Lewes District Council

Housing Revenue Account Business Plan 2012- 2042

"One District, One Council"

"Working together to achieve excellence in our Housing Service"

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Executive Summary

This update to the original Housing Revenue Account (HRA) Business Plan 2004-34 sets out the Council's overall aims and objectives for the housing service, as a landlord of 3250 homes. It analyses the current position of the service and our Council homes and presents the actions planned to achieve the Council's objectives.

In this update we seek to show that we are on target with a robust service. In November 2011 DCLG published its final proposals for housing finance reform to take effect from 1 April 2012. This is a major change in national housing finance which introduces new opportunities for the housing service but also presents possible risks which will need to be actively managed. The plan provides financial projections over the next 30 years demonstrating the ability of the HRA to remain fully self financing whilst simultaneously meeting its objectives.

As planned, Lewes District Council met the Government's Decent Homes Standard for our housing stock in 2008/9, two years ahead of target. We have continued to meet the target every subsequent year, despite the volume of work required. We have a comprehensive plan of works to replace building elements prior to deterioration.

Our 2003/4 Stock Options Appraisal concluded that 91% of tenants wished the Council to remain their landlord for some years to come. With this mandate we have continued with our plans, as agreed with tenants, and can show that most of the targets set for the first five years have been met and will continue to be met in the future.

Whilst there are no plans at present to move away from Lewes District Council remaining as the landlord, should the Business Plan become unviable, other options will need to be explored. To a large degree, our success in the first five years of the plan has demonstrated that we operate a robust system putting us in a strong position for continued success in the future.

Lewes District Council is committed to providing decent homes and a safe place for its tenants to live. We continue to combat anti-social behaviour with the support of our tenants and the police. We already utilise Introductory Tenancies, and we are looking at the options for flexible tenancies following the passage of the Localism Act. This will assist us in promoting safer communities, and support our aims to make the best use of our housing.

Every additional resource that we have in the HRA will used to meet housing need within the District. The new financial regime in housing allows us the flexibility to do this and we will be taking this opportunity forward. We have aspirations to build Council properties in the future providing that financial resources and capacity are available and we are able to identify suitable sites in the district.

Our plan continues to reflect and incorporate the aims and priorities of tenants through regular and continued consultations. It is with the help and support of tenants that we have a strong base from which to continue forward. We thank our tenants for their help, and our dedicated staff team for preparing our service for the 30 year Plan for our Housing Business.

1 Introduction

This Housing Revenue Account (HRA) Business Plan sets out the Council's overall aims and objectives for the housing service. It is a key document and sets out the Council's plans for the maintenance, management and investment in its stock. It provides a framework for seeking continuous improvement enabling the department to achieve its vision of 'working together to achieve excellence in our housing service'. This HRA Business Plan update has been prepared in parallel with the Housing Strategy.

The Lewes Housing Strategy sets out the actions that the Council plans to take to tackle the need for more affordable housing in the District and to address housing conditions in the whole of the housing stock.

The 30 year plan shows how we will contribute to achieving the aims of the Housing Strategy:

Aim One: Meet the housing need through cross tenure solutions

Aim Two: Target housing investment at making communities sustainable

Aim Three: Support our partners in providing housing related services and support

To assist in achieving these aims the HRA Business Plan will focus particularly on the following areas;

- Continue to improve the stock to maintain Decent Homes and to provide a safe and pleasant environment in which people want to live
- Increase the availability of affordable housing by making best use of its housing and other assets
- Continue to deliver an excellent service to people who live, or wish to live, in our Council homes

The main difference from our position in 2004 is that the financing of our service has changed from 1 April 2012. This means that Lewes District Council's HRA (along with those of all other councils) becomes 'self-financing' with no annual funding passing from or to the Government. In simple terms, this change can be compared with taking out a mortgage against the future rental streams that will be generated by our housing stock. We will plan our future sustainably to repay interest and part of the loan principal whilst planning works to maintain our homes to a decent standard and to improve the living standards for our tenants.

Consultation

The Housing Working Party[1] have played an important role in the development of the plan including the approval of a final draft which was used to consult with tenants and staff on a wider basis before the plan was finalised. The Council will continue to monitor progress, review and develop the Business Plan in consultation with all stakeholders. Due to the fundamental changes introduced by the new financial regime, the Localism Act 2011, Welfare Reform and the invigoration of the Right to Buy, it is anticipated that the plan will be reviewed on an annual basis. This will negate any possible risks and new opportunities can be realised.

Background Information

The District

Lewes District covers an area of 113 square miles with nine miles of coastline. Half of the district including the historic county town of Lewes is included in the South Downs National Park. There are 28 parishes in the district

We have an aging population. Currently 24% of the population of the district is over 65. The proportion of those over 65 is set to increase to around 29% of the population by 2025 and 34% by 2035, an increase of approximately 16,500 people. This will have a significant impact on housing and housing related support in the future.

Women make up 52% of the population and Black and Minority Ethnic groups make up 2.1%. Bengalis and Chinese are the main ethnic groups in the District. Approximately 13% of economically active people are disabled or have a limiting long term illness.

Most of our 97,653 residents (77%) live in the four main towns, Lewes, Newhaven, Seaford and Peacehaven. Approximately 23% of residents live in the rural areas of the district.

Despite Lewes District being a generally prosperous and affluent area, pockets of deprivation and social exclusion exist, particularly in parts of the coastal towns and

[1] The Housing Working Party, Chaired by the Lead Councillor for housing, is made up of a team of Councillors, key housing and finance officers, and representatives from Tenants Of Lewes District Council (TOLD).

some rural areas. Parts of Malling in Lewes, Newhaven and Peacehaven are amongst the top 10% most deprived areas in the South East.

Lewes, Newhaven and Seaford are linked by excellent rail connections to London, Gatwick Airport and along the Sussex coast. This inevitably impacts on house prices as described in greater detail in the section on the housing market below.
There is an adequate inter-urban bus network, but most of the rural areas are poorly served by public transport.

The Local Housing Market

Approximately 88% of the housing stock is privately owned compared with less than 12% social housing. House prices are comparatively high. There are just over 43,000 households in the District, 31% are single person households and 24% are households with children.

Owner Occupation

The table below shows a number of clear trends in the housing market in the Lewes District. There are significantly more detached properties available to purchase in the district than any other type and comparably fewer flats available to purchase. Equally the average detached house is significantly more expensive than other house types, while flats are on average comparably cheaper to purchase.

Average Sale Prices of Homes in 2010 Leighton can you update for 2012					
Property type	**Flat**	**Semi-Detached**	**Detached**	**Terraced**	**Total**
Number of Sales	161	284	382	237	1064
Average Price Paid	£151,350	£243,749	£370,214	£226,586	£247,974

Rightmove February 2011

Social Housing Needs

High house prices and the lack of affordable private sector rental properties put an increasing pressure on social housing provision.

In the last six years, the number of households on the housing register has risen by 50%. Over half require 1 bedroom properties.

Total Households on the Housing Register

Year	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**
Households	1485	2041	2207	1724	2142	2227

The tables show that in 2006, 2010 and 2011 there was a greater need for one bedroom properties than for large properties. They also show there has been an exponential increase in the number of households in housing need. This increase is reflected for all household sizes with the exception of the 4 or more bed dwelling category which shows a slight decrease in 2011.

The size of dwellings needed by Households			
Size of home required	**2006**	**2010**	**2011**
1-bed dwelling	826	1144	1156
2-bed dwelling	428	626	666
3-bed dwelling	184	297	331
4 or more bed dwelling	47	75	74
Total	1485	2142	2227

Homelessness

Homelessness presentations and acceptances are another indication of housing pressure. Recent numbers of homeless applications and acceptances are shown below.

Homeless Applications	**2008/9**	**2009/10**	**2010/11**	**2011/12**
Number of decisions given	**121**	**98**	**100**	**Awaiting data**
Of which full duty accepted	**57**	**52**	**51**	**Awaiting data**

Private Rented

The private rented sector is an important part of the housing market as it offers the most immediate and flexible accommodation option to households. The table shows the average monthly rent levels for each size of property, although this does vary across the District.

Private Sector Rent Levels	**1-bed**	**2-bed**	**3-bed**	**4 bed**
Average Monthly Rent	£575	£875	£995	£1250
Average LHA Rates	£572	£717	£865	£1175
% **of income required** (based on ASHE 2010)	31%	47%	54%	67%

Households whose low income makes them eligible for assistance can claim Local Housing Allowance (LHA) to contribute to or pay their rent in full. Until March 2011 this was calculated at the 50th percentile of local markets rents. As from April 2011, the LHA has been calculated using the 30th percentile of local market rents, meaning that a large number of properties are no longer an option for families on low incomes.

Traditionally, the Government have considered a home to be affordable if the occupiers have to spend no more then 1/3 of their gross income in rent or mortgage payments.

2 Strategic Context

The values and priorities of this HRA Business Plan reflect the Council's corporate vision to ensure its priorities are closely aligned with the corporate priorities and objectives. In this section we set out the issues that influence this HRA Business Plan at a national, regional and local level. This plan is prepared in the context of major changes in housing policy and finance. The risks and opportunities related to the changes are discussed in more detail in Section 7.

Lewes District Council's Vision "One District, One Council"

Lewes District successfully blends its history, art and culture with a 21st Century creative edge.

At the heart of our Lewes District Council lies residents and our promise is simple:

- **An unswerving commitment to customer service**
- **To connect with our workforce and partners to inspire exceptional contribution**
- **To save money and where possible put money back into our residents and business pockets where we can**

Our vision is to create "One District, One Council", bringing us closer to the residents we serve, looking confidently towards our future and honouring our past.

We will achieve this by becoming more responsive to our customers and finding creative solutions to improve services. We will promote prosperity and enterprise in both town and country, improving skills, and providing a wide choice of local work. As an organisation we aim to unlock the initiative, imagination and passion of employees at all levels, challenge the status quo, and go the extra mile to ensure that Lewes District remains a unique place that we all love and respect.

We will go about our business with a clear sense of purpose and professional values based on fairness, integrity and pride.

The Council Plan for 2012-13 sets outs the programme of work demonstrating how the vision and promise to residents will be delivered.

Housing Service's Vision

Housing Services vision is to "Work together to achieve excellence in our Housing Service". We will achieve excellence by continuing to challenge our policies through consultation with staff at team meetings and annual staff briefings; through our commitment to co- regulation, placing tenants at the heart of our service. We have a joint approach with tenants to self assess our services against the National Standards and have an agreed set of service standards to ensure we are meeting our commitments and providing services that offer good value. The development of Local Offers ensures services are tailored according to the needs of our tenants.

The chart below shows our strategic planning context:-

National and regional policies and priorities
Including Self Financing; Decent Homes; National Housing Standards; Rent Setting Policy.

Wider partnership strategies
Including; The East Sussex Sustainable Community Strategy; East Sussex Safer Communities Partnership Plan; Local Investment Plan

Lewes District strategic plans and policy frameworks
Including; The Local Development Framework, Housing Strategy, Regeneration Strategy, Lewes District Community Safety Plan, Council's Equality Policy

HRA Business Plan
(a 30 year Plan)

The Housing Services Departmental Service Plan
(an annual work programme)

3 Our Housing Services Priorities

We are committed to meeting our priorities to improve our service whilst making the best use of our council homes and other assets which can contribute to the supply of

affordable and appropriate housing in the District. This section explains how we will do this and meet some of our strategic objectives set out in the Housing Strategy.

The match between demand for and supply of housing can be improved by tackling hard-to-let properties (in our case, studio accommodation), under- and over-occupation and adapting properties to meet tenants' needs if there are no other suitable property solutions.

The Housing Services priorities are agreed in consultation with tenants are:

Priority 1 - To maximise the Council housing stock available to let

Priority 2 - To maintain and improve Council homes in the District

Priority 3 - To foster tenant empowerment and partnership with all stakeholders

Priority 4 - To provide good quality housing services that meet the needs of our tenants and leaseholders and take account of diversity

Priority 5 - To promote sustainable communities, particularly within Council stock

Priority 6 - To ensure good and continually improving environmental performance in our housing stock and related activities

Priority 7 - To collect efficiently all charges related to the housing service and ensure our services offer value for money

Empty Property Management

We will make vacant Council properties available for letting again as quickly as possible. In 2009 we joined a Choice Based Lettings System, Sussex Homemove, providing a Sussex wide transparent web based bidding system. The introduction of this system initially impacted on our average time to re let properties rising from 28 days to 34 in 2009/10; however this has now been addressed and reduced to 29 days in 2011/12.

We now enforce the four week notice period to end council tenancies allowing us more time to re-let properties and reduce the rent lost while the property is empty. We are now exploring possibilities to improve the turnaround time as part of our Empty Properties Local Offer.

Tackling Studio Accommodation / Sheltered Accommodation

We have 373 sheltered housing properties in schemes across the district and provide a “Hub and Spoke” service providing targeted support according to tenants’ needs. Our Sheltered Housing Forum monitors the service and suggests service improvements.

Some of our sheltered housing accommodation are studios that tend to be hard to let because potential tenants are no longer happy to accept homes without separate bedrooms. Three sheltered schemes have had conversion works to change bedsit units into 1 and 2 bedroom flats in particularly difficult to let schemes.

We have completed a Sheltered Housing Review a part of which considered the best use of accommodation. The review concluded that there were no viable economic solutions for adapting the remaining studio properties. Other uses for the accommodation are being explored.

Under occupation

We have reviewed and enhanced our existing Tenants Incentive Scheme, in consultation with tenants, and this will be launched and promoted across the district during 2012. In 2010 our ‘You are Unique Survey’ highlighted that approximately 16% of our properties were under occupied. As part of the review we consulted with neighbouring housing providers and will continue to do so, following the potential impact as a result of Welfare Reform which may affect tenants who under occupy. It is our intention to review the scheme annually to ensure it continues to encourage tenants to downsize where appropriate.

Overcrowding

We intend to resume the programme of loft conversions for households who are overcrowded subject to approved funding. We will also divide large rooms to form extra bedrooms where appropriate, as this is a very cost-effective method. This provides a suitably sized property at a fraction of the cost of building a new home. Tenants benefit by staying in the area that they like.

Adaptations for People with Disabilities and Providing Additional Support

We can help reduce demand for transfers by adapting properties to better suit the needs of tenants with disabilities, and by re-housing applicants who need adapted properties, in the most appropriate properties for their needs. We will continue to provide adaptations for an increasingly elderly population, including walk-in showers, grab rails, ramps and level thresholds, to enable tenants to stay in their own homes for as long as possible if there are no other suitable properties available. As more properties are adapted in our programme, there may be a choice for infirm tenants to transfer to another adapted property in the District. We are working towards establishing an improved database of our own adapted properties so that we can "match" properties and applicants effectively. This is being sourced from the ‘You are Unique’ surveys and visiting officers.

We are working with the Disabled Working Group, membership of which includes tenants, councillors and staff to review our policy and procedures for managing disabled adaptations. A Local Offer will be agreed and scrutinised by our tenants' scrutiny panel. Recommendations to improve the service will be explored.

Making Best Use of Non-Housing Assets

We have a programme in place for the continued refurbishment of garage sites to improve the condition of the garages and enhance the rental potential. We currently have a total of 750 garages, generating annual rent income of £410,000. Market rents for garages are being phased in over a period of three years from 2011/12. A dedicated Garage Officer will ensure the rental income is maximised and the condition of the garages remains a priority.

Following a full review of garages some years ago the Council have successfully identified suitable sites for releasing land for the development of affordable social housing. Although it is unlikely that any further garage sites will need to be disposed of because of under-use, we will continue to keep void rates under review.

Housing Work Programme 2012-13

- As a requirement of the Localism Act 2011 we will formulate a Tenancy Strategy to give guidelines to local partners on tenancy policy
- In consultation with tenants develop and implement a revised policy and procedure on disabled adaptations
- Review the Allocations Policy in line with the Localism Act 2011
- Finalise the Empty Properties Local Offer in consultation with the Tenancy Scrutiny Panel
- Develop a Disabled Adaptations Local Offer
- Maintain Decent Homes Target to below 0.5%
- Reduce carbon dioxide emissions in our properties to maintain energy efficiency
- Hold an annual Tenants Conference
- Review tenants' priorities for major improvements 2013/14 programme and future works

4 Performance

Overall our performance has been excellent and we have maintained high standards within our service since the original plan in 2004. Our Rent Team collected 98.78% of rent due in 2011/12, we have maintained our Decent Homes target and tenants continue to be satisfied with our repairs service. The Tenants' Annual Report provides a comprehensive report on our annual performance and sets out how we are performing against the National Standards. The report includes details on improvements we have made and how our services compare to other housing providers.

Managing and Improving our Performance

Targets for national and local Performance Indicators (PI's) are set annually and results are reported quarterly to our Cabinet. Appendix 2 shows our performance against PIs and Local indicators. We believe our performance compares well with district councils as a whole, but we are determined to improve further and to learn particularly from the best performers in our Housemark benchmarking group.

Service Improvement

The Housing Services, Service Plan sets out the current and planned improvements for the department. It incorporates our service aims and objectives with a detailed action plan demonstrating our commitment to continually improve our services. It aims to build on the excellent work staff, tenants and residents have achieved working in partnership with the community and other agencies across the district. We are also in the process of reviewing our service standards which will be monitored by tenants and the results will feature in the Tenants' Annual report.

Tenant Participation

The Council is fully committed to involving tenants in the development and improvement of its Housing Service. We introduced a method of co-regulation for Housing Services. This enables tenants to work with us to audit our performance in comparison to our published service standards and Local Offers to report back on our performance with suggested improvements.

In order to co-regulate our service we have set up a Tenant Scrutiny Panel (TSP) and a bank of Tenant Inspectors (TI's). The TSP and TI's have a number of tools at their disposal in order to investigate our performance and make recommendations for improvements. The TSP reports directly to "Tenants of Lewes District" (TOLD) which is the umbrella organisation representing tenants associations across Lewes District. It also reports to our Housing Senior Management Team (SMT). Members of the SMT attend monthly Top Table meetings with TOLD to discuss current issues and provide scheduled updates on the TOLD action plan.

TOLD are also able to appoint two tenant members to attend Cabinet and speak on agenda items relating to tenant housing matters. The tenant members are not entitled to vote at these meetings.

5 Equality and Diversity

Corporate Approach to Equality and Diversity

The Council is committed to providing effective services for all the community and to ensure everyone has equal access to services, information and employment opportunities. This commitment to equality and fairness can be seen as a theme running through the corporate aims, and is set out in detail in our Comprehensive Equality Policy. Equality Impact Assessments are carried out as part of our key decision making process, and we also have a rolling programme of Equality Impact Assessments in place. This ensures that all our services and policies are reviewed on a regular basis to identify areas for improvement and help with objective setting.

Housing Services Approach to Diversity and Equality

In pursuance of this corporate commitment we will ensure that the Corporate Equality Action Plan is implemented, through our programme of equality assessments. Equality Impact Assessments are also produced as part of any proposed major policy changes considered by the Cabinet. We will ensure equalities issues are discussed regularly at team meetings to insist service heads, departmental managers and frontline staff, are all involved in carrying out equality assessments in their service areas and agreeing action plans and targets.

Diversity Profile of the Councils Tenants

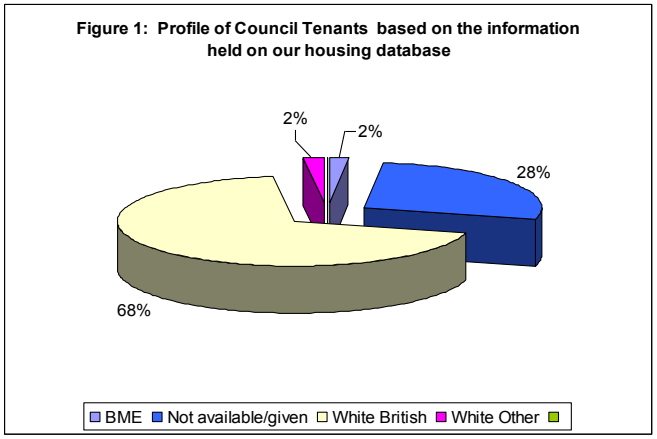
In 2010 the Housing department undertook a full survey of all our tenants using the 'You are Unique' Questionnaire. This has allowed us to compile a comprehensive profile of our tenants so that we can respond to their needs by shaping services. The information has been uploaded onto our housing database to provide an awareness and understanding of tenants' individual needs. Part of the questionnaire collected data on a variety of equality and diversity information. Approximately 72% of the surveys were returned and provided a good indication of the overall profile of Lewes District Council tenants.

Disability

Respondents to the 'You are Unique' 2010 questionnaire were asked if they considered themselves to be disabled under the terms of the Disability Act. Using the data from the first tenant only, from a total of 3239, 166 considered to meet the criteria. Respondents were also asked if they considered themselves to have some form of disability and a total of 1045 first tenants indicated that they have a level of disability. The most common disabilities highlighted by the first applicant are long term illness followed by mobility restriction.

Ethnicity

According to the information currently held on our housing database (March 2012) 2% of our Council tenants are black and minority ethnic (BME).



The Housing Department recognises that the information needs to be collected and updated on a regular basis combined with a more detailed analysis of the data. This will enable us to feed more accurately into the Disabled Working Group and the Housing Need and Strategy department to inform future need. It is our intention to complete this on a biennial basis. We will then in be a position to compare in more detail satisfaction with diversity.

6 Assets and Resources

Background

We have prepared detailed assessments of the resources which we require and are available to us to continue our progress in meeting Decent Homes and other improvements planned.

One of the key components of our resource planning is the information that we hold on stock condition. Our stock condition database is a result of 30% surveyed properties and yearly updates of key components installed such that we believe we have 50% firm data. The survey was validated in 2004 and has been updated since. This provides a firm basis for our financial projections. Appendix 1 provides the survey's summary of costs.

Overview

Our housing is a valuable asset. Our most recent accounts record the following values at 31 March 2011:

	£m
Houses, Bungalow and Flats	153.230
Garages	6.392
Other Land and Buildings	2.489
Infrastructure	1.076
Community Assets	0.034
Vehicles and equipment	0.314
Total	163.535

As a major provider of social housing we make a significant contribution to meeting the need for affordable housing in the district. Generally our stock has been well maintained, with an investment strategy targeted at bringing all homes up to the decent homes standard. Tenant feedback indicates a high level of satisfaction with the quality of homes. Demand for homes is high across the stock. There is also evidence of a desire for an investment standard that delivers more than basic decent homes, with a focus on energy efficiency and sustainability as well as environmental improvements.

Stock Profile

The Council's HRA housing stock consists of 3,250 dwellings (at 1 April 2012). The dwellings are supplemented by 750 garages, as well as a number of shops, community rooms and small land holdings.

A profile of the dwellings is:

Category	%
Bedsits	4
Flats	39
Bungalows	14
Houses	43
	100
Location	
Lewes	34
Newhaven	15
Seaford	18
Peacehaven/Telscombe	13
Rural	20
	100

Leasehold

Around 16% of flats once in the Council's ownership have been sold and as a result the Council manages 250 leasehold properties. There are 4 blocks where all flats have been sold, and 3 blocks where over half of the flats are leasehold. This leaves the Council with a requirement to develop an effective and efficient leasehold management service and actions to deliver this are included in this business plan.

Stock Condition Information

An independent surveyor, King Sturge Ltd, carried out a full condition survey of the stock in 2006. The survey concluded that the stock had been reasonably well maintained on a day-to-day basis, but a significant number of components, such as kitchens and bathrooms, were identified for replacement in the short to mid term. In the period since 2006 the Council's housing investment programme has focused on the delivery of decent homes, with a particular emphasis on targeted improvements. The Property Services team has maintained an asset management database which

has been updated as work has been carried out, and newly arising need identified. Officers have used the information from this database as the basis of the projections of investment need reflected in the business plan.

Stock Investment Needs

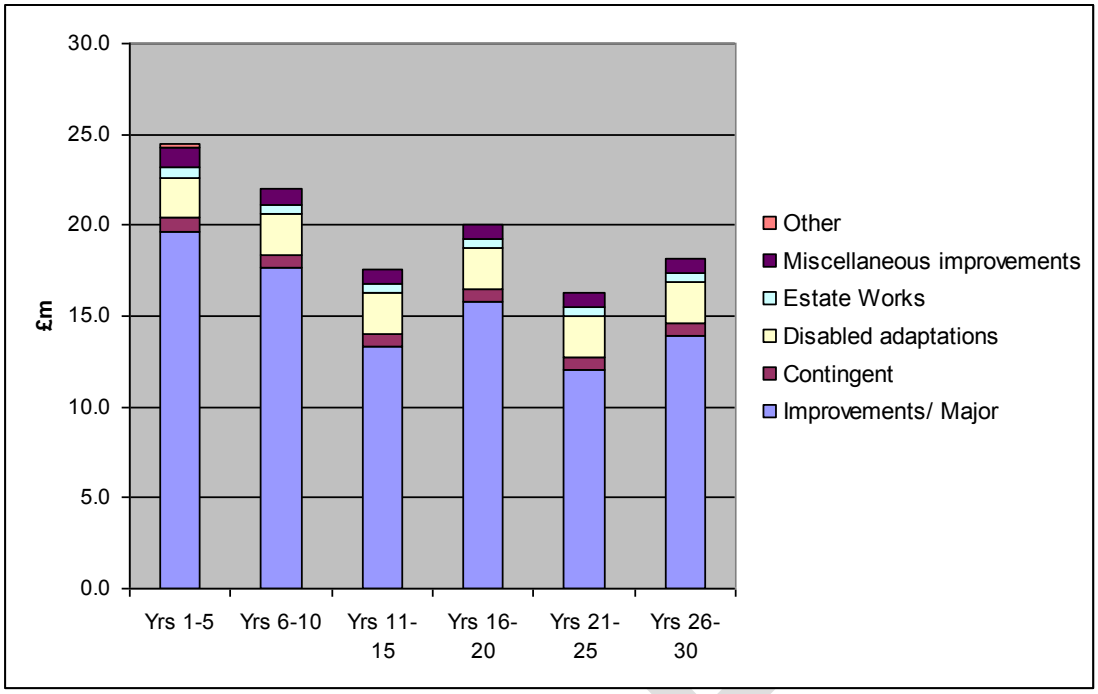
The total value of expenditure required to improve and maintain the stock and related assets over 30 years is currently forecast as £119.27m at today's prices. This equates to £37,000 per dwelling over 30 years. This total comprises items of capital maintenance expenditure and improvements, but excludes responsive and cyclical repairs.

The following table provides an analysis of the total capital requirement in 5 year bands:

	Yrs 1-5 £m	Yrs 6-10 £m	Yrs 11-15 £m	Yrs 16-20 £m	Yrs 21-25 £m	Yrs 26-30 £m	Total £m
Improvements/Major Works	20.374	17.655	13.327	15.772	12.002	13.887	93.267
Contingent Repairs	0.840	0.700	0.700	0.700	0.700	0.700	4.340
Disabled Adaptations	2.170	2.250	2.250	2.250	2.250	2.250	13.420
Estate Works	0.530	0.500	0.500	0.500	0.500	0.500	3.030
Miscellaneous imps	1.102	0.950	0.790	0.790	0.790	0.790	5.212
Other	0.250						
Total	25.266	22.055	17.567	20.012	16.242	18.127	119.269

The approved 2012/13 capital programme constitutes the first year of the thirty year cycle. This includes, as 'other' works, a one-off project to install photovoltaic panels at sheltered housing schemes (£0.25m).

This produces a capital expenditure profile as indicated in the chart below:



In addition to the capital expenditure, revenue expenditure with a total value of £86.47m is projected for the 30 years of the business plan at today's prices. This equates to £26,500 per unit, and is a mix of cyclical maintenance and responsive repairs as the following table indicates:

	Yrs 1-5 £m	Yrs 6-10 £m	Yrs 11-15 £m	Yrs 16-20 £m	Yrs 21-25 £m	Yrs 26-30 £m	Total £m
Planned/Cyclical Maintenance	6.205	6.205	6.205	6.205	6.205	6.205	37.230
Responsive including insurance	8.205	8.205	8.207	8.207	8.207	8.207	49.238
Total	14.410	14.410	14.412	14.412	14.412	14.412	86.468

Resources

Officers have prepared this business plan in the context of major changes in housing finance from April 2012 with the introduction of 'self financing'.

The former Housing Subsidy system

Under the former housing subsidy system (which ran to 31 March 2012) the Department for Communities and Local Government (DCLG) used a notional calculation to assess the surplus that it believed the Council should be making on its HRA. We were required to pay this amount into a national pool, which was then

redistributed nationally to those authorities making a notional deficit, based on DCLG's calculation.

The allowances used to calculate the subsidy payment were published annually and the Council had to manage its annual budgets to take into account the subsidy payment required. In 2011/12 the net subsidy payment was £3.748m, comprising 'negative' subsidy of £6.186m offset by £2.438m received as a 'Major Repairs Allowance' (see below).

The most significant limiting factor in the subsidy system was the level of cost allowances used (which in this Council as in most councils were lower than actual costs). In addition, DCLG determined the cost allowances each year with the result that it was difficult to set long term plans with any certainty.

The annual subsidy settlement also included a payment to the Council to fund major repairs to the stock, based on a DCLG formula which took into account the age and composition of the stock. For 2011/12 this 'Major Repairs Allowance (MRA)' of £749.89 per dwelling funded a capital programme of £2.53m. In asset management terms, the Council's capital programme was effectively limited to the MRA within the subsidy system, rather than driven by the needs of the stock.

Housing finance reform

In November 2011 DCLG published its final proposals for housing finance reform to take effect from 1 April 2012. The stated objectives of these reforms are:

- To give local authorities the resources, incentives and flexibility they need to manage their own housing stock for the long-term and to drive up quality and efficiency.
- To give tenants the information they need to hold their landlord to account, by replacing the current opaque system with one which has a clear relationship between the rent a landlord collects and the services they provide.

These reforms ended the redistributive housing subsidy system. Following April 2012 the Council is no longer required to make an annual payment into a national housing subsidy pool. Instead it will need to finance a level of housing debt, which the DCLG calculated using a methodology that values the stock over 30 years, and aims to leave the Council with a long term sustainable business plan. The valuation of the debt was based on assumptions about costs and income over the next 30 years. These took into account current government social rent policy, and the DCLG's assessment of reasonable costs for management, maintenance and major repairs. These indicative cash flows were then converted to a value at 2011 prices to calculate the level of debt that the Council could afford, providing its actual business plan matches DCLG's valuation assumption. In simple terms, the housing finance reform has required the Council to take on a mortgage to be funded from the future income streams which will be generated from the housing stock.

Significantly the level of cost allowances used in the Government's valuation was higher than under the current subsidy system. In this Council's case, the allowances

represented a funding uplift of 15.1% compared with the former subsidy system. This includes increases in allowances, and funding for disabled and adaptations which was not included in the existing subsidy system. The cost allowances for major repairs assume all stock is in a good condition from day one and do not provide resources to tackle any backlog of expenditure needed.

The valuation of the Council's stock, using this methodology was higher than the level of debt assumed in the housing subsidy system (known as the 'subsidy capital finance requirement (SCFR)'). The Council was required to pay the Government the difference, on 28 March 2012, as set out below:

	£m
Valuation – opening debt allocation	72.931
Less current level of debt (SCFR)	-16.258
Debt to be taken on at settlement date	56.673

The debt taken on equates to an average 'mortgage' of £22,400 for each dwelling.

In order to control public sector borrowing, current government policy is that HRA borrowing will be capped at the opening debt settlement of £72.9m over the life of the 30 year business plan. This position may be reviewed in future spending review rounds.

The valuation assumes a level of Right to Buy sales of 6 per year on average for the 30 years of the business plan. The valuation reflects rent income lost from these sales. Under new arrangements for the Right to Buy scheme, the Council will be able to retain the receipts provided it can sign up to an agreement with Government that it will limit the use of the net receipts to 30% of the cost of replacement homes. At the time of writing this Business Plan, we are waiting for further clarification of the details of the scheme. The business plan assumes that retained receipts are used by the Council to fund strategic housing objectives and not for reinvestment in the existing housing stock.

The assumptions used to estimate future cost allowances are higher than the assumptions used in the subsidy system, representing an uplift in allowances of 15.1%. This means that the Council should be better off under self financing than under the current subsidy system. The cost of financing the new debt payment is estimated in the DCLG plan to be around £4.0m per year in the early years, which is well below the negative subsidy payment of £6.2m in 2011/12. However, the Council will no longer receive a MRA, and so there is little overall difference in absolute financial terms between the current subsidy system and the reformed system as modelled by DCLG.

The DCLG business plan assumes an interest rate of 5.5% on debt which is higher than the rate at which the Council was able to borrow to fund the payment in March 2012 - this gap is to the Council's financial advantage. It should be noted, however, that the risks relating to inflation and interest rates will rest with the Council under self-financing, rather than with the Government which is currently the case.

Financial Modelling

(a) Basis

An initial financial model has been established that can be used to project future income and expenditure, debt financing and the impact of stock changes over time. The base year for this model is the Council's 2012/13 HRA budget and approved capital programme. The model includes make the following key assumptions:

- Rents increase in line with Government policy, to converge with target rents by 2015/16 and increasing at inflation + 0.5% thereafter. This continues the approach to rent setting that the Council has taken in recent years. In common with all registered housing providers, we will have the ability to convert from social to affordable rent models when properties become vacant. Affordable rents (which are 80% of the Local Housing Allowance rates used for the purposes of housing benefit calculations) can be significantly higher than those which currently apply. For example the affordable weekly rent of a 3 bed house in Lewes is £175 compared with £102 which is currently the maximum charged. The model does not anticipate any move to affordable rents – the impact would be marginal in the early years of the Business Plan.

- Non dwelling income increases by inflation, with garage rents moving to market rents by 2013/14. The Council has approved in February 2011 the phased implementation of market rents for garages over a three year period.

- The void rate is set at 1.07% and the bad debt provision is set at 0.29% to reflect current performance. The Government's national welfare reform programme, with the introduction of Universal Credit in 2013, presents a risk to rent collection performance. This is because tenants in receipt of Universal Credit may be responsible for making payments to the Council as landlord rather than the Council crediting individual rent accounts and being reimbursed by the Department for Work and Pensions, which is the current arrangement. The potential impact of this change will be kept under review within the Business Planning framework. The HRA will hold sufficient balances to cover any temporary impact on cashflow.

- Day to day maintenance costs increase in line with inflation and do not vary with small stock losses from Right to Buy.

- Management costs increase by 0.5% above general inflation. Any further unforeseeable cost increases such as increases to employer pension contributions, pay awards and supplies and services would have to be met by efficiency savings.

- Supporting people grant remains unchanged. Any reductions would have to be offset by efficiency savings or additional income.

- Major repair costs increase by inflation only and are assumed to vary with stock loss as a result of right to buy sales over time.
- Service charge income and costs increase in line with inflation.
- General inflation based on RPI of 2.5% annually across the 30 year timescale of the model.
- Cost of borrowing 3%, reflecting long-term borrowing rates available at the date of preparing the model (November 2011). In March 2012, new borrowing took place to fund the self-financing payment of £56.67m to the Government. The actual average borrowing rate of the total HRA loan portfolio will be 2.7% in 2012/13. Because the portfolio includes some variable rate loans, there is potential for the average rate to increase in future years. In 2012/13, there will be a saving in interest payments of £200,000 compared with the model and approved budget.
- Amount borrowed is £67.6m, reflecting the debt taken on at the housing reform settlement date (£56.7m) plus the current housing capital financing requirement, £10.9m. This is lower than the overall debt cap of £72.9m. This £5.3m between the actual amount borrowed and the debt cap offers the potential to fund the building of new homes. Detailed business case analysis will be undertaken before a new build (or acquisition) programme is finalised to ensure that income streams are able to meet any additional borrowing costs.
- Depreciation of housing assets is based on the value and assumed life of individual components from year one. Government regulations would allow for a reduced depreciation charge at the level of the Major Repairs Allowance to be made for a five year transitional period, but this approach, with its limited life-span, has not been followed for the purposes of this 30 year model.

The business plan model assumes that debt is repaid at the earliest opportunity, in order to demonstrate financial viability. The model ensures that the capital programme is fully funded by available revenue surpluses from the HRA, whilst maintaining a minimum balance of £1.8m. If additional borrowing is required, the model allows for this up to the designated debt cap. Any capital shortfalls are carried over to the following year and inflated. If capital expenditure can be fully funded, any remaining balances above the £1.8m minimum HRA balance is used to repay debt.

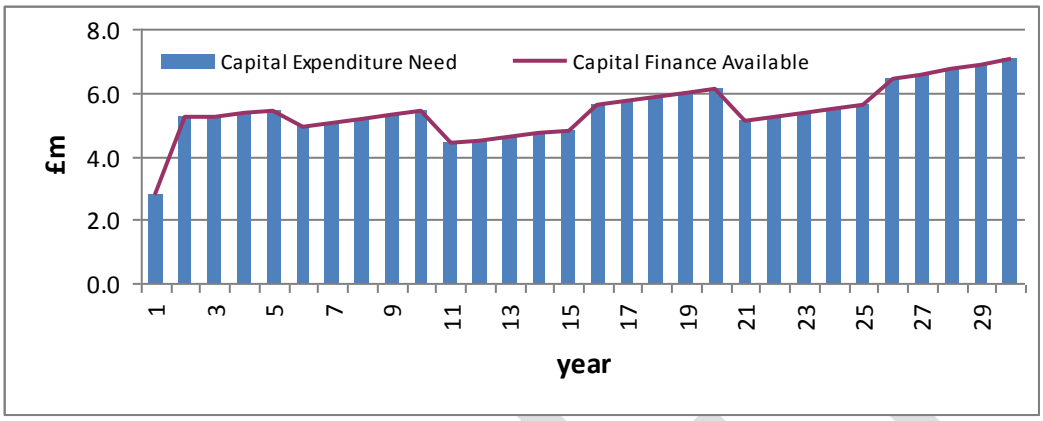
In reality the Council will be able to review the plan regularly and make decisions about the use of surpluses, balancing repayment of debt and additional investment. This gives the Council a much greater level of flexibility in its long term planning than has been possible under the existing subsidy system.

(b) Headline Outputs

The plan projects a healthy position for the HRA, given that the balance does not fall below the assumed minimum level of £1.8m. After the take on debt is

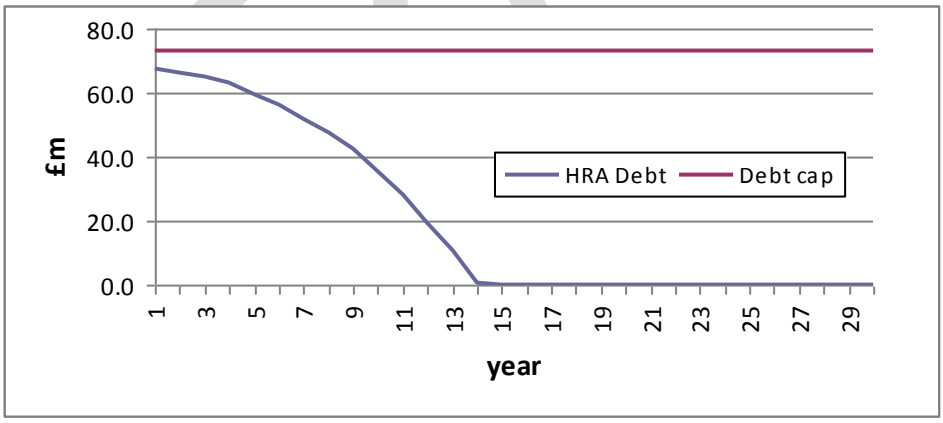
repaid (as explained below) the balance would start to accumulate significantly or, alternatively, additional investment in the stock could take place.

The plan indicates that it is possible to meet all revenue maintenance needs and major capital works as quantified in the currently available survey data. This is illustrated in the chart below. Costs shown include inflation.



The plan shows that the capital expenditure can be fully met with the resources available from depreciation charges and Direct Revenue Contributions. At this stage the plan predicts that no further borrowing is required, maintaining the available headroom up to the debt cap.

If all revenue surpluses are set aside to repay debt, repayment could be achieved after 14 years. This is illustrated below:



(c) Funding the self-financing payment

As explained above, the financial modelling indicated the overall viability of the Business Plan. In this context, we worked with independent treasury management advisors (Arlinglose) to determine an appropriate strategy for the financing of the borrowing required to fund the payment to DCLG in March 2012. A range of options was considered, three principal options were examined as follows:

Option 1 Maximum repayment schedule: Assumes all surpluses generated in the HRA Business Plan are used to achieve the maximum debt repayment in each year (as illustrated in the chart above). The debt is profiled so that debt matures naturally

to match the anticipated repayment capacity. The main risk associated with this Option is the risk of refinancing if the repayment schedule cannot be met in any year because of other priorities falling on the HRA at the time. The resulting refinancing would be likely to be at increased interest rates.

Option 2 Extended repayment: Takes all new borrowing on a fixed rate, long-term basis to mature in 30 years' time (i.e. at the end of the initial Housing Business Plan cycle). This option assumes no debt repayment until year 30 with annual HRA surpluses being invested in the interim. Although this option provides freedom with regard to the availability of surplus HRA resources for investment, there is the risk that investment returns remain below debt levels, with an associated net cost to the HRA. In addition, within a few years, the pool of cash to invest would be considerable, with increased exposure to volatility within the financial markets.

Option 3 Balanced Portfolio: this incorporates elements of both option 1 and option 2 above. This option also incorporates elements of "internal borrowing" and variable rate borrowing. The intention is to hedge against various risks, maintain funding flexibility and achieve a low rate portfolio.

Of the three options, the Balanced Portfolio (Option 3) was considered to be the most appropriate for the Council at this time and the new borrowing has been structured on that basis. Projections of the General Fund Reserves indicate that £5m can be 'internally' borrowed by the HRA over the next three years. This approach reduces the risks associated with holding investments. As a result, the total amount of new borrowing required to fund the payment to the CLG was £51.673m. All new borrowing was taken from the Government's PWLB at the reduced rates on offer for HRA self-financing arrangements.

(d) Sensitivities

The baseline plan is viable and very resistant to changes in key assumptions. Key sensitivities, showing movements in RPI, levels of capital expenditure and interest rates have been examined.

In all likely scenarios HRA debt is contained within the debt cap and repaid within the 30 years of the business plan time frame.

7 Risks and opportunities

Welfare Reform

The Government intends to replace working age credits and benefits with a Universal Credit, from October 2013, to simplify the welfare system, improve incentives to work and reduce the welfare benefits bill. Payments of Universal Credit will be paid directly to tenants, except for those who are within the vulnerable or pensioner categories. Under present arrangements housing benefit is credited to the tenant's rent account. In addition it is proposed that working age tenants who under-occupy their accommodation will have their housing payments restricted based on a level of under-occupancy. It is predicted that these will have an impact on rent arrears, with a potential loss of income.

Building new LDC homes

Every additional resource that we have in the Housing Revenue Account will be used to meet housing need within the District. The new financial regime in housing allows us the flexibility to do this and we will be taking this opportunity forward. This aspiration will be considered in conjunction with the options of introducing Council owned properties offered as affordable rents.

Right to Buy Policy

In March 2012 the Government launched an invigorated Right to Buy programme, incorporating increases in the discounts available to existing tenants. The Government has stressed the following key elements of the new programme:

- the maximum discount increased from £38,000 to £75,000 allowing an even greater number of people to realise their aspiration of home ownership.
- For the first time, every additional home sold under Right to Buy will be replaced by a new home for affordable rent, with receipts from sales recycled towards the cost of replacement.
- Local authorities will be able to retain the receipts for replacement housing – provided they can sign up to an agreement with Government that they will limit the use of the net Right to Buy receipts to 30% of the cost of the replacement homes.
- Councils will be able to deduct the necessary amount to cover the debt from the receipt but will not be required to use this part of the receipt to repay loans.

At the time of finalising this Business Plan, the potential impact of these changes on both the HRA and our tenants is being considered.

Interest rate volatility

By far the greatest risk to Lewes District Council's HRA Business Plan is the interest charges which will apply to the outstanding debt. As noted in the Resources section above, this risk has largely been mitigated by the majority of debt being held on a fixed interest rate basis.

Tenancy Strategy

The Council's duty to a housing applicant is outlined in the Housing Act 1996 and subsequent legislation. Social Housing tenure reform is a key element of the new Localism Act 2011.

For Councils the Act introduces a new form of secure tenancy, the flexible tenancy. It is intended that the circumstances in which a flexible tenancy will be used will be set out in the new Tenancy Policy. Tenancies are to be for a minimum of five years (two years in exceptional circumstances). Lewes District Council will be working in consultation with stakeholders including Tenants, Councillors and other East Sussex Housing providers to ensure we have a Tenancy Strategy and Tenancy Policy in place by January 2013.

The Strategy will set out high level objectives for Lewes which registered providers will have regard to in letting social housing. In addition to the Tenancy Strategy the local authority must also develop a landlord tenancy policy (if it is a stock holding authority like Lewes) and have consideration to the Allocations Policy which will need to be reviewed to reflect the changes. Since the Tenancy Strategy will set the overall vision this must be decided upon before the other documents can be produced.

Affordable Rents

The Localism Act also provides flexibility on the rent charged. Landlords may charge higher rents on new builds and a proportion of relets, in order to fund new development. The Council could charge what is termed as an Affordable Rent, which could be up to 80% of the local market rent on these properties. The proceeds would be used to fund new development and cannot be used to increase business plan resources generally. The Housing Service will be working in consultation with stakeholders to explore how this new flexibility could be applied to increase affordable housing provision in the Lewes District.

Supporting People

Currently the HRA receives a significant amount of Supporting People Grant from East Sussex County Council (ESCC). This is approximately £192,000 annually and effectively reduces the service charges that some of our tenants would otherwise pay. However, the Council recognises the Government's intentions to reduce overall public sector spending which includes supporting people grants. This is likely to reduce the level of grant available to Lewes when ESCC reviews its allocations in 2013. Costs and income within the Business Plan will need to be revised in accordance with the outcomes of the Supporting People review.

Appendix 1

Stock Condition Summary

Future Works Detail

Stock Condition Cost Summary as at April 2011 underlying the Business Plan modelling

Heading	2011-15	2016-20	2021-25	2026-30	2031-35	2036-40	Total	Average cost per dwelling
Backlog Repairs	£500,000	£0	£0	£0	£0	£0	£500,000	£154
Future Major Works	£23,481,000	£21,110,000	£16,622,000	£19,067,000	£15,297,000	£17,182,000	£112,759,000	£34,696
Improvements	£1,000,000	£750,000	£750,000	£750,000	£750,000	£750,000	£4,750,000	£1,461
Contingent Major repairs	£840,000	£700,000	£700,000	£700,000	£700,000	£700,000	£4,340,000	£1,335
Cyclical Maintenance	£2,950,000	£2,950,000	£2,950,000	£2,950,000	£2,950,000	£2,950,000	£17,700,000	£5,446
Response amd Void Maintenance	£8,205,000	£8,205,000	£8,207,000	£8,207,000	£8,207,000	£8,207,000	£49,238,000	£15,150
Disabled Adaptations	£2,170,000	£2,250,000	£2,250,000	£2,250,000	£2,250,000	£2,250,000	£13,420,000	£4,130
Estate Works	£530,000	£500,000	£500,000	£500,000	£500,000	£500,000	£3,030,000	£932
Total costs, rented dwellings and related assets Including Leasehold property related assets	£39,676,000	£36,465,000	£31,979,000	£34,424,000	£30,654,000	£32,539,000	£205,737,000	£63,304
Average per dwelling per year	£2,442	£2,244	£1,968	£2,118	£1,886	£2,002	£2,110	
%of total	19%	18%	16%	17%	15%	16%		

Base date
2nd Quarter 2011

Total number of properties
Tenanted properties - 3250
Leasehold property costs included above

Note:
Figures include capital staff costs but exclude management costs, revenue staff costs and VAT

Future Major Works Detail as at April 2011

Heading	Catchup repairs	Catchup dwellings	2011-15	2011-15 dwellings	2016-20	2016-20 dwellings	2021-25	2021-25 dwellings	2026-30	2026-30 dwellings	2031-35	2031-35 dwellings	2036-40	2036-40 dwellings
Additional WC	£3,510	6	£249,803	353	£214,064	321	£6,920	10	£3,274	6	£16,187	19	£9,909	13
Bathroom	£93,387	42	£3,193,461	1179	£3,048,800	1262	£10,316	4	£635196	394	£809,764	391	£722,436	393
Boundary walls & fencing	£49,385	80	£1,683,129	1931	£1,512,548	1895	£478,149	572	£741,072	1409	£1,080,282	1500	£910,606	1455
Central heating boiler	£0	0	£1,695,784	1013	£1,046,820	674	£1,156,027	749	£1,584,265	1027	£1,039,678	674	£1,312,005	851
Central heating distribution	£0	0	£1,004,352	327	£797,498	257	£855,538	327	£1,266,426	505	£1,703,025,	696	£1,484,625	601
Chimneys	£0	0	£661,327	381	£685,445	498	£675,240	504	£68,885	51	£477,757	444	£273,258	248
Common areas	£6,212	39	£622,712	940	£440,055	715	£285,693	491	£125,036	440	£85,521	333	£105,281	387
Door entry systems	£3,504	10	£115,895	557	£109,283	622	£3,512	10	£110,530	576	£51,560	269	£81,051	423
Electrical installation	£0	0	£2,252,455	707	£992,969	336	£340911	116	£963,642	328	£1,596,137	543	£1,279,769	436
External doors	£11,879	13	£766,321	620	£867,293	679	£86,758	68	£286,549	231	£924,755	630	£605,550	431
Fascias & soffits	£25,168	43	£692,710	1465	£497,569	941	£241,359	750	£32,160	80	£57,066	96	£44,608	88
Fire alarms	£0	0	£30,908	64	£22,087	53	£24,187	59	£16,392	34	£9,841	23	£13,117	29
Garages & stores	£13,287	18	£741,576	1024	£545,549	880	£32,537	101	£17,754	43	£84,131	166	£50,932	105
Independent fires	£0	0	£15,084	128	£14,084	171	£1,177	8	£529	3	£0	0	£265	2
Kitchen	£173,632	49	£1,882,489	505	£1,944,166	562	£2,832,136	812	£5,912,899	1707	£1,177,490	344	£3,545,717	1026
Other	£4,732	12	£146,950	504	£132,357	481	£93,145	523	£21,070	201	£84,738	465	£52,894	333
Paving and driveways	£39,364	50	£1,295,876	1501	£460,449	917	£538,347	1050	£309,773	696	£341,279	708	£325,513	702
Plumbing installation	£11,933	51	£138,930	544	£304,948	1289	£0	0	£100,825	430	£36,597	156	£68,718	293
Private balconies	£0	0	£1,531	8	£4,619	26	£0	0	£3,880	22	£9,177	52	£6,527	37
Rainwater goods	£36,266	50	£608,763	1150	£685,163	1502	£356,828	890	£112,621	264	£98,592	236	£105,606	250
Roof covering	£7,841	15	£1,447,085	531	£3,271,562	1082	£1,888,883	565	£1,638,684	534	£2,621,314	969	£2,129,808	697
SVP	£1,615	7	£199,156	871	£174,863	908	£166,484	986	£38,853	283	£54,993	387	£46,919	335
Wall finishes	£18,589	6	£3,382,034	1198	£2,443,094	1119	£3,165,580	1496	£1,293,174	668	£308,704	186	£801,051	427
Windows	£3,110	1	£652,672	170	£894,715	282	£3,382,254	987	£3783,151	1189	£2,628,402	844	£3,205,835	1017
Total	£503,414		£23,481,003		£21,110,000		£16,622,000		£19,067,640		£15,297,000		£17,182,000	

Appendix 2

Performance Indicators

LOCAL AND NATIONAL PERFORMANCE INDICATORS

APPENDIX 2

Performance Indicator	2007/8	2008/9	2009-10	2010/11	2011/12
Percentage of non-decent homes	1%	1%	0.3%	0.1%	
Supply of ready to develop housing sites	Not a PI	109%	101%	106%	
Affordable housing units under construction at 31st March	95	78	36	129	
Average re-let times for Council dwellings Including temporary dwellings	24 days	28 days	38 days	27 days	29
Average energy efficiency rating out of a possible 120	67	67	67	68	68
Percentage of rent collected	98.95%	98.40%	98.88%	99.2%	98.78%
Urgent repairs carried out within government time limits	99.1	99.3	99.0	99.3	
Repairs completed with local targets	99.7	99.6	99.2	98.3	
Repairs noted a good or satisfactory by tenants	97.7	97.3	97.6	97.8%	
Number of cases where advice resolved homelessness	60	108	641	669	
Length of stay in B & B for all households	Not reported	Not reported	4.66 weeks	7.74 weeks	

Appendix 3

Glossary of Abbreviations and Housing Terms

Affordable Housing- Subsidised housing for rent or shared ownership, for people who cannot afford to purchase a property on the open market.

Benchmarking- The process of comparing an organisation's costs and performance with other similar organisations.

Black and minority ethnic (BME) Groups- Groups of people within local communities, whose race is either black or another race, that is in the minority within the UK.

Cabinet- An important Council committee, comprising of a leader and 8 Cabinet Members, 6 of which have a responsibility for specific areas of the Council's work (called portfolios).

Capital expenditure- Money spent to buy or improve assets (e.g. land or buildings)

Capital Receipt- Money received from the sale of a capital asset (e.g. land or building)

Decent Homes Standard- Government definition of Decent Homes was published in 2002. To be defined as a 'decent home' a property must: meet the current statutory minimum for housing; be in a reasonable state of repair; have reasonably modern facilities; and provide a reasonable degree of thermal comfort (effective insulation and heating).

Direct Service Organisation (DSO)- A Council department that provides the same services as a private contractor.

Extra-care housing - These schemes are designed with the needs of frailer, older people in mind and with varying levels of care and support available. People living in extra-care housing have their own self-contained home and this form of housing includes flats, bungalow estates and retirement villages, the properties can be rented, owned or part-owned/part-rented.

General Fund- The Council's financial account that deals with income and expenditure relating to all the Council Services. This expenditure is funded from income that the Council raises through charging for goods and services (except if it relates to council houses or is capital) plus grants and Council Tax.

HCA – Homes and Communities Agency - the national housing and regeneration agency in England.

HRA - Housing Revenue Account – every local authority that owns housing stock is obliged to maintain a HRA. The account is ring-fenced so that all income and expenditure on managing the stock is held within the account. Councils are not allowed to transfer funds to and the General Fund.

HSSA – Housing Strategy Statistical Appendix – annual statistical return which local housing authorities are required to provide to central government.

KPIs – Key performance indicators

Local Offer- A locally agreed service agreement specifying enhanced service standards according to tenants aspirations.

MRA – Major Repairs Allowance. This annual funding is used to bring homes up to meet the Decent Homes Standard and maintain them once backlog repairs are complete. The MRA is calculated by a formula based on the type and age of the stock.

National Service Standards-

RPI – Retail Price Index is a measurement of inflation. Calculated on a monthly basis, it measures the change in the cost of a basket of retail goods and services (including mortgage interest payments, food fuel). It is used as a base rate for calculating increases to social housing rents.

RSL – Registered Social Landlord, also known housing associations or registered providers.

Self financing (HRA) – A method of operating the HRA, whereby all the expenditure and costs relating to the HRA are completely funded from the Council's rental income, with out the need for any government subsidy.

Social housing rents – Social Housing rents (known as target rents) are calculated in accordance with a formula based 70% on local incomes and 30% on capital values. These are reviewed every year. The Government has issued specific guidance on calculating rental increases (this is RPI + 0.5%).

Stock condition survey- A survey of a percentage of council's properties providing an indication of the condition of all the properties within the Councils housing stock.

Supported Housing- Housing where tenants can receive help- e.g. sheltered housing for the elderly or housing for people with physical disabilities.

Supporting People – An integrated policy and funding framework for the commissioning of housing-related support for vulnerable people, introduced in 2003.