

Version 4
Final

Housing Revenue Account 30-Year Business Plan

February
2012

2012/13 to 2041/42

Cambridge City Council



Version Control

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Cambridge City Council

Housing Revenue Account

Business Plan

2012/13 to 2041/42

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Section 1

Introduction

Background

Funding for the provision of local authority social housing has, for many years, been managed at national level, under a system called 'The Housing Revenue Account Subsidy System'. The system pools all rent assumed to be collected at a local level and re-distributes the resource back to local authorities to fund management, maintenance and major improvements of the housing stock and to support the borrowing costs that exist in terms of the existing level of housing debt.

Under this formulaic system, Cambridge City Council have been a significant net contributor into the national 'housing pot' for many years, with the negative subsidy due to Government for 2011/12 estimated to be £12.98 million.

In November 2011, the Localism Act confirmed the introduction of a 'self-financing' system for local authority social housing, to be effective from April 2012.

Self-financing will see Cambridge City Council receiving a one-off share of the national housing debt in return for retaining all rental streams in respect of the housing stock. This will allow local decision making to drive the level of investment in the housing stock, agreeing spending priorities in line with local demand.

Decisions will need to be made at a local level in terms of priorities for investment, delivering a balance between:

- Investment in the existing housing stock
- Investment in new affordable housing
- Investment in new initiatives and income generating activities

- Spend on landlord service (i.e. housing management, responsive and void repairs)
- Spend on discretionary services (i.e. support)
- Repayment of housing debt

To effectively manage the housing business into the future, it is imperative that the housing service has an in depth knowledge of the condition of the housing stock it is managing, coupled with a clear understanding of the direction in which it would like to see services travel.

Housing Stock

Cambridge City Council Housing Revenue Account owns and manages the following properties, broken down by category of housing provided:

Housing Category	Actual Stock Numbers as at 1/4/2011	Estimated Stock Numbers as at 1/4/2012
General Housing	6,653	6,644
Sheltered Housing	528	519
Supported Housing	28	28
Temporary Housing (Individual Units)	41	41
Temporary Housing (HMO's)	13	13
Miscellaneous Leased Dwellings	27	27
Shared Ownership Dwellings	89	88
Total Dwellings	7,379	7,360

A breakdown of the housing stock by property type, excluding shared ownership, is demonstrated in the table below:

Stock Category (Property Type)	Actual Stock Numbers as at 1/4/2011	Estimated Stock Numbers as at 1/4/2012
Bedsits	112	112
1 Bed Flat / Maisonette	1,636	1,636
2 Bed Flat / Maisonette	1,271	1,268
3 Bed Flat / Maisonette	41	41

Stock Category (Property Type)	Actual Stock Numbers as at 1/4/2011	Estimated Stock Numbers as at 1/4/2012
1 Bed House / Bungalow	188	188
2 Bed House / Bungalow	1,139	1,137
3 Bed House	2,272	2,267
4 Bed House	95	95
5 Bed House	6	7
6 Bed House	2	2
Sheltered Housing	528	519
Total Dwellings	7,290	7,272

The current composition of the Council's sheltered and extra care housing stock is as follows:

Stock Category	Actual Stock Numbers as at 1/4/2011	Estimated Stock Numbers as at 1/4/2012
Modern or Refurbished Schemes		
1 Bed Flat	370	398
2 Bed Flat	49	51
1 Bed Bungalow	3	3
2 Bed Bungalow	2	2
Schemes Awaiting Modernisation		
Bedsit	36	2
1 Bed Flat	51	49
Schemes Awaiting De-Classification as Sheltered		
Bedsit	14	12
1 Bed Flat	2	2
1 Bed Bungalow	1	0
Total Dwellings	528	519

Leasehold Stock

The Housing Revenue Account also maintains the freehold in respect of a number of flats, sold under the right to buy process on long leases. Services continue to be provided to these properties in respect of repairs and improvements to communal areas and services for common facilities.

At 1st April 2011, the Council retained the freehold and managed the leases for 1,072 leasehold flats.

Section 2

Local Policy Context and Priorities

Council Vision

The Council has a clear vision for the future of our city, a vision that we share with Cambridge citizens and with partner organisations.

Cambridge – where people matter

- A city which celebrates its diversity, unites in its priority for the disadvantaged and strives for shared community wellbeing.
- A city whose citizens feel they can influence public decision making and are equally keen to pursue individual and community initiatives.
- A city where people behave with consideration for others and where harm and nuisance are confronted wherever possible without constraining the lives of all.

Cambridge – a good place to live, learn and work

- A city which recognises and meets needs for housing of all kinds – close to jobs and neighbourhood facilities.
- A city which draws inspiration from its iconic historic centre and achieves a sense of place in all of its parts with generous urban open spaces and well-designed buildings.
- A city with a thriving local economy that benefits the whole community and builds on its global pre-eminence in learning and discovery.
- A city where getting around is primarily by public transport, bike and on foot.

Cambridge – caring for the planet

- A city in the forefront of low carbon living and minimising its impact on the environment from waste and pollution.

Our Vision

The vision for Housing Services picks up the following themes and prioritises:

- Improving housing standards: Maintaining and refurbishing council housing, and supporting the development of new affordable housing, in the public and private sector, that achieves high environmental standards of energy efficiency, minimal carbon emission, and maximum waste recycling.
- Delivering high quality services: Enabling tenants and residents to have influence over the way we manage services and set priorities. Understanding the diverse needs of our customers. Being open and accountable to service users. Providing services through partnerships or other providers where this is the best option.
- Safe and secure neighbourhoods: Creating and maintaining estates in which our tenants and other residents feel safe and secure. Working in neighbourhoods with partners to effectively address issues that reduce the quality of life.
- Affordable housing plus: Promoting the successful delivery of new affordable housing that meets the needs of the city, and that creates good places to live for all residents regardless of tenure.

Underlying this vision are themes that underpin all our work:

- Embracing diversity and equality in our customers and staff.
- Maintaining an ethos that consistently focuses on the customer needs.
- Achieving value for money through economy, efficiency and effectiveness of service delivery.
- Valuing and respecting our staff through our commitment to providing opportunities for development of their skills, knowledge and competencies.

The Council's Vision is translated for Housing through the Housing Portfolio Plan. Alongside priorities to deliver more new affordable housing; improving the energy efficiency of homes;

and sustaining standards and housing choices through private housing; the importance of the Council as a social landlord is recognised.

Risk Management

Housing Revenue Account services share the Council's corporate approach to risk management, with the Risk Assurance Framework being integrated into the decision-making processes of the organisation.

A recent review of the approach to managing risk has resulted in a number of proposed changes to the way in which the organisation records and monitors risk, including:

- Facilitating risk workshops to capture risks within each service area
- Reducing the number of risk stages monitored from 5 to 2
- Presenting of risks to Strategic Leadership Team at 2 key points in the year
January / February – Portfolio Plans / Budget Implications
June / July - Medium Term Strategy
- Capturing risks against risk categories / themes identified by Strategic Leadership Team
- Utilisation of specific groups to provide quality assurance and challenge to risks e.g. ICT Steering Group, Asset Management Group
- Scoring of risks once, recording only the residual risk score with controls and mitigation in place
- Implementing a new Risk Management software system

Key strategic risks are recorded and monitored at an organisational level as described above. A more detailed level of risk analysis is undertaken at project level, with risks considered, recorded, mitigated and monitored through risk assessments undertaken as part of the Council's project management process.

[Appendix A](#) provides details of the risk criteria and scoring methodology used, with a summary of the key risks in relation to this business plan provided at [Appendix B](#).

Insurances

The Council insures its housing stock assets by combining external insurance with the operation of an internal insurance fund. A number of years ago, the Housing Revenue Account took a policy decision to partly 'self-insure' the housing stock, taking an insurance policy with a stop loss of £250,000 per annum. This arrangement requires the authority to meet the first £250,000 of insurance losses in any one insurance year, but serves to significantly reduce the level of annual insurance premium that would otherwise be payable.

The financial risk that this poses requires both the inclusion of an annual budget of approximately £57,000 to meet the costs associated with what would otherwise have been routine insurance claims met by the insurer, coupled with a requirement to maintain HRA balances at such a level that meeting the first £250,000 of any large claim in any one insurance year would not cause irreparable damage to the business.

This arrangement is kept under ongoing review, providing the opportunity to fully insure at any point, should this be deemed appropriate in both business risk and financial terms.

In addition to insuring property assets, the Council holds insurance policies which the HRA contributes to, and benefits from, in respect of:

- Public Liability - Limit of Indemnity £25m
- Employers Liability - Limit of Indemnity £20m
- Officials Indemnity - Limit of Indemnity £1m
- Libel & Slander - Limit of Indemnity £50,000
- Professional Negligence - Limit of Indemnity £5m (Architectural Services)
- Property Works in Progress Insurance - Sum Insured £5m
- Business Interruption cover for main offices including Hobson House, 171 Arbury Rd & 89 Cherry Hinton Rd
- Comprehensive Motor Insurance for Council Vehicles
- Fidelity Guarantee Insurance - All Employees guaranteed for £1m (designated officers have higher guaranteed sums)
- Computer Insurance - Material damage cover as per inventory (computer suite & equipment)

Partnership Working

The organisation and the Housing Service recognise the benefits, and therefore promote, partnership working wherever possible.

From a strategic housing perspective, the City Council work with a group of senior housing officers from neighbouring local authorities and housing associations (Cambridge Sub-Regional Housing Board) that meets regularly to ensure that there is a coherent approach to housing strategy across the sub-region that centres on Cambridge.

The Housing Service explores opportunities to work in partnership with South Cambridgeshire District Council at all opportunities, sharing procurement opportunities wherever possible. A recent example of this is a joint procurement for the external financial advice relating to the Housing Revenue Account's preparations for the implementation of self-financing from April 2012. A joint project team has worked to ensure that both authorities are best placed to respond to these changes.

The gas maintenance contract, for the servicing and maintenance of all Housing Revenue Account dwelling stock was also jointly procured with South Cambridgeshire District Council, to ensure that best value is delivered for tenants in procurement terms.

From July 2011, a new 5-year partnership arrangement has been entered into with two planned maintenance contractors, to deliver the investment required in relation to the housing stock, both in terms of capital investment (including decent homes) and planned / cyclical revenue expenditure.

Cambridge City Council will shortly be entering a Framework Agreement with five partners; a housebuilder and four Registered Providers (RP's), in order to develop land owned by the Council with high quality and sustainable market and affordable housing. The Council and these partners will work together to design a housing scheme satisfactory to both parties, carry out consultation, submit a planning application and build the housing once planning permission has been granted. If the Council works with the housebuilder then the Council will own and manage the affordable housing. If the Council works with an RP then the RP will own and manage the newly built affordable housing. Generally, the Council will work with either

the housebuilder or one of the RP's to develop a site, however there is the opportunity for the Council to work with both the housebuilder and an RP on larger and / or more complex sites. It is likely that there will be an element of market housing on each site that will cross subsidise the delivery of the affordable housing.

Shared Services

The Choice Based Lettings team manage the Council's housing register as a part of a sub-regional partnership called '*Home-Link*' - a primarily web-based choice-based lettings (CBL) scheme offering more choice to housing register applicants in Cambridge and the six neighbouring authorities. It offers greater transparency, flexibility and feedback for applicants, allowing them to see the availability of social housing across all seven local authority areas and therefore make realistic decisions about their housing options. The team assesses housing need and allocates social housing within Cambridge City district boundaries as well as providing advice and support to both new housing applicants and current tenants on using the system.

With effect from April 2012 it is proposed to create a shared Home Improvement Agency with South Cambridgeshire District Council and Huntingdonshire District Council, to be co-located at the South Cambridgeshire offices in Cambourne, but to be managed by Cambridge City Council. Although only works to properties in the private sector are delivered by the existing Home Improvement Agency for Cambridge City residents, there is the potential scope to expand this service in the future to also manage works in Council homes, as this is already undertaken on behalf of Huntingdonshire District Council residents.

Equality Impact Assessments

Equality Impact Assessments (EQIA) are carried out in respect of individual service area delivery and policy review. Self-financing is a change in a major financially driven process and therefore it is not appropriate to undertake an EQIA in respect of the introduction of the Business Plan in its own right. However, EQIAs will be carried out in respect of any potential changes in policy or service delivery that may result from this different financial process.

Section 3

The National Policy Context and External Factors

External Factors

The Housing Revenue Account Business Plan is impacted upon by a number of external factors, all of which are outside of the direct control of the organisation, with little or no ability for the organisation to influence them. In making financial projections for the future operation of the business, it is necessary to make a judgement about the likely direction of travel for many of the factors. To do this, we rely heavily on historic data, using previous trends to inform our financial forecasting.

Using historical trend data, financial plans and forecasts will continue to be regularly reviewed at key points throughout each year to inform updated assumptions and to support decision making.

Inflation rates

Year	RPI % Annual Inflation	RPI(X) % Annual Inflation	CPI % Annual Inflation	CPI(Y)% Annual Inflation	GDP Deflator at Market Prices	BCIS
2002	1.7	2.1	1.0	No data	1.84	7.1
2003	2.8	2.8	1.4	No data	2.63	7.7
2004	3.1	1.9	1.1	1.0	2.08	2.0
2005	2.7	2.5	2.5	2.6	2.87	10.5
2006	3.6	3.2	2.4	2.6	2.04	3.2
2007	3.9	2.8	1.8	1.7	3.31	4.8
2008	5.0	5.5	5.2	5.4	2.30	4.2
2009	-1.4	1.3	1.1	2.2	3.00	-10.4
2010	4.6	4.6	3.1	1.5	1.73	-6.3
2011	5.6	5.7	5.2	3.7	2.75	5.7

Interest rates

The Council lend externally, on a short-term basis, any cash balances that are held at any point within the financial year. If the balances held relate in any way to the Housing Revenue Account, the General Fund pays the interest earned to the Housing Revenue Account. The financial transaction between funds takes place at each year-end, based upon the average cash balance throughout the year, at the average rate of external interest received by the organisation as a whole.

It is clear from the table below that the level of interest receivable on Housing Revenue Account balances has significantly reduced in the last 3 years. Although recovery in the economy is anticipated, the time frame over which this is likely to happen is difficult to predict.

Year	Interest Rate Earned on Balances
2003/04	3.65%
2004/05	4.64%
2005/06	4.68%
2006/07	4.79%
2007/08	5.84%
2008/09	5.35%
2009/10	1.36%
2010/11	0.57%

Right To Buy

The right to buy legislation allows existing tenants to purchase their council home at a discounted purchase price. Since the introduction of the scheme in the 1980's, the rules surrounding the level of discounts available have changed significantly. In the 1990's and early 2000's, the discount levels available were high and the economy was in a strong position, seeing the Council lose over 100 properties each year as a result of this scheme.

In 1999, the level of discount available was capped at £34,000, and this, coupled with the recession, has resulted in far fewer properties being purchased by existing tenants in the last five years.

Year	Right to Buy (RTB)			Rent to Mortgage (RTM)			Total
	House	Flat	Bedsit	House	Flat	Bedsit	
2001/02	55	47	1	3	0	0	106
2002/03	63	38	1	7	2	0	111
2003/04	69	45	1	5	1	0	121
2004/05	59	47	0	3	0	0	109
2005/06	37	38	0	4	2	0	81
2006/07	41	29	2	0	0	0	72
2007/08	23	19	1	0	0	0	43
2008/09	2	4	0	0	0	0	6
2009/10	11	2	0	0	0	0	13
2010/11	12	5	0	0	0	0	17

Recent announcements, followed by a formal consultation paper, indicate that the coalition government are considering increasing the level of discounts available to tenants, to reinvigorate the scheme. Current proposals would see the maximum level of discount available to tenants enacting their right to buy increasing from £34,000 to £50,000. The consultation also considers a variety of options for the treatment of the residual capital receipt from the sale after the revised discount is applied. Some confidence is afforded that the authority will, as a minimum, retain a share of the capital receipt equal to the debt that was attributed to the dwelling from the outset of self-financing. The outcome of the consultation, and the resulting impact of the change, will need to be carefully considered in all financial modelling undertaken in the future.

Welfare Reforms

The Spending Review 2010 explicitly included welfare spending within its scope, enabling the Government to take a more strategic view of the trade offs across public services and welfare payments. As a result of the measures announced in the Spending Review and the June 2010 budget, welfare spending was forecast to fall in real terms over the following four-year period, in contrast to the 45% real increase over the previous decade.

The Spending Review confirmed the intention to phase in a Universal Credit from 2013. Universal Credit is to replace, amongst other things, Housing Benefit. The Review also committed to reducing spending on Council Tax benefits by 10% and localising it from 2013/14. In addition, the Spending Review announced a wide-ranging package of other reforms to the

existing welfare system with the intention of providing a fair and affordable platform for the introduction of the Universal Credit. On 17 February 2011 the Government published the Welfare Reform Bill, containing provisions for the abolition of Council Tax benefit, paving the way for new localised schemes.

The Government has now announced further details of their plans for a new system of local support for Council Tax. A consultation paper 'Localising support for council Tax in England' was published on 2 August 2011. The paper confirms that help with Council Tax will not become part of Universal Credit – the new benefit that amalgamates tax credits, out-of-work benefits and housing benefit – but will instead remain a local authority responsibility. The paper also confirms the need for local authorities to save 10% of current expenditure but, importantly, makes clear that pensioners and the most vulnerable will be excluded from the effect of this cut.

The planned welfare reform changes, including a localised scheme to provide support for Council Tax, will be likely to have significant financial impacts for a large number of current and future claimants within the city and to social and private sector housing providers.

The impact of these reforms in respect of our housing business is impossible to quantify at this stage, although it is anticipated that the need to collect 100% of rent directly from tenants as opposed to approximately 49%, will have a negative financial impact in terms of our collection costs, recovery rate and the level of rent arrears experienced at a local level, potentially requiring write off in our accounts.

The Localism Act

Main measures

- New freedoms and flexibilities for local government
- New rights and powers for communities and individuals
- Reform to make the planning system more democratic and more effective, and
- Reform to ensure decisions about housing are taken locally

The Localism Bill gained Royal Assent in November 2011, becoming the Localism Act 2011.

The Act has wide implications for social landlords and includes measures on:

- Local authority tenancy strategies - which will affect allocation of all social housing
- Tenure reform - the introduction of flexible tenancies
- Abolition of the HRA subsidy system, and the introduction of self-financing for all local authority social housing (with an implementation date of 1st April 2012)
- Regulatory reform - provision of stronger tools that tenants can use to hold their landlords to account, abolition of the Tenant Services Authority (with transfer of remaining regulatory functions to the Homes & Communities Agency), a cross-sector housing ombudsman scheme and complaints and tenant panels.

A currently live consultation document sets out proposals for a revised regulatory framework to take effect from 1 April 2012. The proposals suggest boards and councillors who govern service delivery will remain responsible for ensuring providers meet the consumer standards. Under the Localism Act, the regulator will no longer have an active role in monitoring providers' service performance or delivery of the consumer standards. Under the new arrangements for regulation, it is expected that others such as tenant panels, MPs and elected councillors will have a more prominent role in helping tenants to get redress where they have received a poor service and in scrutinising landlords' overall performance. The revised Tenant Involvement and Empowerment standard will reflect these objectives, including an increased scope for more tenant involvement in repairs and maintenance. Further information about what the changes mean will be provided by the Department of Communities and Local Government (DCLG).

Supporting People

In April 2003, the Supporting People regime was introduced, recognising the Government's desire to separately identify and fund the raft of housing-related support services that housing providers either delivered or facilitated across their housing stock.

In Cambridgeshire, local authorities opted to manage the funding, and therefore the procurement of support, at a County level. The County Council set up a team to act as administering authority, with a commissioning body including representatives from each local authority acting as the decision making body. The commissioning body agree the strategic priorities for investment in support services across the County. Since April 2003, the national funding for Supporting People has been the subject of successive annual reductions. Locally, the administering authority has also been working to deliver a more equal pattern of services

across the County and to move away from 'buildings-based services' to more 'floating support models' focusing on the specific needs of individuals.

As a landlord and support provider, Cambridge City Council are currently contracted to deliver support services in sheltered, supported and temporary accommodation across the housing stock. The current Supporting People system presents particular challenges for a local authority support provider like City Homes; constrained to work within the district boundary and with historic, mainly building based services.

Many existing contracts are due to come to an end in March 2012, with the County Council either re-tendering or extending existing arrangements. The Council has not submitted a bid for the provision of mental health support services, as the scope of the new contract is far wider than the services currently provided. This contract is therefore now anticipated to transfer to a new provider from April 2012.

Contract	No. of Units	Contract Status	Maximum Support Income 2011/12 Gross of Voids (£)	Estimated Maximum Support Income 2012/13 Gross of Voids (£)
Temporary Housing (116 Chesterton Road)	60	Block Gross Contract – Expires 31/3/2012. SP confirm two year extension, with intention to re-tender from April 2014	132,070	132,070 (Supporting People seeking a reduction in costs for the two year extension period)
Temporary Housing (New Street)				
Temporary Housing (Dispersed Tenancies)				
Temporary Housing (Shared Houses)				
Floating Support	83	Contract transferred to new provider on 7/12/2011	184,920 (270,620 pro rata for 8.2 months)	0
Brandon Court	30	Block Subsidy Contract – Expires 31/3/2012. One year extension proposed by SP at a reduced rate of £9.00 per client per week.	Void in 2011/12	219,630 assuming funding for all clients at the average rate irrespective of need
Ditchburn Place (Sheltered)	15		10,170	
Ditton Court	26		17,630	
Greystoke Court	24		16,280	
Lichfield / Neville Road	171		73,870	
Mansel Court	25		16,960	
Rawlyn Court	26		17,630	
School Court	29		19,670	
Stanton House	33		22,380	
Talbot House	21		14,240	
Walpole Road	48		20,740	
Whitefriars	20		13,560	
Community Alarms	47	4.41	9,950	9,950
Ditchburn Place (Extra Care)	36	Block Gross Contract – Expires 25/1/2014.	45,740	45,740
Ditchburn Place Supported	21	Block Gross Contract	40,630	0
No. 39 Ditchburn Place	3	73.58	10,600	0
Burmaside House	4	59.31	11,390	0
Total Maximum Support Income (Gross of Voids)			678,430	407,390

The financial pressure that exists across all County Council services is expected to result in a significantly lower level of funding for support services from April 2012. In determining the investment priorities for the Housing Revenue Account over the medium to long term, consideration will need to be given to the extent to which the Housing Revenue Account wishes to provide enhanced housing management services to plug the gap that the reduction in support services will create.

Section 4

Housing Services

Housing Management

Housing Management is undertaken by City Homes, the landlord function of the Housing Service. Area North and South offices, overseen by two Area Managers, deal with rent arrears and collection, tenancy management, lettings, resident involvement and low-level tenant ASB functions for 6,653 general needs properties. City Homes works closely with the Customer Service Centre, Estates and Facilities, housing needs and homelessness, the city-wide ASB team and Housing Strategy to deliver a comprehensive, joined-up service for tenants at all stages of their tenancy. The most pressing issues for City Homes' teams include:

- Ensuring rent-collection levels continue to be high in the face of challenging welfare reforms and socio-economic pressures
- Keeping arrears levels to a minimum, including former tenant arrears
- Ensuring tenants have the necessary support and advice to help them pay their rent, maintain their tenancy
- Ensuring anti-social behaviour is dealt with
- Offering tenants and leaseholders opportunities to get involved in the housing service and have their say on the issues that affect them as tenants.

City Homes has received the Customer Service Excellence accreditation for the last three years, previously holding the Charter Mark accreditation for excellence in the provision of customer service since 1999.

Customer Services

The Customer Service Centre was introduced in 2008 as a one-stop shop for accessing Council services. Key front-line services were moved across gradually until the Centre was fully

integrated by June 2010. The Customer Service Centre has robust policies and procedures in place, fully-trained staff, access to self-service facilities, an easily accessible location (extended opening times, full disabled access etc), challenging performance targets and clear service delivery standards.

The Centre's relationship with the range of housing services is strong. Regular meetings are held between senior members of staff to discuss performance, data-gathering possibilities and the streamlining of specific areas of service. The Customer Service Centre is in the unique position of being able to collate robust, centralised files of data and information on current and future clients, and Housing is keen to take advantage of this data.

The Customer Service Centre team assists customers with general queries regarding housing, such as:

- Providing fully supported assistance with Homelink lettings-applications, from assessing eligibility to registering, banding enquiries and bidding
- Handling rent enquiries, establishing the customer's query, confirming the amount of rent payable, and taking debit or credit card rent-payments
- Liaising with Housing/Council Tax benefit teams to establish the reason for changes in rental liability, and liaising with City Homes housing officers where required
- Advising on how to register for a mutual exchange of homes.

For repairs and maintenance of Council homes, the current services provided by the Customer Service Centre include:

- Establishing the type and urgency of the customer's repair request
- Requesting the repair via the Orchard electronic system
- Agreeing appointment dates with the customer
- Agreeing specific response times where the repair is an emergency
- Arranging for the appropriate tradesperson to attend within prescribed time limits.

Leasehold Services

The leasehold service currently supports the administration of:

- The 1072 leases of flats sold under the Right to Buy
- The Right to Buy process
- 89 Shared Ownership properties.

A main function of the leasehold team is to ensure that the Council recovers any service charges that it reasonably incurs as the Freeholder, and that services provided are of an appropriate standard. The leasehold team also administer or deal with:

- Section 20 Consultation for major planned works, in order to comply with the requirement of relevant legislation
- Pre-sales enquiries in relation to re-sales
- Breaches of lease conditions, including recovery of service charge arrears
- Leaseholder alterations.

The Right to Buy

Right to Buy sales in Cambridge remain relatively low, with just 17 in 2010/2011, culminating from 43 applications. The recent announcement by Government (October 2011) to re-energise the Right To Buy process could have a significant impact on the Council, including increased workload, loss of rental income if there was a large take-up, an impact in capital receipts and the potential for council new build (dependent upon the outcome of the consultation process).

Shared Ownership

The Council have 89 Shared Ownership properties, the majority of which were sold on a 50% share. The leasehold team administer the waiting list and deal with re-sales.

Sheltered Housing

The Housing Revenue Account owns and manages a number of sheltered housing schemes, which provide accommodation suited to older people. Schemes provide varying levels of support to enable residents to live independently in their Council home.

Over the last 6 years, a significant programme of investment in the Council's sheltered housing stock has been carried out. The strategic investment decisions have included selling or

transferring a number of schemes to other registered providers. This has enabled an appropriate level of investment in the schemes retained, to ensure that they meet modern standards and tenant's expectations.

The schemes retained are a mixture of:

Category I schemes, which are clusters of accommodation with their own off-street front doors:

Greystoke Court

Lichfield / Neville Road

Walpole Road

Category II schemes, where tenants' homes have their own front doors onto an internal corridor, with some communal facilities:

Brandon Court

Ditchburn Place (Sheltered)

Ditton Court

Mansel Court

Rawlyn Court

School Court

Stanton House

Talbot House

Whitefriars

Staff of the Independent Living Service provide support, landlord-related services and premises-services to sheltered scheme residents on a peripatetic basis. This service has changed significantly over the last 15 years. Residents saw a reduction in service, changing from having a designated live-in warden and deputy warden at each scheme, to the current service where one peripatetic Independent Living Facilitator might be providing services across two, or even three, sheltered schemes.

Ditchburn Place Extra Care

In addition to sheltered housing, the Council has retained a 36-unit extra-care housing scheme at Ditchburn Place. Unusually for a local authority landlord, the City Council is contracted by

the County Council to deliver the care and support in the scheme in addition to being the landlord.

Although the City Council has a contract to provide care and support to January 2014, the contract is managed closely and reviewed regularly to monitor both the financial implications and the risks associated with delivering this service, as it is not a core function for the authority.

At some point during the life of the current care and support contract, it will also be necessary to consider the options for the future of the extra care accommodation itself at Ditchburn Place, as significant investment is required in order to bring the scheme up to modern standards and to meet the expectations of prospective residents.

Temporary Housing

As part of its statutory duty and responsibility to reduce homelessness, Cambridge City Council owns and manages 60 units of temporary accommodation. The Temporary Housing staff team manage the provision of temporary accommodation to vulnerable people who have become homeless due to problems with alcohol and substance abuse, mental ill health, domestic abuse or relationship breakdown. The work of the team also includes supporting clients in moving on to permanent accommodation.

Supported Housing

Until recently, the Housing Service provided a Floating Support Service to about 83 residents in accommodation-based supported housing and in general needs housing. The Council was unsuccessful in securing a place on the framework for Floating Support services in the city, so all floating support staff were recently transferred to a new provider. Historically, the majority of residents supported by this service have been Council tenants, but the expectation is that future referrals may be more complex. Concerns are high that wider demand for this type of support will lead to the support needs of some Council residents going unmet. This is expected to put increasing pressure on the Council's housing management function.

The Housing Revenue Account also manages 28 units of accommodation-based supported housing, all of which are situated on the Ditchburn Place site. The support needs of these residents are currently met by an in-house team based at Ditchburn Place, operating as part of

the Independent Living Service. However, the basis upon which the County Council has tendered the contract for this support from April 2012 has led to the decision not to tender for the continuation of this service. (The tender, for a county-wide accommodation-based mental health support service, required experience that does not currently exist within the team and posed too many risks for the Council.)

Consideration will need to be given to whether the Housing Revenue Account wishes to retain 28 units of supported housing in the longer term, or to utilise the accommodation for alternative purposes.

Estate Services

Estate Services are based at City Homes, and work with partner agencies to oversee grounds maintenance, street cleaning, garage maintenance, caretaking and cleaning of communal areas on each Council estate. As well as addressing environmental issues such as the introduction of new recycling points throughout the estates, fly tipping and other environmental nuisance, the service has recently introduced the role of Green Inspectors. These are resident volunteers trained to provide performance reports on key areas of service, providing management with critical data for making service improvements and taking forward new initiatives. The team also encourages general tenant feedback via a standards group, street forums, a Tenant Initiative Scheme and resident involvement with the service planning for estates, including where priorities should be focussed in the coming years.

Garages

The Housing Service manages 1,865 garages and lettable parking spaces using the department's Housing Management Information System. The majority of the garages are Housing Revenue Account owned (except for 17 garages and 6 parking spaces in Bermuda Road and Hooper Street, owned by, and managed for, the General Fund). Just over 50% of the garages are let to Council tenants, with the remainder let predominantly as private garage tenancies to the city's other residents and regular visitors. A small number of garages are utilised as storage for housing management purposes.

The garage stock in many areas of the city is in poor condition, and requires significant investment if it is to be retained as a lettable asset into the future. Void levels in Council garages are high, with a 19% void loss realised for 2010/11. There is a small waiting list for garages: the number of people waiting is far less than the number of garages available, but with many would-be garage tenants requiring a specific geographical location.

Due to difficulties letting garages in some areas of the city, work has been undertaken to investigate the development potential of particular sites, with a number of sites now featuring on the 3-year affordable housing investment programme.

Miscellaneous Leases

The housing service lease a small number of properties to voluntary and not-for profit organisations that provide accommodation and support to vulnerable groups within the city. The organisations house clients such as those with mental health issues, care workers active within the community, over-seas nurses, school site staff, a pastor undertaking community work and women and children fleeing domestic violence.

The decision to lease these properties to other organisations involved a number of factors each time, such as:

- The fact that the requesting organisation would be housing vulnerable clients who may otherwise have come to the City Council for housing
- The 'stand alone', non-estate or low-demand location of certain properties, making them less viable as general needs accommodation
- The guaranteed rental income for this low-demand property

A review of the service in 2007 saw councillors agree to continue the service where viable and with due consideration of each property, albeit with stricter control over the duration and terms of a new 'standardised' lease.

Commercial Property Portfolio

In addition to owning and managing a significant dwelling stock, the Housing Revenue Account also owns a small commercial property portfolio, consisting of shops and land utilised for non-housing purposes.

The majority of shops in the Housing Revenue Account are situated on housing estates, were built as part of creating the affordable housing and associated infrastructure and have tenanted social housing built above them.

The portfolio currently includes 24 shops and a clinic. The shops are located in Akeman Street, Anstey Way, Barnwell Road, Campkin Road, Carlton Way, Hazelwood Close and Wulfstan Way. The shops are let on commercial leases, generating commercial market rental streams of approximately £243,000 per annum.

The remainder of the commercial property portfolio consists of land used for non-housing purposes generating a revenue stream of approximately £31,000 per annum, and payment in respect of a lease to the Hundred Houses Society for the land on which some of their first 100 houses were built. The latter provides an ongoing rental stream of approximately £68,000 per annum, which is directly linked to the rental income for the properties on the site. Hundred Houses are pursuing the desire to terminate the existing lease arrangements, taking ownership of the land by mutual agreement with the City Council, in return for a one-off capital sum or the transfer of some housing stock into Housing Revenue Account ownership. The proposals need to be fully explored in the light of any potential impact on the Housing Business Plan.

Anti-Social Behaviour

Anti-social behaviour is dealt with in partnership between City Homes and a specialist ASB team that is part of a City-wide Safer Communities Team. The team deals with medium and higher level ASB affecting Council properties, and ASB of all kinds across the city, including problems in public spaces or involving private-sector housing.

The Racial Harassment and Community Cohesion Officer is also part of the Safer Communities Team, offering a confidential service that provides support and assistance, as well as advice

and action on racial harassment. The team works closely with the police and other Council departments to gather information and take appropriate and speedy action to put an end to harassment. The team also works extensively with black and minority ethnic groups in the City to build relationships and encourage their active participation in decisions that affect their lives.

Repairs and Maintenance

Repairs and Maintenance expenditure can be summarised in two main categories. The investment broadly consists of repairs of a reactive nature (responsive and void repairs) and planned expenditure (decent homes, cyclical maintenance and planned works, both revenue and capital funded).

As part of a corporate re-structure, and to ensure efficiencies could be maximised, it was agreed in 2010 to merge Building Services (part of the Council's Direct Labour Organisation) with Technical Services (the Housing Revenue Account's surveying and repairs client role) into a single Estates and Facilities Service, while externally tendering the planned elements of the investment programme. The remaining functions are currently undergoing a major restructure to ensure effective operation as a single service.

In 2010/11, the number of jobs booked was as follows:

Job type	Number
Emergency	3,808
Non-emergency	15,535
Void works	1,371
Total	20,714

The decision to retain the reactive element of the repairs service as an in-house function followed a soft-market testing exercise of the repairs & void service, resulting in the development of an improvement plan which is now underway and scheduled to be completed by 2013. A Repairs Improvement Plan Scrutiny Panel will monitor progress and achievements against the relevant tasks and actions. This group will also be responsible for recommending that the service is either retained in house or is subject to future out-sourcing

via a tender. Key activities planned for the team include close work with other areas of the housing service to ensure a joined-up approach to working with tenants, regular contact with the Customer Service Centre on issues surrounding customer satisfaction, repairs booking and IT integration, improving performance and benchmarking results and working with tenants as part of co-regulation, where a resident inspector project, responsible for void work regulation is already underway.

Apollo and Kier Services have been awarded contracts for planned maintenance and work in partnership with the Estates & Facilities Service to ensure the housing stock is maintained at the Decent Homes standard, following achievement of 100% Decent Homes in 2010/11.

The Estates & Facilities team also oversee cyclical maintenance within blocks, including leaseholder section 20 works, and disabled adaptations. They ensure that programmed works are completed on time, on budget and to a high standard. Housing stock condition is monitored in-house, as well as works around energy efficiency and renewable energy, fire-safety, asbestos removal and refurbishment of the sheltered housing schemes. Performance and benchmarking information plays an important role within all these services.

Support Services

Information Technology

The Housing Service relies very heavily on a number of business-critical IT systems, with the Integrated Housing Management Information System being one of the key applications.

A recent review of this system resulted in the upgrade of the system with the existing supplier, for a period of 5 years from April 2011, when the upgrade took place.

There are a number of other key systems, which work along-side or integrate with this application, and review of a number of these is required, in an attempt to make best use of the IT functionality currently available to support a housing business.

Funding has been made available in the first year of the business plan, to allow for review and potential replacement of the OPENContractor direct labour management and job costing

system and the Codeman asset management information system. As part of the review, consideration will also be given to the introduction of a mobile working solution, which would be expected to deliver significant future advantages in terms of financial efficiencies and capacity building for the repairs service.

Section 5

Governance and Resident Involvement

Local Authority Governance

The Housing Management Board (HMB) acts as the main governing body and discussion forum for the day-to-day operation of the housing service. It comprises 9 councillors (5 from the ruling group and 4 from other parties) and 6 residents. The 6 residents (five tenants and a leaseholder) are elected by all residents, currently every four years, to serve a four-year term. The elections are run by the Electoral Reform Society and are well contested. The response rate at the last election in 2008 was 22.5%. The composition of the HMB is such that if opposition councillors and residents unite they could out-vote the ruling party. This represents a powerful and independent role for residents and is possibly unique across the country.

Under the current constitutional arrangements, Housing Management Board scrutinise all of the operational decisions affecting the Housing Revenue Account, while the Community Services Scrutiny Committee scrutinise strategic housing decisions and consider the Housing Capital Investment Plan.

The Executive Councillor for Housing, representing housing on both HMB and Community Services, is in some cases individually empowered to make decisions in respect of housing related matters, or alternatively to recommend decisions to Council.

In light of the operation of the Housing Revenue Account within a self-financing environment, the constitutional arrangements in respect of housing related matters will be reviewed, with any proposed changes presented to both Civic Affairs and Council for consideration and decision.

Tenant Representation

The Housing Management Board includes 5 tenants and a leaseholder, elected by all tenants and leaseholders citywide, with equal voting rights alongside councillors. They debate and vote on all the strategic or policy decisions involved in managing landlord and related services. Below them, residents' Housing Regulation Panel is a co-regulation group, inspecting and challenging the performance of any service-areas that show poor performance. Under the co-regulation regime introduced by the Localism Bill, these two residents' groups together have formal powers to get services improved. Feeding into them, a wide range of more specialised residents' groups monitor and assist specific service-areas, from repairs and environment to sheltered schemes and publications.

In terms of tenant monitoring, the Housing Regulation Panel (HRP) monitors service delivery and the performance of the housing service. It is properly constituted: its members have been trained and it has formal powers to seek evidence and hold officers and councillors to account. The HRP has carried out independent surveys of council services and the council has adopted its recommendations. Resident Green Inspectors also check work carried out on estates, and the council also uses Mystery Shoppers. A Residents' Asset Management Group (RTLG), inspects work done on homes and assists with the Decent Homes programme. The National Audit Office has commended the depth of the resident representatives' involvement in the Decent Homes programme.

Between them, the elected residents of the Housing Management Board and the residents of the Housing Regulation Panel play a key role in holding the landlord service to account. HRP has a comprehensive constitution and robust powers to investigate services, to question councillors and officers and to make recommendations for service improvements. The HRP can also commission advice from independent consultants.

Resident Involvement

The resident involvement service is delivered by two staff that work with residents and officers to ensure that resident involvement work is effective within the Council. This is to be enhanced following a recent external review of tenant involvement.

In all, active resident representatives working with the resident involvement service give over 3000 hours of hands-on participation to the housing service each year. Over 30 areas of the housing-service are directly influenced and shaped by residents' input.

The resident involvement service offers a menu of involvement methods. This includes a system for residents' co-regulation, support to residents' groups and associations, area meetings in the north and south of the city, estate walkabouts, a citywide forum for leaseholders, neighbourhood days, a Tenants' Initiative Scheme that offers up to £7,000 for environmental projects, and local offers developed in partnership with residents.

An independent review of the service in September 2011 found that *"Cambridge City Council's resident involvement is robust, effective, and represents excellent value for money, achieving remarkable results given that it is spending below the lowest quartile... In terms of the quality of the service, its value for money and the range of involvement options on offer Cambridge, it sits within the top quartile of landlords and has been rightly praised by regulators and bodies such as the Audit Commission and the CIH."*

Together, staff and residents from the service regularly give training and positive practice presentations for other providers and national agencies. To keep the Council's resident involvement at the forefront of positive practice, increased funding is being made available from 2012, a Residents' Forum will be launched, a new member of staff will be recruited, and their and the current resident involvement team's work will have a high degree of guidance from residents. As the independent review explained: *"This already happens in practice, since the team works on a partnership basis with residents, but it may be sensible to formalise the arrangement so that residents know exactly the services they can expect to receive. In the spirit of co-regulation, the principle should be that a significant proportion of the team's work should be resident-led."* This reflects the fact that under resident's co-regulation, residents' involvement is intended to be a driving force for improvement across all housing services.

Consultation and Communication

The Council also offers a wide range of communications with tenants and leaseholders. As well as a yearlong intensive calendar of face-to-face meetings with resident representatives, Open Door magazine is co-edited with tenants and leaseholders and is distributed quarterly to all tenants and leaseholders. This magazine includes a Freepost feedback survey so that

improvement can be built in. The Annual Report for Tenants and Leaseholders is also co-edited with tenants and leaseholders and includes a feedback survey. The Council website includes a Your Home, Your Say feature, links to Facebook pages, and residents' videos on *YouTube* and on the Council's website. The *Count Me In* campaign has successfully involved Black and Minority Ethnic residents, and an annual calendar of resident-led learning events includes Residents' Exchange Day, Residents' Garden Competition and other celebrations.

Section 6

Capital and Asset Management

Asset Management

An Asset Management Strategy, detailing the anticipated investment need across the Housing Revenue Account asset base has been produced alongside the Housing Revenue Account Business Plan.

In a self-financing environment, understanding the asset base and the associated future investment required in order to maintain the asset base in a desirable, and therefore lettable, condition, is key to ensuring the financial viability of the housing business plan.

Where historically the financial disincentives inherent in the National Housing Revenue Account Subsidy system have undermined pro-active asset management decisions, the introduction of self-financing brings forth a new era.

The ability to retain all rental streams at a local level to service the debt taken on, actively encourages the development of new affordable housing by local authorities for the first time in many decades.

It is also more likely that the Housing Revenue Account may consider strategic disposal of assets, for example where an asset negatively contributes to the business plan, utilising any capital receipt to re-invest in affordable housing.

Stock Condition

Prior to the introduction of the Decent Homes Programme in 2004 and to demonstrate the authority's ability to retain its housing stock, an independent specialist (Savills) were procured

to undertake a 10% stock condition survey of the housing stock, projecting the investment need over a 30-year period.

Since 2004, surveyors employed within the housing service have gathered survey data on the majority of the residual 90% of the housing stock, enabling the service to refine broad investment projections into more detailed investment plans.

In preparation for the implementation of self-financing from April 2012, the authority invited Savills back to undertake a stock condition validation exercise in April 2011. The purpose of the validation exercise was to obtain confirmation that the data gathered internally has been collected on a consistent basis with the original 10% sample, and to provide an expert view on the assumptions being made in the stock condition database. This exercise provided full assurance as to the data held while recommending a couple of changes in the assumptions being made in the database, helping to further refine investment planning.

One of the areas where data gathering and recording is weak is in respect of the communal areas of both sheltered and flatted accommodation, where an allowance has been made in the financial planning, in anticipation of a more detailed investment profile in the future.

The recommendation of Savills in this respect is to include an uplift of £75.00 per property per annum to ensure provision of sufficient resources to maintain communal areas (lifts, door entry systems, balconies, landings, balustrades, communal floor coverings and communal rooms) to a safe, decent and desirable standard.

Decent Homes

The housing service reported achievement of decency in the housing stock as at 1st April 2011, with over 99.5% of the stock achieving the desired standard. There were 37 properties that were considered to be non-decent (in addition to the 613 refusals), with another 305 anticipated to become non-decent during 2011/12.

It is anticipated, and incorporated as part of the Asset Management Strategy, that any properties either non-decent at 1st April each year, or become non-decent during the year, will be included in the decent homes programme, to be addressed in year.

Stock Investment

The Asset Management Plan addresses the investment need in Housing Revenue assets in detail, but a summary of the anticipated investment need is included in Appendices H and I to the Business Plan. [Appendix H](#) provides a detailed breakdown of investment in years 1 to 5 of the Business Plan, while [Appendix I](#) provides a summary of the anticipated investment need over the full 30 years of the current plan.

Determining priorities for investment will continue to be a difficult task, with ongoing conflicts in the desire to improve existing housing stock, deliver new affordable housing and invest in the services that are provided to tenants on an ongoing basis.

New Build Affordable Housing

As one of the few local authorities successful in securing Homes & Communities Grant funding for new build affordable housing in 2009, 7 additional units of housing have now been built, let and are now being managed as part of our Housing Revenue Account housing stock.

On the back of this success, the Council bid as part of a later round of grant applications, and was successful in securing provisional grant of £2,587,500 towards the development of 146 new affordable homes in the city, all of which form part of the 3-year affordable housing programme.

The first of the schemes to be undertaken is for the re-development of the Seymour Court / Seymour Street site, which will see the existing 51 units of void sheltered accommodation being demolished to make way for a mix of market and affordable housing, with the Housing Revenue Account realising 21 units of affordable housing, funded via a mix of grant, cross subsidy from the market housing and an element of prudential borrowing.

Also included in the base business model is the assumption that the authority is able to deliver the affordable housing on the Clay Farm site in years 4 or 5 of the business plan, subject to scheme viability.

Section 7

Rent Arrears, Voids, Rent Policy and Rent Setting

Rent Arrears and Bad Debt Provision

Historically rent collection performance locally has been consistently good, with over 98% of the value of current tenant arrears brought forward and rent raised, collected in year.

Rent arrears in total is a combination of current and former tenant debt, with the latter being more difficult to pursue and recover, demonstrated by an increase in the level of former tenant arrears in recent years.

A pro-active approach to pursuing current tenant debt is key to keeping former tenant debt, and therefore the cost of rent written off, to a minimum. The timescale within which former tenant debt is pursued is crucial if the organisation is to have a realistic chance of recovering the sums due.

The year-end position in respect of current tenant debt is summarised in the table below:

Financial Year End	Value of Year End Arrears in Accounts (Current Tenants)	Current Tenant Arrears as a Percentage of Gross Debit Raised in the Year
31/3/2011	£582,400	1.88%
31/3/2010	£625,433	2.05%
31/3/2009	£595,366	2.01%
31/3/2008	£622,446	2.27%
31/3/2007	£693,541	2.54%
31/3/2006	£749,604	2.84%

The year-end position in respect of former tenant debt is shown in the table below:

Financial Year End	Value of Year End Arrears in Accounts (Former Tenants)
31/3/2011	£746,852
31/3/2010	£642,521
31/3/2009	£633,797
31/3/2008	£601,117
31/3/2007	£506,091
31/3/2006	£435,275

Despite improved performance in the collection of current tenant debt in recent years, the trend in recent months however, has been an increase in the level. This trend is anticipated to worsen, particularly in light of the changes proposed under the Welfare Benefit Reforms from April 2013, when housing benefit will no longer be payable directly to the landlord.

It is imperative that the Council take positive action to minimise any increase in rent arrears, thus reducing the financial burden on the Housing Revenue Account that an increase in bad debt will bring.

The Housing Revenue Account maintains a provision for bad and doubtful debt, with the value of the provision reviewed annually, taking into consideration both the age and value of outstanding debt at the time. The impact of external factors on the Council's ability to recover sums due also needs to be considered as part of determining an appropriate level of provision.

A judgement needs to be made, in light of the forthcoming changes, whether further investment in additional staffing to pro-actively recover rent due may be a better option financially than writing off any unrecoverable debt that may otherwise ensue.

Void Levels

With the exception of temporary and sheltered housing and properties identified for re-development, the level of void properties in the housing stock is relatively low compared with other areas of the country. The number of properties vacated and re-let in any year is between 600 and 750, including mutual exchanges and transfers.

The value of rent not collected as a direct result of void dwellings in 2010/11 was £423,103, representing a void loss of 1.46%.

Local void levels have been higher in the last 8 years due to a combination of the sheltered housing refurbishment programme, which has seen one scheme at a time being intentionally vacated to allow disposal or refurbishment of the scheme to meet current standards and local tenant aspirations and the early stages of a programme to re-develop other housing stock in the city.

Financial Year End	No. of General Year End Voids	No. of Sheltered Refurbishment Year End Voids	No. of Re-Development / Disposal Year End Voids	Total Year End Voids
31/3/2011	38	37	16	91
31/3/2010	54	37	42	133
31/3/2009	73	40	40	153
31/3/2008	44	66	51	161
31/3/2007	71	51	45	167
31/3/2006	68	26	33	127

On an ongoing basis, excluding the known impact on void levels of the sheltered housing refurbishment programme and of any proposed re-developments, an assumption of 1% voids in general housing is currently considered to be appropriate, subject to continuation of improved performance in void re-let times.

Rent Restructuring

Rent restructuring was introduced in April 2002, with the key aim of converging rents across all social housing providers, whether local authority landlord or other registered provider.

The programme was originally anticipated to span a ten-year period, with target rents calculated based on property prices from January 1999. Since the outset, a national review of the system saw further changes imposed from April 2006, resulting in an increase in target rents for Local Authority housing stock with far fewer properties nationally expected to reach convergence by 2011/12; the end of the initial period.

Government-prescribed limits on average rents increases of 5% were imposed for 2006/07 and 2007/08, whilst April 2008 saw an extension of 5 years in the original 10-year convergence period, taking intended convergence to 2016/17.

The rent increase from April 2009 was retrospectively reduced, following re-issue of the 2009/10 HRA Subsidy Determination, resulting in a reduced average increase of 3.26% and a delay in the intended rent convergence date to 2023/24. In April 2010, an average rent increase of 1.75% was applied to the Council's Housing Stock, with the intended date of convergence brought forward to 2012/13.

In April 2011, the Housing Revenue Account Subsidy Determination again moved the intended rent convergence date, this time to 2015/16. The rate of inflation at September 2010 however, still drove a significantly high increase in guideline, and therefore actual, rent, with an average in actual rent for 2011/12 of 7.45%.

Throughout these changes individual annual rent rises have continued to be limited to a figure of inflation plus half a percent plus £2 per week.

As target rents are calculated using a formula, which considers both property prices and average manual earnings, both weighted for the geographical location of the housing stock, target rents for Cambridge City Council were considerably higher than the levels being charged at the outset of the regime.

Even now, ten years into the process and at the end of the initial transition period, the constraints that have been applied by Government, mean only the 7 new build properties are currently at target rent, until 2015/16, when 27% will have reached target rent levels.

The table below indicates the proportion of the housing stock that will be at target rent levels at April of each year, if the existing rent restructuring rules continue to apply and no changes are made to rent setting policy locally.

Financial Year	Percentage of Housing Stock at Target Rent Levels
2011/12	<1%
2012/13	<1%
2013/14	<1%
2014/15	<1%
2015/16	27%
2016/17	48%
2017/18	63%
2018/19	74%
2019/20	82%
2020/21	86%
2021/22	90%
2022/23	92%
2023/24	95%
2024/25	96%

Rent Policy

The local rent setting policy, updated for self-financing and to be effective from January 2012, is attached at [Appendix C](#).

There is some discretion in how rents are set at a local level, with options to use an element of flexibility in the calculation of target rents (5% for general stock housing and 10% for sheltered housing) and to move all void properties directly to target rent prior to re-let.

Historically, neither of the above has been applied locally (in part due to the potential negative impact through the subsidy mechanism), but in terms of the impact on the business model, consideration should clearly be given to whether or not Cambridge City Council should introduce either option for the future.

Any decision to move void properties directly to target rent needs to be taken in full recognition of the potential impact of rent rebate subsidy limitation, where an increase in average actual rent above the limit rent set would result in payment of the difference across to the General Fund, impacting the sums received from the Department for Work and Pensions (DWP) in respect of housing benefit.

At the start of 2011/12, the target rent for the housing stock was £90.91, the limit rent was £85.14 and the actual transitional rent being charged was £80.98. Approximately 8.5% of the housing stock becomes void at some point in any one year (although some of these voids are transfers, mutual exchanges and repeat voids), indicating that a decision to move void properties directly to target would not negatively impact upon rent rebate subsidy limitation and therefore the business plan. Once the date of intended rent convergence is arrived at, currently 2015/16, the level of limit rent will equal that of the target rent, thus removing the possibility of entering rent rebate subsidy limitation unless rents are set at above target levels.

Where the Council builds new affordable housing using grant from the Home and Communities Agency, the new homes will need be let at an affordable rent as introduced by the Localism Act.

Rent Setting

Rent levels are set in January of each year, with the Executive Councillor for Housing having delegated authority to make this decision, following pre-scrutiny by Housing Management Board.

Although there has always been some discretion in the level of rents to be set a local level, the financial disincentives that are inherent in the national Housing Revenue Account Subsidy system mean that Cambridge City Council has had little alternative but to follow Government guidelines.

The decision about the level of rent increase to approve is always set in the context of the wider budget setting process, taking account of the financial projections for the Housing Revenue Account over the longer term.

Any decision to increase rents at a lower rate than assumed in the debt settlement, and therefore the business plan, would have a negative impact on the business model, with a 1% lower increase in rent in a fully committed business model, representing the need to deliver savings of approximately £300,000 at 2011/12 rent levels (£1.00 represents approximately £380,000).

To illustrate the impact of a decision to deviate from the Government assumptions for setting rents under the rent restructuring regime, a decision not to converge rents (i.e. never to apply the £2.00 limit to close the gap between target and actual rents) would result in an inability to pay off the debt during the life of the base business plan. It is estimated that it would be year 35 before sufficient resource would be available to redeem the loans, and all of the additional investment identified later in the document as part of an aspirational business model would not be possible.

A decision in a single year, for example in 2013/14, not to apply the £2.00 increase in rent, would not remove the ability to redeem the loans during the life of the plan, but would result in the loss of over £4.3 million in income during the life of the business plan, necessitating either a compensating reduction in expenditure or a decision not to undertake some of the additional investment that would otherwise be possible.

It is clear that the Government expectation is that local authorities will continue to set rents in line with the guidelines. What is not clear at this stage, is the potential impact of deviating from this policy in terms of any potential penalty or possible exclusion from eligibility for grant funding for example.

Service Charges

Service charges are levied for services that are not pure landlord functions, and are provided to some tenants and not others, depending upon the type, nature and location of the property. Charges are set to recover the full estimated cost of providing each service, with some services being eligible for housing benefit depending upon the nature of the service being provided.

Prior to April 2004, many services were provided, but paid for via the rent charged for each property. As a follow on from introducing rent restructuring, the Government also encouraged

local authorities to separately identify and charge for services, outside of the rent charged for the occupation of a property.

When separating out any charges, where services have previously been provided, but have been funded through rental income, it has been necessary to implement the service charge whilst reducing the rent charge by the corresponding sum.

The majority of services provided to tenants of Cambridge City Council are now separately identified, with the exception of communal electricity, grounds maintenance and estate services to non-sheltered flatted accommodation, where work is in progress to identify these costs accurately at block level.

Service charges are currently levied for the following services:

- Caretaking (General Housing)
- Communal Cleaning
- Estate Services Champion (General Housing)
- Window Cleaning
- Door Entry
- Passenger Lifts
- Gas Servicing
- Electrical / Mechanical Maintenance (Sheltered / Temporary Housing)
- Grounds Maintenance (Sheltered)
- Premises (Sheltered / Temporary Housing)
- Utilities (Sheltered / Temporary Housing)
- Support (Sheltered / Supported Housing)

Once separated out from rent, service charge increases have been limited to annual rises of inflation (RPI at the pre-ceding September) plus 0.5%.

Section 8

Performance & Value For Money

Performance Indicators

The Council, and the housing service in particular has used performance indicators (PI's) for a number of years as the clearest way of providing customers with information on how services are performing, and as a management tool for improving service delivery and ensuring services are held to account for failings in key service areas.

The Council's performance management structure stems from our Medium Term Objectives – The Strategic Leadership Team (SLT) monitor a basket of key PI's that help to show delivery against the targets set through the MTO's. Underneath this level, each service is responsible for ensuring robust and measurable PI's are set within the Portfolio Plans, and, underneath that, operational plans PI's that are delivered at a more local level. The current suite of Housing Revenue Account-related PI's, some monitored by SLT and all monitored by Housing Management Team, is available at [Appendix D](#) of this document.

Performance Management

Housing's performance management system includes key PI's from each area of service that are monitored by Housing Management Team (HMT) each quarter. Halfway through each financial year, Service Managers are asked to present a 'spotlight' report to HMT that outlines progress against PI's, Benchmarking data and key actions from both the portfolio and operational plans. This provides HMT with the opportunity to 'catch-up' with managers and services on a formal basis, a good understanding of any problems or issues arising in service areas and opportunities to challenge any poor performance.

A special Residents Performance monitoring session is held every three months at Housing Regulation Panel that includes members of HMB. This session allows residents and leaseholders

to scrutinise performance and raise issues that will be taken back to service managers for consideration or action as appropriate. HRP are keen to work with service managers in understanding issues, challenging performance and target setting.

Value for Money

Housing has a strong approach to VFM, enabled by:

- Procuring services externally and in partnership with others where this is the best option
- Systematically reviewing our services to identify better ways of working and to drive out inefficiencies (including benchmarking with other agencies)
- Taking a rigorous approach to monitoring expenditure and costs
- Maximising external investment
- Involving tenants and other stakeholders in our decision-making processes to ensure we are meeting the needs of our service users and are delivering effective outcomes for the wider community.

There are three main dimensions to our approach to VFM in our housing services:

- Working cohesively with other sections of the Council and within the corporate financial framework expressed through the Medium Term Strategy.
- Looking to embed VFM at the operational level with direct engagement with service users to help prioritise, direct and measure the impact of the use of the resources at our disposal
- Working in partnership with other agencies within the Cambridge sub-region housing market to deliver added value.

Benchmarking

The Housing service has been a member of Housemark for four years. The system provides robust, comparable spend data across each area of Housing Management, leasehold and shared ownership, estate services, major works, cyclical maintenance and repairs and voids and support services (IT, Finance, office premises and central costs) so the Director, Heads of Service, service managers and staff can track, monitor and understand what is spent and

saved on employee costs, non-pay costs and overheads. The output of the benchmarking exercise has been extensively used as a management tool to inform service reviews and service planning.

It is anticipated that the year-end benchmarking report will be presented to Housing Management Board on an annual basis, to compliment the documentation presented in January of each year in respect of portfolio planning and budget setting.

Benchmarking is also undertaken at localised levels, namely with *HQN* for leasehold services, *Re-thinking Construction* for repairs and maintenance, and a Housemark club for Resident Involvement.

Incorporating the benchmark results as part of the spotlight reporting template ensures service managers understand their costs and performance and can utilise the results when planning changes to services or preparing key policies and strategies.

It is expected that the Housing Regulation Panel (HRP) will oversee the monitoring of our annual benchmarking results.

Portfolio Plan

Portfolio Plans for each of the Cabinet Members were introduced in 2010 and replaced the old service planning process. The Portfolio Holder for Housing, in partnership with the Director and Heads of Service, has developed an annual plan that for 2012/13 sets the following priorities:

1. Maximise the delivery of new housing in a range of sizes, types and tenures ensuring that current standards are at least maintained.
2. Make the best use of existing homes.
3. Implement the first year of the HRA Business Plan following the introduction of greater financial freedom for the Council to manage the financing of its housing.
4. Foster good quality housing and housing related advice.
5. Increase energy efficiency of existing homes; promote sustainable design and construction methods; promote high standards of environmental sustainability of new homes and communities, including water management

Inspection

In 2008, an inspection of the Housing Management Service resulted in a *'two-star, excellent'* score from the Audit Commission. In 2010, this inspection process was dissolved. The Localism Act sets out the new framework for social housing regulation, with the current focus for consultation around robust self-assessment, Value for Money and serious detriment, complaints and co-regulation.

Section 9

Treasury Management Strategy

Background

Treasury management activities are defined by the Chartered Institute of Public Finance and Accountancy (CIPFA) as:

“ The management of the organisations investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

HRA Self-Financing Borrowing Requirement and Options

A self-financing valuation of the local authority's council housing stock has been made by Government using a discounted cash flow model of the authority's social housing. The model is based on assumptions made by Government about rental income and expenditure required to maintain the council's housing stock over 30 years.

Based on this model, and audited data about the Council's housing stock, a final self-financing determination has been made. For the City Council the determination sets the amount that must be paid to Government on 28 March 2012, together with an upper limit on housing debt that the Council may hold under self-financing.

The final determination, announced in February 2012, follows formal consultation on a draft self-financing determination, which commenced in November 2011.

Based on the final self-financing determination, the Council will be required to fund a payment of £213,572,000 to the Government on 28 March 2012. Significant exploration of the funding options available to the Council was undertaken, with the options investigated including:

- Internal borrowing from the General Fund
- Borrowing from the County Council pension fund
- Borrowing from other local authorities
- Borrowing from the Public Works Loans Board (PWLB)
- Raising funds through bond issuance (either individually or as part of a club)
- Raising funds through private market placement

The work undertaken has also considered the potential benefits of adopting a mix of the above funding options.

Until the Comprehensive Spending Review in October 2010, borrowing from the PWLB was likely to have been the chosen route for many local authorities, with preferential interest rates being offered for a variety of fixed and variable products. An increase of approximately 1% in the rates being offered following Spending Review 2010, forced many local authorities to investigate the market more widely, particularly exploring the potential for bond issuance, which although costly to set up, appeared to offer preferential longer-term borrowing rates. It should be noted that, to be in a position to place bonds in the market place, the Council and any other parties in a bond club, would be required to obtain a formal credit rating from a limited number of rating agencies, such as Moody's, Fitch or Standard & Poors.

In September 2011, the Government announced a reduction in the rate offered by PWLB, in respect of the self-financing settlement transaction only, providing rates comparable to those previously available to local authorities prior to the October 2010 Comprehensive Spending Review. Following this announcement, it is highly likely that after exploring internal and inter-authority borrowing, that borrowing from the PWLB will be the most favourable route.

Given the highly specialised nature of the funding options requiring consideration and the amounts involved, the Council sought to commission specialist support and advice in determining the final funding strategy.

Borrowing Route	Current View
Internal Borrowing	There is some capacity to internally borrow, but the term of the loan is unlikely to be for the duration of the business plan, as the General Fund will need elements of the resource at various stages over the next 30 years. As opposed to utilising the internal resource available at the outset, it may be preferable to borrow the entire self-financing settlement sum externally and considering borrowing internally when the HRA requires use of the additional headroom in the business plan.
Inter-Authority Borrowing	This option is no longer viable within the timeframe and the appetite locally does not appear to exist. The authority could take a short term loan to allow set up of a vehicle to administer such loans, but there has been limited progress in this outside of this organisation. This option has therefore been excluded from further consideration at this stage.
Bond Issuance	The preferential interest rates available from the PWLB rendered this option far less attractive, with significant up front costs and lead in time with little or no anticipated benefit. This option has therefore been excluded from further consideration at this stage.
PWLB Borrowing	The preferential rates available for this single transaction, combined with the borrowing route carrying far less risk than other forms of borrowing, make this route the recommended option after use of any existing internal resource.

If borrowing from the PWLB, there are a variety of borrowing options available to the organisation. Sums can be borrowed for any term of up to 50 years, and there are a number of different types of loan available.

Loan Rate	Description	Current View
Fixed Rate	The interest rate stays static throughout the life of the loan.	The rate being offered by PWLB is lower than available currently and rates are generally lower than they have been for years.
Variable Rate	The interest charged on the loan varies as the interest rate changes.	Carries significant risk in respect of future interest rate rises.

Loan Type	Description	Advantages	Disadvantages	Risks
Maturity	Interest only paid during the life of the loan, with the principal requiring repayment or re-financing at the end of the loan period.	Minimises payments required during the life of the loan, releasing funds for either set-aside for loan repayment at the end of the term or re-investment, therefore providing some flexibility to allow an expanding business model.	Interest payments are higher, as the borrowing rates for this type of loan are the highest of the three available from PWLB. Money is borrowed for the full term and no principal is repaid during the life of the loan.	Resources available during the life of the loan are not invested in income generating schemes / assets or invested appropriately over the longer-term to generate a suitable financial return. If re-financing at the end of the loan period, rates may be significantly higher than at the outset.
Equal Instalment of Principal Loan (EIP)	Interest and principal repaid during the life of the loan, with the principal reducing equally across years, while the interest reduces over time as the loan balance reduces.	Facilitates payback over the term of the business plan. Borrowing rates for this type of loan are the lowest available from PWLB, as the principal sum is reduced quickly.	The annual cost of borrowing is greater in the earlier years of the loan term, making the option unaffordable as a stand-alone option.	The requirement to repay more in the earlier years results in an inability to respond to other financial changes in the business model, ie; inflation rates, unanticipated investment need.
Annuity Loan	Interest and principal repaid during the life of the loan with repayments staying the same throughout. As the loan balance reduces, the value of the principal being paid increases and the interest reduces.	Facilitates payback over the term of the business plan. Rates are lower than for maturity loans.	Repayment of an element of the principal is required from the outset which as a stand-alone option would require additional borrowing / reduction in expenditure in the early years of the business plan to meet the borrowing costs.	Additional borrowing required in the early years is not available internally or can only be secured at greater cost externally, limiting ability to utilise headroom for new build / asset enhancement / service improvements.
Mix of more than one loan type	Combination of multiple loans, either maturity, EIP or annuity	Allows spread of risk and benefit of an element of loans at the lowest interest rate.	Requires greater treasury management, with a mix of a number of loans of differing types.	No additional risks than those highlighted against each loan type.

Considerations in Constructing a Loan Portfolio

The following key factors have been considered:

- Type of Loan
- Source of Borrowing
- Loan Portfolio

Type of Loan

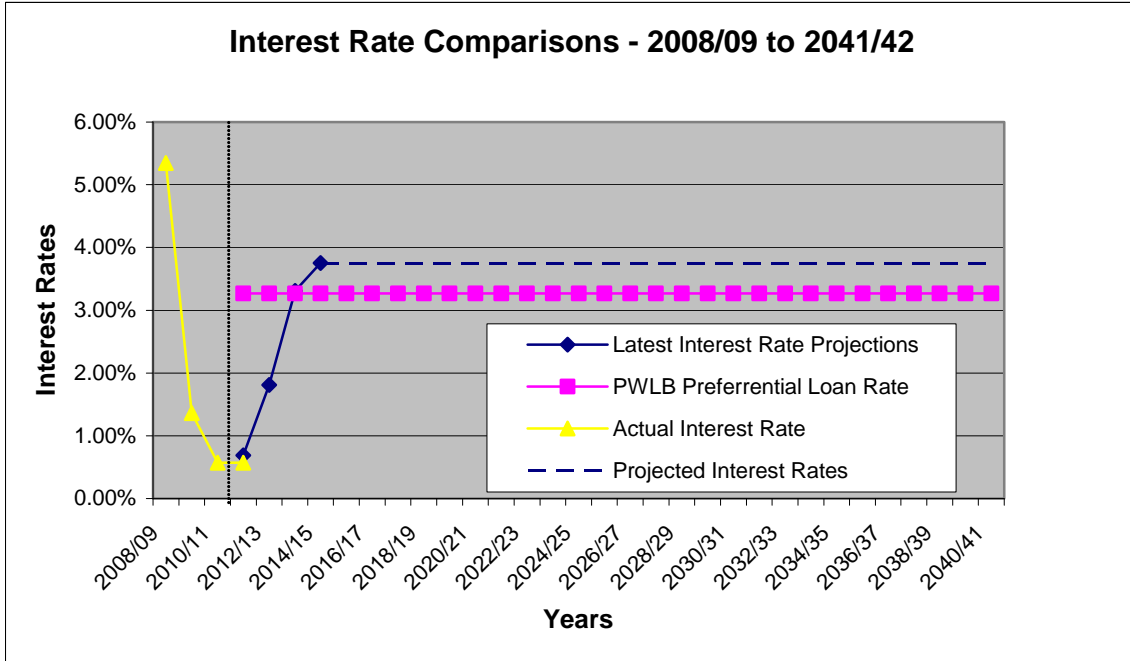
One key consideration in determining the borrowing strategy will be whether to take loan(s) with fixed or variable interest rates, or a combination of the two.

The most important factor in making this decision is where the Council believes current interest rates are in the context of longer term projections, i.e. whether rates over the term of the loan(s) would, on balance, be expected to materially increase or decrease.

Since the 2008 economic downturn interest rates have fallen dramatically and bank base rates have been at a historic low of 0.5% for just under 3 years. Given the continued uncertainty about the degree and timing of economic recovery, forward projections for interest rates are difficult to make with any degree of certainty. However, most market analysts agree that current rates are at or near the bottom of the medium to long-term projections for rates.

The graph below compares the actual average rate of interest earned on balances in the last 3 years, assuming that the current levels continue, with the latest market projections for recovery in interest rates over the next few years.

Over-laying this with a demonstration of the preferential rate at which the HRA can obtain the finance from PWLB, serves to indicate that a fixed term loan would be expected to demonstrate the best financial, and most risk averse option for borrowing in the current economic climate.



Based on the analysis undertaken, it is felt that it would be financially advantageous to the HRA to take out fixed rate loans, as opposed to the variable alternative. In addition to accessing historically low rates, this also gives the advantage of providing greater certainty for financial planning purposes.

The second factor to consider in terms of type of loan is the basis of repayment. As detailed in the table above, there are advantages and disadvantages associated with each loan type available. On balance it is recommended that maturity loans are taken out, as this loan type, although not the cheapest form of borrowing from the PWLB, has the best fit with the financial projections in the more challenging early years of the business plan projections and offers the greatest degree of flexibility, in terms of the potential to release resource during the life of the business plan to facilitate additional investment in service developments.

Source of Borrowing

As noted in the tables above, the Council could look to lend from the General Fund to the HRA, subject to availability. This would have the advantage of retaining the money paid as interest within the Council overall; even if the interest rate charged was the same as available externally and so the HRA had no direct benefit, the General Fund would receive investment income that could exceed the levels available from the market.

An exercise has been undertaken to determine the level of funding that could be made available from the General Fund, and this has identified:

	1/4/2007 £'000	1/4/2008 £'000	1/4/2009 £'000	1/4/2010 £'000	1/4/2011 £'000
Working Capital	12,098	7,308	9,196	(524)	2,800
General Fund					
General Reserve	12,318	13,616	12,183	9,302	9,850
Asset Renewal Reserve	11,027	11,901	12,457	12,533	12,996
Other Ear-Marked Reserve	4,491	4,287	4,635	4,433	4,322
	27,836	29,804	29,275	26,268	27,168
Housing Revenue Account					
General Reserve	6,702	6,591	6,057	5,016	5,689
Asset Renewal Reserve	1,147	1,317	1,407	1,623	1,826
Major Repairs Reserve	0	0	0	0	352
Other Ear-Marked Reserve	327	332	328	334	410
Debt Redemption Premium	(2,829)	(2,284)	(1,739)	(1,193)	(647)
	5,347	5,956	6,053	5,932	7,630
Capital					
Capital Contributions Unapplied	3,419	4,261	4,556	6,173	6,076
Usable Capital Receipts	23,192	21,750	13,719	12,155	12,763
	26,611	26,011	18,275	18,328	18,839
Deferral of Icelandic Investment Impairments on General Fund Balance	0	0	(2,209)	(2,006)	0
Capital Financing Requirement	1,279	1,279	1,279	0	0
Total Invested	73,171	70,358	61,869	47,998	56,437
Note: Includes deposits in banks in administration equal to	0	0	6,791	5,570	5,249

As the table above demonstrates, the year-end investment levels, which are historically the point in each year when sums invested are at their lowest, the General Fund holds balances of between £25 and £30 million.

Although it would appear beneficial to the General Fund in the short-term to lend resource to the HRA, rather than to the market, the type of loan (ie; fixed or variable) would also be an important factor. As identified above, the preferred route for the HRA would be to take fixed interest loans, however, for the General Fund, this could result in interest receipts over the medium and longer-term of the loan which would be below those available in the market. This position is exacerbated by the additional 0.8% discount available from the PWLB for the initial transaction.

On this basis, although some resource is available, it is not anticipated that internal borrowing from the General Fund could be recommended as part of the borrowing strategy for the initial self-financing settlement payment.

The proposal not to internally borrow at this point in time, does not preclude the possibility that it may be advantageous to undertake such borrowing at a future point, i.e. when the business plan requires additional borrowing against the headroom available, at which point the standard PWLB rates may compare less favourably against the rates which the General Fund would seek to charge for any internal loan.

In moving to consideration of external funding sources, as indicated in the table above, the Government's announcement of revised PWLB terms specifically for the self-financing settlement payment is particularly significant. The discounted rate available makes this the most attractive form of external finance available to the Council for this purpose, based on the current published discounted PWLB rates. PWLB rates are revised and re-issued on a twice-daily basis, and hence it will be necessary to review this decision in light of prevailing rates at the date of the payment.

As a result it will be necessary to delegate authorisation to the Director of Resources, to confirm or amend this decision in light of the financial impact of any change in the prevailing rates available on the day.

Loan Portfolio

A simplistic approach could be to seek a single loan for the shortest period possible so as to minimise interest charges, whilst ensuring the loan can be repaid at the end of the term. This would have the advantage of simplifying the associated treasury management activity, but would offer limited flexibility and has the significant risk in that the whole amount would need to be re-financed at a single point in time (therefore at whatever rate is prevalent at that point in time) if further investment in social housing is intended.

One approach to reducing the risk would be to take out multiple loans covering a range of maturity periods, so that the risk in terms of rates prevalent at the point of maturity is spread. The greater the number of loans constituting the borrowing strategy, the greater the resulting flexibility and mitigation of risk, however, this also involves increased treasury management activity.

A prudent approach to scheduling multiple loans would be to ensure that the shortest term sought is in line with the projected point at which the base business plan is capable of repaying the entire initial debt, i.e. year 25. The number of further loans could then be arranged for longer periods based on the relative change in interest rates offered compared to the degree of risk mitigation sought.

Based on the PWLB's current published information, rates do not significantly vary for maturity loans of period from 25 years to a maximum of 50 years. Given this, it is recommended that a portfolio of 20 maturity loans be taken out with periods from 25 to 44 years. Based on each loan being for a similar amount in order to smooth the risk curve, this would result in each loan being for £10,678,600.

In summary, it is recommended that:

- Fixed rate loans are considered as opposed to the variable alternative
- The self-financing settlement is met through external borrowing from PWLB
- The type of loans taken out are maturity loans
- The term of the loans exceed the 25 years within which the base business plan is considered capable of repaying the debt

- A loan portfolio of 20 loans with varying maturity periods, between 25 and 44 years, is taken out to increase flexibility and minimise the risks associated with re-financing

The recommended borrowing strategy involves taking out loans for periods which exceed the point at which the business plan could afford to repay the initial debt. This is felt to be a valid approach in light of the Council's stated intention to seek opportunities to further invest in the level and quality of social housing.

In considering the risks associated with the proposed borrowing strategy, a key factor is the implications of repaying the initial loans at a point earlier than their natural maturity. This may be required for treasury management purposes or to provide greater flexibility within the business plan for future developments.

The external specialist opinion sought from Ernst & Young supports the proposal to borrow long-term from PWLB at the historically low, preferential fixed interest rate offered for the self-financing transaction only.

Premature Repayment of PWLB Debt

All loans held with PWLB, whether Equal Instalments of Principal (EIP), annuity or maturity loan types, can be repaid at an earlier stage than agreed at the time the loans were arranged.

At the point at which an authority determines it is in a position to redeem a loan, PWLB use a discount rate, the rate applicable to premature loan repayment at the point of redemption, to calculate whether the authority should pay a premium, or alternatively receive a discount, for repaying the principal sum early.

The relationship between the rate that the loan was taken out at, and the discount rate applicable at the time of redemption, is key in determining whether a premium is payable or a discount is due. This outcome of this calculation would inform any local decision to redeem a loan early.

The table below demonstrates the potential impact of early redemption at various stages throughout the life of a maturity loan of £10,000,000, assuming an initial loan rate of 3.28% and a loan term of 40 years.

Discount Rate Applicable	Premium Payable / (Discount Receivable) for Loan Redeemed After (X) Years (£)						
	5 Years	10 Tears	15 Years	20 Years	25 Years	30 Years	35 Years
2.5%	1,812,317	1,639,349	1,443,502	1,221,750	970,667	686,373	364,476
3%	604,168	551,324	489,996	418,822	336,222	240,361	129,111
3.27%	(0)	(0)	(0)	(0)	(0)	(0)	(0)
3.5%	(441,957)	(406,604)	(364,553)	(314,537)	(255,044)	(184,282)	(100,113)
4%	(1,349,950)	(1,251,392)	(1,131,250)	(984,797)	(806,272)	(588,652)	(323,373)
4.5%	(2,140,007)	(1,997,686)	(1,819,898)	(1,597,805)	(1,320,365)	(973,786)	(540,839)
5%	(2,829,216)	(2,658,144)	(2,439,159)	(2,158,839)	(1,800,055)	(1,340,668)	(752,677)

As the table indicates, if the discount rate applicable at the point of redemption is equal to the initial loan rate, a break-even point would be achieved with no sums required to change hands. If the discount rate is lower than the loan rate, a premium is payable and if it is higher, a discount is receivable by the authority.

If the view is held that interest rates are currently at the lowest point they are likely to achieve and that the direction of travel over time will be upward, any decision to redeem debt early is most likely to deliver a benefit to the local authority, in the form of receipt of a discount for early redemption.

This view would indicate that borrowing for a longer period at the current low rates offered, provides additional flexibility in terms of not only releasing resource for alternative investment during the life of the business plan, but also by recognising the potential benefit or repaying debt prematurely should balances be available to do so.

Changes to Treasury Management Strategy Statement

In light of the Government requirement for relevant authorities to make a payment to Central for the purposes of HRA self-financing on 28 March 2012, the 2011/12 Treasury Management Strategy Statement has been amended. It was originally anticipated that the payment would

be required on 1st April 2012. Following lobbying by local authorities, CLG has agreed to recompense authorities for the additional interest cost associated with the earlier payment.

The revised strategy takes account of the additional borrowing required in addition to the current authorised borrowing limit of £10m for cashflow purposes. As the final determination of the Council's payment to Central Government under the HRA self-financing arrangements was not known at the time, authority was sought to increase the borrowing authority up to a limit of £250m.

The resulting Treasury Management Strategy Statement was as follows:

Borrowing Strategy

In light of the Government requirement for relevant authorities to make a payment to Central Government for the purposes of HRA self-financing on 28 March 2012, there will be a major borrowing requirement of up to £250m arising in 2011/12.

The Council will be obtaining specialist advice to assist in determining the most appropriate funding strategy associated with this payment. A report will be prepared for members detailing the outcome of this work and its conclusions.

Section 10

Business Plan Options, Sensitivities and Resulting Budgets

Base Assumptions

In arriving at the final financial model for the Housing Revenue Account in a self-financing environment, which is included for approval as part of the budget for 2012/13, it has been necessary to make a number of base assumptions.

In all cases, the base assumptions included are derived from the best information available at the current time, utilising both historic trend data and the expert advice and opinion of specialists in the field of housing finance, lending and borrowing and asset management.

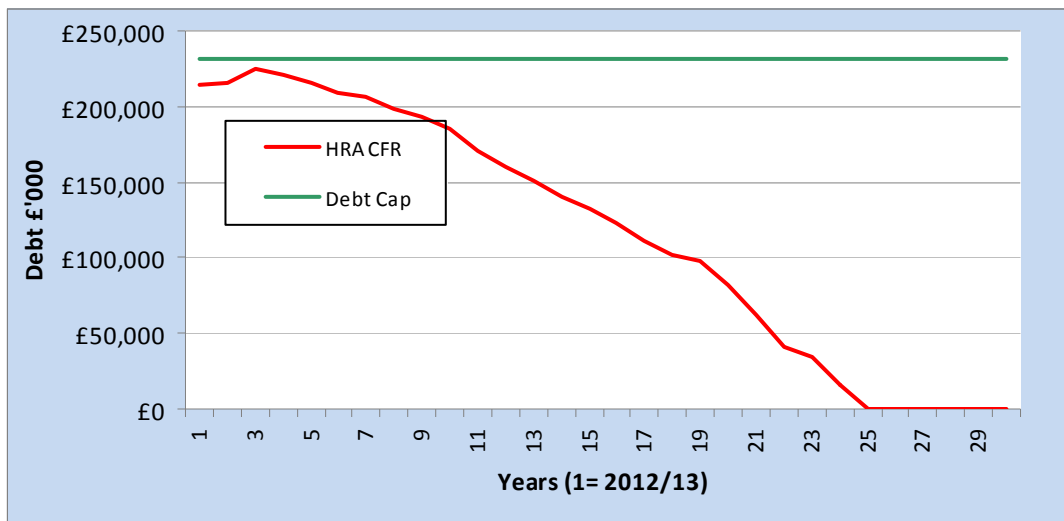
The base financial assumptions included in the financial model are included at [Appendix E](#), and provide the indicative financial position detailed in the graphs below. In addition to a number of financial assumptions, the following key items are included in the base model:

- Investment in the existing housing stock moves from a basic decent homes standard to an investment standard during the first 10 years of the business plan
- The fixed term (two year) additional investment allowing employment of two additional staff in the area offices to tackle rent collection and arrears recovery, included as a budget bid in the 2012/13 budget process, continues on a permanent basis throughout the life of the business plan
- The 146 units of affordable housing regeneration, re-development and in-fill (including the re-development of Seymour Court), which have already received indicative HCA grant funding are delivered in years 1 to 3 of the business plan

- The potential, subject to scheme viability, for the HRA to deliver the affordable housing on the Clay Farm site generates an additional 104 units of housing in year 4 of the business plan
- A loan portfolio of 20 loans with varying maturity periods, between 25 and 44 years, is taken out to increase flexibility and minimise the risks associated with re-financing

As Graph 1a below demonstrates, subject to the financial assumptions in the business plan, the base model would allow debt to be fully redeemed by year 25, should the authority choose to do this.

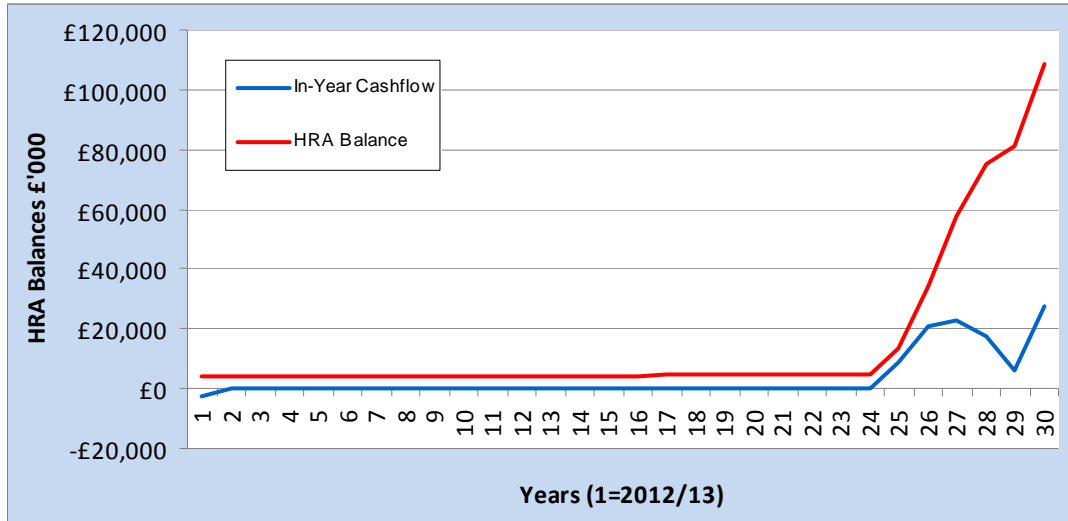
Graph 1a – Base Assumption Model Debt Curve if Debt Repayment is Maximised



The graph above also shows the maximum level of debt that the Housing Revenue Account would be allowed to hold at any point in time. This debt cap figure was confirmed as part of the final HRA self-financing settlement announcement at the level of £230,839,000.

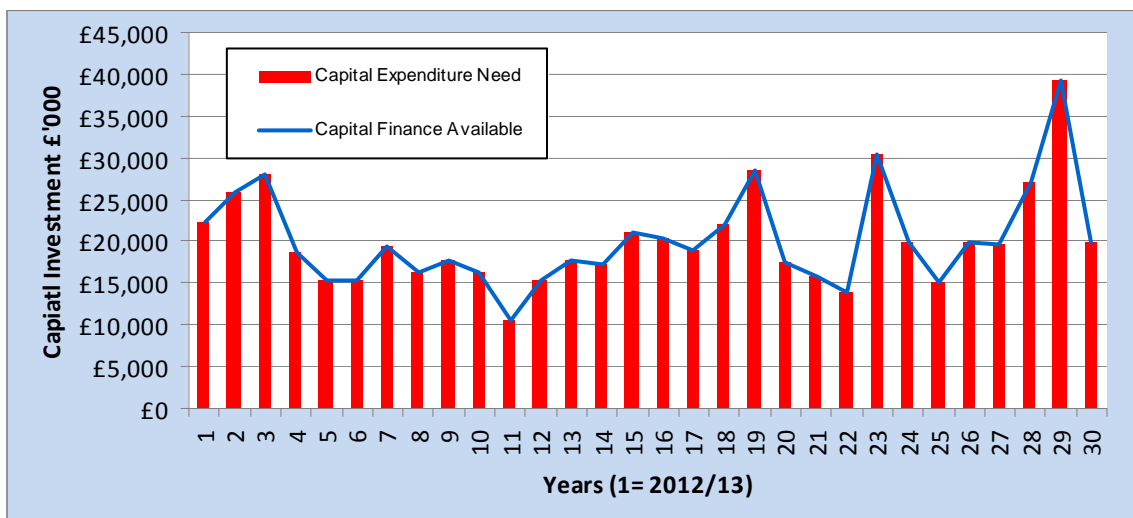
Graph 1b shows the cashflow position for the HRA over 30 years with the base assumptions included.

Graph 1b – Base Assumption Model Cashflow Assumptions



Graph 1c demonstrates the ability to meet the capital investment need currently identified throughout the life of the plan.

Graph 1c – Base Assumption Model Capital Investment Profile



Sensitivities

For every figure used in the base assumption made in the Business Plan, there are an infinite number of alternative values that could have been used. It is impossible to predict everything that may occur which could affect the financial viability of the business model, or even to model all permeations of each of the key sensitivities that have been identified.

To demonstrate the potential financial impact of the identified key sensitivities, the table at [Appendix F](#) indicates the change in the HRA's ability to pay off the debt, with the base model being amended for each sensitivity independently. This will identify only the impact of a single assumption change, and not the compound impact of multiple sensitivity changes.

The results identify that the business model is less sensitive to changes in inflation rates, as long as the direction of travel in inflation rates for both expenditure and income follow the same trajectory. It is clear, however, that a small change in the assumptions around just one, i.e. a reduction in rental income received or an increase in a key area of expenditure, quickly has a major impact of the financial viability of the business plan.

Options

The base model that has been included for approval includes the recommendation to take out a portfolio of maturity loans, to provide future flexibility and potential capacity in the business plan.

The stated aims of the housing service, which seeks to achieve a balance of investment in housing assets and services in line with identified local priorities, incorporate:

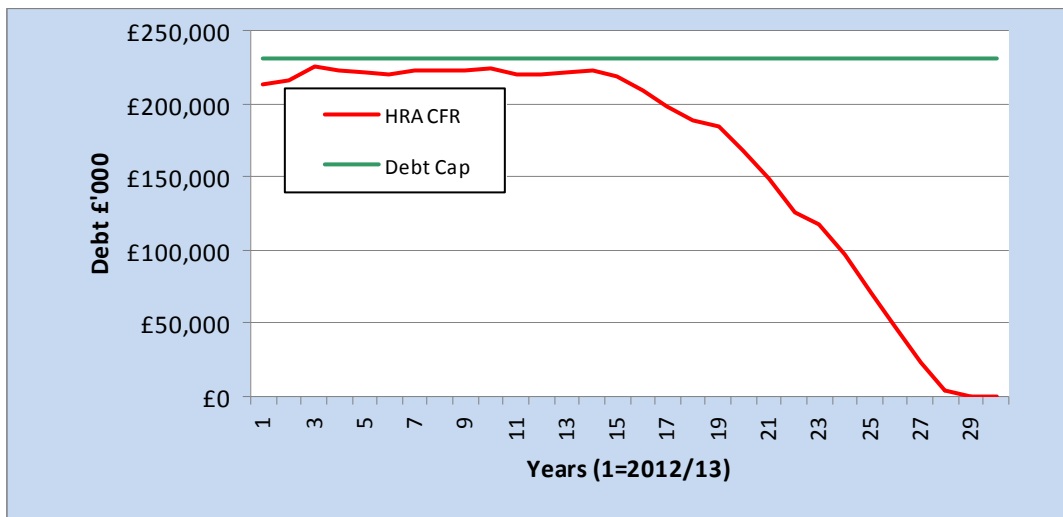
- Investment in the existing housing stock
- Investment in new affordable housing
- Investment in new initiatives and income generating activities
- Spend on landlord service (i.e. housing management, responsive and void repairs)
- Spend on discretionary services (i.e. support)
- Repayment of housing debt

The graphs below demonstrate an alternative investment scenario to give an indication of the level of flexibility that might be available during the life of the plan. The scenario includes all of the base assumptions as detailed above, such as investing in the existing housing stock at an investment standard, completing the 146 units of new build which have indicative HCA grant funding and delivering the affordable housing on the Clay Farm site (104 units), but also assumes:

- Delivery of an additional 400 new build, affordable homes between years 6 and 15 of the business plan (Increasing the total new build achievable to 650).
- Ongoing investment of an additional £200,000 in housing services or new initiatives, with the view that this could be added to in future years if any of the initial investment is in income generating activity or reduces future anticipated costs.
- The business plan still has sufficient resource to redeem the initial loan portfolio before the end of the 30-year period.

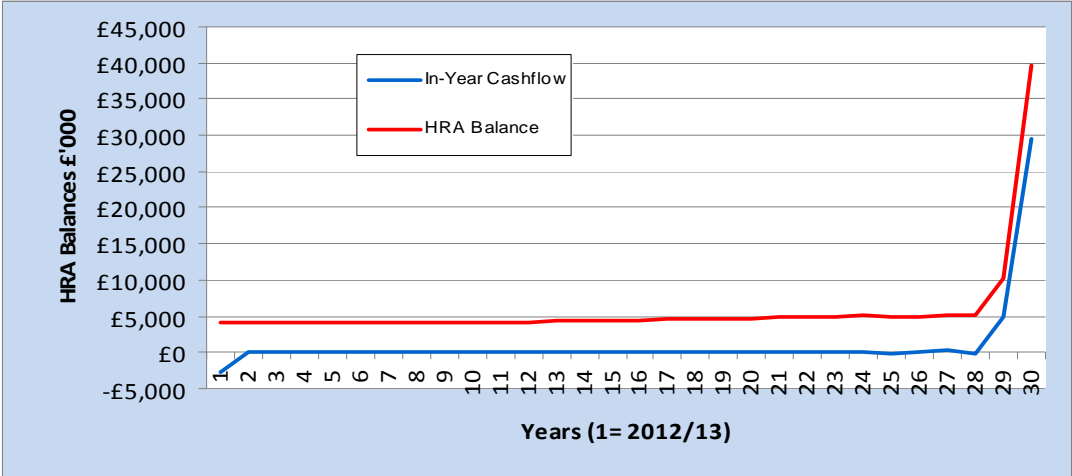
As Graph 2a below demonstrates, with the loan portfolio proposed, there is sufficient resource in the business plan not only to deliver the additional investment identified above, but also to accumulate funds to pay off the outstanding maturity loans by year 29. Alternatively the authority could choose to take out new loans, up to the level of the debt cap in order to provide additional investment in new and existing stock.

Graph 2a – Aspirational Option Model Debt Curve if Debt Repayment is Maximised



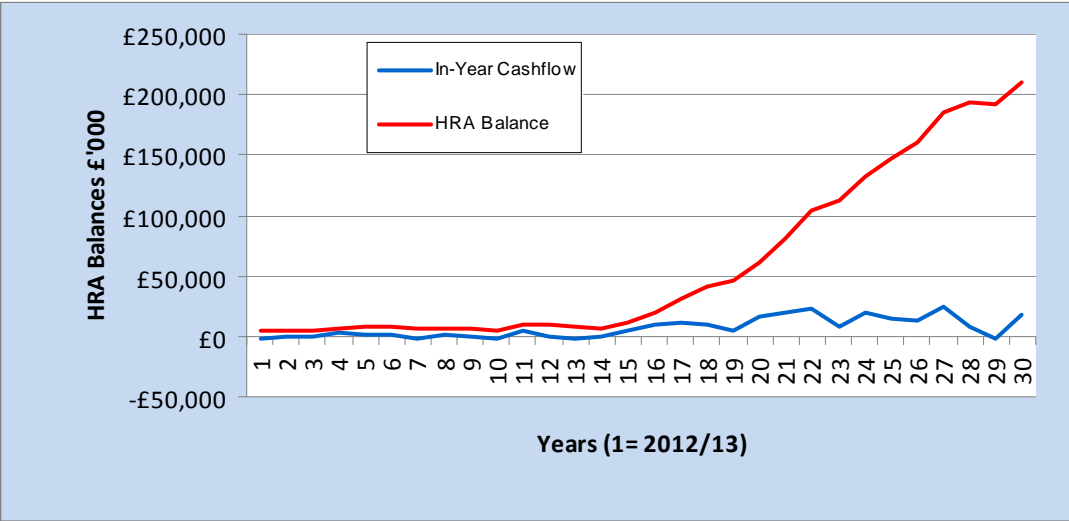
The anticipated cashflow projection, as shown in Graph 2b below indicates that once loans are redeemed, cash balances begin to accumulate again from year 30.

Graph 2b- Aspirational Option Cashflow



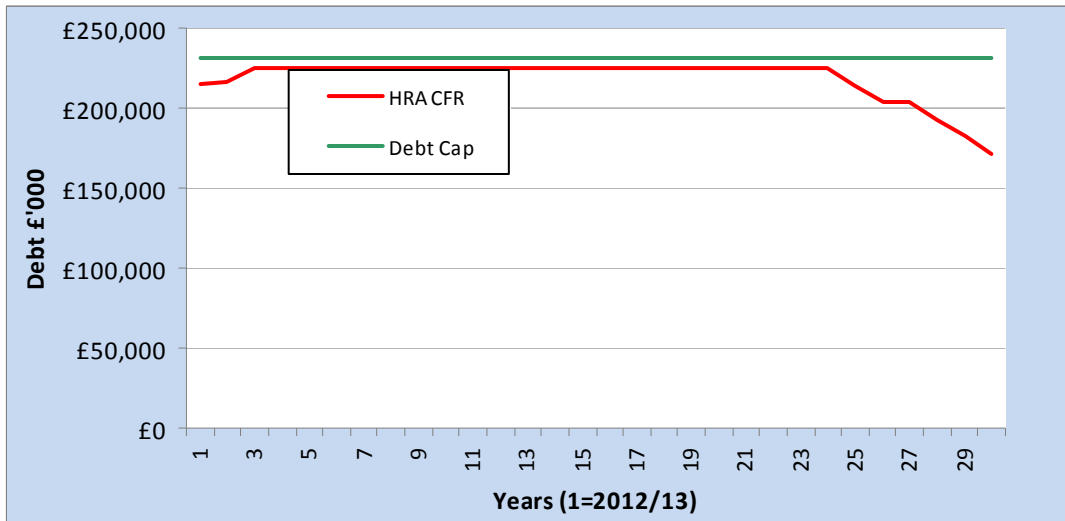
Graph 2c shows the speed at which the surpluses would be expected to accumulate over the 30 year period. This will allow the authority to redeem the loans or alternatively to re-invest in the housing business, if a decision were taken to take out new loans at the point of maturity. By year 29, an estimated £190 million would be available.

Graph 2c – Aspirational Option Model with Cashflow Matched to Loan Profile



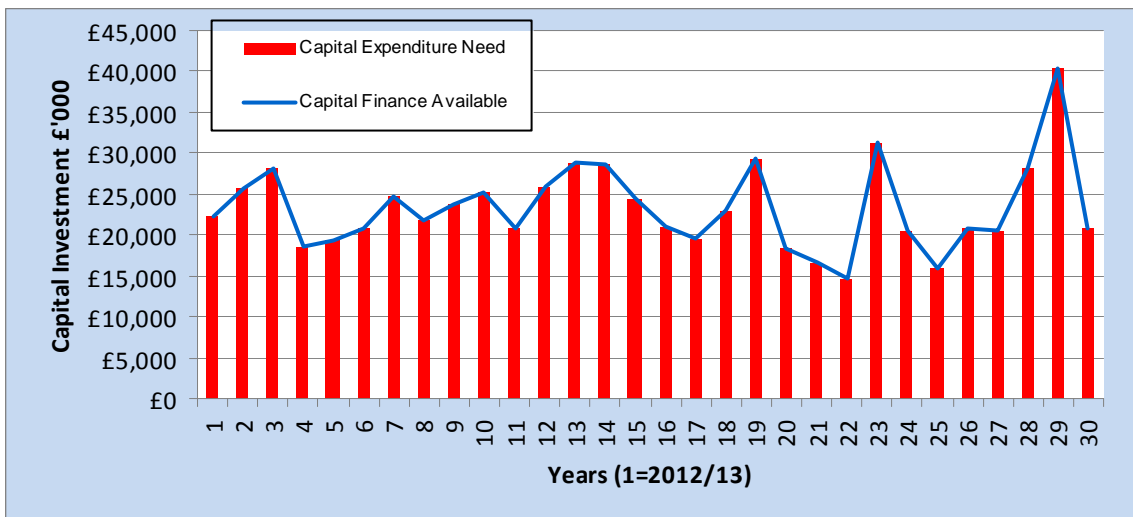
Graph 2d demonstrates the profile of the treasury debt that would be held by the HRA, with approximately £183 million outstanding in year 29. The HRA treasury debt line represents the initial borrowing from PWLB, with the red line showing the total borrowing requirement including further borrowing to fund the aspirational investment outlined above.

Graph 2d - Aspirational Option Model Debt Profile



Graph 2e demonstrates the ability to meet the increased capital investment, including the additional new build affordable housing identified in the option above.

Graph 2e - Aspirational Option Model Capital Investment Profile



Revenue and Capital Budgets

[Appendix G](#) summarises the revenue budget position for the HRA for the period between 2012/13 and 2016/17, based upon inclusion of the financial assumptions that form part of the base self-financing business plan.

[Appendix H](#) provides detail of the 5-Year Housing Capital investment Plan, while [Appendix I](#) summarises the anticipated capital investment over a 30-year period.

Appendix A (Section 2)

Risk Management

Risks for the Housing Revenue Account are evaluated and scored against the following criteria:

Score	Impact	Description
5	Critical	The consequences of this event occurring could cause the failure of a number of services or result in the Council having its powers removed through Government intervention. The level of financial impact is likely to be over £500,000 in any year.
4	Significant disruption &/or damaging	Significant – the consequence of such an event occurring could cause the failure of the service or bring the Council into serious disrepute. The level of financial impact is likely to be up to £500,000 in any year.
3	Noticeable effect	This type of risk event would have a significant impact on a service's ability to provide its full range of activities. The result of this is that the integrity of the service/Council would be called into question by, for example an inspection service. The level of financial impact is likely to be up to £300,000.
2	Some limited disruption	These types of events can normally be dealt with through the normal day to day management of the service and internal control mechanisms. The level of financial impact is likely to be up to £50,000 in any year.
1	Virtually no impact	These events may be recognized internally but generally have no external impact and can be resolved quickly. The level of financial impact is likely to be under £5,000 in any year.

Score	Likelihood	Description
5	Dead Cert	In this case the event(s) may have already happened in the relatively recent past. Without controls it will happen again and may even occur despite controls. Projected increase in insurance premiums
4	Probable	The event is more likely to happen than not but there remains some possibility it will not. The chance of occurrence may be around 75%+.
3	Strong possibility	There is an even chance that this event may (a probability would be around one in two, (50%).
2	Some possibility	These events are not likely to occur but there remains some possibility it will. (A probability of a one in ten chance of this event occurring (10%).
1	Little chance	These events will only occur in exceptional circumstances. (A probability of less than one in fifty (2%).

Cambridge City Council – Risk Matrix

Total risk scores, combining the scores for impact with the likelihood of the risk occurring are monitored against the matrix below:

Impact	5	5-10 Medium	5-10 Medium	12-15 Significant	16-25 High	16-25 High
	4	1-4 Low	5-10 Medium	12-15 Significant	16-25 High	16-25 High
	3	1-4 Low	5-10 Medium	5-10 Medium	12-15 Significant	12-15 Significant
	2	1-4 Low	1-4 Low	5-10 Medium	5-10 Medium	5-10 Medium
	1	1-4 Low	1-4 Low	1-4 Low	1-4 Low	5-10 Medium
		1	2	3	4	5
		Likelihood				

The new organisational risk categories ensure that risks are captured in such a way that the most appropriate part of the organisation can monitor both the risks and the associated mitigation activity, responding quickly to any increase in score to minimise the potential impact on the business.

Risk Category	Risk Description
Growth	Opportunity to influence the growth agenda to ensure the Council meets its Objectives.
Financial	Failure to effectively manage the Council's assets and finances including budget monitoring, financial priorities, medium/long term planning, fraud prevention.
Health & Safety	Failure to manage health and safety effectively leading to a prosecution under the Corporate Manslaughter Act or other health and safety legislation.
Major Projects	Failure to adequately manage and control major

Risk Category	Risk Description
	CCC projects.
Climate Change	Failure to meet Council's climate change commitments.
Recruitment & Retention	Failure to recruit and retain adequate number of suitable staff leading to key person dependency and loss of capacity building opportunities.
Legislation	Failure to ensure compliance with legislation.
Business Continuity	Failure to adequately plan and manage processes for unforeseen events (Civil Emergency Plan, Business Continuity Plans, IT failure)
Reputation	Damage to Council's reputation through adverse media coverage.
Partnerships	Failure to adequately manage and control partnerships working and joint agency activity and key contractor relationships.
Equalities/Social Exclusion	Failure to manage equalities/social exclusion (including duties for specific vulnerable groups).
Political	Ineffective political leadership, policy development and community leadership; member support.
Officer/Member Relationships	Ineffective officer/member working relationships.
Planning & Leadership	Opportunity to maintain and continue to improve Council efficiency through clear strategic focus, planning and leadership.
Governance *	Inappropriate internal governance.
Procurement & Contract Management	Failure to ensure effective procurement and contract management arrangements.
IT & Technology	Failure to properly manage IT, data and the Council's website.
Change Management	Ineffective management of change, inadequate capacity and knowledge.
Physical Property & Assets	Failure to properly manage property and other assets, to prevent damage, loss or theft.

Appendix B (Section 2)

Key Risk Analysis

Risk Area & Issue arising	Controls / Mitigation Action
Effects of Legislation / Regulation	
<p>Implications of new legislation / regulation or changes to existing are not identified.</p> <p>Funding is not identified to meet the costs associated with changes in statutory requirements.</p> <p>HRA Debt Settlement could be re-opened by Government</p>	<p>Effective processes are in place across the Council to ensure that implications are identified and raised. Additional / specific funding enhancements for new services are earmarked for that purpose, to ensure effective implementation</p> <p>The Council has processes in place to manage the demands of local and national housing agendas, including the Vision Statement, MTS and HRA Business Plan</p>
Housing Portfolio & Spending Plans	
<p>The Council approves plans which are not sustainable into the future, leading to increasing problems in balancing budgets.</p>	<p>Council has adopted medium and long-term modelling (up to 30 years) for HRA, to ensure decisions are made in the knowledge of long-term deliverability issues / implications</p> <p>Council has a policy of requiring R&R Funds to be in place to cover all major assets with a finite life, with long-term programmes for key areas</p> <p>The Business Plan and Medium Term Strategy include long-term trend analysis on key cost drivers such as growth levels and demographics, and their implications</p> <p>Target levels of reserves are set for the HRA to enable uneven pressures to be effectively dealt with, and to provide cover against unforeseen events / pressures</p>
Financial planning lacks appropriate levels of prudence	
<p>Business Planning assumptions are wildly inaccurate</p> <p>Financial policies, in general, are not sufficiently robust</p> <p>Funding to support the approved Capital & Revenue Projects Plan is not available</p>	<p>Council has adopted key prudence principles, reflected in:</p> <ul style="list-style-type: none"> • Use of external expert opinion and detailed trend data to inform assumptions • Ongoing revenue funding for capital is reviewed for affordability as part of the 30-year modelling process • Adoption of strict medium / long-term planning • Policy on applying capital receipts for strategic disposals only at point of receipt

Risk Area & Issue arising	Controls / Mitigation Action
External income / funding streams	
<p>Undue reliance may be placed on external income streams, leading to approval of unsustainable expenditure</p> <p>Rent and service charge arrears increase and bad debt rises, as a direct result of the Welfare Benefit Reforms</p> <p>Rent income is under-achieved due to a major incident in the housing stock</p> <p>Changes to the right to buy rules and pooling regulations result in a significantly reduced capital receipt for housing purposes</p> <p>Fees and charges income is adversely affected by the economic downturn</p> <p>The economic downturn reduces the ability to fund capital pressures from the sale of assets</p>	<p>Modelling over the medium and long-term is conducted for key income sources, including sensitivity analysis on potential changes</p> <p>Council seeks to influence national settlements and legislative changes through response to formal consultation and the provision of information to negotiation bodies such as LGA</p> <p>Increased resources identified for income management</p> <p>Asset Management Plan in place to identify and address key issues in the housing stock to minimise likelihood of incident</p> <p>Council seeks to influence national settlements and legislative changes through response to formal consultation and the provision of information to negotiation bodies such as LGA</p> <p>Sensitivities modelled so potential impacts are understood</p> <p>Specialist consultancy support is used to assist in the modelling of the impact of key changes</p>
Use of resources including Projects and Partnerships	
<p>There is ineffective use of the resources available to the Council</p> <p>Failure to deliver Major Housing / Development Projects, i.e; return on capital, project on time etc.</p>	<p>Council employs robust business planning in key activity areas</p> <p>Council has adopted a standard project management framework</p> <p>Housing Service is required to contribute to Portfolio Planning process, linked directly to resources</p> <p>MTOs are used to prioritise available resources ensuring best match with objectives</p> <p>Performance and contractor management procedures have been updated</p> <p>Organisational development and workforce planning activity is being targeted</p> <p>The Council has been recognised as a high performer under the national Use of Resources assessment, scoring a maximum rating of 4 in 2008</p>

Appendix C (Section 7)

Housing Revenue Account

Rent Setting Policy

1 Introduction

The purpose of this policy is to explain how Cambridge City Council will set rent levels for its properties.

2 Policy Statement

Cambridge City Council's Rent Setting Policy focuses around the following statements of principle:

The Council will set rents in accordance with Government rent restructuring policies and guidance.

Rents are set at a level that ensures that the Council can meet its landlord obligations to tenants, maintaining stock to the Decent Homes Standard, while delivering a financially viable Housing Revenue Account over the longer term.

Rents are set to ensure that the Council moves actual rent levels towards rent restructured target rents in line with the Government's target date for convergence.

3 Policy Objectives

The objectives of the rent setting policy are:

- To identify how Cambridge City Council will set rents for general stock properties
- To identify how Cambridge City Council will set rents for shared ownership properties

- To identify how Cambridge City Council will set rents for garages and parking spaces
- To comply with the Government's rent restructuring policy
- To identify the process for providing statutory notice to tenants of proposed changes in rent levels

4 Background

Rent restructuring was introduced with effect from April 2002, following the Government's policy statement in December 2000 when Ministers published "The Way Forward for Housing".

The Government's aim is to ensure consistency in the calculation of rent across local authorities and Registered Social Landlords (RSLs), ensuring that social rents are more affordable, fairer and less confusing for all tenants.

The rent restructuring policy requires rents to be set based upon formula driven by a combination of relative county earnings and relative property values.

5 Detailed Implementation

In line with the rent restructuring policy, Cambridge City Council calculates a 'target' rent for each individual property based on the Government's 'target' rent formula as set out below:

- 70% based on the average county-level manual earnings compared with the national average manual earnings;
- 30% based on the January 1999 property valuation of an individual property, compared with the national average value of a social housing property;
- An additional 'weighting' based on the number bedrooms in the property.
- A weekly rent cap for properties based upon the number of bedrooms in the property.

Actual rents currently charged below target rents will move towards target rents in accordance with the Government's assumptions for guideline rent convergence.

6 Annual Rent Increases

In line with the Council's tenancy conditions, tenants will be given 4 weeks written notice of any change in rents, which will usually be effective from the annual date for rent increases, being the first Monday in April of each calendar year.

Annual rent increases currently comprise, in line with the guidelines, two elements:

Inflation plus 0.5% across all properties (based on the retail price index (RPI) inflation rate for the preceding September)

Increase (or decrease) in an attempt to ensure rent convergence over the convergence period, under rent restructuring guidelines (limited to a maximum of £2 per week on a 52 week basis)

Rent will be due on each Monday during the rent year (52 or 53 weeks), but will be raised on rent accounts across 48 chargeable weeks for collection purposes.

7 General Needs, Sheltered and Supported Housing

Cambridge City Council does not currently apply the 5% flexibility in formula rents (10% for sheltered / supported housing), but will review this practice on an annual basis, with any change proposed only after consultation.

Rents in respect of routine void properties will continue to be phased towards target rents in line with other properties in the area.

Rents for properties which have undergone a material change, full refurbishment or rebuild, (i.e.; sheltered scheme refurbishment, property extension or conversion) will be set immediately at target rents, reflecting the increased investment and condition of the property.

Rents for all new build properties will be introduced immediately at either target or Homes & Communities Agency approved rent levels, reflecting the initial investment and condition of the property.

8 Shared Ownership Housing

Rents for shared ownership properties will be amended in line with the requirements of the lease.

Target rents will be reduced by 20%, in line with the terms of the shared ownership lease, to reflect the tenant's liability for repairs to the property.

Rents will be increased (or decreased) in line with government guidelines for rent restructuring as far as possible within the terms of the lease, with a maximum increase of inflation (RPI at the preceding September) plus 0.5% plus a proportion of £2 directly relational to the share retained by the Council.

Rents in respect of routine void properties will continue to be phased towards target rents in line with other properties in the area.

Rents for all new build properties will be introduced immediately at target rent levels, reflecting the initial investment and condition of the property.

9 Garages

Rent levels for garages and parking spaces will be reviewed annually as part of the budget process, set according to demand.

VAT will be applied to all private garages, ie; garages or parking spaces let to those who are either not housing tenants of Cambridge City Council or are tenants where the garage is not in the immediate proximity of the tenanted dwelling.

10 Monitoring

The setting of all rents will be monitored and reviewed annually by Housing Management Board, with decisions in respect of rent setting being made by the Executive Council for Housing.

11 Review of the Rent Setting Policy

The Rent setting policy will be reviewed by officers at a minimum of every 3 years, with any changes being presented to Housing Management Board for scrutiny and approval by the Executive Councilor for Housing.

Policy Date January 2012

Review Date January 2015

Appendix D (Section 9)

HRA Services Performance Indicators 2011/12 onwards

code	Description	10/11 actual	11/12 target	12/13 target	comments
Existing Homes					
DH1	% non-decent council homes	0%	0%	0%	0% non-decency expected to be maintained from 2010/11 onwards
Repairs & Maintenance					
RM1	% repairs completed within the target time: a) Emergency b) Urgent c) Routine	a) 96.4% b) 82.4% c) 86.5%	a) 99% b) 98% c) 98%	a) 99% b) 98% c) 98%	
RM2	% of responsive repairs where an appointment was made & kept: a) appointments made of those; b) appointment kept	a) 49% b) 94%	a) 80% b) 99%	a) 80% b) 99%	An upgrade of the Orchard system is required to generate 1-hour appointment slots
RM4	% of responsive repairs where the target date has been extended	NA	<7%	<7%	
RM5	Average cost per responsive repair	£111.34			Monitored annually via Housemark Core Benchmarking
RM6	Turnover per Operative	TBA	>£75k	>£75k	
RM7	Number of properties without a valid gas safety certificate	0	0	0	
Void turnaround					
V1	Voids: quality of void at the time of final inspection	TBA			as determined by the tenant inspectors - we are currently reviewing the void inspection process with the tenant inspectors.
V2	Average time taken to re-let local authority housing: a) Repair Time (days) b) TM Time (days) c) overall	a) 16 b) 18 c) 27	c) 35	c) 35	
V3	Average time taken to turn around management voids	NA	TBA	TBA	to address the rent lost through poor longer-term void turnaround time
V4	Average cost per void repair	£2,730	TBA	TBA	Monitored annually via

code	Description	10/11 actual	11/12 target	12/13 target	comments
					Housemark Core Benchmarking

Satisfaction

ES1	Satisfaction with Estate Services	NA	TBC	TBC	Housemark requirement
RM3	How satisfied was the resident with the completed repair	93%	95%	95%	Based on repair slip returns
CS3	Percentage of respondents fairly satisfied or very satisfied with the way their ASB case was handled	76%	77%	78%	Target based on median Housemark quartile
RI1	STAR: Satisfaction of tenants with the services provided by their landlord a) Overall. b) from BME respondents. c) from non-BME respondents.	a) 82% b) 74% c) 82% (2008)	TBA		STAR tenant satisfaction survey to be completed on 2011/12
RI2	STAR: satisfaction of tenants that their landlord listens to tenant views and acts upon them	NA	New		STAR tenant satisfaction survey to be completed on 2011/12
RI3	STAR: satisfaction of tenants with the VFM of their rent	NA	New		STAR tenant satisfaction survey to be completed on 2011/12

Income Management

IM1	Proportion of rent collected	98.50%	98.60%	98.70%	Rent collection continues to improve in a climate of economic uncertainty and changes to the benefit system.
IM2	Total tenant arrears as a % of rent due (includes current & former tenant arrears)	4.18%	4%	3.75%	The challenge is to reduce the amount owed by former tenants either by collection or robust write off procedure.
IM3	% of tenants evicted due to rent arrears	0.33%	0.25%	0.25%	The number of evictions remains low and we will continue to strike a balance between support and enforcement.
IM4	% of tenants with some rent to pay, paying their rent with DD	46.60%	50%	55%	Direct debit is the most cost effective way for the Council to collect monies due (inc property and garage rents)

Housing Need

CBL1	Verify Home-Link applications within 28	46 days	28	28	
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code	Description	10/11 actual	11/12 target	12/13 target	comments
	working days of receipt (ave days) (Home-link Service Standard)		days	days	
CBL2	Assess cases referred for medical priority within 28 working days (ave days) (Home-link Service Standard)	44 days	28 days	28 days	

Energy Efficiency

EE1	Number of renewable energy installations on LA stock	11	16	18	
EE2	Average SAP rating for the whole housing stock: a) CCC	a) 75	TBC	TBC	Now using new software that utilises SAP 2005 methodology (results will reduce in line with the new scale) - targets TBC
EE3	%CCC properties with a SAP rating below 35	a) 100	a) 0	a) 0	
EE4	Green Deal: TBA	TBA	TBA	TBA	The Government's Green Deal is due later in 2011. The outcome of this may have an impact on the data we are required to collect. The PI's above may therefore change

Community integration

CS1	Number of racial incidents recorded by the authority per *100,000 population.	23	NA	NA	
CS2	Percentage of racial incidents that resulted in further action.	100%	NA	NA	
CS4	Direct cost per case of ASB	£1,372			Produced from Housemark benchmarking data

Service quality

SS1	Number of Housing complaints responded to within 7 days	96%	100%	100%	The corporate standard is response or acknowledgement within 7 working days.
SS2	Number of Housing letters needing a reply responded to within 7 days	99%	100%	100%	The corporate standard is response or acknowledgement within 7 working days.
SS3	Corporate Answer Rate - Local PI of answering external calls in 12 seconds (%): a) Housing b) City Homes North	a) 86.2 b) 85.5 c) 77.4	87%	87%	The Corporate target is 87%.

code	Description	10/11 actual	11/12 target	12/13 target	comments
	c) City Homes South	(Mar)			
SS4	Busy calls: a) Housing b) City Homes North c) City Homes South	a) 6.7 b) 7.3 c) 9.5 (mar)	<5%	<5%	
SS5	Unanswered calls: a) Housing b) City Homes North c) City Homes South	a) 5.4 b) 3.0 c) 2.1 (mar)	<2%	<2%	
SS6	Customer Service Centre: % of calls resolved at first point of contact: a) Homelink b) Housing Management c) Housing needs & options d) Repairs	a) 86% b) 85% c) 77% d) 94%	80%	80%	This shows calls that did not need to be escalated on to another member of staff

Appendix E (Section 10)

Business Planning Base Assumptions

Key Area	Assumption	Comment
General Inflation	2.5%	General inflation on expenditure and other income - included at 2.5% (Government projection of level of RPI for 2012), from 2013/14 for the life of the plan.
Capital Programme Inflation	4.5%, then 3%	Real increase above RPI of 2% for 5 years as per advice given by Savills, then 0.5% above from 2018/19.
Capital Investment	Investment Standard	Base model assumes an investment standard in the housing stock, compared with a basic decent homes standard, recognising long-term benefits of pro-active rather than re-active investment.
Pay Inflation	4.4%	Assume allowance for increments only in 2012/13 at 1.9%, re-introducing allowance for pay award at 2.5% from 2013/14 onwards.
Employee Turnover	3%	Employee budgets - assume an employee turnover saving of 3.0% of gross pay budget for office-based staff.
Rent Increase Inflation	3%	Rent increases assumed in line with government guidelines of RPI at preceding September plus 0.5%. Assume RPI at 2.5%.
Rent Convergence	2015/16	Convergence with target rent assumed in 2015/16, although limits on individual increases inhibit achieving this locally.
External Borrowing Interest rate	3.17% to 3.29%	Assumes a portfolio of 20 fixed rate maturity loans with PWLB at pre CSR 2010 preferential rates, maturing annually from years 25 to 44.
Internal Borrowing Interest Rate	1.81%, 3.31%, then 3.75%	Assume a rate which matches that anticipated to be receivable from the market for lending. Assume 3.75% from 2014/15.
External Lending Interest Rate	1.81%, 3.31%, then 3.75%	Interest rate – based on latest market projections (on average 1.81% for 2012/13, 3.31% for 2013/14 and 3.75% from 2014/15).
HRA Balances	£2,000,000	Maintain HRA minimum balance at £2,000,000, recognising increased risks in HRA Self-Financing environment.
Right to Buy Sales	10 to 17 per annum	In line with assumptions in CLG settlement model, with 10 in 2012/13, increasing over 30 years to 17 per annum.
Right to Buy Receipts	Excluded from the model	Right to buy receipts are excluded from the model pending the outcome of the CLG consultation on changes to the right to buy legislation. Any receipts received would be used to meet existing General Fund Housing commitments and to deliver replacement new build housing.
Void Rates	1.25%, then 1%	Assumes continued higher void rate of 1.25% for 3 years, until sheltered housing refurbishment programme and Seymour Court / Roman Court developments and complete. 1% assumed from 2015/16 onwards.

Key Area	Assumption	Comment
Bad Debts	0.56%, then 1.12%	Based upon historic bad debt provision made in the HRA for 2012/13, increased by 100% to reflect the requirement to collect 100% of rent directly from 2013/14. Assumes an extension of the existing rent payment profile across the entire housing stock.
Rent Collection Transactional Costs	An increase in transactional costs of £100,000 per annum from 2013/14	An increase of £100,000 per annum has been included from 2013/14, recognising the increase in transactional collection costs associated with the requirement to collect 100% of rent directly from tenants, as opposed to receiving approximately 50% via housing benefit as currently happens.
Debt Management Expenses	£151,000 per annum	Assume debt management expenses in line with allowance made in the debt settlement. Cost will be lower if single PWLB loan taken out.
New Build Programme	250 Units	Assumes delivery of the current 3-year affordable housing investment programme of 146 units, where HCA grant funding has been approved and an additional 104 units on the Clay Farm site in year 4/5 of the business plan.
Savings Target	0%	No savings target included in base model, with the assumption that efficiencies will be driven out to allow strategic re-investment in new assets, existing assets and housing services.
Policy Space	0	No policy space included in base model, with assumption that any policy space required would need to be created through the generation of savings.
Service Reviews	Per budget savings proposals	The HRA Business Plan assumes that the outcomes of service reviews will deliver ongoing benefit to the HRA as indicated in the budget process for 2012/13 and beyond.

Appendix F (Section 10)

Business Planning Key Sensitivity Analysis

Topic	Business Plan Assumption	Key Sensitivity Modelled	Financial Impact
Interest Rates	PWLB fixed rate 30 year annuity loan	Assume fixed rate loan over 30 years, with increase of 1% in interest rates from the outset	The ability to repay the debt is extended from year 25 to year 30. Borrowing up to the debt cap would be required by year 3, to meet the capital investment need identified.
General and Rents Inflation	General Inflation using RPI at 2.5% for expenditure and rents base, as per latest government projections	Volatility in the economy could lead to an increase in inflation. 1% increase in general and rents base inflation for the life of the plan	Ability to repay debt brought forward from year 25 to year 22.
Capital Investment Inflation	Capital Investment Inflation at 2% for 5 years and then at 0.5%	A real increase of 2% is allowed for building inflation until 2017/18 in line with existing external procurements. Assume that real inflationary increase of 0.5% is not required from 2018/19 for the remainder of the plan, assuming benefits of long term procurement	Ability to repay debt brought forward from year 25 to year 24.
Rent Increases	Rent increases of RPI plus 0.5% with convergence in 2015/16 as per government guidelines	The government set rent guidelines which are expected to be followed and are built into the model. Local decision could deviate from the prescribed guidelines. Assume 0.5% lower rent increases for existing stock for the life of plan	Inability to repay debt within the life of the plan, but estimated to be extended from year 25 to approximately year 40.
Employer's Pension Contribution	Business Plan includes provision for increases of 0.75% from 2011/12 to 2016/17	Assumptions on life expectancy and negative market effects on the value of assets in the Pension Fund leading to increased employer contribution requirements above the level of provision already made. Assume an additional 1% in pension provision.	£3 million reduction in balances over the life of the plan, with no change in ability to repay the debt in year 25.
Right to Buy Sales (Revenue Impact)	Numbers assumed in line with CLG settlement of 10	Proposals to re-invigorate the RTB scheme could see sales levels increase. For example, 10 years ago over 100 sales per annum	The ability to repay debt is extended from year 25 to year 27.

Topic	Business Plan Assumption	Key Sensitivity Modelled	Financial Impact
	rising to 17 per annum	were realised. Assume that the changes, with a proposed increase in maximum discount from £34,000 to £50,000, has the impact of doubling the number of right to buy sales, with the current pooling arrangements still in place	
Investment Income	Business Plan assumes interest on balances increasing to 3.75% by 2014/15	Rates may fail to recover as anticipated, or fall further. Assume ongoing rate of 2% achieved.	£8 million reduction in balances over the life of the plan, with no change in ability to repay the debt in year 25.
Housing Rent Collection and Welfare Benefit Reforms	Budgeted costs based on historic levels of enforcement activity, but an increased level of transactional collection costs.	Economic climate may require an increase in enforcement activity. Welfare Benefit Reforms will result in 100% more rent being required to be collected directly from tenants. Assume, in addition to the increase in transactional costs built into the base, additional staffing costs of £110,000 per annum from 2013/14.	The ability to repay debt is extended from year 25 to year 26.
Rent Restructuring and Rent Setting Policy	Rents increased in line with Rent Restructuring and CCC Rent Policy	An assumption that rents for void properties are moved straight to target rents	Generates an estimated additional £4 million, by delivering short-term financial benefit that could be offset against investment.

Appendix G (Section 10)

HRA Summary Forecast 2012/13 to 2016/17

Description	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
Income					
Rental Income (Dwellings)	(32,828)	(34,609)	(36,359)	(38,848)	(40,564)
Rental Income (Other)	(1,023)	(1,049)	(1,075)	(1,102)	(1,130)
Service Charges	(2,309)	(2,361)	(2,414)	(2,468)	(2,523)
Contribution towards Expenditure	(481)	(488)	(497)	(505)	(514)
Other Income	(28)	(31)	(36)	(36)	(36)
Total Income	(36,669)	(38,538)	(40,381)	(42,959)	(44,767)
Expenditure					
Supervision & Management - General	4,704	4,993	5,172	5,381	5,592
Supervision & Management - Special	2,426	2,665	2,591	2,676	2,765
Repairs & Maintenance	6,763	7,091	7,427	7,913	8,398
HRA Subsidy	0	0	0	0	0
Depreciation – t/f to Major Repairs Res.	9,289	9,430	9,655	10,017	10,249
Debt Management Expenditure	151	155	159	163	167
Other Expenditure	312	521	545	571	592
Total Expenditure	23,645	24,855	25,549	26,721	27,763
Net Cost of HRA Services	(13,024)	(13,683)	(14,832)	(16,238)	(17,004)
HRA Share of operating income and expenditure included in Whole Authority I&E Account					
Interest Receivable	(110)	(135)	(153)	(153)	(152)
Mortgage Interest Receipts	(1)	0	0	0	0
(Surplus) / Deficit on the HRA for the Year	(13,135)	(13,818)	(14,985)	(16,391)	(17,156)
Items not in the HRA Income and Expenditure Account but included in the movement on HRA balance					
Loan Interest	6,982	6,985	7,093	7,144	7,057
Debt Redemption Premium	301	0	0	0	0
Housing Set Aside	1,090	0	0	3,156	5,490
Depreciation Adjustment	(1,969)	(1,989)	(2,024)	(2,070)	(2,118)
Direct Revenue Financing of Capital	9,333	8,778	9,918	8,183	6,741
(Surplus) / Deficit for Year	2,602	(44)	2	22	14
Balance b/f	(4,559)	(1,957)	(2,001)	(1,999)	(1,977)
Total Balance c/f	(1,957)	(2,001)	(1,999)	(1,977)	(1,963)

Appendix H (Section 10)

Housing Capital Investment Plan (5 Year Detailed Investment Plan)

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Description	£'000	£'000	£'000	£'000	£'000	£'000
General Fund Housing Capital Spend						
Assessment Centre	2,760	37	0	0	0	0
Disabled Facilities Grants	582	550	550	550	550	550
Private Sector Housing Grants and Loans	195	195	195	195	195	195
Long Term Vacants	20	20	20	20	20	20
Total General Fund Housing Capital Spend	3,557	802	765	765	765	765
HRA Capital Spend						
Decent Homes						
Kitchens	665	691	255	618	598	292
Bathrooms	120	196	128	522	525	119
Boilers / Central Heating	1,553	2,024	1,316	618	2,450	1,688
Insulation / Energy Efficiency	58	100	100	100	100	100
External Doors	378	16	28	129	108	63
PVCU Windows	130	3	339	1,002	1,350	912
Wall Structure	0	15	36	621	63	114
Wall Finishes	479	284	196	319	230	115
Wall Insulation	0	100	100	100	100	100
External Painting	0	0	0	0	0	0
Roof Structure	0	307	300	800	300	322
Roof Covering	934	1,130	544	215	210	274
Chimneys	0	51	39	12	2	1
Electrical / Wiring	304	279	83	91	181	317
Smoke Detectors	0	3	5	19	109	9
Sulphate Attacks	125	102	102	102	102	102
Major Voids	59	56	53	51	48	53

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Description	£'000	£'000	£'000	£'000	£'000	£'000
HHSRS Contingency	140	150	150	100	100	100
Other Health and Safety Works (Balconies)	464	50	50	50	50	50
Other External Works	0	0	0	3	5	0
Rising Damp / Penetrating Damp	20	0	0	0	0	0
Professional Fees	377	377	377	377	377	377
External Professional Fees	0	19	19	19	19	19
Decent Homes Backlog	0	2,131	3,907	2,131	1,065	3,019
Planned Maintenance Contractor Overheads	0	970	975	960	971	978
Total Decent Homes	5,806	9,054	9,102	8,959	9,063	9,124
Other Spend on HRA Stock						
Garages	66	300	300	300	300	300
Asbestos Contingency	200	200	200	200	200	200
Disabled	915	878	878	878	878	878
TIS Schemes	25	21	21	21	21	21
Communal Areas Uplift	0	546	546	546	546	546
Fire Prevention / Fire Safety Works	1,424	300	300	300	300	300
Hard surfacing on HRA Land - Health and Safety Works	270	150	250	250	150	150
Hard surfacing on HRA Land - Recycling	199	100	0	0	0	0
Communal Areas Floor Coverings	207	100	100	0	0	0
Professional Fees	104	104	104	104	104	104
Lifts and Door Entry Systems	13	13	13	13	13	13
Fencing	116	100	100	100	100	100
Cemetery Lodge	0	50	0	0	0	0
Hanover / Princess Laundry	3	0	0	0	0	0
East Road Garages - Lighting Controls	0	4	0	0	0	0
TV Aerials	8	0	0	0	0	0
Planned Maintenance Contractor Overheads	0	344	337	325	313	313
Total Other Spend on HRA stock	3,550	3,210	3,149	3,037	2,925	2,925

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Description	£'000	£'000	£'000	£'000	£'000	£'000
HRA New Build / Re-Development						
Teversham Drift	115	0	0	0	0	0
Cockerell Road	14	0	0	0	0	0
Harris Road	5	0	0	0	0	0
Church End	319	0	0	0	0	0
Roman Court	165	578	591	41	0	0
Seymour Court	1,153	0	0	0	0	0
3 Year Affordable Housing Programme (Excl. Seymour Court)	0	4,510	10,761	2,859	0	0
Clay Farm	0	0	0	10,046	3,617	0
Total HRA New Build	1,771	5,088	11,352	12,946	3,617	0
Cambridge Standard Works						
Cambridge Standard Works	455	200	200	200	200	200
Total Cambridge Standard Works	455	200	200	200	200	200
Sheltered Housing Capital Investment						
Emergency Alarm Service	96	0	0	0	0	0
Talbot House	5	0	0	0	0	0
Ditchburn Place	634	3,224	0	0	0	0
Brandon Court	3,045	0	0	0	0	0
Total Sheltered Housing Capital Investment	3,780	3,224	0	0	0	0
Other HRA Capital Spend						
Orchard Upgrade / Open Contractor / Mobile Working / ASB Database	34	227	0	0	0	0
Low Cost Home Ownership	300	300	300	300	300	300
RFR Buy Back	0	330	330	330	0	0
Commercial Property	68	30	30	30	30	30
Total Other HRA Capital Spend	402	887	660	660	330	330

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Description	£'000	£'000	£'000	£'000	£'000	£'000
Total HRA Capital Spend	15,764	21,663	24,463	25,802	16,135	12,579
Total Housing Capital Spend at Base Year Prices	19,321	22,465	25,228	26,567	16,900	13,344
Inflation Allowance for Future Years	0	0	835	1,709	2,010	2,343
Total Inflated Housing Capital Spend	19,321	22,465	26,063	28,276	18,910	15,687
Housing Capital Resources						
Right to Buy Receipts	-344	0	0	0	0	0
Other Capital Receipts (Land and Dwellings)	0	0	0	0	0	0
Major Repairs Allowance (MRA)	-5,119	0	0	0	0	0
Major Repairs Reserve	0	-7,673	-7,398	-7,529	-7,702	-7,881
Direct Revenue Financing of Capital	-2,972	-9,333	-8,778	-9,918	-8,183	-6,741
Other Capital Resources (Grants / Shared Ownership / R&R Funding)	-349	-3,507	-6,596	-1,826	-2,260	-300
Disabled Facilities Grant	-262	-262	-262	-262	-262	-262
Developer's Contributions (Affordable Housing)	-331	0	0	0	0	0
Prudential Borrowing	-283	0	-2,526	-8,238	0	0
Total Housing Capital Resources	-9,660	-20,775	-25,560	-27,773	-18,407	-15,184
Net (Surplus) / Deficit of Resources	9,661	1,690	503	503	503	503
Capital Balances b/f	-13,794	-5,036	-3,346	-2,843	-2,340	-1,837
Use of / (Contribution to) Balances in Year	9,661	1,690	503	503	503	503
Use of balance previously ear-marked for affordable housing	-903	0	0	0	0	0
Capital Balances c/f	-5,036	-3,346	-2,843	-2,340	-1,837	-1,334

Appendix I (Section 10)

Housing Capital Investment Plan (30 Year Summary Investment Plan)

	2012/13 to 2016/17	2017/18 to 2021/22	2022/23 to 2026/27	2027/28 to 2031/32	2032/33 to 2036/37	2037/38 to 2041/42
Description	£'000	£'000	£'000	£'000	£'000	£'000
General Fund Housing Capital Spend						
Assessment Centre	37	0	0	0	0	0
Disabled Facilities Grants	2,750	2,174	1,310	1,310	1,310	1,310
Private Sector Housing Grants and Loans	975	430	0	0	0	0
Long Term Vacants	100	40	0	0	0	0
Total General Fund Housing Capital Spend	3,862	2,644	1,310	1,310	1,310	1,310
HRA Capital Spend						
Decent Homes						
Kitchens	2,454	2,911	6,025	10,458	2,062	2,911
Bathrooms	1,490	1,952	756	1,050	1,619	2,736
Boilers / Central Heating	8,096	13,916	13,698	11,324	13,765	9,206
Insulation / Energy Efficiency	500	500	500	500	500	500
External Doors	344	436	331	766	462	582
PVCU Windows	3,606	6,031	4,020	7,890	388	3,585
Wall Structure	849	639	189	1,797	2,265	1,998
Wall Finishes	1,144	1,438	1,257	1,302	1,164	804
Wall Insulation	500	500	0	0	0	0
External Painting	0	0	0	0	0	0
Roof Structure	2,029	1,514	7	7	0	0
Roof Covering	2,373	3,354	4,451	3,204	2,020	6,370
Chimneys	105	2	5	7	60	127
Electrical / Wiring	951	1,247	848	1,723	2,246	4,028
Smoke Detectors	145	245	548	145	245	548
Sulphate Attacks	510	510	510	102	0	0

	2012/13 to 2016/17	2017/18 to 2021/22	2022/23 to 2026/27	2027/28 to 2031/32	2032/33 to 2036/37	2037/38 to 2041/42
Description	£'000	£'000	£'000	£'000	£'000	£'000
Major Voids	261	269	270	270	270	270
HHSRS Contingency	600	500	500	500	500	500
Other Health and Safety Works (Balconies)	250	250	250	250	250	250
Other External Works	8	34	13	32	326	716
Rising Damp / Penetrating Damp	0	0	0	0	0	0
Professional Fees	1,885	1,885	1,885	1,885	1,885	1,885
External Professional Fees	95	95	95	95	95	95
Decent Homes Backlog	12,253	5,505	0	0	0	0
Planned Maintenance Contractor Overheads	4,854	5,248	4,338	5,197	3,615	4,454
Total Decent Homes	45,302	48,981	40,496	48,504	33,737	41,565
Other Spend on HRA Stock						
Garages	1,500	500	500	500	500	500
Asbestos Contingency	1,000	500	500	500	500	500
Disabled	4,390	4,390	4,390	4,390	4,390	4,390
TIS Schemes	105	105	105	105	105	105
Communal Areas Uplift	2,730	2,730	2,730	2,730	2,730	2,730
Fire Prevention / Fire Safety Works	1,500	1,200	0	0	0	0
Hard surfacing on HRA Land - Health and Safety Works	950	750	750	750	750	750
Hard surfacing on HRA Land - Recycling	100	0	0	0	0	0
Communal Areas Floor Coverings	200	0	0	300	200	0
Professional Fees	520	520	520	520	520	520
Lifts and Door Entry Systems	65	65	65	65	65	65
Fencing	500	500	500	500	500	500
Cemetery Lodge	50	0	0	0	0	0
Hanover / Princess Laundry	0	0	0	0	0	0
East Road Garages - Lighting Controls	4	0	0	0	0	0
TV Aerials	0	0	0	0	0	0
Planned Maintenance Contractor	1,632	1,349	1,205	1,241	1,229	1,205

	2012/13 to 2016/17	2017/18 to 2021/22	2022/23 to 2026/27	2027/28 to 2031/32	2032/33 to 2036/37	2037/38 to 2041/42
Description	£'000	£'000	£'000	£'000	£'000	£'000
Overheads						
Total Other Spend on HRA stock	15,246	12,609	11,265	11,601	11,489	11,265
HRA New Build / Re-Development						
Teversham Drift	0	0	0	0	0	0
Cockerell Road	0	0	0	0	0	0
Harris Road	0	0	0	0	0	0
Church End	0	0	0	0	0	0
Roman Court	1,210	0	0	0	0	0
Seymour Court	0	0	0	0	0	0
3 Year Affordable Housing Programme (Excl. Seymour Court)	18,130	0	0	0	0	0
Clay Farm	13,663	0	0	0	0	0
Total HRA New Build	33,003	0	0	0	0	0
Cambridge Standard Works						
Cambridge Standard Works	1,000	1,000	1,000	1,000	1,000	1,000
Total Cambridge Standard Works	1,000	1,000	1,000	1,000	1,000	1,000
Sheltered Housing Capital Investment						
Emergency Alarm Service	0	0	0	0	0	0
Talbot House	0	0	0	0	0	0
Ditchburn Place	3,224	0	0	0	0	0
Brandon Court	0	0	0	0	0	0
Total Sheltered Housing Capital Investment	3,224	0	0	0	0	0
Other HRA Capital Spend						
Orchard Upgrade / Open Contractor / Mobile Working / ASB Database	227	0	0	0	0	0
Low Cost Home Ownership	1,500	1,500	1,500	1,500	1,500	1,500

	2012/13 to 2016/17	2017/18 to 2021/22	2022/23 to 2026/27	2027/28 to 2031/32	2032/33 to 2036/37	2037/38 to 2041/42
Description	£'000	£'000	£'000	£'000	£'000	£'000
RFR Buy Back	990	0	0	0	0	0
Commercial Property	150	150	150	150	150	150
Total Other HRA Capital Spend	2,867	1,650	1,650	1,650	1,650	1,650
Total HRA Capital Spend	100,642	64,240	54,411	62,755	47,876	55,480
Total Housing Capital Spend at Base Year Prices	104,504	66,884	55,721	64,065	49,186	56,790
Inflation Allowance for Future Years	6,897	19,443	27,654	44,776	47,140	70,516
Total Inflated Housing Capital Spend	111,401	86,327	83,375	108,841	96,326	127,306
Housing Capital Resources						
Right to Buy Receipts	0	0	0	0	0	0
Other Capital Receipts (Land and Dwellings)	0	0	0	0	0	0
Major Repairs Allowance (MRA)	0	0	0	0	0	0
Major Repairs Reserve	-38,183	-53,423	-58,674	-66,988	-72,951	-83,805
Direct Revenue Financing of Capital	-42,953	-28,760	-21,891	-39,043	-20,565	-40,691
Other Capital Resources (Grants / Shared Ownership / R&R Funding)	-14,489	-1,500	-1,500	-1,500	-1,500	-1,500
Disabled Facilities Grant	-1,310	-1,310	-1,310	-1,310	-1,310	-1,310
Developer's Contributions (Affordable Housing)	0	0	0	0	0	0
Prudential Borrowing	-10,764	0	0	0	0	0
Total Housing Capital Resources	-107,699	-84,993	-83,375	-108,841	-96,326	-127,306
Net (Surplus) / Deficit of Resources	3,702	1,334	0	0	0	0
Capital Balances b/f	-5,036	-1,334	0	0	0	0
Use of / (Contribution to) Balances in 5-Year Period	3,702	1,334	0	0	0	0

	2012/13 to 2016/17	2017/18 to 2021/22	2022/23 to 2026/27	2027/28 to 2031/32	2032/33 to 2036/37	2037/38 to 2041/42
Description	£'000	£'000	£'000	£'000	£'000	£'000
Use of balance previously ear-marked for affordable housing	0	0	0	0	0	0
Capital Balances c/f	-1,334	0	0	0	0	0

Appendix J (Section 10)

Areas of Uncertainty

Housing Revenue Account – Revenue Uncertainties

Review of the HRA - Self-Financing for the HRA

The introduction of self-financing for the HRA from April 2012, removes the annual uncertainty that existed as part of the national HRA Subsidy System, but brings with it a number of new uncertainties, including the potential for the debt settlement to be re-opened, a debt cap over which the HRA will not be allowed to borrow and the implications of managing the cashflow for the HRA in light of the need to service the debt.

Right to Buy Sales

The number of sales remained low in 2010/11. Early indications in 2011/12 suggest that sales are likely to occur at a similar, or possibly slightly lower, level this year. The implications of this for revenue are now significant, as there is no longer the ability to capitalise all of the costs associated with the right to buy service.

Future uncertainty surrounds the right to buy process, with government proposals to re-invigorate the scheme by relaxing the qualifying criteria, increasing the discount limit and the value of discount available to tenants. This is of particular concern if the outcome is a significant increase in right to buy sales, with the authority having debt associated with the dwellings for 30 years.

Independent Living Service – Ditchburn Place Extra Care

Although provided as an agency activity outside of the HRA, the provision of care and support services in the Extra Care housing at Ditchburn Place are inextricably linked with the provision of landlord services. The current contract with the County Council expires in January 2014, but due to the significant financial risks associated with the delivery of this contract, particularly in light of the County Council's budgetary pressures in this and other areas, our ability to commit to the continued provision of this service is unclear.

Independent Living Service – Sheltered and Supported Housing

Funding for the Independent Living Service is at risk in a number of areas. The level of voids, as a result of the sheltered housing investment strategy, still remains high, producing shortfalls in rent, service charge and support income. This is compounded by reductions in funding from Supporting People, where unit rates are to be reduced to £9.00 per week from April 2012 as part of a proposed year's extension to the contract. It is anticipated that the County Council will re-tender support services in these areas from April 2013. Emergency alarm services provided to owner occupiers are also reducing over time

Service Restructures and Departmental Support Service Review

Housing Revenue Account – Revenue Uncertainties

There are a number of service restructures and a review of the provision of support services across the organisation, many of which have financial implications for the HRA. Although some broad assumptions of the financial impact for the Housing Revenue Account have been made at early stages, the real impact will not be clear until the reviews are complete.

HRA New Build

Following successful completion of 7 units of new build HRA dwellings with the support of HCA grant, a subsequent bid for funding in principal was successful. The opportunity to work with a selected developer partner to redevelop the Seymour Court site is now being actively progressed, with the scheme being one of those successful in securing grant funding. A considerable sum of prudential borrowing will also be required to deliver the anticipated affordable housing. If this, or any development scheme does not proceed, any initial outlay is required to be treated as revenue expenditure, but without the anticipated payback that the capital investment would have resulted in.

HRA Commercial Property

Review of the ownership of some commercial property in the Council's portfolio is required to ensure that both rental income and maintenance liabilities are being correctly provided and accounted for.

HRA Review of Area Offices

The review of the future use of housing area offices will be deferred until after the implementation of self-financing, when both the financial position for the HRA and the implications for local authorities of the introduction of universal credit will be clearer. The revenue implications of this review, when undertaken, will be quantified and incorporated as part of a report that will be presented to HMB for decision.

Housing Revenue Account - Capital Uncertainties

Sheltered Housing

The existing Sheltered Housing Modernisation Programme is progressing well, with Brandon Court due for completion early in 2012. There is a need to review the decisions made in respect of the latter stages of the programme, to determine the best use of limited resources in the current financial climate, with options currently being considered for Ditchburn Place and revisited for Roman Court.

Maintenance of Decent Homes

100% of the stock was considered decent at 1st April 2011, however additional properties become non-decent during the year.

Our target is to maintain the Decent Homes standard in our stock on an ongoing basis in line with current Government expectations, and to respond quickly to any changes in the standard.

Expansion of Decent Homes to include Communal Areas

There is an expectation that communal area will be incorporated into the Decent Homes criteria, to include lifts and common parts in flatted accommodation. This change requires both up front investment to survey and ongoing investment to meet and maintain any standards set. The Asset Management Plan includes an uplift of £75 per property per year, to meet the investment needs in un-surveyed communal areas, in line with external expert advice received.

Sulphate Attack

Sulphate attack was identified a number of years ago in a number of council dwellings, resulting in the need to invest £1.87m to eradicate the problem. Following a risk assessment, the approach taken to date has been to address the defect when the property becomes vacant. Currently 12 of the 110 properties affected have been rectified when they became void. Funding of approximately £1.6m is included in the Housing Capital Programme over the next 15 years to continue to fund this risk-based approach. There is the potential for similar sulphate attacks in the structures of a number of other council dwellings, which could result in the need for significant additional investment to undertake these works.

Disabled Facilities Grants and Private Sector Housing Grants and Loans

Council investment in both DFG's and Private Sector Housing Grants and Loans is dependent upon existing capital balances or capital receipts in year. Historic capital balances will to be fully utilised within 10 years (or earlier if the HRA has any need to utilise existing balances to fund in year expenditure), and the availability of receipts on an ongoing basis is currently unclear, putting at risk the desired level of investment.

Right to Buy Sales

The number of sales remained low in 2010/11, with only 17 sales completed. Early indications in 2011/12 suggest that the number of completions will remain at this level or possibly reduce further. The negative impact of this fall in available capital resources has been built into the Housing Capital Investment Programme.

Proposed changes to the right to buy rules, may result in an impact both in terms of the number of future sales, and whether the Council continues to directly receive any of the financial benefit from the associated capital receipt.

Housing Revenue Account - Capital Uncertainties

Decent Homes – PVCU Windows

Need to consider resources required to replace PVCU windows in HRA stock, where failures in existing installations are emerging, resulting in replacement far sooner than would be anticipated by the Decent Homes Standard.

Asbestos Removal

Potential to change strategy for asbestos removal, to ensure that blocks / streets are tackled as projects as opposed to in isolation while dwellings are void. This approach may bring forward the need for resources previously anticipated to be spent much later in the programme and also incur the additional costs of decant, but would accelerate the programme and reduce the additional revenue costs of repairs in properties with asbestos. This has begun, with flats in Edgecombe being tackled in this way, over a 3-year programme.

Energy Efficiency – Boiler Replacement

Legislative requirements / local desire to increase the energy efficiency of boilers, results in a replacement programme with condensing boilers requiring replacement every 8 years as opposed to every 20.

Eastfield Site

The potential future income stream for the Eastfield site is subject to advancement in discussions with Hundred Houses.

Version 4
Final

Housing Revenue Account 30-Year Asset Management Plan



February
2012

2012/13 to 2041/42

Cambridge City Council

Version Control

Version	for :	Anticipated Content	
1	Draft	Draft content for consultation	
2	Executive Councillor Review January 2012	Draft CLG Debt Settlement	
3	Housing Management Board and Council Meeting February 2012	Draft CLG Debt Settlement	
Current	4	Final	Final CLG Settlement Version for publication following HMB and Council approval

Cambridge City Council

Housing Revenue Account

Asset Management Plan

2012/13 to 2041/42

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Section 1

Background

Housing Revenue Account Self-Financing

From April 2012, the funding regime for local authority social housing will change radically. The abolition of the national housing revenue account subsidy system, a national formulaic based system for redistributing housing resource at a national level will instead be replaced with a locally managed 'self-financing' system. Local authorities will retain the rental streams from their housing assets, alongside the responsibility for managing, maintaining and improving the housing stock and supporting an opening level of debt that will be allocated to each authority.

Under the new funding regime, strong, decisive, pro-active management of our housing assets will be key to ensuring that the Council can continue to deliver a sustainable social housing business into the future.

Understanding our housing stock, its condition and the associated investment needs in it are key components of managing the housing business into the future. Our ability to make strategic investment, re-development and disposal decisions in a timely manner will be crucial if we are to manage a successful, expanding housing business to meet both current and future housing needs in the city and surrounding area.

Definition

Asset management is the activity that ensures that the land and buildings asset base of an organisation is optimally structured in the best corporate interest of the organisation concerned. It seeks to align the asset base with the organisation's corporate goals and objectives.

An **asset management plan** is a plan covering the organisation's asset strategy together with other related matters, for example, the organisational structure and governance, roles and responsibilities, data and performance management arrangements and performance measurement information.

An **asset strategy** is the organisation's strategy for its asset base.

(Definitions from "RICS Public Sector Asset Management Guidelines –a guide to best practice" January 2008)

Background

This asset management plan covers the 30-year period 2012/13 to 2041/42 and will support the Council's Corporate Asset Management Strategy. The plan concentrates largely on those activities relevant to the management of the Council's housing related assets but also touches on the wider housing context within the City and forms a component of the overall HRA business plan.

The plan follows on from the Asset Management Strategy approved in 2007 that covered the period 2007 to 2010.

A stock condition survey, commissioned during the summer of 2003, was undertaken by Savills as a precursor to a Stock Option Appraisal. This resulted in sign off for the Housing Business Plan, recognising the Council's ability to meet decent homes and therefore viably retain the housing stock in house.

The Stock Condition Survey provides short, medium and long term estimates of the maintenance and repairs costs for the entire stock over a thirty year period and gives an indication of the level of investment specifically required to meet the Government's Decent Homes Standard. The original survey was based on a ten percent sample and since then significant work has been undertaken, 'in house', to survey the remaining 90%, where access has been granted. Approximately 98% of the stock has now been internally surveyed.

In preparation for self-financing for the Housing Revenue Account from April 2012, the Council re-commissioned Savills to return and give an independent opinion on the quality and accuracy of the stock condition data gathered in-house since 2003.

Their response included the following comments:

“We have undertaken a detailed review of the data and have chosen 50 properties at random to check the data on site. Our focus has been to check the principal components against each property and to establish whether or not data is accurate. We have avoided assessing minor components or those items that will not have a material impact on any investment planning or business planning.

The overall findings from our exercise show that the data is generally robust and represents a sound basis upon which to plan future works. Inevitably with a database of this size there are some anomalies but these were generally of a minor nature and not significant in overall terms.

Notwithstanding our comments about the data generally being robust we would make the following observations:

- The life cycles adopted generally reflect the maximum life cycles set out in the Decent Homes Standard. This includes a 30-year life for kitchens and a 40-year life for bathrooms. Most organisations have accepted that these life cycles are unrealistic in most cases and need to be reduced. We recommend a general review of these life cycles contained within the system.
- There are a number of components within external areas that have not been assessed as part of the survey. Whilst these are not Decent Homes issues or indeed required to meet your strict statutory obligations, there will nevertheless be a repair and maintenance liability in respect of some of these items. We recommend the survey is enhanced to include all external areas, e.g., paths, fencing etc.”

As a result of the advice provided by Savills, the asset lives of kitchens, bathrooms and PVCU windows have been reduced, with kitchens included at 20 years, bathrooms at 30 years and PVCU windows at 25 years, compared with 30,40 and 40 respectively.

In response to the concerns raised regarding a lack of data and therefore financial provision for communal areas, an uplift of £75 per property per annum has been included in the self-financing financial models as recommended by Savills.

This plan uses the stock condition information to inform the strategic framework within which decisions on investment, or disinvestment can be made. It also sets out the council's priorities and the pressures that will shape the pattern of future investment. Finally it identifies some of the decisions that will need to be made during the coming years in order to ensure that investment is prioritised in the most cost effective manner and that the organisation makes the best use of its assets. The plan recognises that there is a natural tension between competing investment needs, for example investment in the existing housing stock, investment in new affordable housing and investment in housing management service provision.

The asset management plan will need to be reviewed in detail every 3 years, in conjunction with the Housing Revenue Account Business Plan to ensure that the Council responds appropriately to the changing environment, where financial and social factors may affect decisions made.

Since 2004 efforts have been concentrated in achieving the government's Decent Homes standard by 2010. By April 2011, all stock, where access has been granted, has achieved the Decent Homes standard.

The current Housing Revenue Account business plan allows for future maintenance and repair costs, and the meeting and maintaining of the Decent Homes standard and provides for currently known elements of replacement, or refurbishment identified in the stock condition survey.

Self-Financing for the Housing Revenue Account, the ability to retain rental streams locally and determine the pace at which housing debt is paid off, provides the framework for local decision making in the approach to investment in the housing stock. Historically the financial constraints inherent in the national subsidy system have meant that a reactive approach to meeting the basic decent homes standard has been unavoidable. The changes in financing regime mean that for the first time, a proactive approach in moving towards a full investment standard for our properties can be considered, although this must be balanced with the need for other investment in housing services.

Cambridge is an area of high property values and intense demand for social housing. This means that the Council has not experienced significant difficulty when letting vacant property. It is however aware of the need to anticipate and where possible to forestall obsolescence in the housing stock and maintain housing to a standard which is attractive to potential tenants, meets the changing nature of household formation and responds to other demographic or cultural issues. An element of re-development is also a key part of the Asset Management Plan.

Section 2

Aims and Objectives

The Purpose of the Asset Management Plan

This asset management plan has been prepared to complement and inform the HRA Business Plan, setting out priorities for the physical care and improvement of the housing stock and related housing assets.

In a self-financing environment, the Council will have limited resource that can be invested in the housing business and, as such, must direct them to derive maximum benefit for existing and future residents.

This plan is intended to assist in meeting the Council's vision statements, with particular reference to:

- A city which recognises and meets needs for housing of all kinds – close to jobs and neighbourhood facilities.

The plan balances the competing needs for investment in order to:

- Keep dwellings in decent, lettable condition
- Respond to residents' priorities
- Bring obsolete properties up to date, or re-develop to comply with current regulations
- Care for the external environment as well as for individual homes
- Balance expenditure on response, cyclical and planned works
- Respond to and pre-empt changing demand patterns
- Anticipate decline in desirability and value in the stock, taking positive action to avoid this decline

- Increase the desirability and sustainability of the council's housing stock
- Deliver the investment programme in a cost effective manner in accordance with sound procurement principles.
- Maintain the value of housing assets, including maximisation of the utilisation of housing land

Guiding Principles

The guiding principles of previous asset management strategies remain, and revised include:

- Maintaining the stock to a standard which compares favourably with that of other housing providers
- Ensuring the stock complies with relevant regulatory requirements such as the Decent Home Standard and the Housing Health and Safety Rating System.
- Accepting responsibility as the majority landlord on principal estates, for their reputation as places where people will choose to live
- Maintaining a balanced portfolio of affordable housing, recognising a wide range of specialist housing need
- Developing partnering arrangements within the supply chain wherever possible
- Seeking ways to continually reduce annual expenditure on responsive maintenance

Asset Management Components and Tools

The council has at its disposal a range of tools to assist in the process of delivering its plan.

These include:

- Stock condition data, which is updated regularly and collected using statistically reliable and verifiable stock survey techniques
- A comprehensive and dynamic stock condition database maintained and interpreted by the council's own staff, incorporating both Decent Homes data and the Housing Health and Safety Rating System.

- Tools to assess the viability of re-development
- An informed experienced workforce to deliver quality projects within time and cost working with partners, including a framework agreement to deliver new build housing.
- An HRA Business Plan to support this plan and the intended programmes of work

These tools are the basic equipment required to enable the council to take informed decisions. Once the strategic decisions have been taken the council is able to use the various components of its plan to deliver results.

These components include:

- Regeneration of dwellings and estates including refurbishment and remodelling of accommodation to ensure that it remains attractive and meets modern requirements and resident's expectations
- A planned maintenance programme, achieving economies by replacing components just before they would otherwise require response repairs, anticipating changes in minimum acceptable standards, and reducing future requirements for cyclical maintenance
- Planned cyclical maintenance to prevent deterioration in the physical condition of the stock
- A responsive maintenance service, to ensure that residents remain satisfied with their accommodation and to prevent unplanned deterioration in stock condition.
- An efficient and effective voids repair service, helping to protect the council's revenue and minimise the number of rejected offers
- Demolition or disposal of selected property, to remove obsolete provision or to permit replacement with dwellings that respond more effectively to changing requirements and represent a sounder economic and social investment

Links with Corporate Asset Management

This Asset Management Plan will reflect the key principles in any existing or future corporate asset management strategy, whilst also recognising the specific nature of the housing and the ring-fenced nature of the Housing Revenue Account.

The Council has a wide-ranging asset portfolio including housing estates, common land, community centres, car parks, swimming pools, commercial property, vehicles and equipment.

Each asset needs to make an appropriate return on the investment made by the Council and also be fit for the purpose for which it is used.

The Council has an Asset Management Group (AMG) which has a key role in the Council's capital strategy including:

- Monitoring the use of assets
- Identifying the need for new assets
- Maintaining an overview of capital funding
- Reviewing the asset disposal programme

AMG membership is drawn from all departments within the Council and its peer review approach has proved to be valuable when considering the Council's various asset plans, strategies and activities.

Section 3

Asset Profile

Housing Stock

The Council's housing stock consists of a mix of dwelling types, used to meet a variety of specific housing needs. The stock can be categorised in a number of ways, depending upon the purpose for which the classification is required.

The table below identifies the number of dwellings that the Housing Revenue Account owns and manages summarised by the type of housing need that the property meets. This categorisation is useful in determining the level of services that are required to be provided across the stock.

Housing Category	Actual Stock Numbers as at 1/4/2011	Estimated Stock Numbers as at 1/4/2012
General Housing	6,653	6,644
Sheltered Housing	528	519
Supported Housing	28	28
Temporary Housing (Individual Units)	41	41
Temporary Housing (HMO's)	13	13
Miscellaneous Leased Dwellings	27	27
Shared Ownership Dwellings	89	88
Total Dwellings	7,379	7,360

The housing stock can be summarised by high-level property type and accommodation size, which is useful, when compared to the housing need in the city, in determining where the greatest need for additional affordable housing lies.

Stock Category (Property Type) Excluding Shared Ownership	Actual Stock Numbers as at 1/4/2011	Estimated Stock Numbers as at 1/4/2012
Bedsits	112	112
1 Bed Flat / Maisonette	1,636	1,636
2 Bed Flat / Maisonette	1,271	1,268
3 Bed Flat / Maisonette	41	41
1 Bed House / Bungalow	188	188
2 Bed House / Bungalow	1,139	1,137
3 Bed House	2,272	2,267
4 Bed House	95	95
5 Bed House	6	7
6 Bed House	2	2
Sheltered Housing	528	519
Total Dwellings	7,290	7,272

Under the national Housing Revenue Account Subsidy system, the Council's housing stock has been categorised across 15 property archetypes as detailed in the table below:

Stock Category (Property Type)	Actual Stock Numbers as at 1/4/2011
Pre 1945 Small Terraced Houses	96
Pre 1945 Semi-Detached Houses	482
All other Pre 1945 Houses	571
1945 - 1964 Small Terraced Houses	78
1945 - 1964 Large Terraced / Semi-Detached / Detached Houses	941
1965 – 1974 Houses	377
Post 1974 Houses	372
Non-Traditional Houses	552
Pre 1945 Low Rise Flats (1 to 2 storeys)	137
Post 1944 Low Rise (1 to 2 storeys)	2,188
Medium Rise Flats	1,188

Stock Category (Property Type)	Actual Stock Numbers as at 1/4/2011
High Rise Flats	56
Bungalows	239
Pre 1945 Multi-Occupied Dwellings	0
Post 1944 Multi-Occupied Dwellings	13
Total Dwellings	7,290

In preparing for the implementation of self-financing, a different approach has been taken to categorising our housing asset base, to allow financial modelling to be undertaken in respect of specific assets or groups of assets. The table below summarises the categories considered. Many properties could be included across a number of categories, but each one has been assigned to the first category it fits into progressing through the list, ensuring that the investment requirement in each property is considered only once.

Stock Modelling Archetype (Including Shared Ownership)	Actual Stock Numbers as at 1/4/2011
Affordable Housing Re-Development (Decision Made)	17
3 Year Affordable Housing Programme	150
Lichfield / Neville Road	195
Shared Ownership	89
Miscellaneous Leases	27
Easiform	539
BISF	33
Unity	94
Caldor	23
Timber-Framed	9
Listed / Special interest Buildings	134
Temporary Housing Hostels / HMO's	29
Temporary Housing Dispersed	21
Sheltered Housing – Category I	72
Sheltered Housing – Category II	231
Sheltered Housing – Extra Care	36

Stock Modelling Archetype (Including Shared Ownership)	Actual Stock Numbers as at 1/4/2011
New Build (Post 2000)	6
Flats above Shops	54
Flats Low Rise (1 to 2 storeys)	1,818
Flats Medium Rise (3 to 5 storeys)	766
Flats High Rise (6 storeys and over)	56
Bungalows	200
Houses – Detached Pre 1945	1
Houses – Semi-Detached Pre 1945	470
Houses – Terraced Pre 1945	589
Houses – Detached (1945 to 2000)	5
Houses – Semi-Detached (1945 to 2000)	437
Houses – Terraced (1945 to 2000)	1,278
Total Dwellings	7,379

Shared Ownership Housing

The Council currently owns the freehold and a proportional share of 88 shared ownership properties. The shared ownership stock, which is also included in some of the tables above consists of:

Stock Category (Property Type) Shared Ownership	Actual Stock Numbers as at 1/4/2011	Estimated Stock Numbers as at 1/4/2012
1 Bed Flat	10	10
1 Bed House	37	37
2 Bed House	30	29
3 Bed House	6	6
1 Bed Bungalow	4	4
2 Bed Bungalow	1	1
3 Bed Bungalow	1	1
Total Dwellings	89	88

Of the 88 properties, the Council currently owns the equivalent of 40.02 properties, based upon the interest that is held in each of the properties.

Shared Ownership dwellings are leased to shared ownership tenants, with the tenant purchasing a share of the property, usually an initial share of 50%, with a requirement to pay the Council rent for the remaining share of the dwelling. The rent due on the share retained by the Council is discounted to take into consideration that the Council no longer has a repairing liability for the dwelling itself.

If the shared ownership property is a flat, as landlord, the Council retains the responsibility to repair any communal areas and the building's external structure.

Sheltered Housing

Over the past 10 years, the Council has systematically undertaken a programme of refurbishment of the council's sheltered housing stock. Many of the sheltered schemes were originally built in the 1960's and 1970's and by the millennium no longer met the standards for sheltered housing or the expectations of prospective residents.

The condition of the sheltered housing stock, coupled with a requirement to reduce the supply of sheltered housing in the city, resulted in a programme of investment, which combined disposal of some schemes, to finance the refurbishment of others. The requirement to reduce supply in the city resulted from a best value review of sheltered housing need across the county by Supporting People.

There are a number of categories of sheltered housing that the Council provides. Category I sheltered housing is independent accommodation for older people, where direct access to the dwelling is straight off the street. Category II sheltered housing is also independent accommodation for older people, but access to the dwelling will be from a communal corridor with a designated scheme, with communal facilities, such as communal lounge and kitchen provided to supplement the living accommodation. In addition to this, the Council owns 36 units of extra care accommodation, where personalised care, catering and laundry services are provided in addition to support services.

The investment need in each category of sheltered housing is very different. The investment requirement to maintain decency in category I housing is not dissimilar to that of general

needs properties, whereas the investment requirement in category II and extra care housing is considerably higher, with the need to not only maintain decency in the dwelling, but also to invest heavily in ensuring that all communal facilities meet both health and safety and sheltered housing standards.

A full review of all of the communal facilities in the Council's sheltered housing stock will identify the longer-term investment need and allow detailed timetabling of this activity. In the interim, a provisional sum has been included in the financial modelling presented as part of the business plan, to allow for the anticipated replacement of communal kitchens, bathrooms, boilers, lifts, door entry systems, etc.

The table below summarises the sheltered housing stock that the Housing Revenue Account will manage from April 2012.

Sheltered Housing Schemes	Scheme Status	Estimated Stock Numbers as at 1/4/2012
Category II and Extra Care		
Brandon Court	Under Refurbishment	30
Ditchburn Place (Sheltered)	Partial Refurbishment Planned	15
Ditchburn Place (Extra Care)	Awaiting Refurbishment	36
Ditton Court	No Refurbishment Planned	26
Mansel Court	Fully Refurbished	25
Rawlyn Court	Fully Refurbished	26
School Court	Communal Area Refurbishment	29
Stanton House	Modernised	33
Talbot House	Fully Refurbished	21
Whitefriars	Fully Refurbished	20
Category I		
Greystoke Court	Maintain Decency	24
Lichfield / Neville Road	Maintain Decency	172
Walpole Road	Maintain Decency	48
Total Sheltered Housing Units		505

To provide an indication of progress to date in respect of the sheltered housing modernisation programme, the table below details the current position of unit types in the programme.

Stock Category Sheltered Housing	Actual Stock Numbers as at 1/4/2011	Estimated Stock Numbers as at 1/4/2012
Modern or Refurbished Schemes		
1 Bed Flat	370	398
2 Bed Flat	49	51
1 Bed Bungalow	3	3
2 Bed Bungalow	2	2
Schemes Awaiting Modernisation		
Bedsit	36	2
1 Bed Flat	51	49
Schemes Awaiting De-Classification as Sheltered		
Bedsit	14	12
1 Bed Flat	2	2
1 Bed Bungalow	1	0
Total Dwellings	528	519

Temporary Housing

The Council utilises Housing Revenue Account stock to provide Temporary Housing, as one means of meeting the organisation's statutory homeless responsibility. The Temporary Housing stock comprises two homeless hostels and a number of dispersed units across the city.

The investment need in these properties is significant, with a very high level of turnover in the stock due to the nature of the housing need. The properties are on occasions subject to excessive wear and tear, increasing the responsive repair and void costs associated with this particular category of stock.

One of the hostels, at Chesterton Road, provides units which are classified as houses in multiple occupation, with residents having shared bathing and catering facilities. The hostel at New Street is predominantly self-contained accommodation within a hostel environment, but recent changes have resulted in the use of two flats for the provision of 4 bed and breakfast units of accommodation. Although this change is anticipated to further increase the maintenance cost of these dwellings, the General Fund is meeting this cost of emergency bed spaces at a far cheaper overall costs than bed and breakfast in the private sector.

Miscellaneous Leases

A small number of the Housing Revenue Account's housing stock is leased to organisations as opposed to being let to individuals. This is an historic practice that has assisted the Council in meeting wider strategic housing objectives to provide a range of different types of housing across the city, meeting a variety of specialist housing need.

A number of the leases have been in place for many years and are subject to continual review from an investment perspective. The investment need for each property needs to be considered alongside any potential alternative use in the longer term.

A number of the properties leased in this way are located in areas of the city where little other council housing exists, and may therefore be candidates for consideration for strategic disposal when the existing leases terminate.

The current miscellaneous lease portfolio is included as [appendix A](#) to this plan.

Leasehold Properties

As at the 1st April 2011, the Council held an interest in 1,072 leasehold properties with the responsibility to carry out any major repairs to the block structures, as the Council owns the freehold. Major repairs include elements such as replacement of the roof, where all properties benefit but no one property is responsible. Although the Council funds the initial investment, leaseholders are subsequently invoiced for these works under a section 20 notification. Internal repairs and maintenance (excluding communal areas) remain the responsibility of the individual leaseholder.

Garages

The Housing Service manages and maintains 1,865 garages and parking spaces across the city, mostly in blocks on housing estates. The majority of the garages are Housing Revenue Account owned, with the exception of 17 garages and 6 parking spaces in Bermuda Road and Hooper Street, which are owned by, and managed and maintained on behalf of, the General Fund.

The garage stock in many areas of the city is in poor condition, and requires significant investment if it is to be retained as a lettable asset into the future. Void levels in Council garages remain high, with a 19% void loss for 2010/11.

A survey of garage blocks was last undertaken in 2006, identifying an investment need of £955,000 at the price base at the time.

In recognition of the difficulties experienced in letting garages in some areas of the city, work has been undertaken to investigate the development potential of particular sites, with a number of sites now featuring on the 3-year affordable housing investment programme.

It is also proposed, as part of a review, to map the garage provision across the city with the demand for garages from the waiting list, allowing targeted investment in the most appropriate areas.

Garage Investment Component	2006 Estimated Investment Cost
Roofing	313,050
Walls	286,075
Doors	70,150
Floors	134,000
Lighting	89,000
Security Measures	42,600
Health and Safety Investment	20,600
Total Investment Requirement	955,475

Between 2007/08 and 2010/11, capital investment of £211,000 was made in respect of HRA garages, but it is clearly recognised that ongoing deterioration in the condition of the garage stock means that the investment need identified in 2006 is not expected to have been reduced in real terms.

Based upon activity in 2011/12 to date, the occupation of housing revenue account garages is reducing, with void levels increasing from an average of 19% in 2010/11 to an estimated 21% in 2011/12.

Garage Status (Average for 2011/12 to date)	Number of Garages	Percentage of Garages
Let	1,471	79%
Void	394	21%
Total	1,865	

The anticipated income from garages in 2012/13 is £625,380.

Commercial and Other Property

In addition to responsibility for the dwelling stock, the Housing Revenue Account also owns a small commercial property portfolio, consisting of shops and land utilised for non-housing purposes.

The majority of shops in the Housing Revenue Account are situated on housing estates, were built as part of creating the affordable housing and associated infrastructure and have tenanted social housing built above them.

The portfolio currently includes 24 shops (and a medical clinic) located in Akeman Street, Anstey Way, Barnwell Road, Campkin Road, Carlton Way, Hazelwood Close and Wulfstan Way. The shops are let on commercial leases, generating commercial market rental streams of approximately £233,000 per annum.

Commercial Property Location	No of Units	Annual income
Akeman Street Shops	4	38,200
Anstey Way Shops	6	37,100
Barnwell Road Shops	6	71,690
Campkin Road Shops	4	37,550

Commercial Property Location	No of Units	Annual income
Hazelwood Road Shops	1	11,100
Walpole Road Shops	1	7,250
Wulfstan Way Shops	2	29,750
Other Buildings	2	21,700
Car Parks (One let internally)	2	37,100
Land / Ground Rents / Allotments		95,990
Access Rights		1,160
Total Commercial Property Portfolio		388,590

The commercial property portfolio is managed on behalf of the Housing Revenue Account by Property Services under a service level agreement. The service level agreement includes meeting the costs of any responsive and end of lease repairs that remain the Council's liability under the terms of each lease. An allocation is earmarked in the housing capital programme to meet the costs of any structural works or major improvements that are required to these properties.

The shops are let on terms whereby the tenant is responsible for internal repairs and re-decoration and the shop front and doors. The Council is responsible for other external repairs and the main structure and roof. The clinic is let on similar terms. The only exception is the shop at Hazelwood Close where the tenant is fully responsible for repairs and decoration.

A review of the required sum for major repairs and improvements across the commercial property portfolio is required during the first years of this plan to ensure that an appropriate provision is included in future financial estimates.

In addition to the commercial property managed by Property Services, the Housing Revenue Account owns a number of non-income generating neighbourhood assets, such as the area housing office at 171 Arbury Road, Lichfield Hall and offices and ECCHO House, in addition to a number of laundry sites incorporated as part of flat blocks.

Land Assets

The Housing Revenue Account has multiple land assets across the city, with an audit of these sites having been carried out in 2005, both documenting the sites and identifying those which might have potential development opportunities.

These sites are actively investigated, with appropriate sites being brought forward for development decisions where appropriate as part of a rolling 3-year affordable housing programme.

Section 4

Asset Acquisitions and Disposals

Right to Buy

The majority of the Council's housing stock is subject to right to buy legislation, meaning that a secure tenant of the Council is able to purchase their home from the council at a discounted rate. When the scheme was first introduced in the early 1980's, the level of discount available was based upon a percentage of the market value of the property, up to 60% for houses and 70% for flats, depending upon the length of time the purchaser had been a tenant of the Council. In 1999 there was a limit on the value of discount available, £34,000, for a purchaser in this area. In 2005 the rules were changed again, with a tenant needing to be a council tenant for a minimum of 5 years to qualify for the right to buy.

The changes in the qualifying criteria and the level of discounts available, coupled with a steep rise in house prices in Cambridge over the last decade, have seen the number of properties sold each year under the right to buy reduce from in excess of 100 per year, to sales of less than 20 per annum for the last 3 years.

When properties are sold under the current legislation, approximately 75% of the capital receipt has to be paid to central government in the form of a capital receipts pooling payment.

A recent Government consultation proposes changes to the right to buy legislation, with an indication that the level of discount available will be increased to £50,000 to re-invigorate the scheme. The consultation also provides a range of options for how the capital receipt might be re-distributed, but indicates that the first call upon the receipt would be to compensate local authorities for the debt that they will hold in respect of the disposed dwelling.

From a local perspective, and dependent upon the outcome of the consultation, the authority will face challenges, with the potential to be managing a diminishing housing business, without sufficient resource to replace the dwellings lost under Right to Buy.

Right of First Refusal

From October 2004, all properties sold under the right to buy legislation include a clause that requires the purchaser to offer the property back to the Council prior to re-selling it on the open market. This legislation is known as the 'right of first refusal'.

There are strict timescales under which the Council must enact its right should it so choose, currently requiring an urgent decision as part of our decision making processes. The legislation does however provide the opportunity to make strategic acquisitions if a property is offered back to the Council in an area where re-development or wider strategic disposal might be a viable asset management option.

To facilitate the process of buying back stock if the opportunity presents itself in an appropriate area, a sum has been earmarked in the Housing Capital Investment Programme to allow strategic re-purchases within a delegated authority framework if the agreed criteria are met.

Shared Ownership Acquisitions / Disposals

The Council has a shared ownership property portfolio that currently consists of 88 dwellings. The properties are used to meet an intermediate housing need, with shared ownership tenants buying and renting complimentary proportions of the dwelling.

While tenanted, the Council does not have a repairing liability for the property, but when a tenant wants to move on, the Council's current policy is to buy back the sold share, thus allowing the property to be released to another recipient on the shared ownership register. Whilst the property is void, the Council is required to meet any costs associated with returning the property to a lettable standard, although the expectation is that some of the costs may be recovered in the re-sale value of the share sold to a new tenant.

The current capital receipts pooling regime includes a financial deterrent to the successful operation of a shared ownership scheme, with the requirement on occasions to pool a proportion of the receipt received. There is suggestion that the application of the pooling legislation may change from April 2012, removing this requirement and making it financially viable from an asset management, and therefore business, perspective to continue to operate a shared ownership scheme.

Strategic Acquisitions / Disposals

To enable the re-development of an area for new build council houses it is likely that some sites will require the acquisition of properties outside of Council ownership, in order to progress the development. These properties are most likely to be ex council houses, where tenants have performed their Right to Buy, but could also include other miscellaneous buildings that will facilitate comprehensive site redevelopment.

Historically, it has been the policy of Cambridge City Council to consider the disposal of single void dwellings in non-estate locations, which require significant investment to meet or maintain the decent homes standard. The Housing Revenue Account has historically leased a small number of properties to organisations, as opposed to individuals, where the organisations meet our wider strategic housing objectives. These properties tend to be individual units in non-estate locations, and a current rolling review of the leases needs to ensure that the most appropriate asset management decision is made in each case, in the best interest of the Housing Revenue Account social housing business.

The Council will maintain this position, and in addition, the Housing Revenue Account will need to consider the business case for the strategic disposal of other individual properties, groups of properties or areas of land in the city, where the opportunity for re-development is clear or the potential receipt allows the delivery of a greater number of affordable housing units elsewhere.

Section 5

Stock Condition

Stock Condition - Current Decency Levels

As at 1st April 2011, there were 37 properties that were considered to be non-decent (in addition to the 613 refusals), with another 305 anticipated to become non-decent during 2011/12. It is anticipated that the properties that are either non-decent at 1st April each year, or become non-decent during the year are included in the decent homes programme, to be addressed in year.

Maintaining decency in the housing stock is an ongoing commitment, with properties moving from decent to non-decent on a daily basis, as a component ages, it's condition worsens or it fails completely.

Historic Stock Investment

In the 6 years between April 2005 and March 2011, £49.2 million has been invested in the housing stock to enable the authority to meet the decent homes standard.

In addition to the investment requirement to meet the decency standard, £19.5 million has been invested in areas outside of the decent homes criteria, such as refurbishment of sheltered schemes, investment to meet tenant priorities, garages improvements, asbestos removal, disabled adaptations, fire safety measures, communal lighting and floor coverings, health and safety works, recycling areas, fencing, paving and hard standings, lifts, laundries and television aerial installation.

In the last 3 years, the Housing Revenue has also begun to re-invest resource in new build affordable housing, starting with the development of 7 additional homes for rent during 2010/11 and 2011/12.

Specific Stock Issues

Non-Traditional Construction Types

The Council has a number of properties built using non-traditional building methods. These include:

Construction Type	No. of Dwellings	Status of Dwellings
Easiform	539	Flats refurbished (134), houses and bungalows not required refurbishment to date (405)
BISF	33	External thermal insulation currently being applied
Unity	94	Upgrading complete, including external thermal cladding and new kitchens and bathrooms
Caldor	23	Upgrading complete, including roofs, external thermal insulation and new kitchen and bathrooms
Timber-Framed	9	Properties have been re-clad with brick
Total Non-Traditional Dwellings	698	

Easiform

The Council has 539 Easiform properties, constructed in the decade between 1945 and 1955, making them a type 2 Easiform construction. Most often, these properties are constructed from cast concrete or concrete panels and the construction method, and often poor materials used, mean that this type of dwelling is often not mortgageable.

The construction is not particularly thermally efficient. The flats have been refurbished, but the houses have not been identified as requiring any additional works to date.

BISF

The housing stock includes 33 properties built using a British Iron and Steel Federation construction method, producing pre-fabricated houses, which utilise a simple steel frame construction process. The properties in Foster Road, Paget Road and Byron Square were built post war, in 1947, to deliver housing quickly, meeting the national need to re-supply where housing stock was lost during the war.

The thermal properties of this type of dwelling are poor and they are expensive to heat. In addition extensive redecoration is required to the sheet cladding originally provided to first floor level at each redecoration cycle. In order to address the issues inherent in this type of build, the authority is investing in the application of externally applied thermal insulation with self coloured render systems significantly improving the thermal properties of the dwelling and reducing running costs for tenants.

Unity

The 94 Unity houses included in the housing portfolio are all in the south of the city, in Bridewell Road, Colville Road, Godwin Way, Leete Road, Malletts Road, Walpole Road and Wulfstan Way. The properties were built in the early 1950's of a pre-cast reinforced concrete (prc) construction with a steel sub frame.

To address the issues inherent in this construction type, the properties were upgraded thermally by the installation of an external insulation system, the roof structure was reinforced and the roof covering replaced by a lightweight profiled metal sheet roof covering. Kitchen & Bathroom upgrades were also carried out whilst the external programme was being completed.

Caldor

The 23 Caldor homes owned and managed within the housing stock were built in the mid 1960's in Cameron Road and Nuns Way. Each house consists of factory assembled prefabricated accommodation units with asbestos-based cladding and flat roofs.

To address the issues inherent in this type of build, the authority carried out major refurbishment works in 2002. The refurbishment included kitchens, bathrooms, new flat roof system, external wall insulation and cladding. The external wall insulation system has a design life of 30+ years

provided any damage to the surface finish is repaired immediately, and regular maintenance is undertaken. The flat roofing system has a design life of 30+ years.

Timber-Framed

There are 9 remaining timber-framed properties, built in the mid 1920's in Kings Hedges Road. The properties are all 3 bedroom semi-detached houses. The properties were re-clad with brick in the late 1980s. There are no other specific maintenance issues.

Buildings of Historic / Special Interest

There are a number of properties that the housing service has categorised as being buildings of historic or special interest. This may be due to the nature of the construction or style of the property, the age of the property (pre 1900), the unusual location of the dwelling or it's lack of proximity to other council accommodation.

Investment analysis has been carried out by Savills, on behalf of the Council, to determine whether these properties, as a group, make a positive or negative contribution to the business model. Although en-mass the properties make a positive contribution, individually they may not. There is merit in considering the options for each of these dwellings separately, with the potential for re-development, conversion for alternative use or disposal on the open market being financially viable options, which may make a positive contribution on an individual basis to the business plan, facilitating additional investment in new affordable housing.

Section 6

Basic Standards

Decent Homes Criteria

Delivering and maintaining decent homes for social housing tenants has been both a national requirement and a local commitment since the inception of the decency standard in 2004.

The original definition of a decent home was amended in 2006 to reflect the introduction of the Housing Health and Safety Rating System (HHSRS). This replaced the Housing Fitness Standard, which was the previous methodology included in the decent homes criteria.

To be decent, a home must meet the following criteria:

- It must meet the current statutory minimum standard for housing – a dwelling which fails to meet this criterion would contain one or more hazards assessed as serious (category 1) under the HHSRS standard.

- It must be in a reasonable state of repair – a dwelling which fails to meet this criterion will either:
 1. Have one or more of the **key** building components being old and, because of their condition, need replacing or major repair, or
 2. Have two or more of the **other** building components being old and, because of their condition, need replacing or major repair.

- It must have reasonably modern facilities and services – a dwelling which fails to meet this criterion are those which do not have three or more of the following:
 1. A reasonably modern kitchen (20 years old or less)
 2. A kitchen with adequate space and layout
 3. A reasonably modern bathroom (30 years old or less)
 4. An appropriately located bathroom and w/c

5. Adequate insulation against external noise (where external noise is a problem)
6. Adequate size and layout of common areas in blocks of flats

A home lacking two or fewer of the above is still classed as decent, therefore it is not necessary to modernise kitchens and bathrooms if the home meets the remaining criteria.

- It must provide a reasonable degree of thermal comfort – a dwelling must have both effective insulation and efficient heating. Any dwelling with a SAP rating less than 37 fails this criterion

The **key** building components identified above are those, which if they fail, could have an immediate impact on the integrity of the dwelling, and include:

- External Walls
- Roof Structure and Covering
- Windows / Doors
- Chimneys
- Central Heating / Boilers
- Gas Fires
- Storage Heaters
- Plumbing
- Electrics

The **other** building components include items such as kitchens, bathrooms, radiators and lifts.

The decent homes standard is a minimum standard, which all social landlords should meet. Landlords are not expected to make a home decent if it is against the wishes of an individual tenant, and instead are expected to meet the standard at the next opportunity, ie; when the property becomes void.

Decent Homes Asset Life Table – With Local Asset Lives Assumed

Element	Option	Life Assumed
Balcony		80
Balustrade/railing	Metal, timber, concrete, glass, melamine, other	80
Bathroom		30
Boiler		8
Canopy	Timber, concrete, GRP, metal	40
Chimney	Pointing & Render	50
Communal door	GRP, timber, PVCu, composite, steel, mixed	40
Communal lift		20
Door entry system		15
Drainage		25
Electrics		30
Enclosure doors	GRP, timber, PVCu, composite, steel, mixed	40
Front/Back door	GRP, timber, PVCu, composite, steel	40
Garage		80
Garage door	Timber, composite, steel other	30
Garage rainwater goods		15
Garage roof	Metal, asbestos, concrete, felt, other	30
Glazed areas	PVCu, timber, metal, aluminium, SDG	40
Heating	Gas warm air, electric warm air, electric storage heaters	30
Heating	Other, solid fuel, electric ceiling heater	30
Heating	Gas boilers & radiators	40
Kitchen	Small, medium or large	20
Roof covering	Flat	30
Roof covering	Pitched	50
Roof structure		50
Shed door	GRP, Timber, PVCu, composite, steel, mixed, other	30
Shed roof	Metal, asbestos, corrugated sheets, felt, other	30
Shed windows	Timber, PVCu, metal, other	30
Smoke detector		15

Element	Option	Life Assumed
Wall Finish	Brick, render, cladded, tile hung, metal sheet	60
Wall insulation	Cavity-fill, dry lining	0
Wall structure	Brick, block, timber, concrete, combination, other	80
Water heating	From boiler, on/off peak immersion, gas/electric instantaneous, communal	15
Window	PVCu	25
Window	Timber, metal, aluminium, part PVCu	40

Section 7

Health and Safety / Legislative Investment Priorities

Sulphate Attack

Some properties within the Council's housing portfolio are known to be suffering from sulphate attack to concrete ground floor slabs. Whilst the approach to date has been a measured approach, with remedial works being undertaken over time when properties become void, the repairs must eventually be made.

Without remedial works, there is a danger of heave occurring, or cracking of the affected concrete slabs. The impact and rate of chemical attack on the slabs is subject to a number of variables including the presence of moisture, level of sulphates and quality of materials employed in the original construction. The cost of remedial work is substantial.

The known existence at one location begs the question as to whether other properties constructed at around the same period of time and to similar design are also subject to similar problems, and therefore pose a further potential demand for additional resources at some time in the future.

To date, a full survey of the known affected site has been undertaken and remedial works have been carried out in 12 properties, when properties have become void. There are 98 properties in this area which still require remedial works, at an estimated cost of £17,000 per unit. Consideration needs to be given to whether there would be benefit in undertaking the works in a programmed way or evaluating alternative options for the site in light of the significant investment required to undertake the necessary works.

The general approach that is being taken to address this issue in any other properties that may be similarly affected, is to adopt a risk management approach.

Legionella

Legionnaires' disease is a potentially fatal form of pneumonia which can affect anybody, but which is most likely to affect individuals who are susceptible because of their age, gender, general health or condition of their immune system, etc.

Certain conditions can increase the risk from Legionella:

- a suitable temperature for growth of 20 to 45 degrees centigrade
- a source of nutrient for the organism, ie; sludge, scale, rust, algae, other organic matter
- a way of creating and spreading breathable droplets, eg the fine spray created by a shower.

Outbreaks of the illness occur from exposure to legionella growing in systems where the water is maintained at a temperature high enough to encourage growth. The types of systems relevant in our housing stock would include hot and cold domestic water systems, used in a variety of premises.

To prevent exposure to the bacteria, the authority must comply with legislation that requires the management, maintenance and treatment of water systems in our properly. This will include, but not be limited to, appropriate water treatment and cleaning regimes.

A comprehensive programme of testing for communal appliances, and any associated maintenance, is in place. Sheltered schemes are of particular concern, and the design of modernised schemes needs to accommodate best practice in order to minimise any risks associated with Legionella. Within communal areas, the best form of control of legionella bacteria is the circulation of very hot water (in excess of 60 degrees). This leaves residual risk of scalding, which therefore has to be separately controlled.

Currently, the authority is seeking a new contractor to undertake water hygiene risk assessments and implement required control measures, for a period of 3 years (with an option to extend for a further 2 years), from April 2013.

Asbestos

Asbestos was widely used as a building material in the UK from the 1950s through to the mid-1980s. It was used for a variety of purposes and was ideal for fireproofing and insulation. Any building built before 2000 could contain asbestos. Asbestos materials in good condition are safe unless asbestos fibres become airborne, which happens when materials are damaged.

When compromised, the asbestos fibres, if inhaled, can cause serious disease, which in the case of prolonged exposure could result in death. The risks associated with developing asbestos related disease is linked to the number of fibres inhaled, with the effect of inhalation often not becoming apparent for many years.

Asbestos can be found in a variety of building components, including:

- Asbestos cement products
- Textured coatings
- Floor tiles
- Asbestos insulating board
- Loose asbestos in ceiling or floor cavity

A comprehensive review of the housing stock between 2003 and 2005, has resulted in the compilation of an asbestos survey database, which includes details of all properties that contain any form of asbestos. The survey has been undertaken to ensure that any liabilities are fully recognised and that plans are made for addressing them.

The Council is in the process of implementing an asbestos management policy, which details the responsibilities of Duty Holders to:

- Take reasonable steps to find out if there are materials containing asbestos present in any building that we occupy, own or lease and if so the amount, where it is and what condition it is in
- Presume materials contain asbestos unless there is strong evidence that they do not
- Make, and keep up-to-date, a record of the location and condition of the asbestos containing materials – or materials which are presumed to contain asbestos
- Assess the risk of anyone being exposed to fibres from the materials identified

- Prepare a plan that sets out in detail how the risks from these materials will be managed
- Ensure those appointed to undertaking surveying or sampling works hold the appropriate UKAS accreditation
- Take the necessary steps to put the plan into action
- Periodically review and monitor the plan and the arrangements to act on it so that the plan remains relevant and up-to-date
- Provide information on the location and condition of the materials to anyone who is liable to work on or disturb them.

The priorities for work on asbestos containing materials will be:

- Where material is damaged and the risk assessment score is deemed high
- To facilitate other works such as routine maintenance, Decent Homes or Cyclical Maintenance
- To remove high risk elements whilst properties are void
- To proactively reduce the risk profile of the council with an annual programme for the removal of asbestos from the housing stock

All asbestos containing materials will be re-inspected between six and thirty-six months intervals as determined by the risk assessment. Competent persons will carry out inspections. The MICAD database, the system deployed to act as an asbestos register, will be updated to record inspection findings and actions taken.

Fire Risk Assessment and Risk Management

Under the current fire safety legislation (Regulatory Reform (Fire Safety) Order 2005), the authority has a responsibility to carry out fire safety risk assessments in all communal areas of the housing stock, including flatted accommodation, sheltered schemes, hostels and offices. In respect of flats the liability extends to communal areas and the front doors to living areas. In houses in multiple occupation, the liability extends to include the living areas.

There are three key factors that the authority needs to be aware of in respect of managing fire risk:

- Fire Suppression Systems (sprinklers, fire extinguishers)
- Fire Prevention (fire alarms, smoke control arrangements, smoke detectors, fire doors)
- Fire Risk Assessments (specialist external / trained internal assessors)

Good practice suggests that once an initial risk assessment has been undertaken and any remedial works have been identified, the fire risk assessments of higher rise blocks (over 4 storeys) should be reviewed annually, with a new assessment every 2 or 3 years. Fire risk assessments of low-rise blocks should be reviewed every 2 years, with a new assessment every 4 years. Corporate policy says all fire risk assessments to be reviewed every 3 years.

This requirement has been addressed using a risk management approach, with the higher risk areas of accommodation being fire safety risk assessed as a priority. The initial assessments of the authorities larger flatted blocks (Kingsway, Hanover Court, Princess Court, Edgecombe) resulted in an investment requirement of £1.1 million to undertake remedial works to meet the current fire safety standards.

Risk assessments of all other communal areas are being carried out in a programmed way, with an identified sum of money in the Housing Capital Investment Programme to meet the cost of any remedial works identified. The contractor appointed will also carry out rolling reviews and re-assessments as required in line with the legislation.

Gas Safety and Risk Management

From a gas safety perspective, the authority is also required to meet the obligation to undertake an annual gas safety inspection, which has to be undertaken by a registered gas safe engineer. The Council currently operates a contract with Morrisons for this work across the housing stock as a whole. The obligation for gas safety inspections extends to gas appliances, fittings and flues.

Adaptations for Disabled People

Local authority social housing providers are expected to meet the cost of any adaptation works required by tenants of their social housing stock. The investment requirement ranges from the need for minor adaptations, such as grab-rails and ramps, through more major adaptations such as stairlifts, through floor lifts and assisted bathing facilities, up to the need for major structural changes and extensions to the property to allow ground floor living for a member of a household.

Once a property has been adapted, the Council processes, via the choice based lettings system for managing our housing waiting list and allocations activity, ensures that properties with specific adaptations are prioritised for the use of those with appropriate need.

Although every endeavour is made to let adapted properties to tenants who need them, this is not always possible. There is an ongoing need to relocate existing adaptations, renew existing installations and to provide additional installations to meet arising need. The Housing Capital Investment Programme currently includes an annual allocation of £878,000 to meet these costs. This budget is one that comes under continued pressure.

An additional consideration is the increased revenue cost associated with servicing and maintaining specialist equipment that is installed in the housing stock, where again the budgets allocated for this purpose come under increased pressure over time as the number of adaptations increases.

Changes in Standards / Legislation

It is important to recognise the potential for both legislation and best practice standards to change in respect of any health and safety investment criteria, often with very short timescales to ensure compliance with revised recommendations. As a result of this, a degree of flexibility is required in the investment assumptions made in this area, with a clear risk management approach to responding to changing demand.

Section 8

Investment Decisions / Priorities

Tenant Priorities and the Cambridge Standard

At the outset of the decent homes programme, and as part of the stock option appraisal process, the Council asked tenants to identify their priorities for investment by their landlord. This resulted in the following set of key priorities for housing service investment, identified as the Cambridge Standard:

1. Addressing Anti-Social Behaviour
2. Improving the Inside of Homes
3. Improving Homes Externally
4. Housing and Care Options after Retirement
5. Improving the Housing Service

The above priorities were identified a number of years ago, and may not now match the current priorities and enhanced expectations of residents today. The STAR Tenants Satisfaction Survey, to be complete by the end of 2011/12, will provide the opportunity to collect updated information to inform future investment decisions.

From an asset management perspective, the existing priorities have been interpreted as:

1. Meeting and Maintaining the Decent Homes Standard
2. Considering the Viability of Funding a Full Investment Standard Programme
3. Investing in Communal Areas and External Surroundings (to improve appearance and discourage anti-social behaviour)
4. Delivering a Refurbishment Programme for Sheltered Housing
5. Reviewing the Delivery Methods for both Planned and Responsive Maintenance

Outside of funding identified to meet and maintain the decent homes standard and achieve the identified investment in sheltered housing, a sum of £200,000 has been ear-marked each year for specific investment in areas to meet the Cambridge Standard, with a significant proportion of this being invested in environmental improvements across housing estates.

Tenants Incentive Scheme

For many years, the authority has identified a capital sum in the investment programme each year, for tenants and residents to bid into, to allow small projects in their locality to be progressed in line with their aspirations. Long before the introduction of the area committee process, this funding has given tenants the opportunity, on a small scale, to drive the priority for investment in their area to meet local needs.

Other Investment Decisions

Energy Costs / Affordable Warmth

The authority is acutely aware of the rising living costs that tenants and other city residents are subject to, making it more difficult for those on low incomes to sustain living independently.

In every sheltered housing scheme refurbishment, consideration is given to the merits of additional up front investment in energy efficiency measures, in an attempt to ensure that costs are kept as low as possible for older people moving into the refurbished schemes.

Loft and Cavity-Wall Insulation Programme

Using funding identified for Energy Improvements the authority will continue to increase the insulation in 200-300 lofts a year and also fill any remaining cavity walls. However, the vast majority of these walls have already been insulated. There will be a requirement to re-insulate some cavity walls where the insulation has failed - this is generally for properties that were built in the 1970s and early 1980s. New and innovative heating, lighting and building systems will continue to be trialled, as we constantly strive to increase the energy efficiency of all housing and communal areas.

SAP Ratings

At the end of 2010/11 the average energy SAP rating of the housing stock was 75 (calculated using SAP 2001). This represents a 10-point increase over 5 years. However, the rate of improvement will slow down now that many simple energy efficiency measures have been completed.

Energy efficiency work will be targeted at lower-scoring properties so that the least efficient properties are improved. The SAP energy rating software is to be updated so that the SAP 2009 methodology may be used for calculating SAP in future. This may initially appear to reduce the SAP rating as it uses a 1-100 scale rather than 1-120 scale.

Solid Wall

The Council has around 1000 properties that were built with solid walls. Although these do not have structural issues, they cannot be insulated with cavity wall insulation. Alternative internal or external insulation solutions will be required to improve thermal performance.

Retrofit

During 2010/11, the Council completed a full retrofit of an existing housing revenue account dwelling to an exemplar standard, as one of 100 national projects, at a cost of £143,000. This scheme was fully funded by way of external grant.

Although this exemplar level of investment is not viable across the entire housing stock, it has however enabled the authority to monitor the positive environmental and financial impacts of each of the installations in the single pilot property to assist in prioritising investment of limited resources across the wider housing stock.

In the exemplar property, the following work was undertaken:

Extra thick external wall (200mm), loft and floor insulation; solar PV panels; solar thermal panels; triple glazing; heat recovery boiler; LED lighting and low energy appliances.

Early monitoring indications are that gas consumption has fallen by 50% and electricity consumption by 30%.

Renewable Energy

A number of renewable energy installations have been incorporated into major sheltered housing refurbishment works. The Council will continue to explore options and opportunities to install more renewable energy into its buildings.

Gas Boilers

Almost all Council dwellings now have hot water and space heating provided by gas boilers. Some properties still have electric heating and there are a small number of properties with solid fuel heating.

The cost of installation and replacement and annual maintenance of gas heating systems is the largest single cost item in the 30-year investment programme with costs estimated at £77 million.

There is a need to review the lifecycle and maintenance costs for gas boilers to ensure the Council is obtaining the best possible value for money.

UPVC Windows

The Council invested in UPVC double-glazing to its stock starting in 1980s. Some of these windows are now thirty years old. Over time standards of security and thermal performance have increased dramatically. The Council will embark on a window replace programme. This will be a significant investment but will improve the security and energy performance of dwellings and minimise maintenance costs.

Pathways and Amenity Areas

These areas are subject to increasing levels of insurance claims against the Council. The ability to map pathways and amenity areas which the Housing Revenue Account is responsible for the maintenance of, by way of a Graphical Information System (GIS), would be a distinct advantage in both investment planning and risk management terms.

During the life of the new plan the possibility of transferring maintenance for some housing amenity pathways to the County Council will be explored. It is likely that investment will be

required in order to bring pathways up to adoptable standards in order for this to be achieved. At this stage the level of investment required is unknown.

Fencing and Boundary Walls

Little work has been undertaken in this area as the emphasis of investment to date has been on meeting the Decent Homes requirements. Information relating to outstanding fencing repairs and/or replacement has been collected and stored with a view to a planned replacement/repair programme in the future. Proposals will be brought forward for a planned programme of repair/replacement works to fencing and boundary walling, which will be subject to available funding.

Consideration will also be given to the use / procurement of a Graphical Information System (GIS) application to assist the housing service in recording and monitoring its repairing liability in this area.

Grounds Maintenance

The design of many of the estates requires the council to spend substantial sums on the maintenance of communal open spaces. Grounds maintenance for the housing estate (including sheltered schemes) currently costs £268,000 a year. Grass cutting forms a major proportion of this.

The difficulties associated with maintaining large areas of communal open space are often increased as a result of investment in environmental improvements, with a knock-on effect in terms of increased maintenance liability and therefore cost.

A review of the grounds maintenance across housing land is currently being undertaken, to ensure that standards and the level of investment are sufficient, and that the appropriate end user is meeting the cost of grounds maintenance, where this is right and proper.

The Council is also considering taking a firmer stance on the replacement of damaged garden boundaries, to clarify that work is only carried out when it is not the responsibility of the tenant.

Cleaning

Past dissatisfaction with the standard of cleaning in communal areas and a number of complaints and potential insurance claims, has led to a number of changes and additional investment in some areas.

Officers undertook work a few years ago to address the standard of cleaning provided in communal areas of the housing stock, with a service review of the communal cleaning service seeing market testing of the current service and consideration of options for alternative delivery models.

A survey of communal areas, and in particular communal floor coverings, has resulted in the introduction of an investment programme of £500,000, with works being undertaken between 2010/11 and 2013/14 to address some of the issues raised. These works will address the floor coverings in the communal areas considered higher risk, replacing existing surfaces with a non-slip composite floor covering, anticipated to be far safer and easier to clean.

The introduction of the Estate Services Champion, piloted in the south of the city, is anticipated to assist in monitoring the standards of cleaning being provided to tenants and allow early intervention in the event of any failure in service delivery or deterioration in building components.

In recent months, the Housing Regulation Panel (HRP), have undertaken an independent review into the quality of the current service provided by Streets and Open Spaces, with a view to agreeing further service improvements.

Communal Lighting

Maintenance activity to communal lighting has historically been undertaken on a reactive basis, an approach that is disproportionately expensive. During winter months communal lighting is also often the source of a number of resident's complaints.

Over the last five years, many communal lighting systems have been replaced with new low energy units together with replacing all mechanical/electrical timing gear with new dawn to dusk electronic control mechanisms.

Further benefits could be derived from moving to a planned preventative approach to maintenance of these systems, for example, with lamps being changed in accordance with their design life, whether they have failed or not and in so doing drastically reducing reactive maintenance activity (and costs) in this area and hopefully significantly increasing resident satisfaction.

Security

Security in the home, and feeling safe in the surrounding area, is of key importance to tenants and leaseholders of the Council. Investment in environmental improvements, coupled with a pro-active approach to dealing with anti-social behaviour, helps to create a better living environment across housing estates.

Specific investment, for example in door entry systems to control access to the communal areas of flatted accommodation or the introduction of security doors to properties accessed from the street or an open corridor, provides a more secure living environment for residents.

Door entry systems are installed in all category II sheltered schemes, with a contract in place to ensure that controlled access can be granted as required. Key safes are also installed in properties where emergency access may be required. A programme to install new Glass Reinforced Plastic (GRP) front doors to houses is underway.

Communal Open Space

The design of the Council's housing estates incorporates large areas of open space that require upkeep and maintenance. The 3-year affordable housing programme facilitates option appraisal for the potential regeneration or better use of this open space and therefore a reduction in ongoing maintenance costs.

Recent investment, utilising funds set aside to meet the Cambridge Standard, has allowed conversion of existing under-utilised communal open space to create additional parking provision on estates, meeting the identified needs of local residents, while also reducing the ongoing maintenance liability for the land.

Recycling and Supporting Infrastructure

Significant investment, anticipated to be in the region of £600,000 by the end of 2012/13, has been directed to address the need to create appropriate recycling facilities across housing estates. The investment has allowed well-placed, practical recycling facilities to be provided in a number of areas across the city, which if utilised as intended, should help increase the volume of waste that the Council is able to recycle, while also reducing the costs to the Council, and therefore the Council tax payer, of removing fly-tipped waste.

Environmental Works

A significant proportion of the Cambridge Standard funding has been invested in environmental works, with a number of estates benefiting from hard landscaping, replanting, improved lighting. This investment has sought to improve the general appearance of housing estates, making them more attractive places for tenants to choose to live.

Emerging Technologies

To get the best from our housing assets, it is important that the organisation takes full advantage of enhancements in existing technology and the development of new technologies. There is always some risk in being an early adopter of new technologies, with the need to undertake full risk assessments before committing to new initiative in the market place on any great scale. Often, a prudent approach is advisable where new technologies are not widely tested, with the introduction of new initiatives using a pilot scheme, before committing on a wider scale

Aspirational Investment Standard

Since the introduction of the decent homes standard, investment in the housing stock has been targeted to achieve and maintain the required standard, as intended from the outset.

The level of investment required to comply with the decent homes standard is not a full investment standard approach to asset management. Subject to funding being available, there is a strong argument to operate an investment standard model, where building components are replaced proactively when they become life expired, as opposed to reactively, when a combination of their age and condition means that they fail. This planned approach to investment ensures that the best procurement benefits, both in terms of service delivery and supply chain, may be realised, whilst also significantly reducing the cost of reactive (responsive and void) maintenance and improving tenant satisfaction levels.

With this in mind, the base assumptions in the business plan include a transition to a full investment standard over the first 10 years of the life of the business plan.

Section 9

Housing Need

Strategic Housing Market Assessment

The Cambridge Sub-region's Strategic Housing Market Assessment (SHMA) assesses need and demand for housing across Cambridge City, South Cambridgeshire, East Cambridgeshire, Huntingdonshire, Fenland, Forest Heath and St Edmundsbury District Council areas. It has been developed with a number of local partners, and provides an evidence base to guide investment in housing across all tenures.

It includes information, from a variety of sources, including data and analysis around local demography and economy, housing stock and tenure, house prices and rent levels, need for specialist housing, etc. With high demand for housing, and high house prices and rental costs in the City it identifies that 1,910 new affordable homes would need to be built each year over the next five years to meet existing and newly emerging housing need.

General Housing Need

Cambridge is a city with a growing population. Demand for housing, and housing costs, are high; the ratio of average house prices to average earnings is around 9:1, and private rent levels are some of the highest in the country outside of London.

There are currently around 7,000 households on the housing register.

The biggest population increase between 2001 and 2021 is expected to be in the 30-59 age group, but there are also expected to be significant increases in Under 15s, and in the 60-74 age group.

Changes to the Welfare system currently being introduced are expected to have a major impact on working age benefit claimants in the private rented sector, and this is expected to increase demand for social housing. The proposed introduction of a limit to the amount of benefit claimed by social and private tenants of working age who are under-occupying their homes may increase the demand for smaller homes.

This indicates a need to retain and continue to develop affordable housing in a mix of housing sizes and types to meet a range of household types. The Affordable Housing Supplementary Planning Document indicates a need for a mix of 50% 1 and 2 bed properties and 50% 3 and 4 bed in new developments, with no more than 10% to be 1 bed and no less than 20% to be 3 bed.

Specialist Housing Need

The number of older people in the City aged 60 plus is expected to increase by around 7,800 between 2001 and 2021.

Many of those are expected to want to remain in their own homes, with support and/ or care being provided where necessary, mirroring the main direction of travel for allocating Supporting People funding.

The number of sheltered housing units in the City has been reduced over recent years, by the Council and other providers, and we will need to continue to monitor the ongoing need and demand for sheltered housing in its current form as self-directed support becomes more widely used.

Whilst the number of residential care units has reduced across the City, there is expected to be an increasing need for specialist housing for older people with care needs, including those with dementia. There is a county-wide commitment to support the further development of extra-care housing, although generally priority will be given first to meeting needs in other districts in the county where there is less existing provision than there is in the City.

There will also be an ongoing need to provide disabled-adapted housing designed to meet the specific needs of particular households. There are currently around 85 full or part

wheelchair users on the needs register, some of whose needs can be met through adapting existing housing, but others of whom will need bespoke solutions.

Some need for group-housing for people with Learning Disabilities has been identified, and further needs may be identified, with a number of people who have been placed out of county needing to be relocated within Cambridgeshire.

There is also a need for some site provision for Gypsies and Travellers in the City.

General needs housing with support and/or care going in would normally be expected to be sufficient for people with other specialist needs, although in some cases there may be issues around location and proximity to other residents.

Growth

Significant numbers of new homes are to be built in the City over the coming years, with the main growth being planned in the urban fringes in partnership with South Cambridgeshire District Council. The Council expects 40% of new housing on larger sites to be provided as affordable housing, with around 1300 new affordable homes planned between now and 2015.

The Council will need to plan for and monitor the impact of this growth to ensure that it benefits existing communities, and that it does not lead to any devaluation or deterioration of existing homes and neighbourhoods.

Changes in Tenancy Regulations

Under the Localism Act the Council has the option to offer 'flexible tenancies', a new form of fixed term tenancies. Also under the Act, Councils are required to publish a Local Tenancy Strategy to guide all Registered Providers on what they must have regard to in deciding: the types of tenancies they will grant; the circumstances in which they will grant a particular type of tenancy; where they grant tenancies for a fixed term; the lengths of the terms; and the circumstances in which they will grant a further tenancy on the coming to an end of an

existing tenancy. Further as a Registered Provider, City Homes must have a Tenancy Policy confirming the basis by which different forms of tenancy will be offered, and in what circumstances. The Local Tenant Strategy and City Homes Tenancy Policy will be developed in parallel, with a view to both being approved by the Executive Councillor for Housing in June 2012.

Section 10

New Build

New Build

Possible new build council house sites are proposed on vacant land, in areas that have been identified as an inefficient use of the land, to replace dwellings that are of a poor standard, are hard to let or are in poor condition. Therefore the provision of dwellings with higher quality standards in these locations would be an overall benefit to the council's housing stock.

It is the aim of the new build council houses programme to provide a net gain of affordable housing in the city. The gain will be modest due to smaller, existing dwellings being replaced by a mix of sizes of dwellings and also a mix of tenure on the schemes.

A consideration when investigating potential new build council house sites is the most appropriate form of housing for that particular site. Specialist housing for older people is a key area of focus outside general needs housing. There is also some need for specialist housing for people with Learning Disabilities. For those people on the needs register requiring wheelchair accessible housing, there is the opportunity to provide specific new build council houses, rather than adapting their homes.

Affordable Housing

Part of Cambridge City Council's vision is to recognise and meet the needs for housing of all kinds - close to jobs and neighbourhood facilities. The new build council houses programme seeks to contribute to this part of the vision by providing good quality affordable housing and market housing on council land. This is achieved through the 3 Year Affordable Housing Programme, where the Executive Councillor for Housing approves areas of council owned land to be investigated for development.

In September 2011, Cambridge City Council was successful in securing grant funding from the Homes and Communities Agency (HCA) to deliver 146 affordable housing dwellings between April 2011 and March 2015. This programme of housing delivery is based on sites that have gained approval to be investigated for development through the 3 Year Affordable Housing Programme.

There is flexibility within the four year grant period, in terms of what dwellings will be delivered and where. The Council will deliver the affordable housing dwellings with grant in partnership with a house-builder / developer. The majority of schemes will comprise both affordable housing and market housing, where the market housing will cross subsidise the delivery of the affordable housing. In this scenario the affordable housing will be owned and managed by the Council and the risk of selling the market housing will be the developer's.

Another option available to the Council is to deliver more complex sites with both a developer and Registered Provider (RP).

The Council may also decide to work solely with RP's to provide affordable housing on council owned land. In this case the grant secured by Cambridge City Council will not be transferable to the RP's, who will have their own funding structure in place, as the Council will not be retaining the management of the Affordable Housing delivered in this way.

Also included in the base assumptions in the business model is the potential for the authority to deliver the affordable housing on the council owned Clay Farm site. The site is currently owned by the General Fund, with the mixed tenure housing development scheme not only delivering an estimated 104 affordable homes, but also generating a capital receipt for the council.

Section 11

Procurement and Delivery

Procurement Strategy

The current procurement strategy was adopted in 2009 and runs until 2012. Primary actions outlined in the strategy included hard and soft market testing of various service elements which has since been completed.

Hard market testing of planned maintenance activities including cyclical redecoration and major aids and adaptations resulted in The Apollo Group and Kier Services being appointed to undertake these works from July 2011 for a period of five years.

Soft Market testing of the reactive and voids maintenance service resulted in a robust improvement plan being adopted for the internal service provider. At the end of the improvement plan in September 2013 Members will consider progress made and the nature of future service provision.

Corporate changes have since also resulted in client activity having been merged with the contracting elements of the service with a view to eliminating inefficiencies and duplication of effort. Conversely these changes have resulted in some delay being incurred in delivery of the desired improvement outcomes although good progress may be demonstrated.

The following principles guide all procurement activity undertaken by this Council:

We will:

- Strive to achieve best value in all our procurement by making it more economic, efficient and effective
- Consider all practical delivery options
- Commit to a mixed economy of suppliers to meet the needs of service users and the local economy

- Be fair, transparent and consistent in the conduct of all of our procurement
- Be informed by the views of service users (and non users where appropriate) in designing our procurement
- Improve and be open to innovation when planning procurement
- Use our procurement activities to promote the social economic and environmental well-being of the City where this will achieve best value for the Council
- Identify and manage risk including those relating to the health and safety of the public and officers
- Be effective and committed members of any partnership relationships
- Manage contractual relationships effectively from the start to the end.
- Recognise the importance of well-motivated and well trained staff to the delivery of best value services
- Use our procurement activities to promote equality of opportunity.

Internal Service Delivery

At the same time as it was agreed to externalise planned maintenance works for the period from 2011/12 to 2015/16, it was agreed to retain the delivery of reactive maintenance services in-house. This decision was subject to the successful delivery of services against an agreed improvement programme, to ensure that tenants and leaseholders of the Council receive a value for money repairs service.

Response Maintenance

The in-house team delivers the day-to-day maintenance service. The number and average cost of repairs completed annually over the last six years has been as follows:

Routine Repairs Completed (Per Oracle / Orchard)	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
No. of repairs	15,606	16,254	14,503	14,840	15,185	16,569
Total cost of responsive repairs	1,449,867	1,623,598	1,618,405	1,689,836	1,684,761	1,937,597
Average direct cost of repairs	92.90	99.89	111.59	113.87	110.95	116.94
% change in average cost relative to 2005/06	0%	7.5%	20.1%	22.6%	19.4%	25.9%

Note: Local authority maintenance cost indices show a rise in costs of 14% during this period. (Source: BCIS Local Authority General Building Maintenance Indices Jan 2006 – April 2011).

The response maintenance budget has significantly overspent in recent years, despite the incorporation of additional resource in 2009/10 and from 2010/11 on an ongoing basis.

130 houses and 102 flats totalling 232 properties were sold during the 6-year period from April 2005 to March 2011. Allowing for house sales in the interim, in 2005/06 the response maintenance spend per property was £191.81 and in 2010/11 was £264.45. (based on average property numbers in the year)

In 2005/06 there were an average of 2.08 repairs per annum for each household and in 2010/11 there were 2.26, an increase of 0.18 jobs per dwelling or 9%.

The repairs and maintenance improvement plan has actions which aim to address these issues.

Void Repairs

The council has taken management action to further improve the voids management process.

Routine Void Repairs Completed (Per Orchard)	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
No. of voids	625	600	577	665	702	620
Total cost of void repairs	1,467,369	1,406,562	1,130,975	1,363,566	1,681,443	1,564,302
Average cost of void	2,347.79	2,344.27	1,960.10	2,050.48	2,395.22	2,523.07
% change in average cost relative to 2005/06	0%	(0.15%)	(16.5%)	(12.7%)	2.02%	7.47%

Re-let standards have been overhauled since 2003 with Decent Homes work being undertaken within voids as required. Generally void standards have risen together with associated customer satisfaction levels. A more consistent approach to voids is now also in place across the City. Revenue costs however, remain relatively high when garage voids are removed from aggregated average void costs. Garden clearances in particular, are very expensive.

The Council is aiming to improve void turnaround times. The 'key to key' target for turning around a void is 35 days, which was not met last year. Notwithstanding the undertaking of Decent Homes related work in voids, advantage must be taken of the early notification of termination by a sitting tenant with works following as soon as is possible. A target of 13 working days for the works component of the overall voids process has been established. Detailed monitoring of the whole of the voids process including lettings operations is taking place and has illustrated slack in the works component part of the overall process, which should be taken advantage of so as to improve overall performance.

Emergency and Urgent Repairs

The Audit Commission has published in the past commentary relating to an indicative best practice target for emergency work of 10% of all responsive repair activity and for 30% or less for urgent and emergency work combined. Further, there is an expectation that the proportion of reactive maintenance overall should be minimised by further emphasis being placed on planned rather than reactive maintenance.

A number of actions have been taken in order to address the historically high level of emergencies being issued with Cambridge, including a more assertive stance being adopted by staff when taking 'emergency' repair calls, so as to determine if the request is indeed an emergency. This has proved to be of some benefit in reducing calls incorrectly described as emergencies. Repair categories, following consultation, have also been rationalised and now fall into three categories only i.e. 24 hour, 7 day and 28-day response times. This places additional emphasis on turning around urgent work more quickly. Urgent and emergency repairs are now to be undertaken within 24 hours wherever possible. Currently some 18.56% of all repairs are 24-hour jobs.

The repairs and maintenance improvement plan has actions which aim to address these issues.

External Service Delivery

Planned Maintenance

During 2010/11, a large scale procurement exercise was undertaken to select a partner to work with the Council for a period of 5 years from 2011/12, to deliver planned maintenance services across the housing stock.

The contract was awarded to Apollo Property Services Group, and staff who had previously delivered this programme of works in-house, were transferred to Apollo for a contract which began in July 2011. Kier Support Services were appointed as a secondary contractor.

The scope of the planned maintenance contract includes all of the investment elements associated with the maintenance of the decent homes standard, in addition to investment in garages, asbestos removal, fire safety works, fencing, environmental improvements, works to communal areas and major projects such as sheltered scheme refurbishments. The planned maintenance contract will also deliver the planned revenue investment, which consists of a rolling 7-year external paint and repair programme for the housing stock.

Gas Servicing / Maintenance

The Council has a contract with Morrison Facilities Services in conjunction with South Cambridgeshire District Council to inspect, service, maintain and repair gas appliances to all domestic Council-owned dwellings where gas appliances are the Landlord's responsibility, in line with statutory duties of Gas Safety (installation and use) Regulations 1998. The contract was let in July 2009 for a term of 4 years with the option to extend by a further 12 months.

Work is underway to improve the IT links between the Council's housing management and asset management information systems and those used by Morrisons, to eliminate as far as possible any duplication of data input and therefore deliver a more efficient service. KPI data is currently running at a monthly reported compliance figure of 100%.

Mechanical and Electrical Services Maintenance

The Council has a corporate contract for building services planned maintenance. The contract was let in April 2007 for a term of 4 years, with the option to extend by a further 12 months. This contract is due to expire in 2012 and these services will be re-procured.

There are a number of contract areas covering the following aspects of service delivery:

- Mechanical maintenance
- Lift maintenance
- Door access systems
- Electrical maintenance
- Air cooling equipment maintenance
- Fire safety equipment maintenance

Currently mechanical and electrical maintenance services in sheltered housing are provided by Aqua Imtech, covering the inspection, servicing and routine maintenance of all electrical appliances within communal areas. The contract covers items such as showers, cookers, fans, calorifiers, hot and cold water services, radiators, thermo-static mixing valves, cold water tanks, control panels, pumps, gas heaters, fire alarms and commercial boilers.

Lift Inspection / Maintenance

Passenger Lifts and stair lifts are contracted out to Kone under six separate lots comprising of mechanical maintenance, lift maintenance, door access systems, electrical maintenance, air cooling equipment maintenance and fire safety equipment maintenance. The scope of the contract is to inspect, service, maintain & repair passenger lifts in sheltered housing sites and four medium rise blocks Citywide. The contract was let in April 2007 for a term of 4 years, with the option to extend by a further 12 months. Bi-monthly meetings are held with Kone to review quality & service delivery.

Other Cyclical Maintenance

Door entry systems - Bi-monthly maintenance/inspection of fob readers & access control equipment to all sheltered blocks & general housing communal entrance doors are carried out under the building services contract.

Fire equipment - Maintenance and inspection of fire equipment is carried out under the building services contract.

TV aerials - A contract for the maintenance & repair of existing communal systems to large flat blocks & sheltered schemes is to be procured in 2012.

Affordable Housing Development Partnership Framework

Cambridge City Council will deliver the new build council houses outlined in section 10, either with a house-builder / developer or registered provider as the delivery partner(s), via the Affordable Housing Framework Agreement.

This framework agreement allows the Council to appoint a delivery partner on a scheme-by-scheme basis. In order to work with a developer the Council can appoint the single developer on the framework agreement. When the Council works with RP's a mini-competition will be run to select one partner from the four for a specific scheme. If both the developer and an RP will be required to develop the site a competition process will also be required.

Future new build schemes will need to be designed and specified in order to minimise lifecycle costs so that future maintenance requirements are simple and affordable.

Section 12

Resident and Stakeholder Involvement

Regulation

The Estates and Facilities service is aware of the need to keep pace with the changing requirements of regulators, especially in regard to residents monitoring services. The role of tenants in co-regulation has been embraced by Cambridge City Council with the introduction of the Housing Regulation Panel (HRP) and the Estates and Facilities Team have also built specialist monitoring groups such as the Residents & Tenants Liaison Group, Green Inspectors (led by an 'Estate Champion', based at city homes south, who identifies environmental issues and carries out low level grounds maintenance and RI involvement projects around estates), Void Inspectors, Resident Site Inspectors, Decent Homes Inspectors and a Gas servicing monitoring group, and are looking to set up a Repairs Inspector group.

Housing Management Board

Housing Management Board have played an integral role in the planning and budget-setting within the Decent homes programme and continue to oversee and agree the spend in relation to planned and day-to-day maintenance.

Ward/County Councillors

In terms of affordable housing, Ward Councillors and County Councillors are informed once a site in their ward or District Council area is approved by the Executive Councillor for Housing and added to the Three Year Affordable Housing Programme to be investigated for development. Councillors are not informed prior to this as sites are confidential until this point. During the investigation phase consultation letters to local residents are copied to Councillors. Officers will also update Councillors between letters to local residents if pertinent. If a site is

considered appropriate for development and prior to a planning application being submitted, Councillors are invited to consultation events held in relation to the redevelopment of sites. On sites that are successfully developed Councillors are invited to visit the completed scheme.

Housing Regulation Panel (HRP)

As part of its wider remit and the government's desire to achieve co-regulation, the Housing Regulation Panel (HRP) will monitor service delivery and inspect the performance of the Estates & Facilities Team as necessary. As the group is properly constituted; its members, a group of tenants and leaseholders, have been properly trained and have formal powers to seek evidence and hold officers and councillors to account. The HRP has already carried out independent surveys of council services and the Council has adopted its recommendations.

Residents and Tenants Liaison Group (RTLG)

This group meets monthly to discuss maintenance of the Council's housing stock. Its members are tenant and leaseholder representatives and Council officers from the Estates and Facilities team and City Homes.

The purpose of the group is to:

- Provide a forum for residents and Council officers to discuss the Council's asset management plan and any issues arising from it.
- Consider the performance of contractors appointed by the Council.
- Consider reports on new initiatives and considers how to implement them.
- Increase residents' capacity to take part in tender evaluation exercises and attend meetings with contractors.
- Provide a pool of trained resident members who can carry out site inspections and report back to the group their findings.

Tenants & Leaseholders

Tenants & Leaseholders are kept informed on day-to-day repair and programmed work scheduled via letters and the quarterly tenant and leaseholder magazine, Open Door, with features such as:

- Photos and interviews on tenant satisfaction with decent homes work.
- Publication of the scheduled works due to be completed on specific estates.
- Keeping residents informed on the selection of the contractors appointed to carry out decent homes work.
- Free postal surveys to consult residents on improvements they wish to see in the repairs service.

Garage Tenants

The service regularly promotes the availability of garages through features in Open Door magazine. The service is administered through City Homes, who ensure tenants are kept up-to-date with policy and hire changes etc. There has been significant consultation with garage tenants to identify the improvements required to prevent anti-social behaviour that can be a common problem within garage blocks. There has been improvement works carried out at a number of garage sites in the last few years.

Contractors / Partners

The Council is committed to delivering value for money through a partnering approach to housing maintenance.

The Council has a Strategic Partnering Agreement with its main service providers for planned maintenance works and gas maintenance. A partnering approach is used for all major project including major refurbishments of sheltered housing schemes. The strategic partnering agreement is an over-arching, multi-party partnering agreement compatible with the NEC3 Term Service Contract.

The Council's approach to partnering includes a five-year programme of works with incentives. The objectives of the Strategic Partnering Agreement are:

- To augment the relationship between the Partners.
- To set out the common Objectives and Key Performance Indicators and to determine how the Partners will achieve them.
- To provide a forum for sharing ideas and experiences, to solve problems jointly and ensure a holistic service for Residents.

Section 13

Customer Perceptions

STAR Survey (Satisfaction Tenants and Residents)

A Tenant satisfaction survey used to be a government mandatory requirement that was completed every two years, and which followed a standardised method of delivery. The results are also an integral quality measure in Benchmarking. There was a temporary halt to this process when the coalition government came to power in 2009. The original standardised survey has since been re-designed and re-launched by Housemark, the HRA Benchmarking provider, albeit with more flexibility as to the duration, timing, content and method of delivery. This will ensure quality and benchmarking data is not lost and regular engagement with tenants is carried out on a more formal basis.

Cambridge will complete this survey for both tenants & leaseholders in 2011/12. The survey has been developed in partnership with managers and tenants (via HRP) to ensure that the questions asked, are those that most matter to our customers. These results will also inform the Housemark Benchmarking for 2011/12; an important update in the measure of the quality of services, as the last tenant satisfaction survey was carried out in 2008.

It is intended to use the results to investigate further, any areas of tenant & leaseholder dissatisfaction, allowing the authority to prioritise future service investment.

Repairs Satisfaction Surveys

Repairs satisfaction is currently measured via the return of slips attached to each job ticket. This however is a not particularly robust method for collecting good satisfaction data. The ultimate goal is to carry out the surveys on site via a PDA but this requires the mobile working facility. It is proposed to introduce a temporary improvement (pending the introduction of the mobile

facility) for the Customer Service Centre to carry out satisfaction surveys by phone, entering the responses directly into Orchard.

To ensure that the quality of all urgent, routine and void jobs is such that the customer does not need to report the same job more than once, 'first-time-fix' will also be monitored via the survey.

Performance Management

Performance management is focused on key performance indicators that measure resident satisfaction, quality of works and time taken to complete work.

The Strategic Partnering Core Group:

- Monitors the performance of maintenance Partners and Partnering Sub-Contractors;
- Reviews the Key Performance Indicators;
- Amends the Key Performance Indicators or the contents of any incentive scheme;

The Estates and Facilities team will be implementing a performance audit ("Performance M.O.T.") every six months which consists of:

- A review of KPI statistics
- Project performance assessment
- A review of payment / invoicing issues

KPI dashboards have been produced for both day-to-day repairs and voids and planned preventative maintenance, which focus on the key components of effective performance management - time, cost and quality.

As well as the above, and being part of the wider Housing performance management processes (quarterly PI monitoring via SLT & HMT, and annual spotlight reporting), the Estates & Facilities team have the following systems in place to ensure delivery of the Repairs Improvement Plan:

- A Repairs Improvement Plan Scrutiny Panel monitors progress and achievements against the relevant tasks and actions. This group is also responsible for recommending that the service is either retained in house or is subject to out-sourcing via a tender.

- An operational group of officers and residents will be established to implement the actions set out in the Improvement Plan and this group will report to the Repairs Improvement Plan Scrutiny Panel on a quarterly basis
- Monthly team meetings take place:
 - To review the progress of the improvement plan
 - To give all staff the opportunity to feedback information and offer suggestions
 - To enable Managers to feedback to staff performance against current Key performance Indicators
 - To ensure customer feedback is openly discussed

There is a need to develop a system of more detailed performance measurement within Asset Management: to assess the contribution of assets to the achievement of organisational goals; and property measures designed to measure the performance of asset categories.

A review of the entire asset management system will be carried out in order to establish that all of the key elements of asset management are present and represent best practice.

The performance evaluation of the asset management system would cover

- Strategy development
- Programme development
- Programme delivery
- Performance management
- Change management
- Leadership
- Customer focus
- Organisation and roles and responsibilities
- Resources and capacity
- Sustainability
- Data management
- Value for money

Benchmarking

Repairs & Maintenance benchmarking is completed annually as part of the wider HRA Benchmarking undertaken with Housemark. The intention of the Estates & Facilities Team is to investigate methods of reducing overall costs of responsive repairs and voids by reviewing the following:

- Productivity levels per employee (aim: Productivity level of £75k per directly employed operative (i.e. excludes the value of sub contracted work))
- Review materials through the supply chain
- Average cost of a day-to-day repair
- Average cost of a void repair

Section 14

Improvement / Action Plan

New Build Surveys

In order for Cambridge City Council to improve the quality of affordable housing being developed, a survey will be produced and distributed to the residents of the new build properties.

Feedback received from these surveys will help the organisation refine development proposals for any future affordable housing schemes, assisting in the delivery of quality accommodation that will meet the aspirations of both existing and future tenants.

Repairs and Maintenance Improvement Plan

To demonstrate that retaining the provision of responsive and void repairs in house delivers best value for tenants and leaseholders of the Council, an improvement plan has been agreed. A soft market testing exercise of the reactive repairs service indicated that there were improvements that could be made to the way in which services are delivered.

The Repairs and Maintenance Improvement Plan addresses the need for:

- Improved Internal communication
- Improved Technology and Innovation
- Improved Service Delivery
- Improved Resident Involvement
- Improved Inter-Departmental Working Practices
- Improved Productivity / Reduced Costs

The Repairs and Maintenance Improvement Plan is included at [Appendix B](#) to this document.

Estates and Facilities Operational Plan

The Council's Estate and Facilities team are responsible for delivering asset management services, contract management, facilities management and operational delivery of repairs and voids services.

Each of the Council's service areas produces an Operational Plan that sets out service objectives for the coming year.

The Estates and Facilities Operational Plan is included at [Appendix C](#) to this document.

Asset Management Action Plan

The asset management action plan is a schedule of projects and activities that will improve the Council's asset management. These include surveying and re-surveying assets to assess condition and investment requirements, forward planning to assess the impact of external changes, and reviewing existing methods of service delivery.

The action plan covers a three-year period that will be reviewed and updated annually in order to respond to organizational objectives.

An asset management action plan for the medium term has been prepared and is included at [Appendix D](#).

Section 15

Information Systems

Current IT Infrastructure

From an asset management and property maintenance perspective the housing revenue account relies heavily on the business critical IT infrastructure, which exists to support the service.

There are a number of IT applications currently deployed, which support various elements of the business.

Orchard Housing

Orchard Housing Management Information System is an integrated housing management application, which operates on a modular basis. The authority currently uses the key common module, which holds detail of the housing stock owned or managed by the housing revenue account. It also deploys the rents and arrears module, which holds tenancy, rent collection and arrears management information, the service charge module which supports all activity in respect of recording details and recovering service charges for leasehold properties and the right to buy module, which assists in managing the process of selling properties under the right to buy legislation.

In addition, and of particular reference to this plan, the authority also utilises the repairs client module, which records details of all responsive repairs, void repairs and void inspections raised, whether against the dwelling, block or street.

The appointments module is used to schedule appointments for repairs, both in terms of confirming this to the tenant and arranging the staffing resource required to respond and deliver the required repair.

The planned works module allows the recording of all decent homes and planned jobs ordered, whether revenue or capital funded.

The lettings and void module is deployed to manage the workflows associated with a vacant property, from the point at which the outgoing tenant gives notice, to when a new tenant occupies the property.

Codeman / Arcasset

Codeman is the asset management database currently deployed for assets owned and managed within the housing revenue account. The system enables the age and condition of each dwelling to be recorded on a component-by-component basis, alongside the anticipated investment need for each property, profiled over the longer term.

The system allows for assumptions in the investment profile to be amended to facilitate modelling of a variety of investment scenarios for both business planning and asset management decision-making purposes.

OPENContractor

The OPEN Contractor system, currently utilised in Estates and Facilities, is an IT solution, which meets the requirements of a direct labour organisation. The system, based around a common core of people and property information, supports the creation of work tickets, job costing, workforce management, task charging, purchasing, stock recording, stock control and electronic data interchange.

A system called Data Stocks is operated alongside OPENContractor to facilitate the management of stock, using a bar coding methodology to record stock items and allocate them to both operatives and jobs.

Both OPENContractor and Data Stocks are currently used to provide a stores function to internal departments other than Estates and Facilities.

MICAD

The Council utilises the MICAD web server to perform the role of an asbestos register. The system enables multiple records to be maintained and viewed from a number of sites. The

database records the location and condition of Asbestos Containing Materials (ACM's) by department, building, floor, room or individual space.

MICAD automatically performs the risk assessments required for materials to comply with the legislation. Risk assessments for each ACM are performed using a combination of the material assessment (product type, damage/ deterioration, surface treatment, asbestos type) and the priority assessment (location, material extent, use of location, occupancy level, activities carried out, likelihood/ frequency of maintenance activities).

The majority of the information held would be classed as Management Survey information as it was either Type 1 or Type 2 surveys when undertaken. Where refurbishment works have been undertaken a Type 3 survey or as is known now and Demolition and Refurbishment survey would have been undertaken.

Housecall

The Housecall web based application, allows simple reporting of repairs on line by tenants or leaseholders. Its picture based repair diagnostic tool enables the users to accurately identify the repair needed. This system will be reviewed as part of the repairs improvement plan.

Cemar

CEMAR is a web-based NEC3 contract administration tool that is used by Council staff and our partners. Using this tool enables a seamless exchange of orders, queries and work completions while insuring full compliance with the contract terms by both parties.

Future IT Aspirations

Property Attributes

This module of the Orchard Housing application is included in those deployed in the housing service, but is not yet being utilised effectively, This module will allow an element of integration between the housing management information system and third party applications.

Work is in progress to facilitate integration with the systems operated by the Council's gas maintenance partner, Morrisons, to allow gas safety inspection information, certificates

(CP12's) and boiler serial numbers, to be automatically recorded against a property record in the housing management system, reducing duplication of effort by both organisations.

The same module can also be integrated with the Codeman asset management database, again minimising elements of duplicate entry currently required.

Repairs Contractor Module

This module, again of the Orchard Housing application, could be used to allow integration / interfacing with third party contractor systems, thus avoiding duplication of effort by both parties.

Replacement of Direct Labour Works Management System

A review of the existing solution, OPENContractor is underway, with an expectation that the system will require replacement. An upgrade of the previously used Contractor Plus application to the newer and supported version of the application, OPENContractor, a number of years ago has not delivered the benefits anticipated. Vigorous attempts have been made to encourage the supplier to meet the organisation's expectations, but the required development of the system has not been forthcoming.

There are clear benefits to be realised from attempting to rationalise the number of applications that the housing service uses, and to ensure that any third party applications integrate / interface as seamlessly as possible. This review is an opportunity to ensure that any replacement system meets not only current requirements, but also clearly defined future expectations for the service. To deliver future efficiencies in the repairs and maintenance service, it is vital that any system procured not only meets the needs of routine service delivery, but also provides the required level of management information to aid decision making.

Mobile Working and Work Scheduling

To support the retention of the responsive and void repairs services in-house, the key requirements to improve productivity and therefore reduce costs are the introduction of mobile working and work scheduling solutions.

The use of mobile devices, will enable operatives to be directed from job to job when they are signed on, without having to attend the depot to be given job tickets, which will save

considerable time. Although the housing stock is not geographically dispersed as it is in say, South Cambridgeshire, the volume of traffic in the city means that the time taken to travel short distances is significant. Vehicles would carry imprest stocks and operatives would only need to attend site to re-stock as required.

An effective work scheduling system will allow operatives to be assigned to jobs in the immediate vicinity of a previous job, or to be re-directed to respond to an emergency / urgent repair in their locality in an efficient manner.

A combination of a mobile working solution and work scheduling applications will facilitate an efficient repairs service, incorporating real time communication between front line services and the back office, thus allowing timely communication with customers in line with increased expectations.

Replacement of Asset Management Database

With the investment profile of our housing stock being key in decision making in a self-financing environment, consideration also needs to be given to whether the existing asset management database is fit for purpose going into the new operating environment. There are other applications in the market place, which appear to better meet the needs of an expanding housing business, providing better flexibility and data management, allowing greater data manipulation and facilitating clearer option appraisal and reporting. A full review of the Council's requirements will be undertaken to determine how best to meet the changing needs of the service.

Graphical Information System (GIS)

There are clear benefits of operating a GIS system, which would allow the mapping of multiple items relating to the housing stock and surrounding estates across the city.

Such a system would allow mapping of a multitude of operational housing information, such as footpaths, fencing, boundary walls, anti-social behaviour hotspots, communal space, property types, size and density and development land.

Section 16

Risk Management

Insurance

The Council insures its housing stock assets by combining external insurance with the operation of an internal insurance fund. A number of years ago, the Housing Revenue Account took a policy decision to partly 'self-insure' the housing stock, taking an insurance policy with a stop loss of £250,000 per annum. This arrangement requires the authority to meet the first £250,000 of insurance losses in any one insurance year, but serves to significantly reduce the level of annual insurance premium that would otherwise be payable.

The financial risk that this poses requires both the inclusion of an annual budget of approximately £57,000 to meet the costs associated with what would otherwise have been routine insurance claims met by the insurer, coupled with a requirement to maintain HRA balances at such a level that meeting the first £250,000 of any large claim in any one insurance year would not cause irreparable damage to the business.

This arrangement is kept under ongoing review, providing the opportunity to fully insure at any point should this be deemed appropriate in both business risk and financial terms.

As a result of this arrangement, it is crucial that any works that would normally have resulted in an insurance claim are recorded in such a way that if the threshold is reached in any one insurance year, evidence can be provided and a formal claim can be made.

Unforeseen Major Incident

The risk of a major incident in the city, which affects the housing stock, will always exist. An incident resulting in a loss of more than £250,000 would be expected to be met by the Council's insurer.

The impact of a major incident is not only about cost, but about the way in which the Council, and partner organisations, respond to address the issues that any incident may raise. A major incident team exist to respond to a major incident in the first instance, with the organisation responding to provide rest centres and temporary / alternative accommodation until work to any Council stock can be undertaken.

Flood Damage

Some of the Council's housing stock lies within a potential flood plain in the event of exceptional flowing of the River Cam. The probability of this plain being inundated is calculated to be a 1 in a 100-year event.

Planning Policy Changes

Currently both national and local Planning Policies are being reviewed, the results of which will impact the new build council houses programme. The major change to national planning policy is the publication of the Draft National Planning Policy Framework, which will replace the current suite of national Planning Policy Statements, Planning Policy Guidance notes and some Circulars with a single document. The framework sets out the Government's key economic, social and environmental objectives and the planning policies to deliver them. The Government has advised that in many areas, the core approach and principles remain the same.

In terms of changes to local planning policy, Cambridge City Council members have approved the introduction of the Community Infrastructure Levy (CIL) in Cambridge. Implementation of the CIL will run in parallel with the Local Plan Review, which is anticipated to be adopted in 2014.

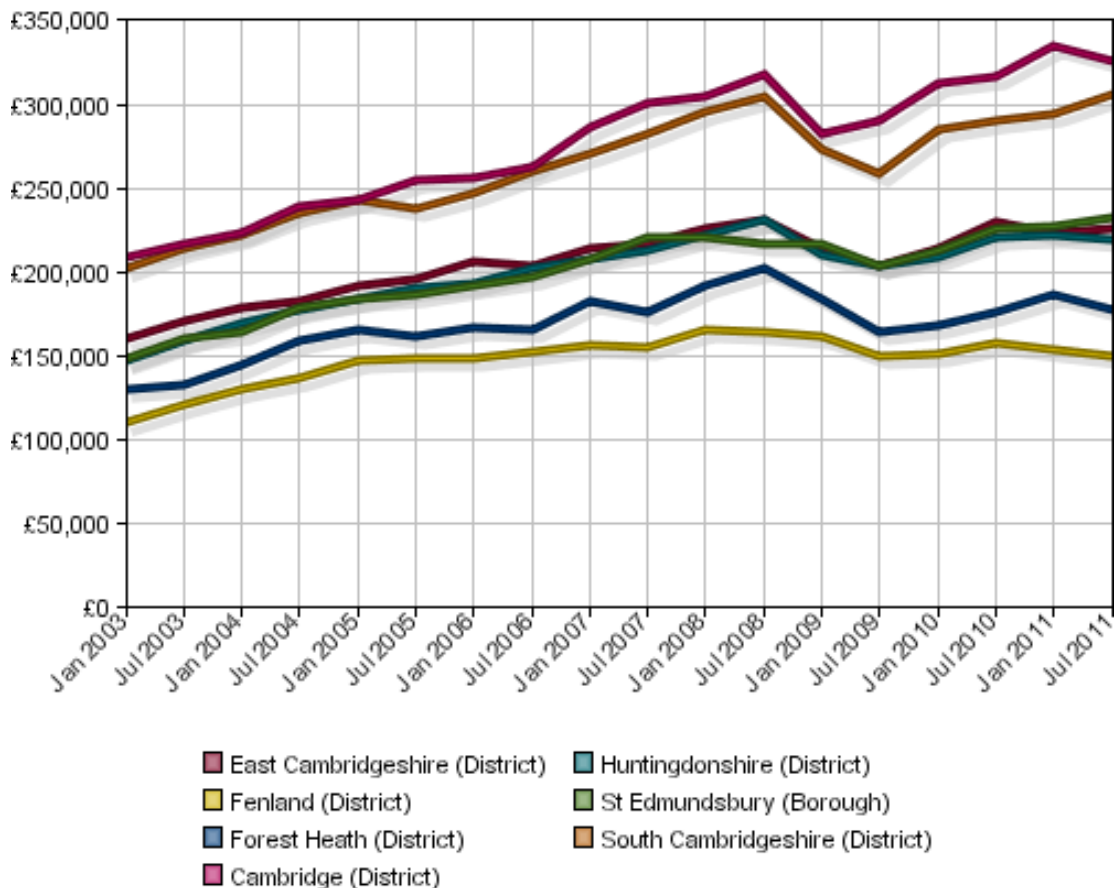
HCA Grant Funding

Cambridge City Council anticipates contracting with the Homes and Communities Agency (HCA) in April 2012 for the grant programme outlined in section 11, New Build. There is a risk that the contract may not be agreed and therefore grant funding would not be available for the 146 affordable housing dwellings programmed. If HCA grant was not available, and it

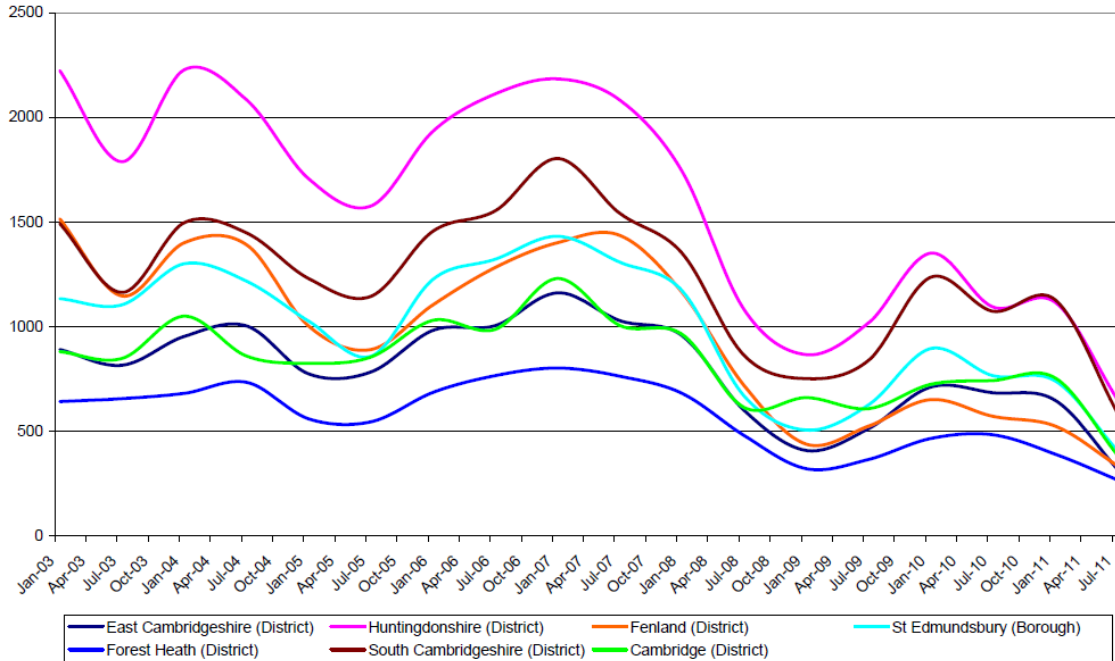
became unviable for the Council to deliver the affordable housing, the Council could run mini-competitions to select RSLs to provide the new affordable housing. A second area of risk in relation to HCA grant is that the grant will be paid on practical completion of the affordable housing, therefore if the site requires an extension of time to the programmed practical completion date there is the potential to lose the grant.

Property Prices

The graph below illustrates the average house prices, in the Cambridge housing sub-region, over the past eight years. The recession can clearly be seen in July 2008 where the average house price trend changes from a positive trend to a negative trend. The base of the trough of average house prices in Cambridge was in January 2009, since when there has been a steady increase in average house prices in Cambridge again.



Although the above graph shows that property prices have now exceeded the previous peak in July 2008, the graph below shows that the number of sales in Cambridge have decreased dramatically, showing a weakness in the Cambridge housing market. Currently there are approximately a third of the number of sales completing in Cambridge that were completing at the peak in January 2007.



This weakness in the Cambridge housing market will lead the Council to make more prudent assumptions on any market housing that will be assumed to cross subsidise the development of any affordable housing.

Legislative Changes

There are inherent risks in any business plan, strategy or financial model, that changes in legislation may alter the assumptions being made.

To address this, the Housing Revenue Account retains a minimum cash balance, the level of which is regularly reviewed, allowing the housing service to retain an element of flexibility to respond to changes in a timely manner.

As examples, legislative changes in tenant's rights may impact the level of turnover experienced in the housing stock, or proposed changes to the level of discounts that might apply to reinvigorate the right to buy process may impact the number of properties that the authority loses through this process.

Inflation Rates

The HRA Business Plan addresses the approach being taken to the volatility that is experienced across a range of inflation rates. The rate that is most likely to impact on the Asset Management Plan is that calculated by the Building Cost Information Service (BCIS), the all in tender price indices. This inflation rate is widely accepted as the industry norm for price increases in construction industry contracts. The index is particularly volatile, and therefore unpredictable, and is often attached to multi-million pound contracts, making the impact of any change considerable in financial terms.

Section 17

Financial Implications

Self-Financing

Long term financial planning for the Housing Revenue Account and consideration of the appropriate level of strategic investment in the housing stock has always been a priority for Cambridge City Council. The cessation of the existing HRA subsidy system, and the introduction of self-financing, provides a greater degree of control and flexibility for local authorities over the longer term.

For the first time in many years, consideration can be given to the potential to deliver new build affordable housing as a local authority directly, as opposed to facilitating the delivery of homes by providing land or grant funding to registered providers.

There is a clear need to balance the investment priorities of the organisation, ensuring that the existing asset base is sustained to a desirable, lettable standard and housing services are provided to the standard we and our residents expect, whilst also meeting the need for more affordable housing in the city.

Self-Financing Headroom

As part of the self-financing debt settlement, the government has arrived at a debt cap for each local authority. The debt cap represents the total debt which government considers the local authority can support, including an assumption that any existing new build schemes that have secured Homes & Communities Agency (HCA) grant funding incur the amount of borrowing highlighted as part of the bid process.

In respect of Cambridge City Council, the debt cap, the maximum that the HRA will be allowed to borrow, is higher than the sum that the authority is required to pay to the

government as part of the self-financing settlement. It is anticipated that the authority will have borrowing headroom of approximately £16,000,000.

To deliver the 146 units of new build affordable housing identified as part of the bid to the HCA in 2011, there is an anticipated need to borrow approximately £6.2 million.

Housing Capital Plan

Included at [Appendix F](#) is the proposed 5-year Housing Capital investment Plan, whilst the 30-year investment plan is detailed at [Appendix G](#).

There are a number of assumptions that have been made as part of the investment plan, including:

- An investment standard approach to maintaining decency in the housing stock, with proactive, planned replacement of building components as opposed to a decent homes minimum investment standard, where components are replaced when they fail. The latter would be expected to reduce costs by approximately 6%.
- A communal areas uplift of £75 per property per year, in line with external advice received from Savills, in addition to existing items of specified investment in communal areas, including lifts, door entry systems and communal area floor coverings.
- Inclusion of £300,000 per annum for 5 years, for investment in garages to allow the backlog of identified works to be undertaken should the review of garages support this level of investment. Return of the annual investment in garages to £100,000 per annum from year 6.
- Inclusion of £200,000 per annum for 5 years to allow planned acceleration of the asbestos removal programme, returning to £100,000 per annum from year 6 to tackle the ongoing work associated with lower categories of asbestos risk.
- Continuation of the previous level of investment of £878,000 in disabled adaptations, £21,000 for Tenants Incentive Schemes and £100,000 for fencing replacement on an ongoing basis.

- Retention of the £300,000 per annum for a further 9 years to meet anticipated costs of fire safety works and fire prevention measures across the housing stock.
- Retention of funding for paths, hard standings and recycling areas at the higher level of £250,000 for the next 3 years, reducing to £150,000 per annum from year 4 onwards.
- Continuation of funding for Cambridge Standard works at £200,000 per annum.
- Inclusion of funding for capital bid items from the 2012 / 13 budget process.

Section 18

Appendices

Appendix A

Miscellaneous Leases

Address Line 1	Organisation Type	Expiry date	Property Type	Beds	Built	Market Value	Current repair responsibilities - Council	Current repair responsibilities - Lessee
Leases								
99 Gwydir St	University	19.07.2012	Flat into bedsits	5	1899	£355,000	Main structure: Foundations, load bearing walls and roof Guttering & downpipes roof coverings external doors & window frames structural element of ceilings drains	internal: wall & wall coverings ceilings & ceiling coverings floors & floorboards door and door frames windows & window frames glass toilet facilities, water sanitary & heating appliances inc. boilers sewers & drains water gas pipes and mains within the property gardens fences painting
120 Mill Rd	Housing Society	25.03.2013	House	4	1899	£300,000	Main Structure	Internal
122 Mill Rd	Housing Society	25.03.2013	House	4	1899	£300,000	Main Structure	Internal

Address Line 1	Organisation Type	Expiry date	Property Type	Beds	Built	Market Value	Current repair responsibilities - Council	Current repair responsibilities - Lessee
28 Elizabeth Way	Charity	2016	House	3	1899	£250,000	Main Structure	Internal
93 Radekund Rd	Charity	30.04.2016	House	3	1945	£275,000	Main Structure	Internal
1 Ferry House	Charity	22.08.2016	House	2	1899	£380,000	Main Structure	Internal
4 Short St	Charity	08.06.2012	House	3	1899	£350,000	Main Structure	Internal
5 Short St	Charity	08.06.2012	House	3	1899	£325,000	Main Structure	Internal
6 Short St	Charity	08.06.2012	House	3	1899	£295,000	Main Structure	Internal
5 Lawrence Way	Chapel	22.08.2016	House	3	1962	£195,000	Main Structure	Internal
8 Castle Row	Charity	2016	Flat	1	1945	£155,000	Main Structure	Internal
9 Castle Row	Charity	2016	Flat	1	1945	£155,000	Main Structure	Internal

Tenancy Agreements

28 Fulbourn Old Drift	County Education Dept	NA	House	3	1978	£210,000	As secure tenancy	As secure tenancy
101 Paget Rd	County Education Dept	NA	House	3	1948	£200,000	As secure tenancy	As secure tenancy
194 Milton Rd	County Education Dept	NA	House	3	1927	£235,000	As secure tenancy	As secure tenancy
12 Mortlock Ave	County Education Dept	NA	House	3	1948	£215,000	As secure tenancy	As secure tenancy
61 Ross St	Housing Society	NA	Flat	1	1990	£150,000	As secure tenancy	As secure tenancy
63 Ross St	Housing Society	NA	Flat	1	1990	£150,000	As secure tenancy	As secure tenancy
65 Ross St	Housing Society	NA	Flat	1	1990	£150,000	As secure tenancy	As secure tenancy
7 Tom Amey Court	Housing Society	NA	Flat	2	1945	£180,000	As secure tenancy	As secure tenancy
9 Tom Amey Court	Housing Society	NA	Flat	1	1945	£150,000	As secure tenancy	As secure tenancy
3 Bill Briggs Court	Housing Society	NA	Flat	1	1990	£150,000	As secure tenancy	As secure tenancy
10 Bill Briggs Court	Housing Society	NA	Flat	1	1990	£150,000	As secure tenancy	As secure tenancy
37 Lawrence Way	Community Group	NA	House	3	1962	£190,000	As secure tenancy	As secure tenancy

(Market valuations provided by Pocock & Shaw, based on external assessment and dependent on vacant possession – Dec 2011).

Appendix B

Repairs and Maintenance Improvement Plan

April 2011 – March 2013

Vision and Goals:

- A modern repairs service that focuses on the following:
 - Customer First attitude
 - Provides Value for Money
 - Efficient methods of working
 - High level of stakeholder satisfaction

Targets/Outcomes	Completion Date	Measurement Criteria	Lead Officer
Service Objective 1 – Improved Internal Communication. Honest and open communication with all staff, in particular site based staff, to ensure everyone is aware of what the service is trying to achieve, everyone understands the challenges the service is facing, and everyone is committed to implementing the required improvements.			
Monthly team meetings: To review the progress of the improvement plan To give all staff the opportunity to feedback information and offer suggestions Managers feedback to staff performance against current Key performance Indicators Customer Feedback openly discussed	September 2011	Service Objective 1 refers.	Operations Manager
Staff Training: Ensure all staff (including managers) receive regular training in customer care and conflict management	March 2013	All staff are trained. Accurate training records which indicate when refresher training	Service Manager

Targets/Outcomes	Completion Date	Measurement Criteria	Lead Officer
		is required.	
Ensure that improvement requirements are built into operational plans, team meetings, personal objectives and are discussed at one to one meetings and annual performance reviews.	March 2013	Departmental and individual plans are co-ordinated to reflect the improvement plan objectives – all documented.	Operations Manager
Ensure availability of operational team staff to answer queries from the Customer Service Centre up to 5pm. Currently this service is not readily available after 3.30pm.	Sept 2011	Increased satisfaction of Customer Service Centre Increased flexibility of staff with mobile and home working	Service Manager

Service Objective 2 – Improved Technology and Innovation

To increase the efficiency of the repairs and voids service. The current service is dependent upon manual processes and procedures that limit the ability to improve the service overall. There are also two software systems operational which were required do provide a client/contractor environment. This is no longer a relevant working environment due to the merge of Building Services and Technical Services

<p>Mobile Working will result in the following improvements to the service:</p> <ul style="list-style-type: none"> Ability to respond to customer enquiries immediately Enabling the optimum management of technicians and surveyors resulting in a more flexible service for both repairs and voids Reduce the duplication of tasks currently carried out manually Provide the potential to increase the number of appointment slots, leading to an increase in the percentage of jobs carried out with appointments Provide the ability to calculate productivity on an individual basis Customer Survey carried out on site via secure PDA Increase the automation of stock management down to individual van level Van stock level available individually Ensure that customer feedback is collated to the level of the individual technician, and technicians are informed of customer comments (positive and negative) on a monthly basis 	June 2012	<p>Automated process for the management of appointments</p> <p>Flexible allocation of technicians and surveyors to individual jobs</p> <p>1 hour time slots</p> <p>Increased level of live status data for individual jobs (ie on the way, arrived, completed etc)</p> <p>Automated process for capturing live status data.</p> <p>Productivity level of £75k per directly employed operative (ie excludes the value of sub contracted work)</p> <p>Increased number of satisfaction surveys returned.</p> <p>Increased job satisfaction</p> <p>Improved customer satisfaction.</p> <p>Training plan.</p>	Operations Manager
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Targets/Outcomes	Completion Date	Measurement Criteria	Lead Officer
		Completed Action plan	
<p>Implement a single integrated software system that meets the needs of both the asset management and operational sections of the service. This will result in the following improvements to the service:</p> <p>Eliminate duplication of job numbers to individual tasks</p> <p>Eliminate the need to reconcile two systems on a job number basis</p> <p>Eliminate the need to reconcile two systems of an invoice value basis</p> <p>Eliminate the need to reconcile two systems on an address level basis</p> <p>Eliminate the potential for jobs to fail to cross over between the two systems</p> <p>Eliminate the potential for failures in other areas of the interface (eg status update information, financial completion etc)</p> <p>Eliminate duplication of tasks in relation to booking of appointments</p>	June 2012	<p>A single point of reference for all data relating to the job</p> <p>Reduction in the need for training on multiple software</p> <p>Increased volume of payments on a monthly basis</p> <p>Completed action plan</p>	Operations Manager
<p>Investigate the potential for the implementation of Fault Diagnostic Software at the Customer Service Centre. This will result in a more accurate description of the repair to the operational team. The benefits are:</p> <p>Standardise the terminology used in the description of the repair.</p> <p>Reduce multiple visits to customers homes by operatives</p> <p>Accurate coding of priority of the job</p> <p>Accurate allocation of job to the correct trade</p> <p>Reduce the number of pre-inspection by surveyors</p>	January 2012	<p>Increased number of jobs repaired on the first visit – target 85%</p> <p>Reduced number of telephone calls relating to the same repair</p> <p>Reduced level of recalls</p> <p>Completed action plan</p>	Operations Manager
Service Objective 3 – Improved Service Delivery			
<p>Investigate the potential for the implementation of Fault Diagnostic Software at the Customer Service Centre. This will result in a more accurate description of the repair to the operational team. The benefits are:</p> <p>Standardise the terminology used in the description of the repair.</p> <p>Reduce multiple visits to customers homes by operatives</p> <p>Accurate coding of priority of the job</p> <p>Accurate allocation of job to the correct trade</p> <p>Reduce the number of pre-inspection by surveyors</p>	January 2012	<p>Increased number of jobs repaired on the first visit – target 85%</p> <p>Reduced number of telephone calls relating to the same repair</p> <p>Reduced level of recalls</p> <p>Completed action plan</p>	Operations Manager
<p>Increase the percentage of responsive repairs completed within agreed target times:</p>	June 2012	<p>Emergency - New Target of 100% being achieved</p> <p>Urgent: - new target of 98% being achieved</p> <p>Routine - New Target of</p>	Service Manager

Targets/Outcomes	Completion Date	Measurement Criteria	Lead Officer
		99% being achieved.	
Decrease the number of days taken to carry out the construction element of voids (calendar days)	September 2011	New Target of 10 days being achieved.	Service Manager
Quality of works in void properties: Currently this is measured by the number of calls from tenants requesting repairs within 28 days of occupation of the property. This is difficult to capture. In future, quality will be measured by tenant inspector's final inspection of the work.	June 2011	No current target New Target 98% Increased number of tenant inspectors	Service Manager
Reduce number of occasions where the original target date is extended (currently between 10-15% per month). The benefit of this will be to accurately capture performance. The criteria for extending the target date will be: On emergency jobs - where a temporary repair was all that could be achieved during the visit On urgent jobs - where a temporary repair was all that could be achieved during the visit due to materials availability or additional trades required. Routine repairs: If the customer requests an appointment which is outside the priority target deadline When the materials required are not usually held in stores and the delivery is outside the priority target deadline	July 2011	Increased percentage of jobs fixed within target. Increased customer satisfaction. Decreased number of extended jobs.	Service Manager
Increase the scope of works carried out with an appointment: Currently urgent jobs are not allocated an appointment. Proposal is to offer an appointment for all urgent jobs	March 2013	Increased number of jobs carried out with an appointment, current target 70% New Target 75% which will be subject to further review post 2013	Service Manager
Increase the number of appointment slots available. At present customers who wish to make an appointment for the work may have to wait several weeks until a free appointment slot is available.	December 2011	Increased volume of works carried out by appointment Decreased waiting time for Customers who make an appointment	Service Manager
Prioritise cancelled / missed appointments Where an appointment has been missed by the Repairs and Maintenance service the replacement appointment should be prioritised in order to reduce the further waiting time	September 2011	Repairs and maintenance team identify new appointment slot and agree with customer, then update Orchard to show new details Reduction in waiting time for customers	Service Manager
Operating Hours Undertake a tenant survey in order to consider: Offering appointments for Saturday mornings between 9am and 12 Noon To extend the daily appointment service on a Tuesday and a Thursday between 4pm and 6pm.	September 2011	Success will be measured by the update of appointments by customers. Analysis information on	Service Manager

Targets/Outcomes	Completion Date	Measurement Criteria	Lead Officer
		tenant survey.	
Confirmation of Repair appointment. Investigate the potential to confirm a customer's appointment by e mail or text instead of the paper confirmation that is currently sent in the post.	September 2011	Reduction in postage costs Reduction in paper costs Increased efficiency of staff in the CSC by removing the need to fill envelopes, frank mail etc	Service Manager
Customer Satisfaction Surveys The ultimate goal is to carry out the surveys on site via a PDA but this requires the mobile working facility. It is proposed to introduce a temporary improvement pending the introduction of the mobile facility, which is for the Customer Service Centre to carry out the satisfaction survey by phone, entering the responses directly into Orchard.	September 2011	Increase in the number of responses Reduction in postage costs Reduction in paper costs Increase the efficiency of staff in the CSC by removing the need to fill envelopes, frank mail etc	Service Manager
First time Fix Ensure that the quality of all urgent, routine and void jobs is such that the customer does not need to report the same job more than once.	September 2011	Question on Customer Satisfaction Survey	Service Manager
Quality of survey Ensure that surveys accurately identify the work required, and that this information is conveyed to both the customer and the Customer Service Centre.	April 2011	Question on Customer Satisfaction Survey Analysis from surveys	Principal Surveyor
Void administrative procedures To improve the efficiency of void processes to reduce duplication of effort and to streamline the administration of the data input.	June 2011	Voids data is entered into the relevant software systems more quickly and efficiently	Service Manager
Service Objective 4 – Resident Involvement			
Ensure that the level of resident involvement in the repairs and void service is not reduced when the review of Tenant Inspection duties are finalised.	September 2011	Tenant Inspection input is maintained/increased.	Principal Surveyor
Service Objective 5 – Improve Interdepartmental working practises			
Supporting Tenancy Management To investigate methods of identifying properties that will require significant expenditure at the point of the void arising due to tenants mistreating their homes e.g. to use the Gas	December 2011	Improved tenancy management Long-term reduction in void costs due to	Principal Surveyor

Targets/Outcomes	Completion Date	Measurement Criteria	Lead Officer
Maintenance contractor to identify abused properties and report back to City Homes.		residents improved behaviour.	
Service Objective 6 - Cost of Service			
Investigate methods of reducing overall costs of responsive repairs and voids by reviewing the following: Productivity levels per employee Review materials through the supply chain Average cost of a day to day repair. Average cost of a void repair.	December 2012	Productivity achieved at £75k per technician Potentially reduce material costs in voids and repairs	Operations Manager

Appendix C

Estates and Facilities Operational Plan

April 2011 onwards

Update on Changes to Services or Service Structure

The service is being restructured to reflect a merger of Client and Contracting Functions that will result in some efficiencies being realised and significant changes in role for a number of personnel.

Key Objectives for 2011/12

The key objectives for this service are set out in the Service Plan below include the following primary areas:

- o Maintaining and developing internal and external relationships
- o External working relationships
- o Value for Money
- o Performance monitoring
- o Asset Management and Finance
- o Information Management
- o Consultations and Communication

Longer Term Objectives – 2011/12 to 2013/14

Deliver a two year repairs and improvement programme which demonstrates relative and absolute improvement in key areas including customer satisfaction and performance indicators.

Our Vision:

A City which recognises and meets needs for housing of all kinds – close to jobs and neighbourhood facilities

A City in the forefront of low carbon living and minimising its impact on the environment from waste and pollution

A City whose citizens feel they can influence public decision making and are equally keen to pursue individual and community initiatives

Key Actions/Targets/Outcomes	Completion Date	Strategic Risk Factors	Lead Officer
SERVICE OBJECTIVE 1: RELATIONSHIP WITH CUSTOMER SERVICE CENTRE			
<p>a). Continue to develop relationship with the CSC with ultimate aim to provide a flexible service to our customers with the ability to adapt to the changing environment by identifying actions/outcomes.</p> <p>Actions: Regular meetings with CSC to be involved in implementing actions from BPR exercise.</p>	Monthly	The restructure of the Repairs & Maintenance department could pose a risk should the amount of resources be reduced or not allocated in the right areas.	John Horwood
<p>b) Ensure CSC understand changes within the Improvement Plan for Repairs and Voids e.g, opti-time and the impact they may have on their procedures and processes.</p> <p>Actions: Regular meetings with CSC CSC to be involved in implementing actions from BPR exercise.</p>	Monthly Quarter 2	As above.	John Horwood
SERVICE OBJECTIVE 2: RELATIONSHIP WITH CITY HOMES			
<p>a) Repairs and Maintenance to continue to work closely with Housing Management to meet customer needs.</p> <p>Actions: Attendance at HMT Attendance at HMM Involvement in HRP Group</p>	Monthly Monthly Monthly	City Homes and Repairs & Maintenance have been put in different directorates and with the remit of Repairs & Maintenance being widened to include maintenance of other stock there is a danger of relationships becoming more distant.	John Horwood
<p>b) Reduce void (works) time and minimise rent loss</p> <p>Actions: Standardisation of City Wide Process to take place.</p>	Quarter 2	Negative media coverage of the Edgecombe flats, pro-active asbestos removal	John Horwood

Key Actions/Targets/Outcomes	Completion Date	Strategic Risk Factors	Lead Officer
		programme. Tenant's concerns over this programme.	
SERVICE OBJECTIVE 3 : EXTERNAL WORKING RELATIONSHIPS			
a) Investigate what contracts are in place throughout the Council to look at what works could be taken over by Repairs & maintenance. Actions: Meet with Property Services Investigation what contracts are in place Council wide and identify works for Repairs & Maintenance	Quarter 2 Quarter 2	Other departments in the Council reluctant to engage.	Sarah Foreman
b) Investigate ways of undertaking an annual property review by using current partnering contracts e.g., gas to enable us monitor any abuse of council properties and also issuing of information such as asbestos.	Quarter 3		Chris Brown
c) Explore possibilities to make better use of new framework relationships in order to enhance management of asbestos (NWCCA).	Quarter 2	NWCCA framework unsuitable. Limited frameworks available. Legal unhappy with Fusion 21 Frameworks.	Jenny Gibson
SERVICE OBJECTIVE 4: VALUE FOR MONEY - CONTINUE TO DELIVER VFM AND EFFICIENCIES THROUGH EFFECTIVE PROCUREMENT OF SERVICES AND CONTINUOUS IMPROVEMENT AND CHALLENGE STANDARDS AND QUALITY			
a) Successful implementation of the Planned Maintenance Works contract for primary and secondary contractors to meet all council objectives and in accordance with constitution. Action: Regular review and update of the implementation action plan. Apollo to obtain "admitted body status" Award contracts to Apollo and Kier Commence programme of work	Quarter 1 April 2011 May 2011 June 2011	Delay to the agreement of the TUPE list leading to delay to "admitted body status" means the contract cannot be awarded and CCC have to continue to deliver works in-house. Failure to deal with perceived poor public relations The ability of Apollo to engage positively with TUPE'd CCC staff, getting them to embrace the culture change in their working environment, to ensure	Will Barfield

Key Actions/Targets/Outcomes	Completion Date	Strategic Risk Factors	Lead Officer
		there is a smooth transition of the affected workforce.	
<p>b) Increase Leaseholder satisfaction on cyclical maintenance works that are charged for through the Section 20 process.</p> <p>Actions: Continue post inspections Devise and carry out more accurate pre-inspections</p>	Ongoing Quarter 1	Poor quality survey information, leading to inaccurate estimated costs to leaseholders. Delivery on-site of sub-standard works and inaccurate charges made to Leaseholders.	John Horwood
<p>c) Successful delivery of the Disabled Adaptations works programme, ensuring that programmed works are completed on time, on budget and to a high standard. Disruption to tenants to be kept to a minimum and they need to be fully informed all the way through the process.</p> <p>Actions: New administrative procedures to be put in place: Review tenant correspondence Review processed for new planned contractor</p>	31 Mar 2012	<p>Outcome of Housing Self Finance yet unknown.</p> <p>High dependency on the OT Service – reduction in OT waiting list currently has an impact on the volume of referrals received.</p> <p>A risk of high demand exceeding available resources.</p>	Lucy Gordon
d) Successful completion of Brandon Court refurbishment project.	Quarter 4		Will Barfield
e) Implement supply chain initiative to review and improve VFM in maintenance supply chains.	Oct 2012		Will Barfield
New planned maintenance contract supply chain to be appointed in line with contract procedures	June 2011		
Review of “Top Twenty” materials / suppliers – to include review of specification and costs	August 2011		
f) Establish new strategic housing maintenance partnership of maintenance partners and key stakeholders to review all housing maintenance activities.			Will Barfield
<p>Actions: All existing partnerships in the repairs and maintenance to be brought together and branded Launch event to be arranged.</p>	Quarter 1 Quarter 2		
SERVICE OBJECTIVE 5 : PERFORMANCE MONITORING			
a) Keeping pace with changing requirements of regulators / inspectors, especially around role of residents scrutinising services.		Ability to be able to source enough volunteers	John Horwood
Actions:		Sufficient internal	

Key Actions/Targets/Outcomes	Completion Date	Strategic Risk Factors	Lead Officer
Resident Inspectors to undertake quality inspections on voids. Regular Resident inspector meetings Check regulations post TSA. Deliver local services standards Work closely with HRP providing support, guidance and information – ascertain a copy of their programme of what is being looked at.	Quarter 1 Ongoing Quarter 1 Ongoing Quarter 1	resources.	
c) Ensure performance information is collated and circulated on a regular basis. Actions: Ensure individuals are aware of their roles and responsibility in relation to performance information. Resolve current IT problems to ensure accurate figures are generated.	Quarter 1	The ability to supply adequate IT in order to generate relevant information. Two systems currently running increasing the risk for error.	John Horwood
d) Review planned maintenance performance via KPI monitoring to ensure service standards and customer expectations are met. There will be revised set of KPIs for repairs and voids as part of 7B. Productivity will be monitored as part of 7B Actions: New set of KPI dashboards to be produced.	Quarter 1		Martin Donnelly

SERVICE OBJECTIVE 6 : ASSET MANAGEMENT PLAN & FINANCE

a) Independent Stock Condition Validation to be undertaken Actions: Arrangements to be made with CIH to carry out the validation.	Quarter 1	Inaccurate stock condition information, could lead to problems in financially planning the works over the next 30 years. Need to check information we currently have is correct and verified.	Martin Donnelly
b) Improvement plan to be undertaken for voids and repairs. Review to take place after 2 years, to high light improvements and the success of the plan. Actions: Plan TO BE APPROVED by the partnering core group and HMT Top 3 Priority Areas. <i>Improved Internal Communication:</i> Honest and open communication with all staff, in particular site based staff, to ensure everyone is aware of what the service is trying to achieve, everyone understands the challenges the service is facing, and everyone is committed to implementing the required improvements.	Quarter 1	If the service does not meet the required improvements, the current policy is to consider outsourcing it.	John Horwood

Key Actions/Targets/Outcomes	Completion Date	Strategic Risk Factors	Lead Officer
<p>Improved Technology and Innovation:</p> <p>To increase the efficiency of the repairs and voids service. The current service is dependent upon manual processes and procedures that limit the ability to improve the service overall. There are also two software systems operational which were required to provide a client/contractor environment. This is no longer a relevant working environment due to the merge of Building Services and Technical Services.</p> <p>Improved Service Delivery</p> <p>Progress report to be produced for September Committee</p>			
<p>c) Fire risk assessments of communal areas – financial impact- Commencement of rolling 3 year programme to formally review all FRA's and price works by incoming new partner.</p> <p>Actions: Establish 3 year review cycle for carrying out risk assessments Identify resources for carrying out surveys.</p>	<p>Quarter 2 Quarter 2</p>	<p>Failure to procure new Consultant Additional works identified on subsequent FRA's. Fatality within a property prior to works being completed. Lack of resources. Lack of understanding by staff.</p>	<p>Jenny Gibson</p>
<p>d) Ditchburn Place refurbishment – develop feasibility and scheme design</p>	<p>TBC</p>		<p>Will Barfield</p>
<p>e) Revise Asset Management Plan</p> <p>Actions: CIH to be approached about doing this.</p>	<p>Quarter 2</p>		<p>Bob Hadfield</p>
<p>f) Complete all external HHSRS surveys.</p>	<p>Quarter 3</p>	<p>This will reduce the possibility of any legal action being taken against CCC, for any injuries sustained by the public while using a public area with a hazard; for e.g. a trip hazard, that has not been addressed. Failure to complete these external HHSRS surveys and addressing any Category 1 & 2 hazards identified, could result in compensation claims and negative publicity for the Council.</p>	<p>Martin Donnelly</p>
<p>g) Review of asbestos and Horizon scanning for changes in legislation.</p>		<p>Failure to manage recent legislative changes incorporated</p>	<p>Jenny Gibson</p>

Key Actions/Targets/Outcomes	Completion Date	Strategic Risk Factors	Lead Officer
Embed new Consultant. Review Asbestos Management Plans. Review databases with newly appointed Consultants Re-inspection of 1/6 of Communal Areas Review of pro-active removal works.	Quarter 2 Quarter 4 Quarter 4 Quarter 3 Quarter 4	within the Planned works contract. New Regs – Artex????? Failure to appoint Consultant. Apollo failure to appoint a competent Contractor.	
h) Flood management - Liaise with the Environment Agency in order to gain a full understanding of our responsibility. Survey effected areas/properties and generate a risk register. Implement any legislative remedial actions following the survey. Actions: Identify properties at risk Agree where information will be recorded	Quarter 4	There could be a negative impact on budgets in the future, if we suddenly find we have a lot of previously unknown flood-defence works to undertake at short notice. Cambridge residents will feel physical impact of any properties flood damaged. Could lead to claims for compensation if CCC is found liable.	John Horwood
i) To carry out EPC (Energy Performance Certificates) surveys in our stock with our own trained staff, at the change of tenancies or every 10 years. Actions: Look at options for additional staff to be trained.	Quarter 2	An EPC needs to be made available to prospective new tenants when a council property is being let. This is in order to meet Environmental Performance of Buildings legislation and we run the risk of Trading Standards enforcement action (including fines) if we do not achieve this. It's important that we have accurate and up to date energy information on our stock, as energy efficiency performance of buildings is becoming increasingly important. Not resourcing the surveys in-house will be more expensive, not good VFM and not a good use of our	John Horwood

Key Actions/Targets/Outcomes	Completion Date	Strategic Risk Factors	Lead Officer
		surveying staff.	
<p>j) Renewable Energy programmes – Large-scale renewable energy rollout to take advantage of government incentive schemes (Feed in Tariff, Renewable Heat Incentive, etc.) and to properly investigate the next options after gas for space/water heating options in all council owned property.</p> <p>Actions: Strategic paper to be written and linked in with the Asset Management Plan.</p>	Quarter 2	<p>Not investing in renewable energy installations will mean that CCC miss out on potential income generating technologies whilst also not utilising one method of tackling fuel poverty.</p> <p>CCC also need to research potential options to replace gas fuelled heating. Failure to do so will limit future options and will increase our risk to dwindling gas supplies.</p>	Sam Griggs
<p>k) Stores Review</p> <p>Assess impact of mobile working solution(s) on material supply processes. Ascertain service users and associated materials/supplies volume. Ascertain material volume and movement via stores for day to day and voids maintenance activity Examine current local market service offering for given volumes of material supply from known materials suppliers. Formulate recommendations for consideration by Members.</p>	Quarter 4	<p>Lack of materials Cap off supply route for periodic activity Reduce capacity for authority to lever in financial advantage for purchasing in other areas Need to maintain continuity of supply Supplier failure</p>	Bob Hadfield
<p>l) HRA Self-financing -Review and implement outcomes/ proposed changes as a result of government consultation.</p> <p>Actions: Liaise with Julia Hovells regarding Government return date.</p>	Quarter 1	Capital and Revenue budgets are reduced resulting in the inability to finance all the works required.	Hilary Newby
m) Review medium Term Capital Plan following validation of stock condition information and estimated future spending requirements.	Quarter 1	Capital budget allocations do not meet cost of works required	Hilary Newby
n) Full review of procedures and methods of recording and monitoring financial information.	Quarter 4	Annual capital programmes overspend or underspend against their budget allocation.	Hilary Newby
SERVICE OBJECTIVE 8: INFORMATION STRATEGY			
<p>a) Investigate potential to take advantage of mobile working e.g. Opti-time across the service, weighing up benefits derived against cost of implementation.</p> <p>Actions: Identify actions necessary for rolling this out.</p>	Quarter 1	Being able to secure the necessary funding will be vital in order to roll this out. Long -term efficiencies can be demonstrated should	John Horwood

Key Actions/Targets/Outcomes	Completion Date	Strategic Risk Factors	Lead Officer
		we be able to implement.	
b) Ensure staff have received training following the implementation of the upgrade to Orchard	Quarter 3		Rania Marjeh
c) Review of Codeman Savills already commissioned to carry out validation Actions: Send raw data to Savills Send survey formats to Savills Send pricing tables to Savills Carry out recommendation by Savills	Quarter 1	Need to ensure the core database is accurate and suitable for our long term needs. Software is to be changed by current supplier (SAM)	Rania Marjeh
d) Investigate alternatives to Open Contractor software in order to eliminate duplication of procedures and processes within the Repairs and Maintenance team. Actions: Paper to go to asset management group Budget to be identified/bid to be submitted Review of data stocks system	Quarter 2	The use of two operational software systems requires intensive monitoring to ensure both contain the same information. Currently causing issues regarding receipt of job requests, duplicate jobs, reconciliation of completion information, reconciliation of financial information	Sarah Foreman
e) Review of Data Stocks system	Quarter 3	Part of review of the provision of on site stores / alternatives to Open Contractor	Sarah Foreman
f) Review of NHER housing stock energy database	Quarter 2		Sam Griggs
g) Update Web pages, including investigating the potential for residents to report repairs on-line utilising a repair finder type application	Quarter 2		Rania Marjeh
h) Investigate the potential benefit of a full GIS system	31 Mar 2014		Rania Marjeh

SERVICE OBJECTIVE 9: CONSULTATION AND COMMUNICATION

a) Complete staff transfer to appointed planned work contractor.	Quarter 1	Apollo contract is late starting, reducing the time to deliver all works identified in Year 1. This could result in slippage, or rushed works with the quality being affected.	Bob Hadfield
b) Implementation of Repairs & Maintenance Restructure Actions: Ensure staff within the teams are kept up to date with	Quarter 1	Can affect staff morale negatively, the longer that there is uncertainty on the layout of the	Bob Hadfield

Key Actions/Targets/Outcomes	Completion Date	Strategic Risk Factors	Lead Officer
<p>organisational changes and that communication about changes are delivered in a positive manner at all times. Prepare staff and service users for any staff changes as early as possible giving honest reasons for change and positive messages at all times.</p>		<p>new staff structure.</p>	
<p>c) Monitor impact of key services on diverse communities including:</p> <p>Using customer insight in formulating service delivery plans. Assessing satisfaction by diversity grouping Reviewing ethnic make up of work groups as part of core group meetings Ensuring diversity training is up to date Ensure EqiA's are carried out when changes to services are made to highlight any adverse impact on groups of customers and/or staff. Contribute to corporate equalities action plan by identifying and communicating highlighted issues.</p>	<p>Quarter 1</p>		<p>Sarah Foreman</p>
<p>d) Ensure tenants are consulted throughout any change process, be honest with them about what is realistic in the given circumstances /constraints in which we may find ourselves delivering services in the future.</p> <p>Actions: Understand what implications of self-financing means to tenants.</p>	<p>Quarter 1</p>		<p>Bob Hadfield</p>

Appendix D

Asset Management Action Plan

Ref	Action	2012/13	2013/14	2014/15
	A full review of all of the communal facilities in the Council's sheltered housing stock will identify the longer-term investment need and allow detailed timetabling of this activity			✓
	New procurement strategy 2012-2017	✓		
	Review temporary housing investment to reduce void and repairs costs.		✓	
	Review miscellaneous leases and repairing obligations facing the Council			✓
	Review garage investment and implement an improvement programme	✓		
	Survey all garage blocks and add to stock condition data base	✓		
	Review planned works requirements for commercial property		✓	
	Consider options for building of historic or special interest			✓
	Assess the impact and opportunities of the Green Deal	✓		
	Assess the impact of Smart Metering from 2014		✓	
	Carry out a value for money review for gas boiler installations	✓		
	Set a programmes for Cambridge Standard works		✓	
	Survey and record location of surface water gullies			✓
	Carry out performance review of the Council's asset management processes and practices		✓	
	Survey / inspect external render systems to establish maintenance requirements	✓		
	Complete surveys of communal areas including boundaries, drying areas, store sheds, cycle stores, signage		✓	
	Carry out a review of the stock condition database	✓		
	Investigate the implementation of Geographic Information System		✓	
	Establish a maintenance programme for communal lighting	✓		
	Investigate the transfer of some amenity pathways to the County Council		✓	
	Review future requirements for un-modernized sheltered housing schemes.		✓	

Appendix E

3-Year Rolling Affordable Housing Investigation Programme *

	Ward	Location	AH Units Loss	AH Units Gross	Comment
2011/12					
99 Kendal Way	East Chesterton	North	0	1	Redevelop: Open space may be suitable for one dwelling.
Latimer Close	Abbey	South	20	20	Redevelop: Site consists of twenty single 1-bed units, of which four are privately owned flats. Architects have drawn up a scheme of twenty dwellings comprising a mix of houses and flats.
51-73 Barnwell Road	Abbey	South	24	17	Redevelop: Site consists of 24 single 1-bed units, of which two are privately owned. With a mix of houses and flats this site could accommodate seventeen dwellings.
161-169 Lichfield Road	Coleridge	South	0	20	Site adjacent to Lichfield scheme.
Property Services Wadloes Road	Abbey	South	0	12	Redevelopment of a commercial unit.
St Matthews Street Garages	Petersfield	South	0	5 - 10	<i>Brought forward to allow thorough investigation of site and conclusive analysis re redevelopment or investment.</i>
98-144 Campkin Road	Arbury	North	24	36	Substandard units. Councillor recommendation. Current inefficient use of land. Possible inclusion of Campkin Court (CHS).
Water Lane	East Chesterton	North	24	16	Redevelopment of older style older persons accommodation.
Shelford Road	Trumpington	South	0	7	Land audit identified. Scrubland between 166 and 174 Shelford Road. Non tenanted.
Anstey Way	Trumpington	South	0	2	Ex-drying area. Councillor contact and City Homes recommendation.
Aylesborough Close	Arbury	North	16	24	Redevelopment – Also 4 private units. Potential to increase this scheme further

	Ward	Location	AH Units Loss	AH Units Gross	Comment
2012/13					
51-53 Argyle Street	Romsey	South	0	2	<i>Currently a garage / workshop.</i>
Atkins Close	Kings Hedges	North	0	6	Currently a garage site
Cadwin Fields	Kings Hedges	North	0	2	Currently a garage site
Cameron Road / Nuns Way	Kings Hedges	North	0	4 to 8	Currently a garage site
Gunhild Way	Queen Ediths	South	0	2	Currently a garage site
1-20 & 81-91 Hawkins Road Garages	Kings Hedges	North	0	14	Currently a garage site
641-643 Newmarket Road	Abbey	South	12 AH and Private	24	Potential to assemble with Church land to the east.
Ventress Close	Queen Ediths	South	2	6	vacant land either side of 9/10 – look at including exist units
2013/14					
301-326 Hawkins Road Garages	Kings Hedges	North	0	4	Currently a garage site
Markham Close Garages	Kings Hedges	North	0	3	Currently a garage site
Northfield Avenue Garages	Kings Hedges	North	0	2	Currently a garage site
Uphall Road Garages	Romsey	North	0	2	Currently a garage site
Wiles Close Garages	Kings Hedges	North	0	3 to 6	Currently a garage site

*As approved by Community Services Scrutiny Committee in 2011.

Appendix F

5-Year Housing Capital Investment Plan

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Description	£'000	£'000	£'000	£'000	£'000	£'000
General Fund Housing Capital Spend						
Assessment Centre	2,760	37	0	0	0	0
Disabled Facilities Grants	582	550	550	550	550	550
Private Sector Housing Grants and Loans	195	195	195	195	195	195
Long Term Vacants	20	20	20	20	20	20
Total General Fund Housing Capital Spend	3,557	802	765	765	765	765
HRA Capital Spend						
Decent Homes						
Kitchens	665	691	255	618	598	292
Bathrooms	120	196	128	522	525	119
Boilers / Central Heating	1,553	2,024	1,316	618	2,450	1,688
Insulation / Energy Efficiency	58	100	100	100	100	100
External Doors	378	16	28	129	108	63
PVCU Windows	130	3	339	1,002	1,350	912
Wall Structure	0	15	36	621	63	114
Wall Finishes	479	284	196	319	230	115
Wall Insulation	0	100	100	100	100	100
External Painting	0	0	0	0	0	0
Roof Structure	0	307	300	800	300	322
Roof Covering	934	1,130	544	215	210	274
Chimneys	0	51	39	12	2	1
Electrical / Wiring	304	279	83	91	181	317

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Description	£'000	£'000	£'000	£'000	£'000	£'000
Smoke Detectors	0	3	5	19	109	9
Sulphate Attacks	125	102	102	102	102	102
Major Voids	59	56	53	51	48	53
HHSRS Contingency	140	150	150	100	100	100
Other Health and Safety Works (Balconies)	464	50	50	50	50	50
Other External Works	0	0	0	3	5	0
Rising Damp / Penetrating Damp	20	0	0	0	0	0
Professional Fees	377	377	377	377	377	377
External Professional Fees	0	19	19	19	19	19
Decent Homes Backlog	0	2,131	3,907	2,131	1,065	3,019
Planned Maintenance Contractor Overheads	0	970	975	960	971	978
Total Decent Homes	5,806	9,054	9,102	8,959	9,063	9,124
Other Spend on HRA Stock						
Garages	66	300	300	300	300	300
Asbestos Contingency	200	200	200	200	200	200
Disabled	915	878	878	878	878	878
TIS Schemes	25	21	21	21	21	21
Communal Areas Uplift	0	546	546	546	546	546
Fire Prevention / Fire Safety Works	1,424	300	300	300	300	300
Hardsurfacing on HRA Land - Health and Safety Works	270	150	250	250	150	150
Hardsurfacing on HRA Land - Recycling	199	100	0	0	0	0
Communal Areas Floor Coverings	207	100	100	0	0	0
Professional Fees	104	104	104	104	104	104
Lifts and Door Entry Systems	13	13	13	13	13	13
Fencing	116	100	100	100	100	100
Cemetery Lodge	0	50	0	0	0	0
Hanover / Princess Laundry	3	0	0	0	0	0
East Road Garages - Lighting Controls	0	4	0	0	0	0
TV Aerials	8	0	0	0	0	0

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Description	£'000	£'000	£'000	£'000	£'000	£'000
Planned Maintenance Contractor Overheads	0	344	337	325	313	313
Total Other Spend on HRA stock	3,550	3,210	3,149	3,037	2,925	2,925
HRA New Build / Re-Development						
Teversham Drift	115	0	0	0	0	0
Cockerell Road	14	0	0	0	0	0
Harris Road	5	0	0	0	0	0
Church End	319	0	0	0	0	0
Roman Court	165	578	591	41	0	0
Seymour Court	1,153	0	0	0	0	0
3 Year Affordable Housing Programme (Excl. Seymour Court)	0	4,510	10,761	2,859	0	0
Clay Farm	0	0	0	10,046	3,617	0
Total HRA New Build	1,771	5,088	11,352	12,946	3,617	0
Cambridge Standard Works						
Cambridge Standard Works	455	200	200	200	200	200
Total Cambridge Standard Works	455	200	200	200	200	200
Sheltered Housing Capital Investment						
Emergency Alarm Service	96	0	0	0	0	0
Talbot House	5	0	0	0	0	0
Ditchburn Place	634	3,224	0	0	0	0
Brandon Court	3,045	0	0	0	0	0
Total Sheltered Housing Capital Investment	3,780	3,224	0	0	0	0
Other HRA Capital Spend						
Orchard Upgrade / Open Contractor / Mobile Working / ASB Database	34	227	0	0	0	0
Low Cost Home Ownership	300	300	300	300	300	300
Right of First Refusal Buy Back	0	330	330	330	0	0

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Description	£'000	£'000	£'000	£'000	£'000	£'000
Commercial Property	68	30	30	30	30	30
Total Other HRA Capital Spend	402	887	660	660	330	330
Total HRA Capital Spend	15,764	21,663	24,463	25,802	16,135	12,579
Total Housing Capital Spend at Base Year Prices	19,321	22,465	25,228	26,567	16,900	13,344
Inflation Allowance for Future Years	0	0	835	1,709	2,010	2,343
Total Inflated Housing Capital Spend	19,321	22,465	26,063	28,276	18,910	15,687
Housing Capital Resources						
Right to Buy Receipts	-344	0	0	0	0	0
Other Capital Receipts (Land and Dwellings)	0	0	0	0	0	0
Major Repairs Allowance (MRA)	-5,119	0	0	0	0	0
Major Repairs Reserve	0	-7,673	-7,398	-7,529	-7,702	-7,881
Direct Revenue Financing of Capital	-2,972	-9,333	-8,778	-9,918	-8,183	-6,741
Other Capital Resources (Grants / Shared Ownership / R&R Funding)	-349	-3,507	-6,596	-1,826	-2,260	-300
Disabled Facilities Grant	-262	-262	-262	-262	-262	-262
Developer's Contributions (Affordable Housing)	-331	0	0	0	0	0
Prudential Borrowing	-283	0	-2,526	-8,238	0	0
Total Housing Capital Resources	-9,660	-20,775	-25,560	-27,773	-18,407	-15,184
Net (Surplus) / Deficit of Resources	9,661	1,690	503	503	503	503
Capital Balances b/f	-13,794	-5,036	-3,346	-2,843	-2,340	-1,837
Use of / (Contribution to) Balances in Year	9,661	1,690	503	503	503	503
Use of balance previously ear-marked for affordable housing	-903	0	0	0	0	0
Capital Balances c/f	-5,036	-3,346	-2,843	-2,340	-1,837	-1,334

Appendix G

30-Year Housing Capital Investment Plan

Description	2012/13 to 2016/17	2017/18 to 2021/22	2022/23 to 2026/27	2027/28 to 2031/32	2032/33 to 2036/37	2037/38 to 2041/42
	£'000	£'000	£'000	£'000	£'000	£'000
General Fund Housing Capital Spend						
Assessment Centre	37	0	0	0	0	0
Disabled Facilities Grants	2,750	2,174	1,310	1,310	1,310	1,310
Private Sector Housing Grants and Loans	975	430	0	0	0	0
Long Term Vacants	100	40	0	0	0	0
Total General Fund Housing Capital Spend	3,862	2,644	1,310	1,310	1,310	1,310
HRA Capital Spend						
Decent Homes						
Kitchens	2,454	2,911	6,025	10,458	2,062	2,911
Bathrooms	1,490	1,952	756	1,050	1,619	2,736
Boilers / Central Heating	8,096	13,916	13,698	11,324	13,765	9,206
Insulation / Energy Efficiency	500	500	500	500	500	500
External Doors	344	436	331	766	462	582
PVCU Windows	3,606	6,031	4,020	7,890	388	3,585
Wall Structure	849	639	189	1,797	2,265	1,998
Wall Finishes	1,144	1,438	1,257	1,302	1,164	804
Wall Insulation	500	500	0	0	0	0
External Painting	0	0	0	0	0	0
Roof Structure	2,029	1,514	7	7	0	0
Roof Covering	2,373	3,354	4,451	3,204	2,020	6,370
Chimneys	105	2	5	7	60	127

	2012/13 to 2016/17	2017/18 to 2021/22	2022/23 to 2026/27	2027/28 to 2031/32	2032/33 to 2036/37	2037/38 to 2041/42
Description	£'000	£'000	£'000	£'000	£'000	£'000
Electrical / Wiring	951	1,247	848	1,723	2,246	4,028
Smoke Detectors	145	245	548	145	245	548
Sulphate Attacks	510	510	510	102	0	0
Major Voids	261	269	270	270	270	270
HHSRS Contingency	600	500	500	500	500	500
Other Health and Safety Works (Balconies)	250	250	250	250	250	250
Other External Works	8	34	13	32	326	716
Rising Damp / Penetrating Damp	0	0	0	0	0	0
Professional Fees	1,885	1,885	1,885	1,885	1,885	1,885
External Professional Fees	95	95	95	95	95	95
Decent Homes Backlog	12,253	5,505	0	0	0	0
Planned Maintenance Contractor Overheads	4,854	5,248	4,338	5,197	3,615	4,454
Total Decent Homes	45,302	48,981	40,496	48,504	33,737	41,565
Other Spend on HRA Stock						
Garages	1,500	500	500	500	500	500
Asbestos Contingency	1,000	500	500	500	500	500
Disabled	4,390	4,390	4,390	4,390	4,390	4,390
TIS Schemes	105	105	105	105	105	105
Communal Areas Uplift	2,730	2,730	2,730	2,730	2,730	2,730
Fire Prevention / Fire Safety Works	1,500	1,200	0	0	0	0
Hard surfacing on HRA Land - Health and Safety Works	950	750	750	750	750	750
Hard surfacing on HRA Land - Recycling	100	0	0	0	0	0
Communal Areas Floor Coverings	200	0	0	300	200	0
Professional Fees	520	520	520	520	520	520
Lifts and Door Entry Systems	65	65	65	65	65	65
Fencing	500	500	500	500	500	500
Cemetery Lodge	50	0	0	0	0	0
Hanover / Princess Laundry	0	0	0	0	0	0

	2012/13 to 2016/17	2017/18 to 2021/22	2022/23 to 2026/27	2027/28 to 2031/32	2032/33 to 2036/37	2037/38 to 2041/42
Description	£'000	£'000	£'000	£'000	£'000	£'000
East Road Garages - Lighting Controls	4	0	0	0	0	0
TV Aerials	0	0	0	0	0	0
Planned Maintenance Contractor Overheads	1,632	1,349	1,205	1,241	1,229	1,205
Total Other Spend on HRA stock	15,246	12,609	11,265	11,601	11,489	11,265
HRA New Build / Re-Development						
Teversham Drift	0	0	0	0	0	0
Cockerell Road	0	0	0	0	0	0
Harris Road	0	0	0	0	0	0
Church End	0	0	0	0	0	0
Roman Court	1,210	0	0	0	0	0
Seymour Court	0	0	0	0	0	0
3 Year Affordable Housing Programme (Excl. Seymour Court)	18,130	0	0	0	0	0
Clay Farm	13,663	0	0	0	0	0
Total HRA New Build	33,003	0	0	0	0	0
Cambridge Standard Works						
Cambridge Standard Works	1,000	1,000	1,000	1,000	1,000	1,000
Total Cambridge Standard Works	1,000	1,000	1,000	1,000	1,000	1,000
Sheltered Housing Capital Investment						
Emergency Alarm Service	0	0	0	0	0	0
Talbot House	0	0	0	0	0	0
Ditchburn Place	3,224	0	0	0	0	0
Brandon Court	0	0	0	0	0	0
Total Sheltered Housing Capital Investment	3,224	0	0	0	0	0
Other HRA Capital Spend						

	2012/13 to 2016/17	2017/18 to 2021/22	2022/23 to 2026/27	2027/28 to 2031/32	2032/33 to 2036/37	2037/38 to 2041/42
Description	£'000	£'000	£'000	£'000	£'000	£'000
Orchard Upgrade / Open Contractor / Mobile Working / ASB Database	227	0	0	0	0	0
Low Cost Home Ownership	1,500	1,500	1,500	1,500	1,500	1,500
RFR Buy Back	990	0	0	0	0	0
Commercial Property	150	150	150	150	150	150
Total Other HRA Capital Spend	2,867	1,650	1,650	1,650	1,650	1,650
Total HRA Capital Spend	100,642	64,240	54,411	62,755	47,876	55,480
Total Housing Capital Spend at Base Year Prices	104,504	66,884	55,721	64,065	49,186	56,790
Inflation Allowance for Future Years	6,897	19,443	27,654	44,776	47,140	70,516
Total Inflated Housing Capital Spend	111,401	86,327	83,375	108,841	96,326	127,306
Housing Capital Resources						
Right to Buy Receipts	0	0	0	0	0	0
Other Capital Receipts (Land and Dwellings)	0	0	0	0	0	0
Major Repairs Allowance (MRA)	0	0	0	0	0	0
Major Repairs Reserve	-38,183	-53,423	-58,674	-66,988	-72,951	-83,805
Direct Revenue Financing of Capital	-42,953	-28,760	-21,891	-39,043	-20,565	-40,691
Other Capital Resources (Grants / Shared Ownership / R&R Funding)	-14,489	-1,500	-1,500	-1,500	-1,500	-1,500
Disabled Facilities Grant	-1,310	-1,310	-1,310	-1,310	-1,310	-1,310
Developer's Contributions (Affordable Housing)	0	0	0	0	0	0
Prudential Borrowing	-10,764	0	0	0	0	0
Total Housing Capital Resources	-107,699	-84,993	-83,375	-108,841	-96,326	-127,306
Net (Surplus) / Deficit of Resources	3,702	1,334	0	0	0	0
Capital Balances b/f	-5,036	-1,334	0	0	0	0

	2012/13 to 2016/17	2017/18 to 2021/22	2022/23 to 2026/27	2027/28 to 2031/32	2032/33 to 2036/37	2037/38 to 2041/42
Description	£'000	£'000	£'000	£'000	£'000	£'000
Use of / (Contribution to) Balances in 5- Year Period	3,702	1,334	0	0	0	0
Use of balance previously ear-marked for affordable housing	0	0	0	0	0	0
Capital Balances c/f	-1,334	0	0	0	0	0