

City of York Council
Housing Revenue Account
30 Year Business Plan:
2015-2045

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Forward

We are pleased to introduce the 2015 re-fresh of our Housing Revenue Account (HRA) Business Plan 2015-2045, which sets out our priorities, plans and actions for council housing in our city for the coming years. This plan will continue to be reviewed annually.

The purpose of the HRA Business Plan is to demonstrate that the council can maintain its housing assets, and deliver the levels of service, home and neighbourhood improvements set out in it. It is first and foremost a financial document, which determines how the council will meet the needs of present and future tenants, demonstrating that Government and local targets can be achieved and ensuring the long-term viability of the stock.

Following the election of the Conservative government in May 2015 there have been fundamental and wide ranging changes to the funding, definition and delivery of affordable housing.

The changes introduced in the July budget and the Housing and Planning Bill include rent reductions for four years, continuation of welfare reform, increased promotion and expansion of the right-to-buy to housing association tenants, the sale of high value council housing stock, proposals for 'pay to stay' for higher income households, and ending secure 'lifetime' tenancies. All of these changes are also being introduced within the context of broader public sector savings needed to be made by the council. For the HRA, savings of £1.5m have been included in this Business Plan but this may need to be increased if assumptions change as more details of the impact of these policies become clear.

Not all of these changes directly affect the HRA Business Plan but

many do and a key priority of this refresh is therefore the setting of a robust and sustainable strategy for the delivery of the business plan over the next five years during which time the full impact of the changes will be clearer.

The Business Plan needs to be read in conjunction with the HRA Strategic Asset Plan which sets out priorities for the physical care and improvement of the housing stock and related housing assets and provides a framework for assessing opportunities for future development. This Business Plan draws upon the stock condition information and data analysis used in the formulation of the HRA Strategic Asset Plan.

A robust Business Plan has become evermore crucial since the reform of the rules governing local authority housing finance and the introduction of the self-financing system in April 2012. This new system required local authorities to take on a one off debt; in York's case £121.5 million and in return keep all its revenue income except for a proportion of right to buy receipts that are still pooled and returned to central government. It is therefore critical that the HRA continues to be managed on sound business principles

The reforms opened up some exciting opportunities for York and the council has used this opportunity to build much needed new council housing and in so doing contribute to the council's aim to create a prosperous city for all and one that listens to its' residents.

The 30 year financial model assumes levels of expenditure to ensure properties are maintained to the standards currently prescribed within the HRA Strategic Asset Plan.

This plan sets out the national and local strategic context and corporate priorities under which we are currently operating.

This framework has enabled us to identify our challenges and priorities specifically over the next five years as well as identifying longer term issues and goals for the next thirty years.

Demand for social housing remains high, particularly for family homes and therefore the plan sets out the Council's aspiration to build new council housing of the types required. In some cases this means building new flats that enable existing households to downsize hence freeing up family sized housing elsewhere.

Progress in meeting the priorities of the HRA business plan is given in each of the chapters that follow. Underpinning much of this work has been the award of the Government standard of Customer Service Excellence in 2014.

Introduction

Background

This Housing Revenue Account (HRA) business plan covers the 30-year period 2015/16 to 2045/46. The plan concentrates largely on those activities relevant to the management of the council's housing related assets and the challenges facing key service delivery areas and contains an investment programme, formulated on a five year and a 30 year basis.

The Strategic Asset Plan is a key component of the HRA Business Plan as it sets out priorities for the physical care and improvement of the housing stock and related housing assets, using stock condition information to inform the strategic framework within which decisions on investment or disinvestment are made. It

balances the competing investment needs in the existing housing stock, investment in new affordable housing delivery and investment in housing management services. The Strategic Asset Plan has been completed alongside this refreshed HRA Business Plan.

York 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. With land for redevelopment at a premium both in cost and availability, an element of re-development of existing stock is also part of the business plan.

Housing Revenue Account

In April 2012, the funding regime for local authority social housing changed radically. The abolition of the national (HRA) subsidy system, a national system for redistributing housing resources, was replaced with a locally managed 'self financing' system. Local authorities now 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 was allocated to each authority.

HRA reform placed councils in control of their housing assets and also opened up a range of options for unlocking HRA investment capacity that remain consistent with the government's priority to control the national debt. The key aspects of HRA reform relevant to York were that:

- Efficient operation of the HRA would generate an

investment fund that for new investment.

- Under the agreed settlement a £20 million investment/regeneration fund would be available over the first years to 2018 to support our priorities including building new council housing
- It was anticipated that continued funds would be available over the life of this business plan.
- Housing will become a real asset capable of generating additional investment resources for new and improved social and affordable housing
- Councils will be able to shape their “housing business” to deliver against their local service and investment priorities.

The new Conservative Government elected in May 2015 announced a raft of radical policy changes including a 4 year 1% reduction in rents from April 2016 and a requirement for council’s to sell a proportion of ‘high value’ stock with receipts being used to fund housing association right to buy sales. Additionally there are proposals for households earning over £30,000 to pay a higher rent (with the rent increase returned to government and not retained by the council), and welfare reform including reductions in Working Family Tax Credits and the roll out of Universal Credit continues from the previous coalition government. There is also a requirement for the HRA to make around a minimum of £1.5m of savings as a contribution towards council-wide efficiencies.

The cumulative impact of these policy changes mean the income in the HRA will be significantly reduced and unless savings are made could even put the HRA into deficit. This is a fundamental change to the assumptions made when this Business Plan was published in 2013 and since it was last updated in September 2014.

National Policy Context

The coalition government of 2010-2015 introduced the Localism Act 2011 and the Welfare Reform Act 2012, which together have had wide implications for social landlords.

The Localism Act included measures on how social housing is allocated, the introduction of self-financing for all local authority housing and regulatory reform for the social housing sector The Localism Act. The Localism Act 2011 includes measures on:

- Implementation of a tenancy strategy, which will affect the allocation of social housing
- Abolition of the HRA subsidy system and the introduction of self-financing for all local authority housing
- Regulatory reform including the introduction of complaints and tenant panels

Welfare Reform

The welfare Reform Act 2012 introduced the biggest shake up of the welfare system since its inception. A central tenet of the programme is to reduce the overall benefits bill and make work pay. The Act has impacted on tenants who claim benefits, their landlords, local housing markets and a range of agencies providing money and benefits advice. The key changes have included:

- Creation of Universal Credit which will cap the overall amount of benefits individuals and families can claim
- Ending housing benefit and direct payments to social landlords
- Caps to the maximum Local Housing Allowance(LHA) payable
- Increases in non-dependant deductions

- Introduction of the Spare Room Subsidy commonly referred to as the 'bedroom tax'
- Calculating LHA rates using the 30th percentile of market rents rather than the 50th percentile and indexed to the Consumer Price Index from April 2013
- Limiting housing benefit for working age tenants so it only covers the size of property they are judged to need
- Raising the shared accommodation rate age limit from 25 years to 35 years.

A significant risk for the Business Plan is the collection of rental income and we originally predicted that rent arrears would increase because of the impact of the welfare reform changes. Although arrears have increased, this has not been by as much as first predicted and therefore this update includes a revised lower bad debt provision of 1.5%.

The new Conservative government elected in May 2015 has committed to further reductions in welfare payments and other reforms that impact on HRA business planning. These include:

- Lowering the benefit cap to 20,000 outside London
- Freezing working age benefits for two years from April 2016 with certain exemptions for disability and pensioner benefits
- Restricting EU migrants right social housing until they have lived in an area for four years.
- Continuation of the roll out of universal credit.
- Continuation with the spare room subsidy charge (bedroom tax)
- Reducing working family tax credits
- A 1% rent reduction per annum for four years from April 2016
- A requirement for council's to sell off their 'high value' stock as it becomes vacant

- A requirement for higher income social housing tenants to pay a higher rent

Since the election the government have also indicated that they will look to disqualify most 18-21 year olds from claiming housing benefit.

The welfare reform changes may impact on the levels of rent collected by the service and also on the sustainability /turnover of tenancies. However, the other government changes – and especially the rent reduction and requirement to sell high value housing stock - will have a much more direct and fundamental impact on the HRA Business Plan.

The Right to Buy

The coalition government increased the maximum right to buy discount that tenants can receive to £77,000 (with inflationary increases this is now £77,900). In the last two years (2013/14 and 2014/15) 105 council homes have been sold under the right-to-buy of which 64% were houses.

The Housing and Planning Bill 2015 introduces the right to buy for housing association tenants too. Under the current proposals, council's will be required to sell their "high value" housing stock with the receipts being used by government to compensate housing associations for the cost of selling their homes.

At the time of updating this Business Plan the legislative details of the proposals are not confirmed. However, if they are implemented as proposed they will have a very significant impact on the Housing Revenue Account and reduce considerably the opportunity for investment in new housing beyond 2018.

Devolution

The government have signalled an intention to support further devolution of governance to regions. A devolved governance geography may be a catalyst for shared services across housing providers in the region. This could give housing a greater collective voice for funding opportunities and also to increase efficiency by bringing together shared services common to all housing authorities. These opportunities will be considered as more detail emerges.

Local Policy Context

The business plan is guided by the Council’s Corporate Plan and contributes to a number of its aims. The business plan must be viewed in conjunction with the HRA Strategic Asset Plan.

The HRA Business Plan in Context



The Business Plan sets out the investment required to:

- Maintain our housing stock to provide good quality sustainable council homes to meet a range of needs for today and future generations
- Achieve and maintain high standards of housing management and effective tenant involvement
- Assist people in housing need to access social housing and to offer support to help vulnerable tenants to maintain their tenancy and independent living
- Respond to and pre-empt changing demand patterns, maintaining a balanced portfolio of housing to address a wide range of needs
- Increase the environmental sustainability of the council's housing stock
- Deliver the investment programme in a cost effective manner in accordance with sound procurement principles

Strategic Aims and Priorities

The HRA business plan supports our vision “creating homes, building communities” and aligns with the following plans and strategies.

- Council Plan 2015-21
- ‘Creating homes, building communities’ housing strategy 2011/15
- York, North Yorkshire and East Riding Housing Strategy 2015-21
- Supported Housing Strategy 2014-19
- A City Partnership to Prevent Homelessness 2013-2018
- ‘Positive Ageing, Housing Choices’ older people’s housing strategy 2011/15
- Gypsy, Roma and Traveller Strategy 2013-18

- Tenancy Strategy 2013-18
- HRA Strategic Asset Plan

The business plan will contribute to meeting the council's three wider strategic aims in the Council Plan:

- A prosperous city for all
- A focus on frontline services
- A council that listens to residents

This will be evidenced in a number of ways including:

- Increasing the supply of new affordable and making the best use of existing homes.
- Providing facilities that support dedicated high quality care for people with specialist needs.
- Exploring opportunities to expand housing provision to the intermediate rented market.
- Ensuring that frontline services continue to prevent homelessness wherever possible and provide housing options advice to all vulnerable households.
- Developing community engagement and consultation activities so that our customers are directly involved in planning and influencing services
- Reducing levels of financial and social exclusion by relieving the pressure on family budgets, helping disadvantaged individuals to access cost effective financial products and tools
- Developing and supporting sustainable solutions to improve the financial capacity and capability of individuals and communities, reduce levels of debt and raise awareness of benefit entitlement
- Working towards a comprehensive customer profiling

system, tracking specific customer needs around financial inclusion, identifying when client groups will require intervention/support and how they are likely to access it.

- Creating financial support packages which effectively target vulnerable and marginalised families, individuals and communities in settings that are comfortable and familiar to them

Alternative Models of Service Delivery

The housing service is exploring new ways of improving the efficiency of its front line services and reducing costs. This is part of a council-wide initiative to consider other delivery models for services including outsourcing.

The appraisal of alternative service delivery models for housing could include transferring all or parts of the service to a council owned Arms Length Management Organisation or by a Large Scale Stock Transfer to a newly formed or existing Registered Provider (housing association). An opportunity for sharing services with other local authorities is also being considered and it is expected that recommendations on which option(s) to work up in detail will be made in Spring 2016.

Financial Summary

The introduction of self financing resulted in the council taking on £121.5m of additional debt from central government in March 2012. However, it also means the council no longer has to pay the government an annual negative subsidy payment which was in the region of £7m.

In taking on this debt the council considered all options as part of

its decision making; more detail is set out in the Treasury Management section of this business plan. Details of the revenue and capital projection moving forward are set out in Annex B,

Given the nature of the Business Plan there are clear financial risks that need to be considered and factored into any projections. In addition, the long term impact of the policy changes within the Housing and Planning Bill are not yet known and therefore there is a high degree of uncertainty around some of the assumptions that have been included. These assumptions will continue to be monitored and refined as more details become clear to ensure the plan is robust and sustainable.

Key Area	Assumption	Comment
General inflation	2.0%	
Rent increase inflation	-1.00% to +3.00%	Rent increases assumed in line with proposed government guidelines of CPI plus 1%
External borrowing interest rate	2.76% to 3.51%	Portfolio of fixed rate maturity loans with PWLB
Minimum HRA balance	£5,000,000	Recognise risk in self financing environment
Sales of high value stock	80 per annum	Based on current assumptions regarding detail of legislation and geography under which 'high value' is calculated
Right to buy sales	60per annum	In line with sales forecast

	reducing to 40 per annum over time	
Void rate	0.9%	In line with current position, no significant increase/decrease forecast
Bad debts	1.5%	To allow for changes under welfare reform

In order to manage the HRA with the reduced levels of income as a result of the rent decreases for the next four years and the increased levels of sales forecast, cost savings totalling £1.5m have been identified.

The key financial investment points within the Business Plan are:

- £20 million to spend on new homes for rent and redevelopment of existing stock between 2013-2018
- £40.7 million to be invested in the existing council homes over the next five years
- £35m to be invested in responsive repairs and cyclical maintenance over the next 5 years.

Within the £40.7 million

- 1,400 homes will be modernised at a cost of £11.2m.
- £7.2m will be spent replacing heating systems to 3,250 homes.
- £2.1m will be spent adapting properties to enable elderly and disabled tenants remain in their homes.
- £2m will be spent on a programme renewing decayed water mains in our ownership.

- £2.3m will be spent on a programme of damp remediation.

Investment Challenges

Overview

When considering the delivery of the strategic aims of the Business Plan there are a number of identified key areas that require investment and where relevant key messages from the HRA Strategic Asset Plan have been included.

These key areas cover:

- New build
- Building/asset management
- Landlord services
- Supported housing & Adaptations.
- Resident and community involvement
- Investment in ICT

Each of these key areas is detailed below in the following sections and includes contextual information together with a summary of the key messages, which identify areas for improvement and investment and the subsequent priorities to address this.

New Build

Context

York is a growing city with the number of people living here increasing from 177,100 to 202,400 between 1999 and 2013. Demand for housing across all tenures is high and meeting that

demand remains a challenge.

Levels of home ownership have declined but still represent by far the largest tenure at around 65% of all households. House prices are some of the highest in North Yorkshire and it has been calculated that households need an income of £43,000 to purchase an 'entry level' one bedroom home and £60,000 for a two bedroom home¹. The average house price to income ratio is 8.5 and it is estimated that only 3% of homes are affordable for first time buyers with children and only 1.5% to single person households².

The private rented sector comprises around 20% of the housing stock. Rents are high and have risen by 26% between 2002 and 2012³; an increase not mirrored by the rise in earnings over the same period. Access to the private rented sector by low income households is restricted by local housing allowance rates being capped at the 30th percentile of rents (meaning that less than one in three homes in this sector are affordable to those households in receipt of housing benefit)

Social housing (both council and housing association) comprises around 15% of the stock. At the end of March 2015 there were 1,508 households registered for social housing in York. From a stock of approximately 7,800 homes the council average around 600 lettings per year.

An independent analysis of housing need in 2011 concluded that 790 additional affordable homes are needed in York each year for a

¹ Research on the affordability of housing in the Leeds City Region. March 2014. P25

² How much of the housing market is affordable? Analysis of homes of sale. Shelter 2013

³Home Truths 2013/14: Yorkshire and the Humber'. National Housing Federation, April 2014.

period of five years in order to address the backlog of demand and newly arising need. Over the past five years an average of 148 affordable homes have been built each year representing 35% of all new housing completions over the same period, but nevertheless demonstrating the scale of the challenge.

The strong housing market in York also presents opportunities for the council to invest in new build homes confident in the knowledge that demand for these homes will be strong across all tenures.

Building New Council Housing

Against the backdrop of an acute need for more affordable homes, in 2012 the council built its first new council houses for over 20 years. Building on the success of the Archer Close development of 19 new council houses in Clifton, the HRA investment and regeneration fund combined with right-to-buy receipts, Homes and Communities Agency funding and the use of affordable housing commuted sums has enabled a new build programme of council housing to be established.

The initial focus has been on bringing forward vacant sites within the ownership of the HRA but longer term, subject to the business case being robust, we will also consider the remodelling and in some cases demolition of existing stock to create new homes that better meet the needs of residents and optimise the use of the land in HRA ownership.

Additionally in partnership with colleagues in Corporate and Property Management we will consider alternative delivery models for new housing that can expand the housing stock across all tenures.

A continued programme of building new council homes is

dependent on the business case remaining robust. The impact of the Government's policy changes with regard to the sale of 'high value' stock and four rent reductions need to be modelled as the details of these policies becomes clearer. Only then will an informed decision on whether to continue investing in additional new council housing be possible.

Identifying sites

A strong combined HRA Strategic Asset Plan & Corporate Asset Management Plan will ensure we make the right decisions on investing in capital funding for new homes.

In 2012 an initial assessment of the development potential of 179 sites in the HRA was undertaken to identify 'quick win' opportunities for new development. Further viability and feasibility testing proposed six deliverable sites for a first phase of new council house building delivering 71 new homes.

- Beckfield Lane (18 council homes, 9 homes for open market sale)
- Hewley Avenue (8 homes,)
- Fenwick Street (8 homes)
- Pottery Lane (6 homes)
- Newbury Avenue (9 homes pending further community consultation)
- Challoners Road (8 homes)
- Lindsey Avenue (14 homes – off the shelf purchase from a developer)

The homes at Beckfield lane completed in May 2015 and the Hewley Avenue and Lindsey Avenue developments will complete in January 2016 with the remaining developments also completing later in 2016. These homes have been funded through £6m of

HRA revenue, £1m of affordable housing commuted sums and £403k Homes and Communities Agency grant.

In addition to the new council housing, the council are demolishing and replacing an ageing homeless hostel that is no longer fit for purpose and extending Glen Lodge Extra Care scheme. The new homeless accommodation scheme will provide a mix of 39 new 1, 2 and 3 bed units and 18 new council homes for rent and will complete in early 2017. The extension of Glen Lodge will provide 25 new 1 bed apartments and 2 new bungalows and will complete in Spring 2017

There are now very few vacant and developable sites within the HRA with the capacity to build more than one or two homes. Small infill sites such as these do not provide the economy of scale necessary for a cost effective development programme and therefore if the business case for continuing a new build programme remains a more strategic approach is required. This includes option appraisals for the remodelling and demolition of existing HRA stock where this is of relatively poor quality or design, unpopular, or 'land hungry' and would thus enable a better quality, more sustainable and sometimes net increase in homes to be re-provided. An assessment of this stock will be undertaken on an ongoing basis as part of a Strategic Asset Plan with the first proposals expected to be considered in 2015/16.

Any decisions regarding investment in either new build or remodelling will be reported through the Corporate Asset Management Board to ensure opportunities for joint investment and land swaps are maximized, thereby ensuring effective corporate use of all our combined assets.

Identifying funding and ensuring value for

money

The flexibilities as a result of the HRA Self Financing regime and the resulting investment/regeneration fund, alongside opportunities to borrow against future rental streams was anticipated to generate sufficient headroom for a long term investment in the acquisition or building of new homes. However with the legislative changes introduced by the government (and particularly rent reductions and the sale of high value stock) only the current investment programme of £20m can be guaranteed at present.

As a Registered Provider with the Homes and Communities Agency the council can bid for Affordable Housing Grant. Although the level of grant has reduced drastically in recent years – from around £55,000k to a current level of around £22,000 per home it can still represent a helpful contribution to capital costs. At the Beckfield Lane housing development £403,000 of HCA grant funding has been utilised. Restrictions on the HCA grant funding mean that it cannot be used in conjunction with right-to-buy receipts. These receipts need to be used within three years or returned to government and so will be prioritised ahead of any bids for HCA grant funding.

Consideration is also given to the different delivery mechanisms for new council housing to ensure value for money from the HRA investment fund. This is constantly kept under review and covers three core elements; the speed of delivery, the build costs and the design standards of the homes. Current considerations include:

- Building new homes with no grant funding
- Building new homes with, where available, grant funding
- The use of affordable housing commuted sums to develop new homes

- Options for innovative investment of HRA and/or commuted sums on land purchases to facilitate mixed tenure developments that will maximise affordable housing delivery and provide a return on capital investment made through equity stakes or commercial loans.
- Purchasing homes on the open market
- Taking homes through planning gain on private developments
- The potential for wider partnerships and delivery vehicles.
- Reviewing the environmental and space standards of new homes.
- Considering modular or 'off site' construction where this is more cost effective and/or offers faster delivery than traditional build.

Agreeing how new build development will be procured

The first phase of new council house building is being led 'in house' by the housing development team, replicating the delivery model of Archer Close. A New Build Project Manager was appointed to lead the on site construction. The Housing Development Managers' focus is on future supply, securing planning permissions, and sourcing sites.

The procurement mechanisms will be regularly reviewed throughout the development programme to ensure that the most appropriate and cost effective models are applied.

Summary of Key Messages

The funding regime for social housing has changed radically and the HRA investment assumptions reflect this. However the full impact of the

forthcoming policy changes are not yet known and the Business Plan will need to be reviewed as this becomes clearer in order to establish whether continuation of a new build programme remains viable

There is a high and enduring demand for the existing social housing stock and a need to increase provision of affordable housing

Regular reviews of procurement model for new build council housing will be undertaken.

There is an impetus to explore and support new forms of delivery of affordable housing including outside of the HRA.

A review of the dispersed and high value stock owned by housing will be undertaken and where appropriate recommendations for its retention, conversion or disposal will be made.

Priorities

Consider options to continue with a programme for bringing forward the delivery of more affordable housing

Agree a policy on the use of affordable housing capital receipts received from right to buy sales and commuted sums

Establish preferred methods for funding on a scheme by scheme basis

Continue to review available procurement options for the delivery of homes

Bring forward proposals on further council sites that necessitate wider re-modelling of stock/selective demolition etc. as part of the HRA Strategic Asset Plan

Repairs and Maintenance / Stock Investment

The Council's housing stock is well maintained and in

December 2010 the Council compliance with the Government's Decent Homes target was met. Each year a structured programme of maintenance and improvement is carried out following a review of investment priorities. Factors taken into account when setting investment programmes include:

- Priorities in the Strategic Asset Plan for housing.
- Stock condition data – including dwellings that are at risk of failing under the decent homes standard.
- Components reaching the end or their useful life.
- Energy efficiency performance.
- Statutory requirements (eg asbestos, fire, electrical and gas regulations).
- Trends in reactive repairs.
- Redundant or obsolete stock.
- Particular initiatives such as programmes of loft conversions.

A snapshot of the service shows that:

- In 2014/15 we carried out 33,056 responsive repairs.
- The average unit cost of repairs to void properties is £2,500.
- A programme to replace single glazing with double glazing across the whole housing stock will be completed in 2015/16.
- On 31st March 2015, there were 7 dwellings considered to be non-decent compared with 114 in January 2014⁴.
- The average energy SAP rating of the housing stock is 74.
- There are 610 homes of non-traditional construction in the housing stock

⁴ Dwellings fall out of decency on a rolling basis and are improved within the financial year that they become non-decent

- Over the next 5 years we will invest £4.7m in improving our stock

Strategic Asset Management

An asset management database is used to hold information on the key components that make up any asset and to guide and influence future investment priorities. Assets consist of all property types and also include communal and external areas.

Stock condition surveys are used to establish the remaining life of key components. As works are completed, components are re-lifed within the database to reflect this fact.

A mobile application for collecting and importing data is to be introduced in late 2015. Alongside this all assets will be spatially referenced for mapping purposes GIS (Geographic Information Systems).

The demographic profile of tenants in the council stock is changing with an increasing proportion of older people and tenants with support needs. The further loss of stock through the Right to Buy and government proposals for councils to sell off “high value” stock means that the service needs to think creatively around the optimum use of its asset base.

A Strategic Asset Plan has been developed that not only considers maintenance costs, the remaining life of key components and structural issues, but will also cross reference these with the demand for particular types of homes and locations. This comprehensive asset plan will then inform investment decisions including whether regeneration of existing estates could bring forward redevelopment opportunities to create more sustainable housing.

Future proofing the housing stock

A Strategic Asset Plan is essential in determining the investment priorities for the overall stock, but there are also internal modifications to existing homes that could help future proof them for the changing profile of tenants and potentially also save the council money by alleviating some pressures on social care and adaptations funding.

Customer Service

The repairs service is regularly described by our customers as one of the most important services they receive from their landlord, Carrying out over 33,000 individual repairs in 2014/15 with a minimum of two customer contacts per repair (report and repair) makes this the biggest customer contact function of the service and as such one of the biggest areas of service delivery to influence customer satisfaction.

The Building Services team has reviewed all of its operations and, along with the rest of landlord services achieved Customer Service Excellence in 2014

Procurement

The repairs and maintenance service regularly procures contracts for reactive and voids maintenance, cyclical maintenance and planned investment programmes. It is essential that best value is obtained from these contracts whilst also seeking wherever possible to support the local economy by appointing local

contractors. We have procured a contract with Jewson –with the University of York as a partner too - for the supply of construction related materials to the council’s Hazel Court depot at a value of £1.5m per year. We have also contracted with Leeds based Help-link for the installation of replacement domestic heating systems.

A procurement arrangement with Efficiency North is giving the council access to a framework of suppliers across a wide range of housing works including kitchen and bathroom installation, heating and ventilation, electrical installation, brickwork and masonry, roofing, painting, adaptations, solar photovoltaic installations and whole house improvement works. The framework is instrumental in helping to boost employment opportunities throughout York. Training delivery is written into the contract, with 1 full time training opportunity to be provided by the contractor for every £500k works value. As a result of this we are able to employ 2 apprentices.

A 5 Year Procurement Plan is being developed in partnership with the Commercial Procurement Team that will both identify our priorities as well as result in cost-effective long term procurements.

IT Infrastructure

The housing service relies on a variety of IT systems to manage voids, reactive repairs and cyclical maintenance. These systems have been upgraded to improve their functionality although there is still no direct link to new council-wide programmes

The Servitor and DRS (formerly Opti-time) systems that manage the reactive repairs and void property process have both been upgraded and re-designed. These improvements are already starting to enable the service to provide better customer service, improve efficiencies and allow us to effectively

analyse work content to map programmes of work in the most efficient way.

In addition the council has introduced the new corporate mobile work platform (Total Mobile) for front line staff that integrates with the Works Management Systems. This is already showing improved productivity by eliminating administrative inefficiencies. The next phase is to introduce the solution to the domestic heating section of the platform. The service is also working on a joint IT development plan with housing landlord colleagues to develop a self service system that will enable tenants to order some repairs online.

Energy Efficiency

From our position as a landlord owning almost 8,000 homes, we continue to roll out a phased program of improvements to our stock. Our average Energy Efficiency Rating (SAP Rating) is 74; significantly better than the social housing average of 70.5.

Funding has been included within the current 5 year investment programme for energy efficiency works. We are also working with Better Homes (York) to identify opportunities to increase the energy efficiency of the housing stock as well as leveraging in external funding. We have already identified 'off gas' and 'hard to treat' properties as potential areas for improvement and have commissioned a gas conversion for Winterscale Court which is undergoing Tenants Choice in 15/16

Completed work that has contributed to improving energy efficiency includes:

- Fitting 'A' rated condensing boilers as standard. Over 400

were fitted in the past two years and a further 450 will be fitted in 2015/16.

- Fitting thermostatic radiator valves and improved central heating controls.
- Installing air source heat pumps to 21 'off gas' properties since 2010.
- Installing insulation to over 1,650 lofts and cavity wall insulation to over 1,800 homes.
- Conversion from single to double glazed windows to the entire stock by 2015/16.
- Installing Low energy light fittings to communal entrances, staircases and external lighting.

Health and Safety management – building maintenance

It is the policy of the Building Maintenance service to adopt the management of health and safety as integral to the improvement of business performance and define, document and endorse its commitment to:

- Implementation of a safety management system based upon current work activities, the identification of hazards and the assessment of associated risks
- Provision of places of work and vehicles which are safe and without risk to the health and welfare of all its employees, independent contractors and the general public, so far as it is reasonably practicable
- Providing appropriate information, instruction and programmed training and education

- Consulting with employees to determine what measures should be taken to increase awareness of health and safety.
- Setting and publishing health and safety objectives
- Providing adequate and appropriate resources to implement this policy
- Making regular reviews of this policy and institute improvements where possible
- Introducing an integrated approach to health, safety and the environment

Asbestos and Fire Management

Working across Housing and Corporate teams, we are currently reviewing the Asbestos Management Plan together with our operational procedures to ensure we have a clear plan for managing this particular health hazard

As part of our new 4 year Framework contract for Asbestos Surveys/Air Monitoring, we required the supplier to host an e-Asbestos Register. The new register will allow all stakeholders 'open' access to detailed information wherever an asbestos survey has taken place and alert them to the presence of asbestos and where it is located.

Additionally, to ensure compliance with Regulation 4 of the Control of Asbestos Regulations 2012, re-surveys of approximately 590 communal blocks are substantially complete. This will be followed by representative internal surveys across the 52 housing archetypes. All this information will allow us to plan our removal strategy based on contemporary information.

A new 4 year Asbestos Removal contract has also been recently

awarded.

Another key area of compliance is fire management. Over the last 12 months we have developed a Fire Action Plan which has highlighted key areas requiring attention. This has resulted in a current programme of work to the 11 Sheltered sites which includes upgrading of fire compartmentalisation together with renewal of fire detection systems. This will meet the 'stay put' policy of the North Yorkshire Fire and Rescue Service.

Fire Risk Assessments are reviewed on a rolling basis and budgets are included in CRAM bids to allow for any remedial works arising to be carried out. To ensure consistency and clarity, the responsibility for undertaking FRA's at Sheltered sites and Hostels has now become part of the teams' work going forward.

Fire awareness of staff is a key to reducing the likelihood of or consequences arising from fire, and we are working with corporate H&S team to develop a training course for delivery in 2015 for all staff who visit sites.

Summary of Key Messages

We already have robust asset management data on the condition of our stock and we recognise that we now need to overlay this with data on the demand and turnover of homes, plus land holding to provide a fully comprehensive strategic asset plan

The introduction of new IT systems has improved the efficiency of the service but further investment is needed across all housing services to enable integrated and efficient customer service

The housing stock overall is energy efficient, however properties

that are difficult to treat and off gas' still require attention.

The service remains focused on legal compliance on health and safety including asbestos, fire and gas.

We need to look at ways of 'future-proofing' the housing stock in recognition of the changing demographic profile of our tenants and the likelihood of a continuation of a reduced housing stock due to Right to Buy sales. investment to improve these facilities are carried out at the correct time

Priorities

Key programmes of work over the next five years include:

Completion of a HRA Strategic Asset Plan in 2015

Building services appraising different delivery models under 'housing' and the commercial opportunities this could bring

Completion of stock condition surveys of all communal areas both to sheltered housing and flats. to improve the communal living environment and also ensuring that investment to improve these facilities are carried out at the correct time

A review of ways in which homes can be modified (such as lever taps and the height of sockets and switches) to make them easier to manage for tenants and in the longer term reduce pressures on social care and adaptations budgets.

Continuation of the Tenants' Choice programme of modernisation and improvement to the housing stock

Painting and improvements to communal areas in flats

Renewal of the water supply pipes to circa 1500 dwellings

Eradication of major structural damp to several hundred properties across the city.

Continuation of the programme of adaptations to enable tenants to remain living in their home.

Resolving structural problems with the prefabricated bathroom 'pods' to 56 flats at Bell Farm and Tuke Avenue.

Maximising the funding and delivery opportunities presented by the partnership with Better Homes (York)

Focusing on further improving the experience of customers in respect of the maintenance of their homes. This includes ease of access to clear, understandable information and to the service they receive at their home.

Landlord Services

The landlord function of the Housing Service is responsible for the management of our housing stock and for the community involvement which make our estates vibrant places to live and work. Key functions within this are: income and tenancy management of over 7,800 homes, letting of properties, right-to-buy administration, services to almost 500 leaseholders, resident involvement and management of low-level tenant anti-social behaviour

The service also manages 207⁵ tenancies on behalf of Fabrick Housing Association and received an income of £130,000 in 2013/14 and £132,000 is expected in 2014/15.

⁵ As at 26 May 2015

Category	Stock numbers 1/4/15
Total HRA stock (units) of which:	7796
• General Housing	7351
• Sheltered Housing	225
• Sheltered Housing with Extra Care	142
• Temp Housing	39
• Temp Housing (Hostels)	39

Landlord services work closely with colleagues and partners in housing options, homelessness, the city-wide community safety hub, housing standards/adaptations, supported housing and the Housing development team to deliver a comprehensive, joined-up service for tenants at all stages of their tenancy.

National government initiatives and proposed policy changes will present challenges and opportunities for the service in the coming years. A proposed 1% reduction in rents for the next four years from April 2016 will have a very significant impact on the income for the housing service. Similarly proposals for the sale of high value council housing could lead to the loss of hundreds of homes and the introduction of 'pay to stay' for higher income tenants could be both a challenge and costly to implement. Continuation of the spare room subsidy ('bedroom tax') and the rolling out of universal credit to all claimants by 2017 will continue to place pressures on the landlord service as well as those tenants directly affected by the measures.

The government have also included in the Housing and Planning Bill the compulsory introduction of fixed term tenancies. A review of the council's Tenancy Strategy and Tenancy Agreement will be completed in early 2016 and include analysis of this proposal.

These policy changes must also be placed in the wider context of demographic changes of an ageing population and also of an increasing 'residualisation' of the housing stock whereby only those households with the highest housing needs and who, by definition, are often those also with the highest level of support needs can be housed. Financial pressures on support and resettlement services are leading to less assistance for vulnerable tenants and a greater risk of tenancy failures that have to be managed by the landlord service.

Housing Management Function

In 2012 we reviewed our management arrangements and developed 3 estate management teams. Each team has tenancy management and income management lead staff and in recognition of the challenges that welfare reforms bring additional posts were created to provide money and employment advice within a developing advice hub across York. The area teams are managed by a single team leader who has the responsibility to ensure that the service that is provided is generic and seamless. Each of the team leaders has a portfolio and is expected to lead in developing one of these service areas

- Income Management and welfare reform
- Anti social Behaviour and tenancy management
- Community Development and localising the service

In addition the Housing Landlord Service Manager holds the portfolio for developing the infrastructure to deliver the service in a rapidly changing and challenging environment.

Partly in response to the radical changes being brought about through new government policies, but also in recognition of the often complex needs of it's customers, the housing service is

proposing an radical new way of working.

Proposals are being worked up that will see the frontline housing service become a focused single point of contact for households and a service that is the conduit for addressing the full range of needs of its customers at a household and neighbourhood level. The proposals would see staff working on smaller patches but with a broader responsibility than simply tenancy management. Instead they would be a first point of contact for almost all aspects of household management and with the capacity to work intensively with whole family units to identify and meet their needs directly where possible and advising, signposting and interacting with other services where referral is needed.

There will also be a renewed and re-focused community engagement and development with resources prioritised on those areas – perhaps single streets that need more intensive management and community development.

This new approach will recognise that customers of the housing service often have complex needs that are not always picked up as quickly as they could be. The emphasis will be on more contact with customers in their homes and a proactive, tailored and holistic service to them, dovetailing with and complementing council based and other services for the benefit of tenants and communities.

Firm proposals following consultation with staff, tenants and other stakeholders will be brought forward in 2016/17

Against a backdrop of demographic and policy challenges and ahead of the proposed changes to the way the housing service is delivered, it is imperative that strong performance which minimises costs and maximises income and efficiency is

maintained. A snapshot of performance data for 2015/16 includes:

- 523 council tenant households are currently affected by the spare room subsidy 'bedroom tax'⁶ This is a reduction from 586 the previous year and has been achieved by a combination of downsizing opportunities including funding to assist with removal and other costs, promoting mutual exchanges between tenants and introducing policies to prevent tenants being allocated or permitted to move into a home with more bedrooms than they require (unless downsizing from an even larger home).
- 11 tenants affected by the benefits cap as at 5th June 2015. This is set to increase when the cap is further reduced to £20,000 in 2016; the exact numbers won't be known until the Department of Works and Pensions advise local authorities just prior to the rollout of the programme.
- Approximately 1000 tenants are under-occupying their homes and of these, 160 are actively seeking a move –The housing waiting list at 1st April 2015 showed 665 households where the number of bedrooms required are less than their current home.
- 260 households are known to be overcrowded.
- Garage vacancy levels have remained stable at 21%
- Tenancy turnover was 7.99% in 2014/15; a very small increase on the 7.83% the previous year.
- Total rent loss through voids is 0.75% - an increase from 0.69%. This being addressed though a review of the voids process and service.
- Rent arrears at 5th April 2015 were £529k representing 1.61% of the rent debit. This is an increase from £422k and 1.31%.
- Former tenant arrears at 5th April 2015 were £320k.

⁶ As at 29 May 2015

Income Management

A consistent reduction in current tenant rent arrears over the past five years was reversed last year. Arrears increased due to a combination of factors; the cumulative impact of welfare reform, tougher discretionary housing benefit payments a change of an arrears IT system that necessitated staff training and a new pre-court protocol that requires more exhaustive procedures to be followed before cases can be taken to court.

In response to this, as well as maintaining a pro-active/early intervention approach working with key partners in housing benefit, CAB, Keyhouse and York Learning, systems have also been put in place that improve the way in which rent accounts are monitored to ensure early and timely intervention if these go into arrears.

The biggest change arising from the welfare reforms will be the payment of the housing element of universal credit being paid directly to claimants. This has the potential to significantly undermine the very stable nature of the landlord income base and impact adversely on our financial stability. Processes and policies to manage direct payments and the impact have been put in place since February 2015 together with an overarching 'local support framework' for the department around welfare reform.

The challenges that welfare reform bring require an increased focus on early intervention and a more holistic approach in assisting tenants in their financial management. Staff are actively promoting opportunities around digital inclusion, training and employment through advice and support in this area. They work with staff across the council and with partners to develop initiatives and raise awareness. Promoting these is an integral part of the work to enable customers to thrive and prosper in a financially challenging

environment, tapping in to the considerable advantages available when accessing on line services.

To assist in making best use of stock and to help those affected by the bedroom tax the landlord service approved a downsizing incentive scheme. This includes funding to assist with removal and other costs, increased priority for tenants wishing to transfer to smaller homes, and 'swop shop' events that provide advice and assistance to tenants interested in downsizing. This can be through transfers and, increasingly through mutual exchanges. Additionally, the new council housing development of 9 apartments at Peloton House (Beckfield Lane) was all prioritised for households downsizing from council houses.

Anti-social Behaviour

The housing management team is supported by a specialist team based within the Community Safety Unit, along with a community mediation service. The use of Restorative Practice, a victim base approach to dealing with the consequences of crime and ASB is to be introduced.

There has been an increase in the complexity of cases, particularly from people suffering from mental health and dual diagnosis issues. The Community Safety Unit has a specific post that focuses on resolving these complex cases. It is also acknowledged that there is currently a shortfall in specialist and supported accommodation to meet the needs of these groups.

The Anti-social Behaviour, Crime and Policing Act, 2014 come into force in October 2014. The purpose of the act is to simplify the tools and powers that organisations have, and the main changes are the abolition of Anti-social behaviour orders and Criminal anti-

social behaviour order, which will be replaced by Criminal Behaviour Orders and the Injunction to Prevent Nuisance or Annoyance. Other changes include bringing together some of the environmental legislation into a single Community Protection Notice, and the merging of some of the public order legislation including the Designated Public Place Orders into a Public Spaces Protection Order.

Community Development

Local Estate Action Plans are being developed based on evidenced priorities identified from various sources of information and statistical data. The action plans will help customers and staff monitor the progress made towards delivering on the identified priorities over time. The action plans will be used by Housing and residents to influence ward based action plans and committees which are being developed with residents and set out the key local priorities for the year ahead at ward level. The housing estate managers will work be key partners on the delivery of the local action plans.

In 2012, the housing service restructured to deliver efficiencies, embed equalities and better meet the needs of customers. We have adopted a neighbourhood style of working, with housing estate managers based in the communities they serve. In addition to the existing Tang Hall advice hub two new local hubs have been developed in Lindsey Avenue (Acomb) Clifton; the latter being attached to a sheltered scheme. These bring together advice agencies to offer housing, money and general advice, employment and training opportunities, in addition to providing a venue for local interest groups and residents. In addition we continue to provide drop in advice sessions at venues across the city alongside other advice and support services.

We will develop our approach to work with schools and educational establishments to provide advice and support for pupils and parents who may be customers of housing and homeless services in the future.

The Letting & Allocation of Homes

The allocation of homes is delivered via the North Yorkshire HomeChoice sub-regional choice based lettings scheme. The system has created greater transparency for customers but has not been successful in reducing the levels of administration. There continues to be a large number of applicants on the housing register who are placed in bronze band with no housing need and realistically unlikely to be offered a home due to the shortage of available properties. A review of the allocations policy is being undertaken and will report in 2016 with recommendations.

The “lettable standard” is a measure by which the service ensures the consistent quality of properties for letting. Properties must be clean and of a habitable standard before new tenants move in and the standard provides an element of quality control. The standard has incorporated recommendations from Service Inspectors including the requirement for a designated officer to sign off properties post-repair to ensure they meet the standard and a requirement that hot water is available during the void period to allow properties to be cleaned thoroughly.

The purpose of this standard is to ensure the consistent quality of properties offered for letting by CYC.

Customer Services

Our approach to customer services will be based on customer preference when making contact. We will enable and promote

self-service options and communication media (email, text, social media) whilst retaining and developing more traditional methods of communication for those customers who need and prefer this. The Customer Service Advisor team will develop to form the core phone and reception contact for all customers of Housing Services and contribute and compliment the councils contact centre. The achievement of Customer Service Excellence in September 2014 is one indicator of this positive focus on communicating with customers.

Getting it right first time – Housing Services will ensure that services are delivered in the way that customers want, when they want it by ensuring that staff are supported through training, ICT support, effective management and comprehensive policies and procedures

A comprehensive training plan to ensure that staff deliver services in a customer focused, knowledgeable and efficient way will be developed in 2013/14 as part of the Workforce Development Strategy. This will be refreshed annually to include any new requirements for the department, individual staff and customers.

The award of Customer Service Excellence in 2014 is a standard that the service wants to maintain. Annual assessment of those areas that were identified for improvement in the original assessment are being prioritised. They include improvements in publishing performance data, how we consult with customers and comparing the performance of the service with other social housing providers and the private sector. Most importantly, when the housing service is re-assessed in January 2016 it will be as part of the wider CANS Directorate assessment for Customer Service Excellence.

Housing Services will develop its approach to collecting and utilising customer information to ensure that services meet the

individual needs of its customers. Routine contact and a structured Customer Care visit scheme will be developed to provide more effective outcomes for customers and the service in terms of service provision and identifying and addressing safeguarding, support or enforcement issues. This will compliment the priorities of the council's customer strategy 2012-15:

- Improve ways and choices of ways customers can access services.
- Provide a service in courteous, responsive and timely ways
- Working jointly with our customers and other providers of services
- Continually assess the quality of our service to make sure they can remain accessible, efficient and inclusive.
- Make it easier for our customers and communities to do things for themselves

Right to Buy (RTB)

Historically RTB has been high with over 6000 homes sold within the city since its introduction. The last three years have seen a significant increase in sales coinciding with an increase in the maximum discount (currently £77,900) and reduced qualifying period for eligibility. The business plan settlement model had assumed RTB sales between 20 and 28 per year but this has now been increased to 40-50 sales per annum.

RTB applications and sales:

Year	Applications	Sales
11/12	20	6
12/13	88	23

13/14	77	53
14/15	98	52

Making best use of stock

In light of the issues of overcrowding and the limited number of large family homes £1m was allocated for loft conversions in 2013-15. A total of 27 conversions were completed.

Demand for social housing in the city is high and this means most homes can be re-let easily. Nevertheless, there are properties where remodelling/demolition will improve the quality and in some case quantity of homes. A new Asset Strategy will be published in 2015/16 that addresses these opportunities to maximise the best and most sustainable use of the stock.

Within the council stock there are also one-off high value properties and a review is being undertaken as part of the Asset Strategy to determine whether we retain or sell these properties using the capital to reinvest in more suitable accommodation. Government proposals for council's to be required to sell a proportion of 'high value' stock that become vacant is giving an added urgency to this review. Although the detail of government proposals is not yet clear there is a suggestion that the receipts from the sale of these homes may not be retained by councils.

Summary of Key Messages

Welfare reform changes will impact upon the council's ability to raise and collect rental income and could lead to increased arrears

Welfare reform will add additional pressures on household incomes and living arrangements that will affect tenants' health and wellbeing

We need to explore more ways of maximising income, tackling digital exclusion and assisting customers into employment or training

The introduction of Universal Credit means that the direct link between tenants housing related benefits and the administration of these by the council will be severed.

General needs accommodation is not always the most suitable accommodation for vulnerable groups including those with complex needs

Development of localised services is key to the effective delivery of the housing management function

The refreshed Ward Committee structures will drive priorities within local areas

Demand for affordable homes in York remains high but the current way of letting homes does not provide a product of a consistent quality for customers

Addressing overcrowding and under occupation is an essential component of making the best use of the council housing stock.

Priorities

Over next 18 months redefine ways in which we support our customers through a new model of 'landlord plus'

Continue to review rent arrears policies and procedures to ensure that rent is paid and households are supported to sustain their homes. Changes will include the move to 52 week rent cycle

Continue to provide support to those most likely to be affected by welfare reforms to minimise negative impacts on households.

Encourage under occupiers to take advantage of downsizing incentives to help free up the availability of larger homes

Better understand the needs of our customers through detailed customer profiling to inform the development and improvement of

services

Develop targeted housing advice to meet the needs of different groups, such as younger households, older households and those with specialised needs

Continue business preparation for the introduction of universal credit and the 4 weekly payment cycle that will be introduced

Address financial exclusion by work in partnership with high street banks and credit unions to provide basic bank accounts and encourage use of direct debit payments

Continue financial management training for tenants and staff to improve household budgeting

Explore options for developing specialised accommodation for customers with mental health

Maintain and review local advice services offering a range of advice and information

Deliver Local Estate and Ward action plans to improve the delivery of services at the local level

Complete a review of the choice based lettings framework to improve overall efficiency and outcomes for all customers

Continue to monitor the new lettable standard in terms of performance and cost

Remodel or redevelop obsolete or less sustainable housing stock to maximise the supply of decent affordable homes.

Review the stock of high value homes and consider options for disposal and re-investment in new housing supply

Maintain the single training plan for the whole service

Continue to support the development of the Community Safety Unit.

Refresh the Tenancy Agreement by April 2016

Supported Housing

Supported housing is defined as housing which is designated for a specific group (such as older people, people with learning disabilities etc.) and in which there is some level of support provided as part of the accommodation offer usually funded through a service charge to residents.

A supported housing strategy has been developed to address the supported housing needs of the City, and to prioritise resources appropriately⁷. The strategy has an overarching vision to increase and maintain independence by ensuring the right supported housing options are available at the right time and the right place for those that need them.

The needs of seven groups were examined in the strategy:

- older people
- those with mental ill-health
- those with learning disabilities
- young people,
- ex-offenders,
- homeless people and
- those at risk of substance misuse (drugs and alcohol).

The key priorities and actions identified through the strategy can be found in the action plan.

Housing Services play an important role in supporting the delivery of the Supported Housing Strategy priorities. This includes:

- Owning and managing seven sheltered housing schemes

⁷ York Supported Housing Strategy 2014-2019

and a further four sheltered housing with extra care schemes.

- Temporary accommodation for statutory homeless households at Ordnance Lane (31 units) Holgate Road (8 units) and Crombie House (7 units)
- Management (but not ownership) of the Peasholme homeless hostel

Additionally there were 84 tenants referred for support to live independently in general needs council housing in 2014/15. . Most commonly this is with floating support provided by external organisations.

Older People

Approximately 30% of York's population is aged 55 or over. A review of the provision of accommodation with care for older people is taking place across the city and is expected to include the phased closure of the council's seven remaining older people's homes by the end of 2018. The needs of tenants in those schemes (plus newly arising need) will instead be met in several ways:

- through a programme of making better use of existing sheltered housing with extra care accommodation owned by the council so that these schemes can accommodate residents with complex needs including dementia. This will include increasing the size of the Glen Lodge extra care scheme through a new extension of 25 one bedroom apartments and two bungalows.
- Through a new build integrated care facility proposed on the former Burnholme School site for residents with care needs including those with complex needs and dementia.
- By the proposed development of an extra-care hub on the site of the current Oak Haven sheltered housing scheme in

Acomb

- By incorporating new build housing opportunities for older people in the council's house building programme.
- Through provision of additional independent sector care beds.

Alongside these strategic proposals it is essential that the current older people's accommodation remains safe and welcoming until such time as it is de-commissioned and that the decanting of tenants is carried out in a sensitive and timely manner. A programme of structural works has been undertaken across the sheltered housing stock to ensure they remain safe environments for our tenants. Work undertaken has included that necessary for continued compliance with fire regulations and also improving access to the buildings for those with restricted mobility. Work has also been ongoing over the last 12 months to make use of more efficient lighting in communal areas, in order to increase energy efficiency.

Internet access is an increasing expectation in older people's accommodation and was installed in the communal lounge areas of all sheltered and extra care schemes in 2014.

Looking forward, the warden call system that links sheltered housing schemes to warden support will need to be updated from the current 'hard wired' system to one that uses the latest changes and opportunities brought by wireless technology. Work to identify the most cost effective way to achieve this has started and is forecast to be procured by 2020.

The model of provision in the 4 Sheltered with Extra Care Schemes is being reviewed in order to ensure that it is sustainable and appropriate to meet current and future needs. This review is running alongside the modernisation of the Older Person's Homes,

and the recommendations will be made in recognition of the changed model of support that will be available in future.

Mental Health

The main priority identified through Supported Housing Strategy consultation was for supported accommodation for people with mental health issues, along with complex or multiple issues who also have other support needs due to substance misuse or offending. These individuals require intensive and targeted support for the medium term (up to 5 years) that is currently unavailable. This would help prevent re-admission to hospital, and support sustainable resettlement for those who are currently struggling to manage precarious accommodation in homeless accommodation, and unable to engage fully in resettlement work due to their mental ill health.

Housing Services are working with the Health and Wellbeing Board on proposals that would see the HRA funding conversion of an existing property with the Health and Wellbeing Board committing to the revenue costs of the supported accommodation. Progress on this is anticipated in 2016.

Homelessness

The Ordnance Lane homeless hostel of 32 units of accommodation has been in need of replacement for many years. The buildings are no longer fit for purpose from both a management and maintenance perspective. In 2014 the council approved a budget to replace the current hostel with a new build development of 39 units of accommodation. The increase in units is because 7 homeless units at Crombie House in Acomb will also close and be amalgamated into Ordnance Lane.

The proposed redevelopment - subject to final costing and planning consent – is forecast to be completed in early 2017.

Summary of Key Messages

Some temporary accommodation is not fit for purpose

There remains a need for ongoing planned maintenance of current sheltered housing schemes.

There is a need to explore the conversion or alternative use of sheltered housing schemes if and when these close as part of the strategic review of older people's housing.

There is a need for more supported accommodation for people with mental health problems who have complex needs.

There is a pressing need to replace the existing Ordnance Lane homeless hostel.

Priorities

Draw up plans for new supported housing provision by looking at options on existing sites such as Ordnance Lane and include detailed funding options

Ensure the supported housing strategy is used to help plan for future developments.

Bring forward proposals for the conversion of some of the councils existing general needs stock into medium term supported accommodation for people with mental health problems to address the shortfall in provision for this client group

Adaptations

Local authority social housing providers are expected to meet the cost of any adaptation work required by tenants of their social housing stock. Each year about 400-450 council homes receive some form of adaptation to meet the needs of particular households. The investment requirement ranges from the need for minor adaptations, such as grab-rails and ramps, through more major adaptations such as stair lifts, through floor lifts and assisted bathing facilities, up to the need for major structural changes

If an adapted home becomes empty we aim to match, through our choice based lettings system, these properties to tenants with appropriate needs.

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 of £400,000 supports this provision

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. There is an acknowledgement that the recording of this information and the subsequent prioritisation of re-lets to households with similar needs could be improved. This will be a priority for the Strategic Asset Plan

The building of new homes to a lifetime standard – especially at Derwenthorpe - has provided new opportunities for disabled people, their carers and in particular for families with disabled children. Using adaptation funding these homes have been specially adapted to meet the needs of the individual disabled person, for example by the installation of a through floor lift in the designated space in the hallway of the lifetime home rather than being installed in a living room. However the design of a lifetime home also means that the disabled person also has the ability to access rooms which traditionally would not normally attract funding e.g. access to siblings bedrooms and access to a kitchen. This benefits not only the disabled person but also their carers and families.

Summary of Key Messages

We no longer hold a waiting list for tenants requesting bathing adaptations such as the installation of a level access shower

Lifetime home standards are enabling adaptations funding to be spent on homes that generally more fully meet the needs of customers

There is scope for making more effective and efficient use of adapted homes when these are available for re-letting

Priorities

We are introducing an ICT system which aims to provide appointments for customers and provide better real time information to ensure that adaptations are being installed efficiently

Governance and Tenant Involvement

Decision making

City of York Council is a unitary authority delivering a wide range of statutory and non statutory services to local residents. Working from its democratic mandate, it plays a key leadership role in the life of the city and is responsible for a wide range of services including housing, planning, education, transport, highways, adult social services, children's services and public health. The council is made up of 47 elected representatives drawn from 21 ward areas.

The council has an executive structure for governance and decision-making. Housing Services is led by the Executive Member for Housing and Safer Neighbourhoods who delivers direct representation at meetings of the Executive and full Council, coupled with regular meetings with the Assistant Director of Housing and Community Safety, and York Residents' Federation. Decisions can be made efficiently and based on personal understanding and direct involvement.

Housing Services 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 the council, with the introduction of the Housing Service Inspectors and the tenant scrutiny panel

Tenant Involvement

Tenant involvement is critical to the delivery of an effective and efficient housing service.

Working with our customers we have developed a range of involvement activities from which customers choose how they wish to influence services from a wide range of options including:

- York Resident Federation and 14 Resident Associations
- Tenant Scrutiny Panel
- Service Inspectors
- Leaseholder Panel
- A range of satisfaction surveys, focus groups and drop-in sessions

The long-standing York Residents' Federation is the umbrella group for York's Residents' Associations. With a formal structure, access to senior staff and the executive portfolio holder as a standing member, the Federation's voice influences our policies, priorities and performance

Residents' Associations provide a tight focus on communities and localities. With access to an annual estate improvement budget of £170,000, each Association leads on consultation to determine how local tenants feel their funds should be spent to improve their areas. The current process will be reviewed in consultation with customers in 2015/16 with the aim of delivering identified priorities through the ward team and locally.

The Tenant Scrutiny Panel check and challenge policies and performance. During their first year they reviewed the local service standards originally agreed with customers in April 2011 and input into the service planning process. Since then they have influenced improvements to the Garden Assistance Scheme, regularly monitor performance data and produce the Annual Tenant and Leaseholder

Annual Report. They are committed to ensuring our resources are focused on achieving the improvements that really matter to tenants.

Our established group of Service Inspectors use a wide range of techniques to deliver their challenging, in-depth inspections. They look at services housing provides from a tenants' perspective to highlight changes that will make a difference. Their inspection of our lettable standard brought together staff from several teams to review the whole void process. They monitor the delivery of the new standard and regularly independently inspect properties before they are let. They are now inspecting the delivery of the Tenants Choice programme

A monthly New Tenant Focus Group makes sure tenants' views continue to influence the voids process by contributing to the monitoring of the lettable standard to support continuous improvement.

The newly formed Leasehold Panel and Anti-social behaviour panels are setting their own agendas based on their priorities and are working to make sure their services improve.

Leaseholders are a small customer group with service specific needs and the leaseholder panel provides an opportunity for them to influence the services they receive. Insurance cover was the single biggest concern expressed at their early sessions and by working with them we have provided clarity around the insurance cover provided through their service charge.

The Panel have also overseen the production of several factsheets specific to their circumstances that together form a Leaseholder Manual.

The Anti-social behaviour panel comprises of residents with an interest in this area, often based on personal experience, and directly shape the service provided to all residents. As we move towards a new way of partnership working through the Anti-social Behaviour hub, their continued input will be invaluable.

Summary of Key Messages

Younger people are currently under-represented in shaping and influencing services and appear less interested in attending traditional meetings. All young tenants will be written to over the next year to support the development of appropriate involvement methods.

We must continue to seek broader representation and involvement in decision making to ensure services remain attuned to the needs of our increasingly diverse customer base. We are writing an engagement strategy which will include working towards more representative involvement

The current Estate Improvement Scheme is restrictive and needs to be reviewed. A comprehensive review of estate improvement funding and the schemes is currently underway and will include consultation with customers and York Residents' Federation.

Priorities

We will continue to promote new involvement activities and make use of social media such as Twitter and Facebook to reach a greater range of tenants and particularly target those that have not traditionally been involved to ensure services remain relevant and accessible to them. We are writing an engagement strategy to support this.

We will continue the comprehensive review of estate improvement funding, recognising the introduction of local estate action plans to ensure resources are spent in an integrated way. This is being undertaken in consultation with customers and York Residents' Federation.

Information Systems

Current IT Infrastructure

Housing Services employ a range of systems including commercially procured systems, web based applications and ad hoc databases.

Housing specific systems include:

- Northgate SX3 Integrated Housing Management System – (also used by Revenues and Benefits with an integrated database)
- SAM – Property Database
- Servitor Housing Repairs – Works Management System
- Anite Document Management System – Housing Services
- Abritas Choice Based Letting System
- Flare/APP (also used by Environmental Health and Trading Standards)

The Housing Service relies very heavily on a number of business critical ICT systems, with the Integrated Housing Management Information System (Northgate SX3) being one of the key applications. This system has been upgraded with the existing supplier but still requires extensive development. .

A review of current systems will be carried out to ensure these are fit for purpose, future proofed and deliver value for money.

Housing Services will ensure ICT is an integral part of developing effective data sharing across the department, enabling excellent customer service, and individualised outcomes for customers.

The integration of these systems requires significant resources and infrastructure to allow it to be fully operational and effective. Positive outcomes for the business will include the ability to support service delivery with accurate and comprehensive data, a reduction in waste and duplication and reduction in staff time spent interrogating systems that are not integrated. These benefits will feed through to customers as better informed decisions are taken and staff time is freed up to deliver for customers.

The service has an ambition to increase the number of systems that are 'cloud based'. These will enable managers and staff to make improvements and amendments to them without the need to rely on specialist input from central ICT services thus saving time and money

The development and use of advanced ICT technology and social media will fundamentally change and improve efficiency. It is essential that our tenants and leaseholders benefit from the council wide 'super connected cities' programme that will see York become one of the most digitally connected city in Europe. This will help us take services to customers and communities and allow them to actively participate in service delivery and development in a wide variety of convenient ways.

Development and more effective use of ICT will also help us deliver customer service excellence with on-line packages to deliver staff training, provide universal access to data, records,

procedures and documents as well as providing management information that will allow monitor service delivery in terms of quality and outcomes.

Upgrades to Servitor and Kirona DRS have been implemented and have enabled mobile working to be introduced for the general repairs and domestic heating services. This is crucial to delivering efficiencies and better service to customers. The upgrades are also web based, giving greater flexibility to all Housing field staff to be able to raise and/or view orders in the system

Summary of Key Messages

Significant investment is required to ensure that the existing systems are fully integrated

An overarching review of existing information systems is needed to ensure these are comprehensively supporting the business plan

Current reporting management information tools and ability to utilise customer profiling information are underdeveloped.

Use of mobile working including the 'Total Mobile' working platform are essential to an efficient service delivery.

A need to explore Wi-Fi possibilities on estates for financial inclusion and mobile working as part of the city-wide Super Connected Cities Programme. This will ensure that our customers can benefit fully from digital technology

Self-service options will improve accessibility

including a full review of all systems and interfaces and the necessary budget requirement to authorise what is needed

Ensure that a value for money and 'right first time' approach is enabled in the delivery of services

Use technology to make services easy to access, high quality and efficient, effectively managed and responsive to the particular needs of individuals and/or customer groups

Develop and promote mobile working solutions and self-service options that genuinely deliver business efficiency and choice of access for customers

Support CYC's Super-Connected Cities Programme, which focuses on digital inclusion for customers. A pilot project is being implemented to greatly increase digital inclusion within areas of deprivation in the city

Priorities

Undertake an audit and analysis of ICT spending, provision and support for Housing Services within the corporate ICT context

Rent Arrears, Voids and Rent Setting

Rent Arrears and Bad Debt Provision

Rent arrears in total are a combination of current and former tenant debt, with the latter being more difficult to pursue and recover. A rigorous approach has seen a reduction in both current and former tenant arrears.

However, whilst historically the level of rent arrears has been on a downward trend, and despite a continued and significant focus on income collection we are starting to see the impacts of the financial crisis and welfare reform translate in to difficulties for some tenants to pay their rent and a resultant increase in the level of rent arrears.

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 year end position in respect of current and former tenant debt is summarised in the table below.

Financial Year End	Value of Year End Current Arrears	Current Tenant Arrears as a % of Gross Debit	Value of Former Tenant Arrears
31/03/2015	£529,016	1.61%	£441,603
31/03/2014	£421,717	1.31%	£323,955
31/03/2013	£491,835	1.62%	£327,221
31/03/2012	£440,711	1.55%	£395,925

31/03/2011	£439,424	1.63%	£563,118
31/03/2010	£479,905	1.80%	£887,019
31/03/2009	£583,964	2.25%	£831,751

It is imperative that the council take positive action to minimise any increase in rent arrears, thus reducing the financial burden on the HRA that an increase in bad debt will create

The HRA 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. In light of the forthcoming welfare reform changes the bad debt assumption has been amended from 0.4% to 1.5%

Investment has been made in additional staff to pro-actively recover rent due by providing advice and assistance into training and employment.

Void Levels

The level of void properties in the housing stock is relatively low compared with other areas in the country. The average number of properties re-let in the last three years is 704, including transfers and non secure tenancies in Ordnance Lane hostel.

The value of rent lost as a direct result of void dwellings in 2014/15 was £248k.

The number of voids unavailable for letting at year end remains low compared with other areas of the country and an assumption of 1.2% voids is currently considered appropriate.

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.

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 York were higher than the levels being charged at the outset of the regime.

New proposals on rent restructuring were issued in November 2013 which ended rent convergence in 2014/15 and thereafter proposed to change annual increases to CPI plus 1% from RPI plus 0.5%. This means the majority of rents in York are not at target rent.

The 2015 Housing and Planning Bill requires all social rents to be decreased by 1% each year from 2016/17 to 2019/20. This change in policy had led to an estimated loss of income of £1.2m in 2016/17 and a cumulative loss of £12.8m by 2019/20. This has been factored into this revision of the business plan.

Performance Monitoring

Performance Management Framework

Housing's key actions and outcomes are contained within the overarching Service Plan for Housing and Community Safety. The actions and outcomes have been aligned to show how the Housing Service contributes to the priorities set out in the Council Plan.

The actions and outcomes have been identified to address challenges the service faces from government and legislative changes, local priorities, budget and staffing considerations, and to strengthen areas of weak performance. Customer expectations are an essential source in driving improvement.

Customer influence is channelled through a number of sources including the annual Tenant Satisfaction survey, service specific customer satisfaction surveys, complaints, findings from Tenant Inspector reviews and feedback from the Resident Panel, Housing Tenant Scrutiny Panel, Resident Associations, Customer Panels and Focus groups.

The Housing Service has a three year Service Plan which is reviewed annually and contains the following service priorities:

- Make the best use of housing assets and improve decency
- Helping residents into employment & training
- Support independent living
- Improve community cohesion
- Widen and extend resident involvement
- Improve access to advice and services
- Address financial inclusion

Weekly and monthly operational reports are provided to Housing Managers to monitor performance concerning particular service areas. In addition a quarterly Service Plan performance status report including the status of performance indicators together with budgetary information is presented to Housing's Management Team and Housing and Community Safety Senior Management Team. Quarterly performance reports are also presented to Housing's Executive Portfolio Holder.

Performance updates are presented to the Resident Federation

and the Housing Tenant Scrutiny Panel. Service Managers attend these meetings to discuss performance concerns with residents. Performance issues are also discussed by Estate Managers attending Resident Association Meetings.

Benchmarking

The Housing Service has been a member of Housemark benchmarking club since 2009. This allows robust, comparable spend data and performance analysis in relation to a range of landlord activities covering

- Overheads
- Responsive Repairs and Void works
- Major Works and Cyclical Maintenance including Gas Servicing
- Value for money
- Housing Management
- Lettings
- Rent Arrears and Collection
- Anti-social Behaviour
- Resident Involvement

Value for Money

The key findings from the analysis are plotted on the Value for Money Matrix and inform service plan priorities and Housing's Value for Money approach. A full benchmarking report is presented to Housing Senior Management team and the Housing Tenant Scrutiny Panel also oversee benchmarking results.

Community Impact Assessments

Community Impact Assessments 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 a CIA in respect of the introduction of the Business Plan in its own right. However, CIAs will be carried out in respect of any potential changes in policy or service delivery that may result from this different financial process.

Reviewing the Business Plan

The business plan is a dynamic, working document. Consequently it is essential that it is reviewed and updated on an annual basis. It is monitored throughout the year by officers, Housing Management Team, the Housing Portfolio Holder and the Executive, as appropriate.

Treasury Management

The HRA Self Financing reform detailed in the Government White Paper in November 2012 resulted in City of York Council paying £121.55m to Department of Communities and Local Government (DCLG). This removed the Council from the HRA subsidy system from 1 April 2012 and the payment made on 28 March 2012 was effectively the debt which relates directly to the HRA.

The self-financing valuation of the local authority's council housing stock was made by the Government using a discounted cash flow model for the authority's social housing. The model was

based on assumptions made by Government about rental income and expenditure required to maintain the council's housing stock over 30 years. It determined the amount paid to the Government of £121.55m and also the upper limit on housing debt that the Council may hold under the HRA self-financing reform.

In order to finance the £121.550m, significant exploration of the funding options available to the Council were undertaken with the final decision being made by the Director of Customer Business & Support Services in accordance with the delegated powers as approved by Council in the Treasury Management Strategy dated 23 February 2012.

Loan Portfolio

The objective of creating the HRA loan portfolio was to keep interest rates to a minimum, mitigate risk as much as possible and create flexibility within the portfolio.

In considering the risks associated with the proposed borrowing strategy, a key factor was 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 prudent approach to scheduling multiple loans was to ensure that the HRA business plan was capable of repaying debt at the point where loans were scheduled to mature and could seek opportunities to further invest in the level and quality of social housing.

Based on the PWLB's interest rate, information at the time the

loans were taken on 28 March 2012, rates did not significantly vary for maturity loans from periods of 25 years to 50 years. Given this, the portfolio of 21 maturity loans was constructed taking loans with varying amounts, at a variety of interest rates, across different maturity periods in line with the HRA business plan.