 2017.
- Right to Buy receipts are being used to acquire new council homes from the open market. In 2015/16 4 were purchased at a cost of £648k and so far in 2016/17 14 have been purchased at a cost of £1.4m.
- 10 homes using HRA funding will be built on recently acquired land - approximate funding required - £850,000. These homes will be built over the five year period 2018 - 2023.
- We will externally commission a desk top exercise which will identify all existing HRA land and potential regeneration opportunities. These opportunities will then be reviewed and appraised to create a pipeline of estate regeneration based delivery. Timescales for this work will be published during February 2017.
- We are working with private developers to secure direct purchase of new build homes.
- We will work with agents to source land opportunities for development. The level of funding required will be dependent on opportunities but a fund will be set aside to support this.
- The existing HQ site in Corks Lane, Hadleigh may provide opportunities for HRA investment in housing. Options for the site will be developed in 2017.

8.2.7 Fixed term tenancies

Babergh District Council currently offer new tenants a secure tenancy under the Housing Act 1985¹⁵. The Localism Act¹⁶ gave local authorities the power to offer fixed term tenancies to new tenants. Subsequent provisions in the Housing and Planning Act¹⁷ will prevent local authorities in England from offering a secure tenancy to people of working age in most circumstances. Offering fixed term tenancies will require new ways of working. Changes include:-

- An amended tenancy agreement
- An updated tenancy policy
- Clear written information for customers
- New processes for carrying out reviews during the fixed term and an appeal procedure for challenges to decisions
- Amendments to the Open Housing database
- Staff training
- Housing Options advice for people whose tenancies are ending
- Provision/encouragement of a range of housing tenures including shared ownership, low cost home ownership and private affordable housing.

Mandatory fixed term tenancies are expected to be implemented in April 2018.

8.3 New Ways of Working

8.3.1 Babergh and Mid Suffolk Building Services (BMBS)

Babergh and Mid Suffolk Building Services will provide an integrated repairs and maintenance solution and the associated economies of scale for the two Councils. It will provide local employment opportunities, including apprentices, to encourage economic growth. There are clear

¹⁵ Housing Act 1985 - <http://www.legislation.gov.uk/ukpga/1985/68>

¹⁶ Localism Act 2011 - <http://www.legislation.gov.uk/ukpga/2011/20/contents/enacted>

¹⁷ Housing and Planning Act 2016 - <http://www.legislation.gov.uk/ukpga/2016/22/contents/enacted/data.htm>

financial and non-financial performance targets that BMBS will need to achieve and these will be closely monitored to ensure customer satisfaction, income, and business growth is achieved.

The vision is for BMBS to provide a 'first port of call' for Repairs and Maintenance and Capital Programmes delivery where there is demonstrable synergy with BMBS's core functions. The business case for BMBS includes:

- The potential to increase its income by approximately 27% over 5 years through maximising potential works from the Council and by increasing 'third party' income opportunities. It is predicted that income will rise by approximately £1 million during this period.
- Generation of a surplus – with sufficient volumes of work and productivity to cover costs, BMBS is able to generate a surplus. This is similar to the profits made by private sector companies. This surplus contributes to the Council's HRA and potentially diminishes if work is unnecessarily outsourced.
- Use of resources – the majority of BMBS costs are fixed and utilising these resources helps to generate the income needed to 'pay' for these costs.
- Local employment – the majority of BMBS staff live locally and spend their income within the local economy.
- Contribution to central overheads – BMBS makes a significant contribution, through recharges, to the Council's central overheads and is 'obliged' to use core services provided by the Council (making them viable).
- Income generation – BMBS is an income generator not only in terms of the Council budgets but also in being able to provide services for third party organisations. To do this successfully, it must have 'scale' and 'capacity'.
- Employment & training – ongoing throughput of work enables BMBS to create local employment opportunities and there are plans to commence an apprentice programme. This can only work if there is sufficient volume of 'predictable' work.
- Ultimate guarantee – allocating work to BMBS provides the ultimate guarantee. If there are disputes or quality issues, it is wholly within the Council's control to adjudicate an outcome and resolution.
- Collaboration – growing a successful in-house team gives us the potential to work closely with other Social Housing providers across the region providing shared savings and efficiencies, both in service delivery and in procurement of materials, vans etc.

8.3.2 Open Housing and Total Mobile

Phase one is complete and includes:

- consolidation of Babergh and Mid Suffolk's housing databases This was a key step required to allow operations to fully develop a consistent way of working across both districts in later project phases.
- Total Mobile – provision of electronic job sheets on hand-held devices to the trades team and halt the use of paper. This has reduced the amount of time the trades team spend in the office, allowing for more time to spent on repairs and so increasing the number of jobs performed in a day.
- Reduced costs by having just one system instead of two.

An initial scoping exercise for Phase Two, which will make recommendations as to the content, resources, timescales, costs, risks, etc., is being undertaken by the Business Improvement team.

8.3.3 Tenant Services Review

This review will utilise new ways of working to ensure resources are being targeted in the right places and to ensure the service reflects the current needs of our customer base. The project is as much to do with changing culture as changing practices and looks to seize the opportunities offered by the Councils' Transformation and Public Access arrangements and the move to Endeavour House. The Customer Relationship Management technology that the Council will introduce will present the opportunity to gather data about our residents in a co-ordinated manner. Access to this information will enable Housing to target services for the first time and to work in smarter ways, for example focussing on tenants that the data tells us are more likely to fall into rent arrears.

The review process will begin with a working group being set up to look at revising the Council's Anti-Social Behaviour Policy. We will also look at the creation of a new Support and Sustainment Policy. Other areas of work which will commence during 2017 include carrying out community events in order to have a two way conversation with tenants, creation of a digital tenancy and reviewing our case management system by taking advantage of the new consolidated Open Housing system by creating a work flow.

We will pilot a new 'Early Help Delivery Team'. Our vision is for a multi-disciplinary, multi-agency integrated approach where all partners collaborate, coordinate, jointly prioritise and maximise their collective efforts to ensure that individuals and families are better able to achieve success, make healthier choices, be resilient, remain independent, and feel that they have a voice and influence.

This approach will aim to deliver the following outcomes for families and communities:

- People feel safe and secure in their homes, neighbourhoods and their local community.
- People have a decent home that is affordable appropriate to their needs and in a suitable location.
- People report improving levels of personal and social wellbeing and have the skills and attributes to flourish (specific outcomes to be determined but likely to include jobs and employment prospects, healthier more active lifestyles and greater social connectedness).
- People are helped to help themselves reducing the need for and dependency on services.
- People improve their resilience and become more self-sufficient.

8.3.4 Home Ownership Review

The Home Ownership project will implement the recommendations of a review undertaken by the Housing Quality Network in 2015 of the Leasehold and Right to Buy services. The review recommends the alignment of processes across Babergh and Mid Suffolk, the introduction of clear performance measures and a refresh of leaseholder service charging to ensure that the Council's charge and collect the cost of works to leasehold flats. An experienced project manager has been engaged to deliver the project by November 2017. The outcomes of the project will be:

- Reduced costs
- Increased revenues
- Improved service delivery
- Ensure compliance with S.2 Leasehold Reform Act and Right To Buy statutory timescales

8.3.5 Review of Resident Involvement

The Council is keen to engage with its tenants and to provide opportunities for them to have a say in how the Housing Service is run. To this end we offer a variety of ways in which residents can participate:

- The Tenants' Forum
- The Joint Housing Board
- The Tenant Scrutiny Panel

- Mystery Shopping
- Tenant Inspectors

Tenants and officers agree that the effectiveness of our resident involvement programme should be reviewed to ensure that all engagement is relevant, serves the purposes of both residents and the Council and provides value for money.

There will be two stages to the project:

1. An independent review conducted by HQN. This is expected to run from January to April 2017.
2. The implementation of the agreed recommendations. These are expected to be implemented from May to September 2018. These timescales will be adjusted depending on the recommendations.

8.3.6 Very Sheltered Housing

We will appraise the options for the future of the two Very Sheltered Housing schemes (VSH), William Wood House in Sudbury and Sydney Brown Court in Hadleigh. Both are owned by BDC and managed by under contract by Orwell Housing Association (OHA). The current management agreement expires in May 2017. The options for consideration are:

- 1) Commission a new management service
- 2) Babergh to take on the management of the schemes and care provision for the residents
- 3) Lease the schemes/facilities to a third party
- 4) Sell the buildings and service as a going concern
- 5) Sell the buildings

Orwell have agreed to a short extension of the management agreement to allow time for the options appraisals and subsequent commissioning of the preferred option.

8.3.7 Community Visiting Service

A Community Visiting Service could potentially serve vulnerable people living in social housing and in private accommodation. A basic support service would simply call on each subscriber daily to ensure that they are alright. Contact details would be held for family members or friends in case of problems. Calls could be either in person or by telephone. A fee would be charged for the service. Early indications are that the charges may be in the region of £15 per week for the telephone service.

Early discussions with the County Council and partner providers suggest that there may be an appetite to support a non-tenure related support service. This would not necessarily be provided by the Council but we would want to influence the set up to ensure the service supports the Health and Wellbeing outcomes that support prevention interventions and reduce cost across the Suffolk System.

9 COMMUNICATIONS

We understand the importance of good communication in both gaining support for and maximising the effectiveness of the work streams within the Housing Revenue Account Business Plan. The following channels will be used to communicate details of the projects:

- Housing Management Team

- Senior Leadership Team
- Portfolio Holder briefings
- Administration meetings
- Strategy and Executive Committees
- Joint Housing Board
- Tenants Forum / newsletters
- Round the Houses Blog on the Connect Intranet

Many of the work streams have bespoke communication plans within the project plans. Further details are available on Connect.

10 MONITORING AND REVIEW

The HRA Business Plan and the programmes and projects therein are all assigned a lead officer who is responsible for driving the work forward and for reporting on progress via the Connect intranet. Reports into Senior Leadership Team, Housing Management Team, Joint Housing Board or Strategy Committee will also be required depending what is specified in the project business case.

11 CONCLUSION

This review of the HRA Business Plan demonstrates that it remains viable over the 30 years even with four years of rent reductions modelled. Viability is judged in that the capital expenditure can be maintained, the HRA does not fall into deficit and that the debt cap is not breached. For Babergh, all of the above apply and the HRA can still repay its outstanding loan debt by year 26.

The plan provides for an ambitious programme of new build and acquisitions, with more to come when there is certainty around the Higher Value Assets Levy. It also sets the Council well on its way to adopting modern technological solutions and more joined up, intelligence based ways of working.

The Council will need to manage the HRA Business Plan robustly and proactively. Income will need to be maximised and costs kept under close review. Provided this is achieved, this Business Plan enables the Council to make a genuine step change improvement in the quality and delivery of social housing in Babergh.

12 GLOSSARY OF ABBREVIATIONS

ART	Affordable Rent Tenancy
BMBS	Babergh Mid Suffolk Building Services
BMSDC	Babergh and Mid Suffolk District Councils
CBL	Choice Based Lettings
CIL	Community Infrastructure Levy
CRM	Customer Relationship Management
DLO	Direct Labour Organisation
DHS	Decent Homes Standard
DWP	Department for Work and Pensions

EHDT	Early Help Delivery Team
HCA	Homes and Communities Agency
HHRSR	Housing Health and Safety Rating System
HRA	Housing Revenue Account
HRS	Housing Revenue Account Support Grant
JSP	Joint Strategic Plan
LHA	Local Housing Allowance
NHS	National Health Service
OHA	Orwell Housing Association
RCCO	Revenue Contributions to Capital Overspend
RTB	Right To Buy
RP	Registered Provider
SAP	Standard Assessment Procedure
SCS	Stock Condition Survey

13 BACKGROUND DOCUMENTS

- Babergh and Mid Suffolk Building Services Business Plan
- Babergh and Mid Suffolk Joint Strategic Plan 2014 – 2019
- Babergh and Mid Suffolk Joint Strategic Plan Refresh 2016 – 2020
- DWP Housing Benefit / Council Tax Benefit Circular A12/2011 (revised)
- End of Term Report 2011 – 2015 (Babergh District Council)
- Hidden Needs Report 2011 - 2016
- North East Essex West and East Suffolk NHS Sustainability Transformation Plan 2016
- The Housing Benefit (Amendment) Regulations 2011 (SI 2011/1736)

14 APPENDICES

- A - 30 Year Capital Projection from HRA Business Model – Babergh District Council
- B - 30 Year Revenue Projection from HRA Business Model – Babergh District Council
- C - Household Data – Babergh District Council
- D - Stock Condition Data – Babergh District Council

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APPENDIX A

30 YEAR CAPITAL PROJECTIONS
Babergh District Council

Year	2017.18	2018.19	2019.20	2020.21	2021.22	2022.23	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30	2030.31	2031.32	2032.33	2033.34	2034.35	2035.36	2036.37	2037.38	2038.39	2039.40	2040.41	2041.42	2042.43	2043.44	2044.45	2045.46	2046.47	
£'000	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	
EXPENDITURE:																															
Planned Variable Expenditure	0	0	0	0	-7	-7	-7	-8	-8	-19	-20	-20	-21	-21	-44	-45	-46	-47	-48	-33	-34	-35	-35	-36	-56	-57	-59	-60	-62	-63	
Planned Fixed Expenditure	-4,451	-6,335	-5,358	-5,794	-3,066	-3,143	-3,221	-3,302	-3,934	-4,032	-4,133	-4,236	-4,342	-6,577	-6,741	-6,910	-7,082	-7,259	-4,896	-5,018	-5,144	-5,272	-5,404	-5,648	-5,789	-5,934	-6,082	-6,234	-6,390	-5,834	
Disabled Adaptations	-200	-200	-200	-200	-200	-205	-210	-215	-221	-226	-232	-238	-244	-250	-256	-262	-269	-276	-283	-290	-297	-304	-312	-320	-328	-336	-344	-353	-362	-371	
Other Capital Expenditure	-3,040	-3,200	-3,520	-3,840	-4,000	-4,480	-4,480	-4,480	-4,480	-4,480	-3,360	-3,360	-3,360	-3,360	-3,360	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
New Build Expenditure	-469	-53	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Procurement Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Previous Year's B/F Shortfall	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Capital Expenditure	-8,161	-9,788	-9,078	-9,834	-7,273	-7,835	-7,919	-8,005	-8,642	-8,757	-7,744	-7,854	-7,966	-10,208	-10,401	-7,217	-7,397	-7,582	-5,227	-5,341	-5,474	-5,611	-5,751	-6,004	-6,172	-6,327	-6,485	-6,647	-6,813	-6,268	
FUNDING:																															
Major Repairs Reserve	2,736	3,368	2,744	2,894	3,340	3,533	3,624	-2,282	-2,185	3,815	3,811	3,808	3,804	-21,199	3,787	3,764	3,740	3,716	-42,955	3,666	3,638	3,610	3,581	3,553	-7,475	3,497	3,468	3,440	3,412	3,383	
Right to Buy Receipts	66	66	66	66	66	66	66	66	66	66	66	66	66	66	66	66	66	66	66	66	66	66	66	66	66	66	66	66	66	66	66
HRA CFR Borrowing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	15,338	0	0	0	0	0	0	0	0	0	0	0	0
Other Receipts/Grants	66	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
HRA Reserves	912	960	1,056	1,152	1,200	1,344	1,344	1,344	1,344	1,344	1,008	1,008	1,008	1,008	1,008	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Revenue Contributions	4,381	5,395	5,212	5,722	2,667	2,892	2,884	8,876	9,417	3,533	2,859	2,972	3,088	30,333	5,539	3,387	3,591	3,800	32,777	1,608	1,770	1,935	2,104	2,384	13,581	2,764	2,950	3,141	3,335	2,818	
Total Capital Funding	8,161	9,788	9,078	9,834	7,273	7,835	7,919	8,005	8,642	8,757	7,744	7,854	7,966	10,208	10,401	7,217	7,397	7,582	5,227	5,341	5,474	5,611	5,751	6,004	6,172	6,327	6,485	6,647	6,813	6,268	

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APPENDIX B

HOUSING 30 YEAR REVENUE ACCOUNT PROJECTION

Babergh District Council

Year	2017.18	2018.19	2019.20	2020.21	2021.22	2022.23	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30	2030.31	2031.32	2032.33	2033.34	2034.35	2035.36	2036.37	2037.38	2038.39	2039.40	2040.41	2041.42	2042.43	2043.44	2044.45	2045.46	2046.47
£'000	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
INCOME:																														
Rental Income	16,244	16,092	15,949	16,371	16,819	17,293	17,790	18,302	18,827	19,346	19,856	20,380	20,917	21,468	21,959	22,384	22,817	23,258	23,706	24,143	24,568	24,999	25,436	25,880	26,329	26,786	27,248	27,717	28,192	28,674
Void Losses	-150	-149	-148	-152	-156	-160	-165	-170	-174	-179	-184	-189	-194	-199	-203	-207	-211	-215	-220	-224	-228	-231	-236	-240	-244	-248	-252	-257	-261	-265
Service Charges	540	538	552	565	580	594	609	624	640	656	672	689	706	724	742	760	779	799	819	839	860	882	904	926	950	973	998	1,023	1,048	1,074
Non-Dwelling Income	192	197	202	207	212	217	223	228	234	240	246	252	258	265	271	278	285	292	300	307	315	323	331	339	347	356	365	374	383	393
Grants & Other Income	38	39	40	41	42	43	44	45	46	47	48	50	51	52	54	55	56	58	59	61	62	64	65	67	69	70	72	74	76	78
Total Income	16,864	16,716	16,594	17,032	17,497	17,987	18,501	19,030	19,573	20,110	20,639	21,181	21,739	22,310	22,823	23,271	23,727	24,191	24,664	25,126	25,577	26,035	26,500	26,972	27,451	27,937	28,430	28,931	29,438	29,953
EXPENDITURE:																														
General Management	-2,101	-2,340	-2,398	-2,458	-2,520	-2,583	-2,647	-2,713	-2,781	-2,851	-2,922	-2,995	-3,070	-3,147	-3,225	-3,306	-3,389	-3,473	-3,560	-3,649	-3,740	-3,834	-3,930	-4,028	-4,129	-4,232	-4,338	-4,446	-4,557	-4,671
Special Management	-1,116	-1,144	-1,173	-1,202	-1,232	-1,263	-1,295	-1,327	-1,360	-1,394	-1,429	-1,465	-1,501	-1,539	-1,577	-1,617	-1,657	-1,699	-1,741	-1,785	-1,829	-1,875	-1,922	-1,970	-2,019	-2,070	-2,121	-2,174	-2,229	-2,285
Bad Debt Provision	-76	-75	-74	-76	-78	-80	-83	-85	-177	-181	-185	-189	-193	-197	-201	-205	-208	-212	-216	-220	-223	-227	-231	-235	-239	-243	-247	-251	-255	-259
Responsive & Cyclical Repairs	-2,141	-2,218	-2,330	-2,448	-2,602	-2,667	-2,734	-2,802	-2,873	-2,944	-3,018	-3,093	-3,171	-3,250	-3,331	-3,415	-3,500	-3,587	-3,677	-3,769	-3,863	-3,960	-4,059	-4,160	-4,264	-4,371	-4,480	-4,592	-4,707	-4,825
Total Revenue Expenditure	-5,434	-5,777	-5,976	-6,185	-6,432	-6,593	-6,759	-6,928	-7,191	-7,370	-7,554	-7,742	-7,935	-8,133	-8,335	-8,542	-8,754	-8,972	-9,194	-9,423	-9,656	-9,896	-10,141	-10,393	-10,651	-10,915	-11,186	-11,463	-11,748	-12,039
Interest Paid	-2,803	-2,774	-2,727	-2,694	-2,665	-2,646	-2,628	-2,609	-2,422	-2,230	-2,213	-2,195	-2,177	-2,088	-1,601	-1,584	-1,566	-1,548	-1,563	-101	-83	-66	-48	-30	841	1,152	1,188	1,223	1,259	1,295
Finance Administration	0	0	0	0	0	0	0	0	0	0	0	0	0	-4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Received	18	148	184	173	188	230	276	276	227	230	296	375	460	320	169	253	360	470	271	103	282	465	652	844	953	1,075	1,297	1,524	1,756	2,000
Depreciation	-2,721	-2,721	-2,721	-2,721	-2,789	-2,859	-2,930	-3,003	-3,078	-3,078	-3,078	-3,078	-3,078	-3,078	-3,078	-3,078	-3,078	-3,078	-3,078	-3,078	-3,078	-3,078	-3,078	-3,078	-3,078	-3,078	-3,078	-3,078	-3,078	-3,078
Net Operating Income	5,924	5,592	5,355	5,606	5,798	6,119	6,460	6,766	7,108	7,660	8,090	8,541	9,008	9,328	9,976	10,319	10,688	11,063	11,099	12,628	13,041	13,460	13,885	14,315	15,516	16,171	16,650	17,136	17,627	18,131
APPROPRIATIONS:																														
Revenue Contribution to Capital	-4,354	-2,633	-5,854	-6,363	-3,323	-3,566	-3,579	-9,591	-10,154	-4,269	-3,592	-3,701	-3,814	-31,055	-6,248	-4,072	-4,253	-4,438	-41,355	-2,196	-2,330	-2,467	-2,607	-2,859	-14,028	-3,182	-3,340	-3,502	-3,669	-3,123
Total Appropriations	-4,854	-3,133	-5,854	-6,363	-3,323	-3,566	-3,579	-9,591	-10,154	-4,269	-3,592	-3,701	-3,814	-31,055	-6,248	-4,072	-4,253	-4,438	-41,355	-2,196	-2,330	-2,467	-2,607	-2,859	-14,028	-3,182	-3,340	-3,502	-3,669	-3,123
ANNUAL CASHFLOW	1,070	2,459	-499	-756	2,476	2,553	2,881	-2,826	-3,045	3,392	4,498	4,840	5,194	-21,727	3,728	6,247	6,435	6,625	-30,257	10,431	10,711	10,994	11,278	11,456	1,489	12,989	13,310	13,634	13,959	15,008
Opening Balance	7,632	8,702	11,161	10,662	9,905	12,381	14,934	17,815	14,990	11,944	15,336	19,834	24,674	29,868	8,140	11,869	18,116	24,551	31,176	920	11,351	22,062	33,056	44,334	55,789	57,278	70,267	83,577	97,210	111,169
Closing Balance	8,702	11,161	10,662	9,905	12,381	14,934	17,815	14,990	11,944	15,336	19,834	24,674	29,868	8,140	11,869	18,116	24,551	31,176	920	11,351	22,062	33,056	44,334	55,789	57,278	70,267	83,577	97,210	111,169	126,177

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APPENDIX C

Change in household groups between 2001 & 2011 (Census)

Babergh

	% change in household groups between 2001 & 2011
One person	11.66
Couples	9.75
Couples with dependent children	-3.24
Couples with non dependent children	-1.31
Lone parent with dependent children	23.21
Lone parent with non dependent children	37.13
Other	17.36

Census 2001 & 2011 - <https://www.ons.gov.uk/>

Household composition

Babergh

Older persons	12.1
One person	28.2
Couples	21.6
Couples with dependent children	20.1
Couples with non dependent children	6.2
Lone parent with dependent children	5.1
Lone parent with non dependent children	3.0
Other	3.7

Census 2011 - <https://www.ons.gov.uk/>

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APPENDIX D

Stock condition data – November 2011 (Babergh District Council)

	Years						TOTAL
	1-5 £'m	6-10 £'m	11-15 £'m	16-20 £'m	21-25 £'m	26-30 £'m	£'m
Catch Up Repairs	£0.093						£0.093
Future Major Works	£14.180	£15.892	£14.085	£23.890	£15.985	£15.320	£99.352
Improvements	£4.509	£0.100	£0.454	£0.225	£0.454	£0.100	£5.842
Estate Works	£2.298	£2.521	£0.606	£0.777	£0.679	£0.979	£7.860
Contingent Major Repairs	£0.950	£0.950	£0.900	£0.900	£0.850	£0.850	£5.400
Exceptional Extensive	£0.660	£0	£0	£0	£0	£0	£0.660
SUB TOTAL	£22.690	£19.463	£16.045	£25.792	£17.968	£17.249	£119.207
Cyclical Maintenance	£4.325	£4.324	£4.325	£4.324	£4.325	£4.324	£25.947
Disabled Adaptations	£1.750	£1.750	£1.750	£1.750	£1.750	£1.750	£10.500
Responsive & Voids	£5.110	£5.250	£5.250	£5.250	£5.250	£5.250	£31.360
TOTAL	£33,875	£30.787	£27.370	£37.116	£29.329	£28.573	£187.014

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Mid Suffolk District Council

Housing Revenue Account

30 year Business Plan

2017- 2047

(5 year medium term 2017 – 2022)

DRAFT

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1. INTRODUCTION

The Housing Revenue Account Business Plan is a key document that sets out the Council's plans for the management, maintenance and investment in its housing stock. It is a vital tool for seeking continuous improvement in the quality of its Housing Service. The plan looks at the current position and how this might change, with reference to:

- Stock condition
- Service delivery
- Rents and income
- Tenants' views
- Housing need
- Financial control
- Risk management

Councils with retained housing stock are required by the Local Government and Housing Act 1989¹ (section 74) to keep Housing Revenue Accounts (HRAs) which record all revenue expenditure and income relating to the provision of Council dwellings and related services. In addition, since 2012 Local Authorities have been required to maintain 30 year business plans setting out their financial projections and investment requirements.

The business plan is primarily concerned with the local authority's landlord role and should be read in conjunction with the Council's Housing Strategy which is currently being commissioned. The Housing Strategy will have a wider cross tenure strategic purpose and establishes objectives for meeting the housing shortage in Mid Suffolk.

The plan contains an investment programme, formulated on a five year and a 30 year basis, reflecting many of the Government's targets and requirements for a longer term planning cycle. The 30 year projections are based on the most up to date information available.

This business plan is written for Members, tenants and staff involved in the governance and management of the Housing Service and sets the scene for the next five years (2017-2022) of a longer term 30 year plan.

Stock condition data has been built into the model on which the projections have been based. The business plan is a key element in determining the future direction of the Housing Service. The plan also demonstrates the Council's performance as a landlord and identifies proposals and improvements made through internal and external reviews. This will ensure that the Council optimises its efforts and use of resources to improve the standard of homes and contributes to tenants' enjoyment of a decent quality of housing.

In summary the business plan:

- examines the current position and the Council's performance as landlord
- summarises the functions of the Housing Service
- sets out the Council's vision for the Housing Service
- sets out a five year plan for capital investment and maintenance
- sets out a five year plan for service development and improvements
- compares how much money is needed with the amount that will probably be available
- summarises the projects that have been identified to transform the Council's HRA finances

- identifies options for additional investment as resources become available immediately and throughout the lifetime of the plan

1.1 Babergh and Mid Suffolk District Councils - Working Together

In 2012, Babergh and Mid Suffolk District Councils appointed their first joint Chief Executive. This was the first step in our integration and transformation programme that would ensure both Councils could continue to thrive as separate sovereign entities, run by their own elected Councillors, but with a fully integrated staffing structure. By working together, across teams and service areas, we are focussed on delivering key outcomes for our communities in Babergh and Mid Suffolk in a way that would have been impossible for either Council to have achieved alone. A Joint Strategic Plan sets out the vision and priorities for both Babergh and Mid Suffolk District Councils from 2016-2020.

1.2 The Joint Strategic Plan

Within the Joint Strategic Plan, Mid Suffolk District Council's vision is to create an environment where individuals, families, communities and businesses can thrive and flourish. The Council's priority in terms of housing is to shape, influence, and provide the leadership to achieve the right mix and supply of housing.

The housing priorities are delivered under four key strategic themes:



The Joint Strategic Plan sets out how Mid Suffolk aims to deliver enduring and positive changes for the many and diverse communities that they serve. The plan provides a shared direction and common purpose with Mid Suffolk District Council, against which we can work with our communities to deliver the outcomes the Councils wish to see. It outlines the context in which we are operating and the challenges and opportunities of the future. It articulates three key priority areas: Economy and Environment; Strong and Healthy Communities; and Housing. Councillors and staff at both

Councils are fully committed to working together and with partners to achieve the outcomes described in the Joint Strategic Plan.

1.3 The vision for Housing

We want to be a modern landlord with a more commercial approach, retaining our function of providing support to our most vulnerable tenants in our communities. We recognise that we need to work more efficiently, targeting our resources and support where it is needed the most. We aim to enable the majority of tenants to take more responsibility to resolve their own problems. The Council's relationship with tenants needs to shift from the traditional paternalistic model to encourage citizenship where tenants take responsibility for their own lives and communities and are economically active. The key to this is the Council, our businesses and the communities we serve increasing their capacity by identifying partnership working opportunities. We will encourage staff, tenants and Councillors to be adept at working through bespoke housing solutions that reflect local needs. To provide an innovative, efficient and sustainable service to our tenants we must understand our operating costs and continually identify where efficiencies and improvements can be achieved.

The key elements of our vision for Housing are:

- Sustainable Housing Revenue Account
- System wide collaboration to achieve better outcomes through prevention
- Evidence based decision making
- Good quality affordable homes
- Reduced homelessness and waiting list for affordable housing
- Supporting the needs of our ageing population
- An ambitious programme of development and acquisitions
- Use of technology to provide a modern, efficient service that suits the users' requirements

2 NATIONAL POLICY AND EXTERNAL INFLUENCES

There are many factors at both local and national level which impact upon housing markets and the social housing sector. The rural economy of Mid Suffolk has as much influence on local housing markets as national housing and welfare policies.

The Autumn Statement (November 2016)² diluted the Housing and Planning Act³ slightly by removing the requirement for Councils to introduce Pay to Stay and announced a new white paper to be published in due course with further details of a comprehensive package of reforms to increase housing supply and tackle rising housing costs .

Locally, we have recently seen the publication of the North East Essex West and East Suffolk NHS Sustainability Transformation Plan, which outlines how local health and social care organisations will continue to work together to sustain and transform services over the next five years around a central theme of '*collaboration, not competition*'. This builds upon the commitments set out in the Housing and Health Charter for Suffolk in 2014. Mid Suffolk has an important role to play in supporting our partners in the NHS and Suffolk County Council to make this work.

2.1 Self-financing

² Autumn Statement 2016 - <https://www.gov.uk/government/news/autumn-statement-2016>

³ Housing and Planning Act 2016 - <http://www.legislation.gov.uk/ukpga/2016/22/contents/enacted/data.htm>

The Localism Act 2011⁴ replaced the HRA subsidy system with 'self-financing'. The self-financing changes were the most radical changes for 30 years to the way in which Councils manage their Council house finances. From April 2012 Mid Suffolk took on a share of the national housing debt calculated by the Government as their 'debt settlement'. The self-financing debt figure was £57.5m. Mid Suffolk's total maximum loan portfolio became £90.9m (the debt cap). The current debt is £86.8m leaving headroom of £4.1m available.

The introduction of self-financing required the Council to take a long term strategic approach to their finances using 30 year business plans. The plans must take into account the current environment in which the Council is operating: housing shortages; an ageing population; increasing numbers of smaller households; Welfare Reforms; and a reduction in funding for public services.

2.2 Localism Act

The Localism Act contains a wide range of measures which have and will have a significant impact on the delivery of the Housing Service. A summary of the key changes are as follows.

Right to buy reinvigoration - A maximum discount of 70% – or £77,900 across England and £103,900 in London boroughs (whichever is lower).⁵

New model of affordable housing - the affordable rent tenure (ART) regime sets maximum rents for this tenure at up to 80% of local market rents and applies to all new build schemes receiving grant from the Homes and Communities Agency (HCA).

2.3 Welfare Reform Act⁶ (Welfare Reform and Work Act)⁷

The Government's welfare reform measures, first introduced in 2012, are aimed at deficit reduction (reducing the overall benefits bill); increasing incentives to work; creating greater fairness in the welfare system between those on out of work benefits and taxpayers in employment; and reducing long term dependency on benefits. A summary of the relevant key changes are as follows.

Spare room subsidy - a reduction in housing benefit for working age tenants who under occupy their homes. This has resulted in greater demand for one and two bedroom Council properties.

The benefit cap - on 7 November 2016 the welfare benefit cap came into effect, meaning the total amount households can receive in benefits is limited to £20,000 across the UK or £23,000 within Greater London. For single people without children, the cap outside London is £13,400. The new cap will be fully implemented by local authorities by January 2017.

Universal credit – a welfare benefit introduced in 2013 to replace six means tested benefits and tax credits. Universal Credit was announced as a reform designed to bring "fairness and simplicity" to the British social security system. In practice, payment of Housing Benefit to the tenant rather than direct to the landlord has resulted in increased rent arrears in all pilot areas. Universal Credit will be rolled out in Mid Suffolk in late 2017/early 2018.

Local Housing Allowance - from 1 April 2019, housing benefit for new tenants since 1 April 2016 will be restricted to the Local Housing Allowance (LHA) level for that size of household for tenants of social housing. If the tenant is single and under 35 years old the benefit eligible rent and service charge will be capped to a shared accommodation rate (SAR) unless an exemption applies.

⁴ Localism Act 2011 - <http://www.legislation.gov.uk/ukpga/2011/20/contents/enacted>

⁵ Right to Buy: buying your council home - <https://www.gov.uk/right-to-buy-buying-your-council-home/discounts>

⁶ Welfare Reform Act 2012 - <http://www.legislation.gov.uk/ukpga/2012/5/contents>

⁷ Welfare Reform and Work Act 2016 - <http://www.legislation.gov.uk/ukpga/2016/7/contents/enacted>

A ministerial statement released on 22 November 2016 announced that the LHA cap will also apply to all tenants in general needs accommodation who receive Universal Credit, not just those who sign new or renewed tenancies.

Social rent reduction - the Act requires registered providers in England to reduce social housing rents by 1% a year for four years (until 2019/20). The reduction applies to the rent element and not to service charges.

2.4 Housing and Planning Act⁸

The Housing and Planning Act makes widespread changes to housing policy and the planning system. The Act is intended to promote homeownership and boost levels of housebuilding in England. The key changes affecting Council housing are outlined below:

High income social tenants – mandatory rents (Pay to Stay) - the Act provides local authorities with the option to charge higher rents to tenants with a household income exceeding £60,000. There is no benefit to Mid Suffolk in exercising this power since the additional income must be paid to the Treasury to support Right to Buy discounts for housing association tenants. Indeed, there would be additional cost to administer the scheme and it is anticipated that Right to Buy sales of council stock would increase as a result. Mid Suffolk District Council has therefore agreed not to adopt Pay to Stay.

High Value Asset Sales - Section 76 of the Act imposes a duty on local housing authorities to consider selling higher value homes when they become vacant. The definition of “higher value” will be clarified by regulations made under the Housing and Planning Act. The payment will take the form of a levy, giving local authorities a choice in how they raise the funds. The money will again fund housing association Right to Buy discounts and new house building.

Fixed Term Tenancies - lifetime (secure) tenancies for Council houses will be replaced with finite or fixed term tenancies of up to ten years. All other tenancy rights, including the Right to Buy, will remain.

The Housing Minister reaffirmed the Government’s commitment to these policies in a letter to local authorities in November 2016, although the date for implementation appears likely to be April 2018.

2.5 Homelessness Reduction Bill⁹

The Homelessness Reduction Bill 2016-17 aims to reform the Housing Act 1996 to ensure that Councils have a duty to prevent and relieve homelessness irrespective of someone’s priority status. If it becomes legislation, the Bill will bring about many changes that will affect how the Council manages the Homelessness service (a General Fund service).

2.6 National Planning Policy Framework¹⁰

The National Planning Policy Framework was published on 27 March 2012 and sets out the government’s planning policies for England and how these are expected to be applied. The Framework states:

‘to boost significantly the supply of housing, Local Planning Authorities should ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the

⁸ Housing and Planning Act 2016 - <http://www.legislation.gov.uk/ukpga/2016/22/contents/enacted/data.htm>

⁹ Homelessness Reduction Bill - <http://services.parliament.uk/bills/2016-17/homelessnessreduction.html>

¹⁰ National Planning Policy Framework - <https://www.gov.uk/guidance/national-planning-policy-framework>

housing market area, as far as is consistent with the policies set out within this Framework.
(paragraph 47).

3 THE DISTRICT

3.1 Demographic information

Population

Mid Suffolk is a rural district within the centre of Suffolk with the main population areas of Elmswell, Eye, Needham Market and Stowmarket. Overall, the district has a population of approximately 99,120. Since the publication of the last business plan (2012), there has been an increase in the population of the district of 14,130.

Suffolk's population is growing, but more slowly than regional and national trends. Since 2009, the rate of growth in Suffolk has slowed down and the county's population has increased by around 3 per cent compared with 4 per cent for England and 5 per cent for the East.

Across Suffolk's districts, population changes have been very different. For example, Babergh is growing particularly slowly and in contrast Mid Suffolk is growing faster than the average of England.

The latest population estimates looking at age composition in the Housing Market Area (SHMA) shows that between 2005 and 2015 the number of people aged 60 or over markedly increased. In contrast, the number of people aged between 30 and 44 decreased¹¹.

Mid Suffolk's population is due to increase by 20% to 116,700 by 2035. According to this growth forecast figure, 13,350 people are expected to be aged over 80 (11.4%). This poses challenges for us in terms of how we adapt our services and work with our communities to meet the needs of an ageing population .

Rurality is pertinent to the issue of housing need because rural households are exposed to a series of additional challenges including extra transport costs, particular housing needs (such as higher domestic fuel costs) and access to essential services, educational choices and employment opportunities.

Research suggests that people living in rural villages and hamlets need to be able to spend between 15 and 25 per cent more than their urban counterparts in order to be able to afford the same, minimum socially acceptable standard of living. (Hidden Needs Report 2011-2016). This means that income deprivation in rural households has an even greater impact than it does in urban areas. People living in poverty and hardship, for those on a low income, is exacerbated by barriers to accessing services and the higher additional costs associated with living in the countryside.

Household Size

The Census 2011 shows that the average household size has changed since 2001. In Mid Suffolk, the average household size was 2.41 in 2001, dropping to 2.36 in 2011. The population has increased at a slower rate than the number of households between 2001 and 2011, resulting in a falling average household size.¹².

¹¹ ONS Population Estimates 2016 - www.ons.gov.uk

¹² Census 2001 and 2011 - <https://www.ons.gov.uk/>

Household composition

Figures taken from the Census 2011 indicate that there are more one person households than any other household type in the Mid Suffolk district. The overall household distribution does not differ notably from the regional and national averages.

Change in household types

The Census 2011 looks at the percentage change in household groups between 2001 and 2011 at district level. The figures show that lone parent households have increased most notably and that there has been a fall in the number of couple households.

Overall, in the Housing Market Area (SHMA), it is interesting to note that households with non-dependent children have increased whilst the number of households with dependent children has decreased. This suggests that household formation rates amongst young adults may have reduced.

3.4 The housing market

Mid Suffolk is a relatively expensive places to live, partly because of the desirability of the area, and partly because the supply of new homes of all types has not kept pace with the demand over recent years. For many residents including young families, this makes owning their own property impossible in the short to medium term.

In Mid Suffolk the median house price to salary ratio is 9.2. This is comparable to many areas of London and higher than the national average of 6.96. This is because of the proximity to more expensive areas such as Essex and London to the south, and Bury St Edmunds and Cambridge to the west, and the ability of people to commute from Ipswich and Stowmarket rail stations and by car, to areas which offer higher incomes. Adding to this problem is the lack of smaller dwellings available for purchase, making affordable housing a significant issue.

In August 2016, the average price of a house in Mid Suffolk was £245,783, 4% higher than the national average of £235,573 and an increase of 13.5% from August 2015 when the average price was £216,531¹³. The average first time buyer will pay around £231,323 for their first home. An average former owner occupier will pay around £311,280. The average private rent per calendar month is £595 in Mid Suffolk.

Many of our tenants are facing hardship caused by the rising costs of basic goods and services in particular rising energy bills. The high cost of housing, together with relatively low earnings suggests a strong and ongoing need for affordable housing.

3.5 Economic factors

The district of Mid Suffolk has a small local economy with much of the workforce commuting outside Suffolk. Many local jobs are less skilled and lower waged than elsewhere in the country which has an effect on housing affordability. Mid Suffolk has an unemployment rate of 3.2%, below the UK average of 5.1%. Latest information (November 2016) shows there were approximately 4,010 (6.8%) benefit claimants in Mid Suffolk. The East has 9.6% and the Great Britain average is 11.8%. Mid Suffolk has 1,867 recipients of part or full housing benefit and 450 (0.8%) out of work benefit claimants¹⁴.

3.6 Public access and accommodation – All Together

¹³ UK House Price Index - <https://www.gov.uk/government/statistics/uk-house-price-index-england-august-2016>

¹⁴ NOMIS - <https://www.nomisweb.co.uk/>

The world of government and the public service sector is being transformed by technology, new ways of working, a severely constricting financial environment and public expectations. We have to enable our communities to become more resilient and to rely less heavily on public sector services and resources by being more efficient, flexible, agile, innovative, collaborative and accessible.

To do this, we must develop our communities and use new technologies to establish improved ways of working that are better for our residents, simpler for our staff and cheaper for the Councils. Our vision is for the Councils to have much improved public access arrangements, making it easy for anyone to do business with the Councils through channels that: (a) are effortless to navigate (b) promote individual and community self-service (c) are available when the customer requires them (d) make work more straightforward and enjoyable for our staff (e) reduce confusion for the public about who does what across the Suffolk System.

Our new Public Access Strategy devolves control and responsibility to our residents. It fosters community resilience and will enable us to learn from each interaction. It is customer focused, and promotes an evidenced understanding of the bespoke requirements of individuals, a culture of collaboration and continuous refinement of the way we do business.

Babergh and Mid Suffolk District Councils currently have many different ways for the public to make contact. There are face to face service points in the Council buildings at Needham Market and Hadleigh and at the Sudbury Advice Centre. They deal with the very low volumes of unannounced walk-in demands with enquiries about Council services. This is supplemented by individual services who may visit residents or businesses, have duty rotas or make appointments for customers to come and see them, for example, to seek advice from their Community Housing Officer about a tenancy issue.

Alongside this face to face provision, the public can make contact via telephone, although we know that often it can be difficult to get an answer and / or to get to the right person to answer an inquiry. There are many numbers publicised and some arrangements that appear confusing from the outside.

Our Public Access Strategy takes a whole system approach and supports collaborative work with partners in order to enable communities to do more for themselves, generating less demand on public services. Together with developing self-service options, this will mean we can focus more attention on those that really need our help.

In September 2016, Councillors agreed to improve the delivery of public services by re-locating to new Headquarters in Endeavour House in Ipswich. There will continue to be one access point in each district to ensure the public retain a 'face to face' interaction with the Councils.

The accommodation and Public Access Strategy are fundamental to supporting the delivery of the Joint Strategic Plan. Both will support the creation of an enabled and efficient, customer focused organisation that works in and with its communities.

4 THE HOUSING SERVICE

4.1 Customer Services

The planned transformation of the Council's public access arrangements has significant implications for the Housing Service. Tenants will be encouraged to self-serve and complete more transactions online. New Customer Relationship Management software will be configured to enable the Councils' contact centre to resolve as many enquiries as possible, at first point of contact, and to co-ordinate the data that all Council services hold about our residents to enable more targeted service provision. Training will be key to ensuring that we maximise the opportunities presented by our new public access arrangements.

4.2 Council housing stock

The Council's responsibilities extend beyond just collecting rent and maintenance. Good quality and appropriate housing for all needs is an essential component in ensuring successful, diverse and dynamic communities and supports a successful and growing local economy. Table 1 below provides details of Mid Suffolk's' current housing stock.

Table 1 - Council housing stock at November 2016	Bedsits	Bungalows	Flats	Houses	Total
General needs	4	1136	241	1463	2844
Sheltered	0	136	249	0	385
Shared ownership	0	1	2	10	13
Leasehold	0	0	60	0	60
Temporary accommodation units	0	0	4	2	6
Total	4	1273	556	1475	3308

In addition, the Council owns and manages 1,089 garages.

Total projected rental income from houses and garages is 2016/17 was £15,511,008. This figure includes, rental income, garage income and service charges. An average rent in 2016/17 is £84.16.

4.3 Housing need

Table 2 below provides details of the number of people on the Council's housing register. Vacant dwellings are allocated through a Choice Based Lettings system (Gateway to Home Choice) in partnership with seven other local authorities.

Table 2 - Number of people on waiting list (by need) at November 2016

	Band A	Band B	Band C	Band D	Band E	Total
1 bed	3	39	147	26	233	448
2 bed	32	27	65	11	159	294
3 bed	5	26	10	4	40	85
4 bed	2	8	2	0	4	16
5 bed	0	1	0	0	1	2
Total	42	101	224	41	437	845

Around 50% of those on the waiting list are in the lowest band – these people are considered adequately housed, typically those in private rent, owner occupiers and those with an existing social housing tenancy which is deemed suitable. These people have no particular need to move.

Table 3 - Number of people on waiting list (by age) at November 2016

	16-25	26-35	36-45	46-55	56-65	66+	Total
1 bed	35	43	40	64	99	167	448
2 bed	65	95	50	31	28	25	294
3 bed	5	37	28	11	2	2	85
4 bed	0	4	8	2	2	0	16
5 bed	0	1	1	0	0	0	2
Total	105	180	127	108	131	194	845

Table 4 - Number of homes let 2015/16

(excludes Housing Association and very sheltered accommodation)

	Flats and houses	Bungalows	Sheltered	Total
1 bed	9	36	45	90
2 bed	35	29	1	65
3 bed	21	1	0	22
3+ beds	6	0	0	6
Total	71	66	46	183

The number of people on the Council's housing register has decreased since 2012. This may be attributed to the introduction of Choice Based Lettings (CBL). CBL is a more transparent way of advertising and allocating housing, and allows applicants to see how likely it is that they will be housed by the Council – this may deter people from joining the register if they would be a low priority.

4.4 Tenant involvement

The Council is fully committed to tenant and leaseholder participation and has actively enhanced the opportunities for tenants to become involved in helping to shape, monitor and review the Housing Service, including:

- The Joint Housing Board – consisting of six Councillors and six elected tenants each representing an area of the districts
- Tenant Scrutiny Panel – undertakes detailed reviews of specific services areas with a view to improving the tenant experience
- Babergh and Mid Suffolk Tenants' Forum – a group of tenants that meet monthly to review service areas to develop their knowledge and make recommendations for change
- Mystery Shoppers – tenants who 'shop' our customer service offer three times a year and report back on their experience and make suggestions for change
- Estate Inspectors – report directly any issues within the estates where they live, such as fly-tipping

The programme of work includes reviewing the effectiveness of our involvement with our tenants to ensure that we are embracing the opportunities that technology and social media present.

4.5 Repairs

Our new in-house trades team, Babergh and Mid Suffolk Building Services (BMBS), goes live on 1 April 2017, replacing an outsourced arrangements for Babergh and an under-resourced Direct Labour Organisation at Mid Suffolk. Babergh and Mid Suffolk Building Services will undertake the following works:

- Cleaning and caretaking services
- Repair inspections and responsive repairs
- Mechanical and engineering works
- Void works and inspections
- Planned and cyclical works on council houses
- Maintenance of corporate buildings
- External business as obtained through competitive processes

Further detail about BMBS can be found in chapter 13 'Programme Management'.

4.6 Property Services

Property Services fulfils the client role where Babergh and Mid Suffolk Building Services is the contractor. Between them, they manage the maintenance and improvement of the housing stock and more.

Stock condition data

The last stock condition survey was undertaken by consultants Ridge and Partners LLP in 2011. This survey assessed the condition of all the elements in each of our property types and set out a financial profile over a 30 year period as per the Mid Suffolk standard at the time. The Council must maintain the decent homes standard going forward.

Viability – Housing Asset Management Group

In order to ensure continuing provision of quality, affordable services more particularly during a period of significant financial constraint, it is essential that the Councils have in place a sustainable strategy for the management of assets. The Councils have an adopted Asset Management Strategy which will help the Councils to address the pressures it will experience in the coming years to make the best decisions in relation to investment and expenditure and to direct resources where they are most needed. The Asset Management Strategy supports the aims of the Council's Joint Strategic Plan.

Babergh and Mid Suffolk have a Housing Asset Management Group with the main objective of assessing works programmes, carrying out options appraisals, considering wider initiatives, monitoring and reviewing performance and taking ownership of the Decent Home standard.

4.7 Financial Inclusion

The Financial Inclusion team, made up of Tenancy Support Officers, support our most vulnerable tenants with financial advice, support and signposting. The Tenancy Support Officers currently support the county wide poverty strategy which embeds the key aims of the fuel poverty strategy within the organisation. The key themes of the strategy are to extend financial inclusion and improve people's financial skills, to reduce levels of food and fuel poverty, to reduce levels of child poverty, to improve people's skills and employment prospects and to reduce health inequalities.

Our improvement programmes include energy efficiency measures that enhance the housing stock's Standard Assessment Procedure (SAP) ratings. This will reduce energy consumption for tenants and promote the use of innovative energy efficient fuel systems such as ground and air source heat pumps. We aim to bring real achievements in reducing fuel poverty to some of the most vulnerable members of the community.

4.8 Development and Regeneration

The Investment and Development team is developing a pipeline of new HRA homes development using HRA resources including: earmarked development funds; Right to Buy receipts; Homes and Communities Agency Grant Funding; existing HRA owned land such as garage sites. Housing developments will also be brought forward by taking opportunities which arise within the HRA estate by making best use of our existing HRA assets to maximise development opportunities:

- Turnover of HRA homes – voids
- Garden severances and infill opportunities
- Garage site opportunities
- Review of existing housing that is no longer fit for purpose as a result of low demand or the asset is uneconomical to maintain or has a high value
- Joint ventures with neighbouring landowners

4.9 Performance Management

Voids

The current voids target days for re-lets is 28 days. The table below outlines overall re-let times for all types (standard, major works and mini majors i.e. kitchen/bathroom replacements) for both Councils.

	2012/13	2013/14	2014/15	2015/16	April 2016 - November 2016
Number of days	24	62	66	42	34

Rent collection

Percentage of Local Authority Housing Rent collected	2014/15 (Target 98%)	2015/16 (Target 98%)
Quarter 1	98.26%	97.83%
Quarter 2	98.14%	97.82%
Quarter 3	97.35%	97.85%
Quarter 4	97.49%	98.03%
As at August 2016		98.19%

Tenant Satisfaction

From our 2014 STAR survey, 88% of tenants that responded were satisfied with the services provided by us as their Landlord. This high rating demonstrates the high regard that tenants of Mid Suffolk have for us as their landlord.

We are developing new satisfaction surveys for our transactional based services such as our lettings process. We are also looking to introduce ways for tenants to rate their satisfaction with us over various means including web and mobile technology.

Right to Buy sales

2013/14	2014/15	2015/16	April 2016 - November 2016
26	27	32	18

Development

Houses purchased through use of Right to Buy Receipts

	2012/13	2013/14	2014/15	2015/16	2016/17
1 bed	0	0	0	0	2
2 bed	0	0	0	5	5
3 bed	0	0	0	2	0
4 bed	0	0	0	0	0
5 bed	0	0	0	0	0
Total	0	0	0	7	7

New builds completed (April 2016 – November 2016)

1 bed	2 bed	3 bed
0	5	1

New builds to be completed during 2017

1 bed	2 bed	3 bed
8	24	0

4.10 Complaints

Following a successful trial, we have introduced a new process when responding to complainants. This new process ensures that a response to a complaint is reviewed by an independent officer before issuing. This will ensure that we are meeting our own commitments within our complaints process and that tenants are receiving a clear and fair response to their complaint. Hopefully this will see a reduction in complaints moving onto stage 2 and the Housing Ombudsman.

5 HOUSING STRATEGY

5.1 Housing Enabling

The Housing Enabling function sits outside of the HRA within the Strategic Planning Team which also incorporates Planning Policy, Neighbourhood Plans, Infrastructure Strategy, Community Infrastructure Levy (CIL) and Housing Strategy. Work encompasses housing across all tenures. The team works in partnership with Parish Councils, registered providers (housing associations) and private developers to deliver new homes of the right type, of the right tenure and in the right places, which will include affordable housing, self / custom build housing, private rental housing and homes for the open market, as well as continuing to support the delivery of new homes to meet the housing needs of Gypsies and Travellers, military personnel and groups at risk of social exclusion. Increasing the range of housing options for older households is also a priority for this team.

A new joint Babergh and Mid Suffolk District Council Housing Strategy is on track for spring 2017. The strategy will describe the steps the Councils are taking to ensure housing is delivered alongside providing housing support for vulnerable groups.

5.2 Joint Local Plan

Current adopted planning policy for Mid Suffolk is set out in the Mid Suffolk Core Strategy 2008, Mid Suffolk Core Strategy Focused Review 2012, Stowmarket Area Action Plan 2013 and the saved policies of the Mid Suffolk Local Plan 1998. The current housing requirement for the District is 6,450 over the period 2012 – 2027 (430pa). Housing development arising from the HRA Business Plan will contribute towards meeting these requirements, and in addition the policies of the adopted plans will be relevant to such developments.

Babergh and Mid Suffolk District Councils are producing a new Joint Local Plan which will establish new housing requirements for the Districts to 2036 (aligning the Councils with Suffolk Coastal and Ipswich) and will identify locations for new homes, jobs and infrastructure.

As part of the production of the new Local Plan, the Councils have recently commissioned a new Strategic Housing Market Assessment (SHMA), along with Ipswich Borough Council and Suffolk Coastal and Waveney District Councils. The SHMA is required by the National Planning Policy Framework. The new SHMA will recommend the percentage of affordable housing required on new developments and will contain evidence of housing need by type, tenure, affordability, household types and ages. The evidence will be provided at district (and whole Housing Market Area) level. The SHMA will link with the Council's Housing Strategy and is a key piece of evidence for the new Joint Local Plan.

Alongside the SHMA, and as part of the same commission, the Councils are also carrying out a new assessment of the accommodation needs of Gypsies and Traveller needs, military housing needs and specialist accommodation needs.

There are close links between the Local Plan and the HRA Business Plan: the housing need information from the SHMA contained in the Local Plan will influence the type and location of housing that the HRA chooses to build. In turn, housing development arising from the HRA Business Plan will contribute towards the requirements of the Local Plan.

6 RISK

Risk management is a vital element of the Business Plan and can broadly be divided into three categories.

Firstly there is Corporate Risk, affecting the organisation at the highest level and often across a range of functions. These risks are identified in the Significant Business Risk Register, which is held centrally on the Connect intranet and reviewed annually by the Senior Leadership Team.

Secondly, is the risk which is specific to a particular project or work stream, which will be identified by the project lead at the business case stage, re-visited in greater detail at the detailed planning stage and closely monitored as the project progresses.

The final category is day to day business risks. In some cases, projects have been specifically designed to mitigate against the day to day risks, for example, the Income Management Strategy is intended to reduce the impact of welfare reform measures such as Universal Credit.

It should be noted that where work streams are in their early stages, the detailed work around risk and mitigation is still to be completed. It is clear, however, that there are a few key risks to the HRA Business Plan and its ability to deliver the vision for Housing.

Self-financing gives councils control over their own financial affairs, which includes ensuring that the HRA remains sustainable. This is no small task given the annual turnover of around £16million, the range of services delivered by Housing and the changing landscape in terms of rents, Welfare Reform, high value assets and Right to Buy re-invigoration.

The HRA Finance Team have been working with the Chartered Institute of Housing Financial Consultancy to 'stress test' the HRA Business Plan model against all of the known financial threats (details can be found in the Financial Analysis section of this report).

The greatest risk to the sustainability of the HRA at this time is the levy on the sale of high value assets (HVAs). The Autumn statement provided a stay of execution by announcing that this will not be introduced in 2017/18. However, we must plan for it to become a requirement from the following year. The size of the levy remains unclear at the time of writing.

6.2 Productivity

Babergh and Mid Suffolk Building Services (BMBS) will go live in April 2017. The forecasts in the BMBS Business Plan approved by Members are conservative in all areas. However, should productivity fall below the forecast levels the balance of Plan will soon begin to tip towards a deficit rather than a surplus.

A number of measures are planned in order to maximise productivity. A new Corporate Manager joined BMBS in December 2016. One of his first tasks will be to recruit four Team Leaders to provide the tradesmen with the much needed support and supervision they have lacked for the past four years. Mobile technology now enables jobs to be sent and signed off electronically. New vans have been ordered and work scheduling software will be investigated after the service has gone live.

6.3 Health and Safety

The Housing Service is responsible for some high risk activities in terms of health and safety: gas servicing; working at height; working with dangerous substances to name just a few. Officers have been reviewing our processes in respect of health and identified that more can be done to protect the organisation. Some examples of additional measures include:

- the employment of a CDM specialist to support Property Services and BMBS (as well as Building Control and Public Realm).
- the introduction of a corporate health and safety dashboard.
- a revised programme of training and toolbox talks for BMBS.
- inclusion of health and safety measures in performance management reporting.

6.4 Reputation

Transformation by definition involves significant change and this will not always be popular. The sheltered housing review is an example of a well progressed project which has met with some adverse press coverage and some resistance from both officers and Members. Thorough consultation with stakeholders and a robust communications strategy are vital to enhancing the reputation of the council through the change process. Our new ways of working projects such as: the review of tenant services; Babergh and Mid Suffolk Building Services; and the home ownership review all have the potential to be controversial. Delivery will become even more difficult if our reputation as a fair and considerate landlord is damaged.

Proactive monitoring of risks will be required in future to ensure changes are effectively identified and appropriately and proactively mitigated or managed. The ongoing budgetary management process for the HRA will also help to mitigate the risks. Additionally, the risk process will be integrated into the decision making processes of the Council.

7 FINANCIAL ANALYSIS

This section sets out the current forecast of HRA income and expenditure over the next 30 years, together with the financial issues that arise from those expectations and an assessment of the major changes to plans which would have a significant impact on the financial position.

Mid Suffolk is in a difficult financial position with a current Headroom of £4.1m which will increase to £4.8m by 2021/22. The Headroom is the amount of money the Council can borrow before reaching its Debt Cap of £90.9m. It is currently forecast that Mid Suffolk will reach its Debt Cap in 2024/25 unless some savings are made within the capital expenditure.

To enable Mid Suffolk to understand what the financial implications of its Capital programme and the Governments HRA reforms will be over the next 30 years, a Business Plan financial model has been produced by Chartered Institute of Housing Consulting. The Business Plan will also feed into its budgets and business planning cycles. The key assumptions used in the model are:-

- A mix of loans will be taken out for the settlement payment which gives us some predictability around interest rates but gives us flexibility for refinancing as the plan develops over time (for example if we want to increase investment in regeneration or new build).
- We will continue to invest in service delivery at current levels but look for efficiencies and greater effectiveness in service improvements and through the service transformation and integration with Babergh District Council.
- The model will be rolled forward each year and is currently based on 2016/17 HRA Budgets and a five year Capital programme. This will be updated once the HRA Budgets for 2017/18 have been agreed.
- We will continue to invest in the current stock in line with the needs of the Mid Suffolk Standard. We will operate a depreciation policy in line with CIPFA guidance which covers the individual components within the stock.
- Our minimum working balance for the HRA is £1million.
- We will develop options for additional investment taking into account information about the stock, long term asset needs and the opportunities for investment set out in this summary.

The Council has had to amend some of the initial assumptions made in 2012 within the Business Plan model due to new Government proposals which are shown in the table below:

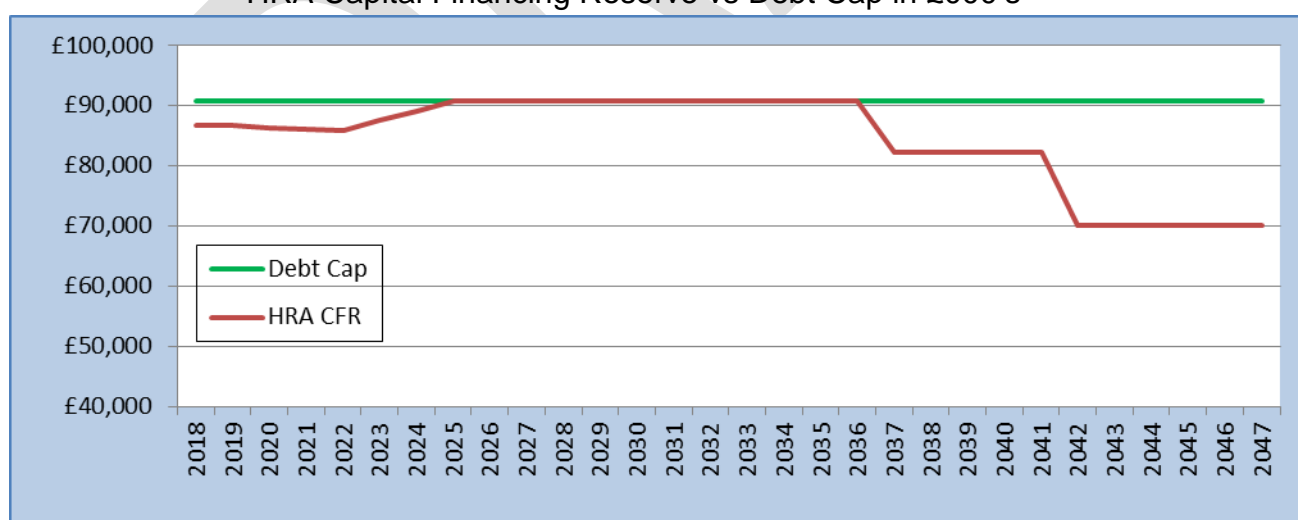
Description	Current Assumption
Basis for settlement – listing the key components and funding elements	The settlement loan will not be repaid during the 30 year programme
Property changes over the plan	Increased to 27 per annum as discount increased to 70% in 2014 and the cap increased to £77,900
Economic – inflation and interest rates	2.5% core inflation, 1% rent reduction for 4 years 2016/17 to 2019/20 then 3% inflation, interest rates stable at 3.29% long term, except

	existing borrowing
Rents – rent convergence, RPI + assumptions	2015-16 - Rent convergence ended as no longer allowed to continue changing social rents by a further +/- £2 per week. RPI basis changed to CPI + 1 %. Rent had to be decreased by 1% for 4 years starting 2016/17, then 3% long term rent increases (i.e. assuming CPI + 1%)
Management costs	Inflation long term at 2.5%
Repairs costs	Inflation long term at 2.5%
Capital profile	Mid Suffolk Standard on existing stock moving with 2.5% inflation
Assumptions of efficiencies being delivered	All inflationary pressures above main inflation absorbed

Headline Outputs for Self-Financing (HRA Reform)

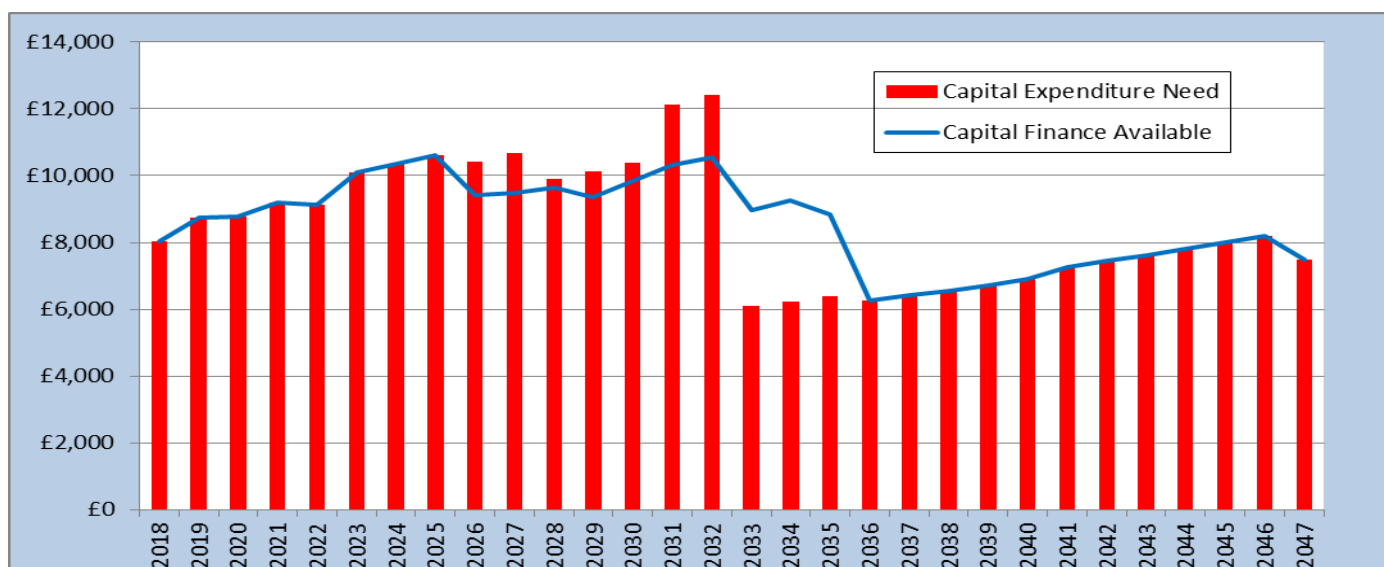
The graph below shows that the debt taken on to fund the self-financing payment of £86.8m is not repaid within 30 years. The Business Plan assumes that Loan repayments are made of £8.5m in 2036/37 and £12m in 2041/42. This demonstrates there are reasons for concern on the basis of the assumptions within the plan; however this does not include reforms suggested under the Housing and Planning Act 2016 which will make the situation worse. Comparison with the debt cap of £90.9m is also shown.

HRA Capital Financing Reserve vs Debt Cap in £000's



The Base position projections forecast that the income generated by rent and from other sources will not be sufficient to pay for the ongoing management and maintenance costs of the Council's housing stock, the anticipated future capital expenditure and the interest and principal repayments on the settlement loan from 2024/25 to 2034/35 .

The Chart below shows the Capital Expenditure vs Capital Finance available in £000's



Capital spend

Capital expenditure for the next 5 years is budgeted at £21.2m on planned maintenance and £22.8m on New Build and Acquisitions. The last Stock Condition Survey was carried out in 2011. A project is underway to renew the data to enable an evidence based programme of capital works to be designed for 2017/18 and the following two years. In the meantime, all non-essential work has been ceased. We believe a fresh sample stock condition survey will be required in 2019/20. A contingency amount, based on the HRA Business Plan model, has been put into the 2017/18 Budget and will be allocated against the relevant areas of spend once the Capital Programme is completed.

Five year Capital Projections are below and 30 year Capital Projections in Appendix A.

HOUSING 5 YEAR CAPITAL PROJECTIONS

Mid Suffolk District Council

Year	2017.18	2018.19	2019.20	2020.21	2021.22
£'000	1	2	3	4	5
EXPENDITURE:					
Planned Variable Expenditure	0	0	0	0	-9
Planned Fixed Expenditure	-3,447	-4,431	-4,328	-4,288	-3,719
Disabled Adaptations	-200	-200	-200	-200	-200
Other Capital Expenditure	-3,772	-4,034	-4,308	-4,768	-5,250
New Build Expenditure	-619	-80	0	0	0
Previous Year's B/F Shortfall	0	0	0	0	0
Total Capital Expenditure	-8,038	-8,746	-8,836	-9,256	-9,178
FUNDING:					
Major Repairs Reserve	2,355	2,742	5,123	3,086	3,374
Right to Buy Receipts	840	709	709	738	738
HRA CFR Borrowing	0	0	0	0	244
HRA Reserves	1,132	5,295	1,292	1,431	1,575
Revenue Contributions	3,597	0	1,711	4,001	3,246
Total Capital Funding	8,038	8,746	8,836	9,256	9,178

Revenue Spend

The HRA Business Plan model is used to forecast revenue from rent and other income, Loan interest payments and RCCO.

Assumptions have been made as follows:

- Salaries will increase by 1% plus increments where staff at not at the top of the scale
- Major contracts will increase by 3%.

The five year breakdown of where income is spent on revenue is shown in the table below and the 30 Year breakdown is in Appendix B.

HOUSING REVENUE ACCOUNT 5 YEAR PROJECTIONS

Mid Suffolk District Council

Year	2017.18	2018.19	2019.20	2020.21	2021.22
£'000	1	2	3	4	5
INCOME:					
Rental Income	14,525	14,454	14,363	14,739	15,144
Void Losses	-180	-178	-177	-181	-186
Service Charges	839	860	881	903	926
Non-Dwelling Income	364	374	383	392	402
Grants & Other Income	13	8	8	9	9
Total Income	15,561	15,518	15,458	15,863	16,295
EXPENDITURE:					
General Management	-1,361	-1,943	-1,992	-2,041	-2,092
Special Management	-1,185	-1,214	-1,245	-1,276	-1,308
Bad Debt Provision	-75	-74	-74	-76	-78
Responsive & Cyclical Repairs	-3,394	-3,344	-3,512	-3,688	-3,894
Total Revenue Expenditure	-6,014	-6,576	-6,822	-7,081	-7,372
Interest Paid	-3,042	-3,164	-3,263	-3,286	-3,280
Finance Administration	0	0	0	0	0
Interest Received	23	62	82	51	26
Depreciation	-3,407	-3,445	-3,445	-3,445	-3,531
Net Operating Income	3,122	2,395	2,010	2,102	2,137
APPROPRIATIONS:					
Revenue Contribution to Capital	-3,597	0	-1,711	-4,001	-3,246
Total Appropriations	-3,597	0	-1,711	-4,001	-3,246
ANNUAL CASHFLOW	-475	2,395	299	-1,900	-1,109
Opening Balance	1,775	1,301	3,696	3,995	2,095
Closing Balance	1,301	3,696	3,995	2,095	986

Financial Issues

The business plan modelling and associated work has identified the following as important financial issues.

Rent Decrease

The four year 1% rent decrease introduced in the Welfare Reform and Work Act 2016 from 2016/17 has had a major effect on the resources available to the HRA. The settlement payment was calculated on the basis that Councils rents will “converge” with Registered Social Landlords by 2015 but this has now been revoked. We have assumed that Rent increases of CPI +1% will be applied

from 2020/21 but any changes to this will further reduce income and the amounts available for additional investment in the short and long term.

New Duties and Initiatives

The HRA Planning Act 2016 has proposed a new Higher Value Asset (HVA) Levy, to fund the discounts Housing Associations will have to give after introducing Right to Buy (RTB). In the Autumn Statement November 2016 it was announced that the Housing Association's pilot scheme for RTB's would be increased to a larger area so the HVA Levy will not be introduced in 2017/18.

It also proposed the end of Lifetime Tenancy which will all result in new cost and time pressures to the HRA. Both timescales and detailed requirements have not yet been determined by the government so detailed planning has not yet taken place to identify how this work will be resourced and the likely cost implications.

HRA Reserve

One way in which the HRA can be protected against risk is to hold an appropriate level of reserves. The financial model underpinning the business plan assumes a constant reserve of £1m is held for the life of the plan, which is in line with current levels. Any reduction or savings made within the Capital Budget, that are not a result of slippage, will be transferred to Reserves so it can be used to reduce the Debt Cap rather than a reduction in the Revenue Contribution required.

8 PROGRAMME MANAGEMENT

A series of programmes and projects have been developed to transform the Housing Service and deliver new housing initiatives using the headroom available within Mid Suffolk's HRA. They will deliver a range of benefits and are aligned to deliver one or more of the key outcomes identified in the Joint Strategic Plan.

- Financial Control – a set of activities designed to improve financial controls, reporting and traceability
- Meeting Housing Need - a programme of work to make housing stock and schemes appropriate for the districts' needs and cost efficient
- New Ways of Working – a series of initiatives to improve processes through re-organisation, new technology and adopting best practices

There are variations in the development of the programmes with some having well developed goals and projects within them, whilst others are in the early stages of definition. Members and staff can find more details of individual programmes and projects on the Council's intranet, Connect, which is kept updated by the project leads.

Below outlines the key programmes for the next five years.

8.1 Financial Control

8.1.1 Business plan modelling

The Business Plan financial model created and supported by the Chartered Institute of Housing enables us to forecast income and expenditure and their impacts on the financial health of the HRA over a 30 year period.

There are a number of unknown factors which will have a significant impact on the HRA finances. Scenario Testing is important in order to assess the relative scale and impact of changes from the base assumptions in the HRA Business Plan financial model. The following sensitivities have been modelled with the results detailed in Table A below.

i) Higher Value Asset Levy

The Autumn Statement delayed the implementation of the Higher Value Asset Levy from April 2017. The advice from the Chartered Institute of Housing is to not factor an estimated figure into the Business Plan model. However, we have scenario tested an additional cost to Capital of £750k per year from 2018/19, in anticipation of the levy figure being announced during 2017/18. This would reduce the level of Capital available thereby reducing Mid Suffolk's Headroom and increasing our likelihood of reaching the Debt Cap. Overall this would decrease the resources available to the HRA over the 30 years of the plan by £21.75m.

ii) Building costs

Building costs often increase at a higher rate than general inflation, and there are published tables of Building Cost Inflation, which apply to both new build work and building maintenance and improvement. If these costs were to increase year on year by 1% more than the general rate of inflation, then this would reduce resources available to the HRA by £25m and it would take an additional two years to repay the settlement loan.

iii) Rents

The HRA financial model is predicated upon annual rent increases of 3% (assuming CPI is 2%). The model already shows a significant downturn in income due to the imposition of a 1% rent reduction for four years (2016 – 2019). A further loss of 1% per annum, whether due to Government restrictions or continued low interest rates will reduce income over the 30 year life of the plan by an additional £49m.

iv) Right to Buy sales

Mid Suffolks's business plan originally assumed thirteen Right to Buy sales per year. The Council sold thirty two properties in 2015/16. The Council has agreed to retain Right to Buy Receipts to reinvest in new council housing. These receipts must be match funded (70:30) from HRA funds. As the number of Right to Buy sales increases or decreases, the amount of match funding to be found from the HRA varies.

Sensitivities against the base Business Plan

Sensitivity	Yr 30 HRA Balance £m	("Cost") / Benefit to HRA £m
Base Position	50.0	-
High Value Asset Levy £750k	28.2	(21.8)
1% increase in CPI	94.5	44.5
1% reduction in CPI	18.6	(31.4)
1% annual increase in capital prog	25.0	(25.0)
50% increase in voids	46.5	(3.5)
Rents increased only by CPI	1.0	(49)
2 extra Right to Buy sales per year	46.5	(3.5)
5 less Right to Buy sales per year for four years	56.1	6.1

8.1.2 BMBS trading account

The new Babergh and Mid Suffolk Building Services (BMBS) team will carry out responsive repairs and programmed works from April 2017. The new team will replace the outsourced contract with Morrisons in Babergh and internal Direct Labour Organisation in Mid Suffolk.

The BMBS business plan forecasts a surplus in year two of trading (2018/19) onwards and will be closely monitored by the BMBS Corporate Manager and Professional Lead HRA Accountant. The five year business plan is below:

BMBS Forecast	2017/18	2018/19	2019/20	2020/21	2021/22
Expenses					
Employee Costs	1,719,677	1,736,872	1,960,777	1,980,384	2,000,189
Premises	12,000	12,120	12,241	12,363	12,487
Transport	111,000	111,000	129,000	129,000	129,000
Supplies and Services	2,110,048	2,147,773	2,192,383	2,245,725	2,306,460
Total Expenses	3,952,725	4,007,765	4,294,401	4,367,472	4,448,136
Income					
Capital and Planned Maintenance	-1,900,000	-2,090,000	-2,299,000	-2,528,000	-2,781,000
Responsive Repairs	-1,906,700	-1,932,800	-1,961,510	-1,993,091	-2,027,830
General Fund	-50,000	-55,000	-60,500	-66,550	-73,205
External Income	-50,000	-55,000	-60,500	-66,550	-73,205
Total Income	-3,906,700	-4,132,800	-4,381,510	-4,654,191	-4,955,240
Net (Surplus)/Deficit	46,025	-125,035	-87,109	-286,719	-507,104

8.1.3 Income management strategy

A five year strategy has been agreed to maximise the income collected by the Council in the face of the most significant welfare reforms in many decades. Universal Credit (UC) is the flagship policy reform, designed to reduce dependence on the state and encourage people to find work. UC will be rolled out in Mid Suffolk at the start of 2018. The pilot schemes have invariably found that rent arrears have increased.

Our Income Management Strategy focusses on the collection of rents and bad debts, the culture and attitudes of government, tenants and partners and opportunities offered by new and existing technologies and services.

8.1.4 Rent Policy

Mid Suffolk has been planning, acquiring, and developing new council homes since self financing in 2012. Further changes to the housing costs our tenants can claim through welfare benefits require that we have clear policy around rent setting. This will affect dwellings newly built and acquired and possibly some re-lets. A report will be presented for Members consideration in Summer 2017.

8.2 Meeting Housing Need

8.2.1 Stock condition data project

Robust stock condition data enables the Council to plan and to budget for the work required to maintain the housing stock in a reasonable and lettable condition. Accurate data provides confidence that HRA funds are spent on the right work in the right places.

Mid Suffolk last undertook a stock condition survey in 2011 of all of the housing stock. The data was used to plan the 30 year capital programme in the 2012 Business Plan, which has been rolled forward each year.

A project is underway to update the data to enable an evidence based programme of capital works to be designed for 2017/18 and the following two years. In the meantime, all non-essential work has been ceased, resulting in a forecast underspend of £2.4million against the capital programmes budget for 2016/17.

The Mid Suffolk Decent Homes Standard and Lettable Standard will be reviewed as part of the stock condition data project.

A fresh sample stock condition survey will be required in 2019/20.

8.2.2 Estate regeneration

The estate regeneration project aims to improve the match between housing applicants need and available stock. This will be achieved by increasing the opportunities to allocate stock to applicants by:

- Reconfiguring individual properties to better meet housing need.
- Adjusting the portfolio of stock through disposals, acquisitions and new build.
- Redeveloping garage sites.
- Making better decisions when allocating stock using tools and techniques, e.g. viability modelling.
- Commission a desk top exercise to identify all regeneration opportunities on Council owned sites.
- Regeneration of sites which are beyond economic repair.

The project will also consider whether changing the tenure of some of the housing stock would better serve the community. For example, some low demand rented stock might be better suited to shared ownership. Welfare reform measures due in 2019 will increase the need for shared housing for people under 35. The project will explore the options for leasing some properties to partner agencies specialising in supported shared housing to meet this need.

By making best use of housing assets and effective stock utilisation the project will help deliver one of the key strategic outcomes identified in the Joint Strategic Plan: Housing Delivery – More of the right types of homes, of the right tenure in the right place.

8.2.3 Sheltered housing review

Mid Suffolk currently has 391 sheltered housing units spread across 24 schemes. The bulk of the sheltered housing review will be completed by April 2017 with the following outcomes:

- Providing independent living for the over-60s with minimum support.
- Appropriate schemes now and in the future to meet the older community's housing needs.
- Appropriate stock allocation now and in the future to meet individual's needs and ensure the most in need are prioritised.
- A cost effective service that remains within budget through a robust service charging regime.

Still to be completed:

- Where a scheme is identified as having potential for full or partial redevelopment, recommendations will be brought to members when a full appraisal has been undertaken.

- Collaborate with Adult Care Services and the voluntary sector to form a vision of future housing provision for older people.

8.2.4 Older Persons Housing Vision

The importance of appropriate and good quality housing to the short and long term health and wellbeing of individuals is widely acknowledged in Suffolk. The Suffolk Health and Wellbeing Board have formally launched a Housing and Health Charter recognising the importance of collaborative working between Housing, Health and Social Care; including an agreed set of commitments that will inform and influence the future direction of all partners throughout the Suffolk System.

This collaborative approach is crucial to ensuring that future housing provision across all tenures meets the needs and aspirations of older people living in Suffolk. The recent Strategic Review of Specialist Housing in Suffolk drills down into variables that enable us to gain some understanding of which proportion of the current population of Suffolk are likely to be in need of the care and support services aligned to specialist housing. These variables have then been used to create projections as to how that level of need may change over time, which has also been compared and contrasted with more generalised population changes. The Review enables us to quantify likely demand over time broken down in relation to district and borough areas.

The review examines different models of housing to aid understanding of what currently works well in supported housing and will help the Councils to design future supply to meet the needs of those needing specialist/supported housing, including older people.

8.2.5 Housing Need Intelligence Project

The Joint Strategic Plan is clear that the Council will ensure that decisions are based on good intelligence and evidence. This project will for the first time ensure that all sources of data available to the Council are utilised to provide the clearest possible picture of housing need across the district. This will bring together data from:

- Gateway to Homechoice.
- The Strategic Housing Market Assessment (housing need and affordability data).
- Local Housing Needs Surveys.
- The Suffolk Housing Needs Survey 2014.
- Neighbourhood Plans. The Suffolk Strategic Review of Specialist Housing.
- The Housing Strategy.
- Objectively Assessed Housing Need (calculated from ONS statistics and used to determine housing delivery numbers in the Joint Local Plan).
- Homelessness data.

This co-ordinated data will be used to inform our: Older Persons Housing Vision; New Build and Acquisitions Programme; and Estate Regeneration Project, as well as future allocations policies and housing policies within the new Joint Local Plan.

8.2.6 New Build and Acquisitions Programme

Investment in and direct development of new homes is limited by the financial position of the HRA. The following programmes are currently underway:

- 38 new homes, funded by an HCA Grant of £684K, are being built at a cost of £4.088m (£3.404 net after HCA grant). 6 new homes have been completed at December 2016 with the remaining homes completing by **Page 93** 2017.

- Right to Buy receipts are being used to acquire new council homes from the open market. In 2015/16 two were purchased at a cost of £325k and so far in 2016/17 six have been purchased at a cost of £956k.

8.2.7 Fixed term tenancies

Mid Suffolk District Council currently offer new tenants a secure tenancy under the Housing Act 1985¹⁵. The Localism Act¹⁶ gave local authorities the power to offer fixed term tenancies to new tenants. Subsequent provisions in the Housing and Planning Act¹⁷ will prevent local authorities in England from offering a secure tenancy to people of working age in most circumstances. Offering fixed term tenancies will require new ways of working. Changes include:-

- An amended tenancy agreement.
- An updated tenancy policy.
- Clear written information for customers.
- New processes for carrying out reviews during the fixed term and an appeal procedure for challenges to decisions.
- Amendments to the Open Housing database.
- Staff training.
- Housing Options advice for people whose tenancies are ending.
- Provision/encouragement of a range of housing tenures including shared ownership, low cost home ownership and private affordable housing.

Mandatory fixed term tenancies are expected to be implemented in April 2018.

8.3 New Ways of Working

8.3.1 Babergh and Mid Suffolk Building Services (BMBS)

Babergh and Mid Suffolk Building Services will provide an integrated repairs and maintenance solution and the associated economies of scale for the two Councils. It will provide local employment opportunities, including apprentices, to encourage economic growth. There are clear financial and non-financial performance targets that BMBS will need to achieve and these will be closely monitored to ensure customer satisfaction, income, and business growth is achieved.

The vision is for BMBS to provide a 'first port of call' for Repairs and Maintenance and Capital Programmes delivery where there is demonstrable synergy with BMBS's core functions. The business case for BMBS includes:

- The potential to increase its income by approximately 27% over five years through maximising potential works from the Council and by increasing 'third party' income opportunities. It is predicted that income will rise by approximately £1 million during this period
- Generation of a surplus – with sufficient volumes of work and productivity to cover costs, BMBS is able to generate a surplus. This is similar to the profits made by private sector companies. This surplus contributes to the Council's HRA and potentially diminishes if work is unnecessarily outsourced
- Use of resources – the majority of BMBS costs are fixed and utilising these resources helps to generate the income needed to 'pay' for these costs
- Local employment – the majority of BMBS staff live locally and spend their income within the local economy

¹⁵ Housing Act 1985 - <http://www.legislation.gov.uk/ukpga/1985/68>

¹⁶ Localism Act 2011 - <http://www.legislation.gov.uk/ukpga/2011/20/contents/enacted>

¹⁷ Housing and Planning Act 2016 - <http://www.legislation.gov.uk/ukpga/2016/22/contents/enacted/data.htm>

- Contribution to central overheads – BMBS makes a significant contribution, through recharges, to the Council's central overheads and is 'obliged' to use core services provided by the Council (making them viable)
- Income generation – BMBS is an income generator not only in terms of the Council budgets but also in being able to provide services for third party organisations. To do this successfully, it must have 'scale' and 'capacity'
- Employment & training – ongoing throughput of work enables BMBS to create local employment opportunities and there are plans to commence an apprentice programme. This can only work if there is sufficient volume of 'predictable' work
- Ultimate guarantee – allocating work to BMBS provides the ultimate guarantee. If there are disputes or quality issues, it is wholly within the Council's control to adjudicate an outcome and resolution.
- Collaboration – growing a successful in-house team gives us the potential to work closely with other Social Housing providers across the region providing shared savings and efficiencies, both in service delivery and in procurement of materials, vans etc.

8.3.2 Open Housing and Total Mobile

Phase one is complete and includes:

- consolidation of Babergh and Mid Suffolk's housing databases This was a key step required to allow operations to fully develop a consistent way of working across both districts in later project phases.
- Total Mobile – provision of electronic job sheets on hand-held devices to the trades team and halt the use of paper. This has reduced the amount of time the trades team spend in the office, allowing for more time to spent on repairs and so increasing the number of jobs performed in a day.
- Reduced costs by having just one system instead of two.

An initial scoping exercise for Phase Two, which will make recommendations as to the content, resources, timescales, costs, risks, etc., is being undertaken by the Business Improvement team.

8.3.3 Tenant Services Review

This review will utilise new ways of working to ensure resources are being targeted in the right places and to ensure the service reflects the current needs of our customer base. The project is as much to do with changing culture as changing practices and looks to seize the opportunities offered by the Councils' Transformation and Public Access arrangements and the move to Endeavour House. The Customer Relationship Management technology that the Council will introduce will present the opportunity to gather data about our residents in a co-ordinated manner. Access to this information will enable Housing to target services for the first time and to work in smarter ways, for example focussing on tenants that the data tells us are more likely to fall into rent arrears.

The review process will begin with a working group being set up to look at revising the Council's Anti-Social Behaviour Policy. We will also look at the creation of a new Support and Sustainment Policy. Other areas of work which will commence during 2017 include carrying out community events in order to have a two way conversation with tenants, creation of a digital tenancy and reviewing our case management system by taking advantage of the new consolidated Open Housing system by creating a work flow.

We will pilot a new 'Early Help Delivery Team'. Our vision is for a multi-disciplinary, multi-agency integrated approach where all partners collaborate, coordinate, jointly prioritise and maximise their collective efforts to ensure that individuals and families are better able to achieve success, make healthier choices, be resilient, remain independent, and feel that they have a voice and influence.

This approach will aim to deliver the following outcomes for families and communities:

- People feel safe and secure in their homes, neighbourhoods and their local community.
- People have a decent home that is affordable appropriate to their needs and in a suitable location.
- People report improving levels of personal and social wellbeing and have the skills and attributes to flourish (specific outcomes to be determined but likely to include jobs and employment prospects, healthier more active lifestyles and greater social connectedness).
- People are helped to help themselves reducing the need for and dependency on services.
- People improve their resilience and become more self-sufficient.

8.3.4 Home Ownership Review

The Home Ownership project will implement the recommendations of a review undertaken by the Housing Quality Network in 2015 of the Leasehold and Right to Buy services. The review recommends the alignment of processes across Babergh and Mid Suffolk, the introduction of clear performance measures and a refresh of leaseholder service charging to ensure that the Council's charge and collect the cost of works to leasehold flats. An experienced project manager has been engaged to deliver the project by November 2017. The outcomes of the project will be:

- Reduced costs.
- Increased revenues.
- Improved service delivery.
- Ensure compliance with S.2 Leasehold Reform Act and Right To Buy statutory timescales.

8.3.5 Review of Resident Involvement

The Council is keen to engage with its tenants and to provide opportunities for them to have a say in how the Housing Service is run. To this end we offer a variety of ways in which residents can participate:

- The Tenants' Forum
- The Joint Housing Board
- The Tenant Scrutiny Panel
- Mystery Shopping
- Tenant Inspectors

Tenants and officers agree that the effectiveness of our resident involvement programme should be reviewed to ensure that all engagement is relevant, serves the purposes of both residents and the Council and provides value for money.

There will be two stages to the project:

1. An independent review conducted by HQN. This is expected to run from January to April 2017.

2. The implementation of the agreed recommendations. These are expected to be implemented from May to September 2018. These timescales will be adjusted depending on the recommendations.

8.3.6 Community Visiting Service

A Community Visiting Service could potentially serve vulnerable people living in social housing and in private accommodation. A basic support service would simply call on each subscriber daily to ensure that they are alright. Contact details would be held for family members or friends in case of problems. Calls could be either in person or by telephone. A fee would be charged for the service. Early indications are that the charges may be in the region of £15 per week for the telephone service.

Early discussions with the County Council and partner providers suggest that there may be an appetite to support a non-tenure related support service. This would not necessarily be provided by the Council but we would want to influence the set up to ensure the service supports the Health and Wellbeing outcomes that support prevention interventions and reduce cost across the Suffolk System.

9 COMMUNICATIONS

We understand the importance of good communication in both gaining support for and maximising the effectiveness of the work streams within the Housing Revenue Account Business Plan. The following channels will be used to communicate details of the projects:

- Housing Management Team
- Senior Leadership Team
- Portfolio Holder briefings
- Administration meetings
- Strategy and Executive Committees
- Joint Housing Board
- Tenants Forum / newsletters
- Round the Houses Blog on the Connect Intranet

Many of the work streams have bespoke communication plans within the project plans. Further details are available on Connect.

10 MONITORING AND REVIEW

The HRA Business Plan and the programmes and projects therein are all assigned a lead officer who is responsible for driving the work forward and for reporting on progress via the Connect intranet. Reports into Senior Leadership Team, Housing Management Team, Joint Housing Board or Strategy Committee will also be required depending what is specified in the project business case.

11 CONCLUSION

This review of the HRA Business Plan demonstrates that with some careful management of the capital programmes and transformation of services, it remains viable over the 30 years even with four years of rent reductions modelled. The plan provides for a small programme of new build and acquisitions, although the Higher Value Assets Levy is a major threat to this.

The Plan sets the Council well on its way to adopting modern technological solutions and more joined up, intelligence based ways of working.

The Council will need to manage the HRA Business Plan robustly and proactively. Income will need to be maximised and costs kept under close review. Provided this is achieved, this Business Plan enables the Council to make a genuine step change improvement in the quality and delivery of social housing in Mid Suffolk.

12 GLOSSARY OF ABBREVIATIONS

ART	Affordable Rent Tenancy
BMBS	Babergh Mid Suffolk Building Services
BMSDC	Babergh and Mid Suffolk District Councils
CBL	Choice Based Lettings
CIL	Community Infrastructure Levy
CRM	Customer Relationship Management
DLO	Direct Labour Organisation
DHS	Decent Homes Standard
DWP	Department for Work and Pensions
EHDT	Early Help Delivery Team
HCA	Homes and Communities Agency
HHRSR	Housing Health and Safety Rating System
HRA	Housing Revenue Account
HRS	Housing Revenue Account Support Grant
JSP	Joint Strategic Plan
LHA	Local Housing Allowance
NHS	National Health Service
OHA	Orwell Housing Association
RCCO	Revenue Contributions to Capital Overspend
RTB	Right To Buy
RP	Registered Provider
SAP	Standard Assessment Procedure
SCS	Stock Condition Survey

13 BACKGROUND DOCUMENTS

Babergh and Mid Suffolk Joint Strategic Plan 2014 – 2019

Babergh and Mid Suffolk Joint Strategic Plan Refresh 2016 – 2020

DWP Housing Benefit / Council Tax Benefit Circular A12/2011 (revised)

End of Term Report 2011 – 2015 (Mid Suffolk District Council)

Hidden Needs Report 2011 - 2016

North East Essex West and East Suffolk NHS Sustainability Transformation Plan 2016

The Housing Benefit (Amendment) Regulations 2011 (SI 2011/1736)

14 APPENDICES

A - 30 Year Capital Projection from HRA Business Model – Mid Suffolk District Council

B - 30 Year Revenue Projection from HRA Business Model – Mid Suffolk District Council

C - Household Data – Mid Suffolk District Council

D - Stock Condition Data – Mid Suffolk District Council

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APPENDIX A

HOUSING CAPITAL PROJECTIONS
Mid Suffolk District Council

Year	2017.18	2018.19	2019.20	2020.21	2021.22	2022.23	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30	2030.31	2031.32	2032.33	2033.34	2034.35	2035.36	2036.37	2037.38	2038.39	2039.40	2040.41	2041.42	2042.43	2043.44	2044.45	2045.46	2046.47
£'000	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
EXPENDITURE:																														
Planned Variable Expenditure	0	0	0	0	-9	-9	-10	-10	-10	-17	-18	-18	-19	-19	-39	-40	-41	-42	-43	-45	-46	-47	-48	-49	-50	-52	-53	-54	-56	-57
Planned Fixed Expenditure	-3,447	-4,431	-4,328	-4,288	-3,719	-3,812	-3,907	-4,005	-3,669	-3,760	-3,854	-3,951	-4,049	-5,610	-5,751	-5,894	-6,042	-6,193	-6,065	-6,217	-6,372	-6,531	-6,695	-7,062	-7,238	-7,419	-7,605	-7,795	-7,990	-7,270
Disabled Adaptations	-200	-200	-150	-150	-150	-150	-150	-150	-150	-150	-150	-150	-150	-150	-150	-150	-150	-150	-150	-150	-150	-150	-150	-150	-150	-150	-150	-150	-150	-150
Other Capital Expenditure	-3,772	-4,034	-4,308	-4,768	-5,250	-6,123	-6,276	-6,433	-6,594	-6,759	-5,878	-6,025	-6,176	-6,330	-6,488	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Build Expenditure	-619	-80	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Procurement Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Previous Year's B/F Shortfall	0	0	0	0	0	0	0	0	0	-1,026	-2,278	-2,605	-3,485	-4,150	-6,083	-8,175	-5,417	-2,451	0	0	0	0	0	0	0	0	0	0	0	0
Total Capital Expenditure	-8,038	-8,746	-8,786	-9,206	-9,128	-10,094	-10,343	-10,598	-10,423	-11,712	-12,178	-12,749	-13,878	-16,260	-18,511	-14,260	-11,650	-8,836	-6,259	-6,411	-6,568	-6,728	-6,893	-7,261	-7,439	-7,621	-7,808	-7,999	-8,195	-7,477
FUNDING:																														
Major Repairs Reserve	2,355	2,742	5,123	3,086	3,374	3,619	3,710	3,803	3,898	-11,101	3,900	3,901	3,902	3,903	-11,096	3,906	3,907	3,908	3,910	-11,089	3,913	3,914	3,915	3,917	-8,287	3,920	3,922	3,924	3,925	3,927
Right to Buy Receipts	840	709	709	738	738	738	738	738	738	738	738	50	52	53	65	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64
HRA CFR Borrowing	0	0	0	0	91	1,621	1,588	1,570	96	15,000	0	0	0	0	15,000	0	0	0	0	6,501	0	0	0	0	0	0	0	0	0	0
Other Receipts/Grants	115	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
HRA Reserves	1,132	5,295	1,292	1,431	1,575	1,837	1,883	1,930	1,978	2,028	1,763	1,808	1,853	1,899	1,947	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Revenue Contributions	3,597	0	1,661	3,951	3,350	2,279	2,424	2,557	2,712	2,825	3,235	3,591	4,023	4,470	4,620	5,005	5,288	4,864	2,285	10,935	2,591	2,750	2,913	3,280	15,662	3,637	3,822	4,012	4,206	3,486
Total Capital Funding	8,038	8,746	8,786	9,206	9,128	10,094	10,343	10,598	9,422	9,490	9,637	9,349	9,830	10,325	10,535	8,975	9,259	8,836	6,259	6,411	6,568	6,728	6,893	7,261	7,439	7,621	7,808	7,999	8,195	7,477

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APPENDIX C

Change in household groups between 2001 & 2011 (Census)

Mid Suffolk

	% change in household groups between 2001 & 2011
One person	17.14
Couples	15.66
Couples with dependent children	0.89
Couples with non dependent children	7.69
Lone parent with dependent children	32.50
Lone parent with non dependent children	43.01
Other	24.32

Census 2001 & 2011 - <https://www.ons.gov.uk/>

Household composition

Mid Suffolk

Older persons	11.9
One person	25.4
Couples	23.3
Couples with dependent children	21.6
Couples with non dependent children	6.4
Lone parent with dependent children	5.0
Lone parent with non dependent children	2.6
Other	3.8

Census 2011 - <https://www.ons.gov.uk/>

APPENDIX D

Stock condition data - December 2011 (Mid Suffolk District Council)

	Years						TOTAL
	1-5 £'m	6-10 £'m	11-15 £'m	16-20 £'m	21-25 £'m	26-30 £'m	£'m
CAPITAL:							
Catch Up Repairs	3.181						3.181
Future Major Works	18.164	14.504	12.807	20.972	18.199	21.882	106.530
Improvements	2.873	0.750	0.415	0.250	0.415	0.250	4.952
Estate Works	2.021	1.532	0.591	0.996	0.225	0.500	5.866
Contingent Major Repairs	1.100	1.000	0.750	0.750	0.750	0.750	5.100
Exceptional Extensive	0.731	0.829	0.064	0.010	0.010	0.010	1.654
Disabled Adaptations	1.250	1.250	1.250	1.250	1.250	1.250	7.500
Sub-Total (Capital)	29.321	19.866	15.877	24.228	20.849	24.642	134.784
REVENUE:							
Cyclical Maintenance	3.805	3.905	3.905	3.905	3.905	3.905	23.333
Responsive & Voids	5.200	5.200	5.200	5.200	5.200	5.200	31.200
Sub-Total (Revenue)	9.005	9.105	9.105	9.105	9.105	9.105	54.533
TOTAL	38.326	28.971	24.983	33.333	29.954	33.747	189.317

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Agenda Item 7

BABERGH DISTRICT COUNCIL and MID SUFFOLK DISTRICT COUNCIL

From: Improvement and Involvement Officer – Housing	Report Number: JHB/05/17
To: Joint Housing Board	Date of Meeting: 16 January 2017

JOINT HOUSING BOARD FORWARD PLAN – 2017/18

Date of the Board Meeting – February 2017

Report Title	Lead Officer
Local lettings policy for sheltered and de-sheltered housing	Corporate Manager – Homelessness Prevention & Older Persons
Homeless Prevention Bill update (Presentation)	Corporate Manager – Homelessness Prevention & Older Persons
The new name for Sheltered Housing – discussion	Corporate Manager – Homelessness Prevention & Older Persons
BMBS Business Plan update	Corporate Manager – Babergh and Mid Suffolk Building Services
Lettable standard review	Corporate Manager – Babergh and Mid Suffolk Building Services
Stock Condition Survey	Corporate Manager – Capital Projects

Date of the Board Meeting – March 2017

Report Title	Lead Officer
Restructuring of Tenant Services Team	Corporate Manager – Income and Tenant Services
Home Ownership Review – a summary of progress	Corporate Manager – Income and Tenant Services
Performance Indicators for Supported Living	Improvement and Involvement Officer
Rent Policy	Corporate Manager – Housing Options
Garage Site Review	Corporate Manager - Development (Housing & Regeneration)

Date of the Board Meeting – April 2017

Report Title	Lead Officer
Quarterly report on Council House Build programme	Corporate Manager – Development (Regeneration)
Anti-social behaviour policy	Corporate Manager – Income and Tenant Services
Customer profiling / tenant & landlord relationship	Corporate Manager – Income and Tenant Services
VOIDs Tenant Scrutiny Report – update on action plan	Improvement and Involvement Officer
HRA Asset Utilisation Strategy	Corporate Manager – Housing Options
Very Sheltered Housing management arrangements	Corporate Manager – Supported Living

Date of the Board Meeting – May 2017

Report Title	Lead Officer
Support and sustainment policy	Corporate Manager - Income and Tenant Services
Capital Programmes	Corporate Manager – Private Sector Housing

Items to be tabled:

Report Title	Lead Officer
Vision for Supported Housing	Corporate Manager – Supported Housing
Locations of future Housing Board meetings	Improvement and Involvement Officer

Authorship:

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Agenda Item 10

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