



DERBY CITY COUNCIL

**COUNCIL CABINET –
27 APRIL 2004**

ITEM 17

Report of the Director of Finance
and Director of Policy

HRA Budget 2004/5 and Business Plan 2003/5

RECOMMENDATIONS

- 1.1 To approve a revised management fee for Derby Homes for 2004/5 of £10.343m, and indicative figures for 2005/6 and 2006/7 of £10.809m and £10.819m respectively.
- 1.2 To approve an additional management fee for Derby Homes for 2004/5 and 2005/6 only of £200,000 in each year for the purposes specified in paragraph 3.2.
- 1.3 To agree to the principle that variations to the management fee for stock losses will only take effect from 2006/7 onwards, and be consistent with stock losses two years prior to the year of each variation.
- 1.4 To confirm the retained HRA management budget for 2004/5 at the level set in the budget approved by Council.
- 1.5 To revise the contribution to the housing repairs budget to £8.374m in 2004/5, to take account of the impact of the Homes Pride capital programme.
- 1.6 To agree to revise the capital programme for 2004/5 and 2005/6 to take account of the award of £16m further borrowing approval for the Homes Pride programme, making a total of £97m in total, the amendment to take effect once the phasing of additional works has been confirmed by Derby Homes.
- 1.7 To note the submission to GOEM of the revised HRA Business Plan 2003/5 and the financial planning assumptions on which it is based.
- 1.8 To refer the revised HRA Business Plan 2003/5 to the Community and Regeneration Commission for comments.

REASON FOR RECOMMENDATIONS

- 2.1 The Cabinet approved on 24 February 2004 an initial fee of £10.181m for 2004/5, pending further discussions with Derby Homes on their management fee and the HRA budget generally. The proposals in this report reflect the outcome of those discussions, as explained below.
- 2.2 The draft HRA business plan also needs to be amended and updated.

- 2.3 The current capital programme does not include the additional £16m Homes Pride funding, as this was not confirmed until 1 April.

SUPPORTING INFORMATION

HRA Budget 2004/5

- 3.1 The Cabinet report of 24 February 2004 identified a difference between the fee being requested by Derby Homes for 2004/5 and the £10.181m being offered by the Council, prior to any deferral of reductions in the fee for stock losses. It was agreed that a report would be brought back to Cabinet following further discussions with Derby Homes, so that amendments could be made to the HRA budget if appropriate. It has now proved possible to reach agreement with Derby Homes on the treatment of these issues, following discussion by a joint working party, subject to Cabinet approval.
- 3.2 Part of the difference related to investments in ICT. It is now clear that this will only be required by Derby Homes on a short-term basis. This can therefore be resolved by providing for short-term funding for two years for ICT developments, without increasing the underlying spending on the fee. Specifically, a supplementary amount of £200,000 a year for both 2004/5 and 2005/6 is recommended, to be used for the specified purposes of modernising ICT systems, achieving e-Government targets and ICT improvements to business processes. This funding will end after 2005/6. The funding will assist Derby Homes to find more efficient ways of working and achieve cost savings in the medium term.
- 3.3 In addition, the issue of stock adjustment has been further discussed with Derby Homes. Derby Homes recognises that the fee needs to be reduced in line with stock numbers, as set out in the service agreement between the Council and Derby Homes. The exact methodology has never been formally agreed, but the principle of reducing costs in line with losses through right to buys has been accepted by Derby Homes, subject to issues of timing.
- 3.4 Given the improved short-term financial position of the HRA, and the need to plan such cost reduction measures effectively, it is now recommended that the stock adjustment should only be introduced in 2006/7 rather than in 2004/5 as originally planned by Cabinet. The actual losses of stock during 2004/5 will be used to determine the stock adjustment, giving two years' full notice of the change, and one full year's notice of the exact figure to be deducted. This will then tie in with the funding losses generated through the Management and Maintenance Allowances element of housing subsidy, MMA, which take two years to work through into HRA subsidy losses. The proposal is therefore for the losses during 2004/5, currently estimated at 300 Right to Buys, to be deducted in 2006/7, with losses during 2005/6 to be deducted during 2007/8 and so on.
- 3.5 There is no adjustment planned for losses of 137 stock due to demolitions in 2004/5. However, the treatment of any future demolitions will need to be considered by the Council on their merits prior to any decision being taken to demolish. MMA subsidy is also lost where stock is lost to demolitions.

- 3.6 To reflect these changes, the estimated management fee for Derby Homes for the next three years is set out at Appendix 2. This shows that the position in 2004/5 and 2005/6 is now stable, but that reductions are expected in 2006/7, for which Derby Homes now have a further two years to plan. Thereafter, reductions are expected to be achieved each year as stock reduces. These figures exclude the effect of the withdrawal of capital funding for staff taken on to deliver the Homes Pride programme, which reflects the ending of the programme in 2006/7. This will place additional financial pressures on Derby Homes in 2006/7, and Derby Homes are aware of the need to plan for this situation.
- 3.7 The approved 2004/5 HRA budget also provided for growth in the retained HRA budget. Confirmation of this was however subject to agreement on the management fee and the ability to rebalance the 30 year HRA Business Plan. These conditions have now been fulfilled, and the funding can be confirmed. It is intended that this will fund a new senior post at PO3 level, dealing with liaison with Derby Homes, and a further two posts at lower grades.
- 3.8 In previous reports to Cabinet, it was recognised that the revenue housing maintenance budget required further review. This is because the Homes Pride capital programme was meeting some needs by replacing rather than repairing defective elements of the stock. In addition, there is an opportunity to move to more cost effective programmed maintenance cycles, now that the backlog of repairs is being tackled through the Homes Pride programme. Derby Homes management have now suggested that the maintenance budget could be reduced by £120,000 a year to reflect savings as a result of the achievement of the Decent Homes standard. Provision for further capital investment of £29m in the later years of the plan period is also provided for within the revised 30 year HRA business plan. It is intended to review these longer term needs in further discussions with Derby Homes.

Homes Pride Programme

- 3.8 The Government announced on 1 April 2004 that a further £16m of borrowing approvals would be given to the Council to increase the funding for the Homes Pride programme to reach a total of £97m rather than the original £81m approval. Derby Homes anticipate that the majority of this will be used in 2004/5 rather than 2005/6. The government will fund this additional expenditure through HRA subsidy. The additional allocation will be built into the capital programme, once Derby Homes have confirmed the expected phasing of the expenditure. In the meantime, the effect of the additional programme is assumed to be cost neutral in 2004/5 and later years, with no net financial implication.

HRA Business Plan

- 3.9 The attached Appendix 3 shows the financial projections contained in a revised 30-year HRA Business Plan. The plan remains in surplus for the next 20 years and then deteriorates in the later years. It would remain just in surplus by the end of the 30 year period, but would subsequently move quickly into deficit. Should these forecasts prove sound, a further review would clearly be necessary in later years of the plan. At this point, however, no account is yet taken in the Business Plan of potential addition MMA of up to £1.2m a year that could materialise, depending on whether the favourable new MMA allocation method is not subject to further

changes. The balance of risks therefore in this plan appears reasonable at this stage.

- 3.10 A full revised HRA Business Plan for 2003/5 is attached at Appendix 4. This has been submitted to GOEM, subject to its status being confirmed by Cabinet approval, at GOEM's request. It may need to be reviewed again and updated once the Council and Derby Homes have further considered the unresolved financial issues dealt with in this report. The Business Plan will also be referred to the Community and Regeneration Commission for their comments. Their comments will be added into the consideration of any revised policy and into subsequent business plans. Further work will be needed with Derby Homes in considering the strategy to be adopted for the HRA Business Plan 2005/7.
- 3.11 The unresolved financial issues for consideration include: the amount for each dwelling to be removed from the fee for the stock adjustment, the need for and scale of the future investment fund, and assumptions on future MMA allowances within housing subsidy. The current assumptions in the HRA Business Plan remain that the fee is reduced for stock reductions in line with the full costs of the fee less leasing charges and insurance which are accepted as not varying with stock numbers. This amounts to just over £700 a dwelling a year. There is also currently an assumption that the future investment fund is required at £29m. Following the very recent announcement of the additional Homes Pride capital resource, many of these assumptions need to be considered further with Derby Homes, to examine whether sufficient funding now exists to allow an estate sustainability fund to be created, enabling environmental works to be undertaken using HRA funding.
- 3.12 A further review as part of the ongoing discussions between the Council and Derby Homes through the working party arrangements set up after the 24 February Cabinet meeting will take place with a view to establishing the basis for the next Business Plan.

OTHER OPTIONS CONSIDERED

4. There are various other options that could be considered in term of the short-term approach to the HRA. More could be spent in the early years, but this would require the Council to be confident that greater reductions in spending could be achieved in later years. This only applies until the additional ALMO funding is removed in 2010/11, when the in-year net position becomes much tighter. The opposite is also true in most circumstances – that spending less now would carry a lower risk to future years' service levels. The report has indicated that options remain under review as part of ongoing discussions with Derby Homes.

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| Background papers: | ODPM: Item 8 determination 2004/5; budget papers and calculations |
| List of appendices: | Appendix 1 – Implications Appendix 2 – Derby Homes Management Fee 2004/7 Appendix 3 – HRA business plan – financial summary Appendix 4 – HRA business plan 2003/5 |

IMPLICATIONS

Financial

1. Set out throughout the report.

Legal

- 2.1 The Council has a statutory obligation under Section 76 of the Local Government and Housing Act 1989 to avoid a deficit on the HRA and to keep this under review during the year. Longer term planning of the HRA enables the authority to do this on a basis that goes well beyond one year.
- 2.2 Sections 87 and 88 of the Local Government Act 2003 require local authorities to produce an HRA Business Plan.

Personnel

3. Additional posts will be recruited to at an appropriate level as soon as practicable.

Corporate objectives and priorities for change

- 4.1 Providing an excellent housing management service and investing in achieving the Decent Homes Standard contributes to the Council's objectives of **protecting and supporting people** and also to the creation of **strong and positive neighbourhoods**.

Derby Homes Management Fee Projections**Appendix 2**

| | Core Fee £000 | Leasing Insurance £000 | Management Fee £000 | Mod Fund £000 | Total £000 |
|---------------------------------|---------------------|------------------------------|---------------------------|---------------------|---------------|
| 2004/5 | | | | | |
| Cabinet 24 Feb | 9,056 | 1,125 | 10,181 | 0 | 10,181 |
| add back stock adjustment | 162 | | 162 | | 162 |
| add IT fund | | | 0 | 200 | 200 |
| Cabinet 27 April | 9,218 | 1,125 | 10,343 | 200 | 10,543 |
| 2005/6 | | | | | |
| Inflation 3% | 277 | | 277 | | 277 |
| LGPS increase | 281 | | 281 | | 281 |
| lease and insurance changes | | -92 | -92 | | -92 |
| | 558 | -92 | 466 | | 466 |
| 2005/6 total | 9,776 | 1,033 | 10,809 | 200 | 11,009 |
| 2006/7 | | | | | |
| Inflation 3% | 293 | | 293 | | 293 |
| lease and insurance changes | | -69 | -69 | | -69 |
| IT funding ends | | | 0 | -200 | -200 |
| Stock Adjustment 300 RTB 2004/5 | -214 | | -214 | | -214 |
| | 79 | -69 | 10 | -200 | -190 |
| 2006/7 total | 9,855 | 964 | 10,819 | 0 | 10,819 |

Derby City Council
Business Planning Assumptions
30 Year Housing Revenue Account

April 2004

| Year | Expenditure | | | | | | | | | | Income | | | | | | | | | | Balance Brought Forward | Interest | Balance Carried Forward |
|---------|-------------------------|---------------------------------------|------------------------------------|--------------|----------------------------|------------------------------|------------------------|-------------------|------------|---|---|--|-------------------------------------|--------------|---------------------------|-------------------------|-------|--------|--|--|-------------------------|----------|-------------------------|
| | Major Repairs Allowance | Contribution to Repairs Account (net) | Provision for bad & doubtful debts | Rent Rebates | Supervision and Management | Capital Financing Mainstream | Capital Financing ALMO | Total Expenditure | Gross Rent | HRA Subsidy Receivable (Payable) (Mainstream) | HRA Subsidy Receivable (Payable) (ALMO) | HRA Subsidy Receivable (Payable) (Total) | Community Facilities & Other Income | Total Income | Net Income/ (Expenditure) | Balance Brought Forward | | | | | | | |
| 2003/04 | 7,650 | 8,673 | 1,150 | 21,400 | 11,979 | 7,991 | 760 | 59,603 | 34,733 | 21,017 | 3,110 | 24,127 | 249 | 59,109 | -494 | 1,011 | 32 | 549 | | | | | |
| 2004/05 | 7,630 | 8,374 | 875 | 200 | 11,791 | 4,989 | 2,486 | 36,345 | 35,476 | (1,706) | 6,478 | 4,773 | 172 | 40,421 | 4,077 | 549 | 110 | 4,736 | | | | | |
| 2005/06 | 7,636 | 8,419 | 900 | 100 | 12,317 | 5,061 | 3,643 | 38,077 | 35,951 | (1,539) | 6,478 | 4,939 | 181 | 41,071 | 2,995 | 4,736 | 265 | 7,995 | | | | | |
| 2006/07 | 7,591 | 8,516 | 925 | 0 | 12,369 | 4,879 | 4,154 | 38,435 | 36,726 | (2,160) | 6,478 | 4,318 | 190 | 41,234 | 2,800 | 7,995 | 399 | 11,194 | | | | | |
| 2007/08 | 7,643 | 8,611 | 950 | 0 | 12,472 | 5,055 | 4,276 | 39,007 | 37,460 | (2,455) | 6,478 | 4,023 | 200 | 41,683 | 2,676 | 11,194 | 533 | 14,403 | | | | | |
| 2008/09 | 7,692 | 8,704 | 975 | 0 | 12,581 | 5,048 | 4,303 | 39,303 | 38,198 | (2,899) | 6,478 | 3,579 | 210 | 41,987 | 2,684 | 14,403 | 669 | 17,756 | | | | | |
| 2009/10 | 7,739 | 8,795 | 1,000 | 0 | 12,626 | 5,017 | 4,268 | 39,445 | 38,925 | (3,395) | 6,478 | 3,083 | 221 | 42,228 | 2,784 | 17,756 | 814 | 21,353 | | | | | |
| 2010/11 | 7,783 | 9,063 | 1,025 | 0 | 12,736 | 5,043 | 4,268 | 39,918 | 39,656 | (3,884) | 4,251 | 367 | 232 | 40,255 | 337 | 21,353 | 915 | 22,604 | | | | | |
| 2011/12 | 7,825 | 9,151 | 1,050 | 0 | 12,868 | 5,096 | 4,268 | 40,258 | 40,387 | (4,383) | 4,251 | -132 | 243 | 40,498 | 241 | 22,604 | 966 | 23,811 | | | | | |
| 2012/13 | 7,864 | 9,236 | 1,075 | 0 | 12,947 | 5,122 | 4,268 | 40,512 | 40,756 | (4,593) | 4,251 | -341 | 256 | 40,671 | 159 | 23,811 | 1,015 | 24,985 | | | | | |
| 2013/14 | 7,900 | 9,465 | 1,100 | 0 | 13,077 | 5,122 | 4,268 | 40,932 | 41,125 | (4,832) | 4,251 | -580 | 269 | 40,813 | -119 | 24,985 | 1,059 | 25,925 | | | | | |
| 2014/15 | 7,933 | 9,422 | 1,125 | 0 | 13,198 | 5,122 | 4,268 | 41,068 | 41,593 | (5,070) | 4,251 | -819 | 282 | 41,056 | -12 | 25,925 | 1,102 | 27,015 | | | | | |
| 2015/16 | 7,963 | 9,551 | 1,150 | 0 | 13,299 | 5,122 | 4,268 | 41,353 | 42,159 | (5,305) | 4,251 | -1,054 | 297 | 41,402 | 50 | 27,015 | 1,149 | 28,214 | | | | | |
| 2016/17 | 8,032 | 9,682 | 1,175 | 0 | 13,152 | 5,122 | 4,268 | 41,431 | 42,725 | (5,600) | 4,251 | -1,349 | 312 | 41,688 | 256 | 28,214 | 1,205 | 29,675 | | | | | |
| 2017/18 | 8,103 | 9,814 | 1,200 | 0 | 13,335 | 5,122 | 4,268 | 41,843 | 43,290 | (5,901) | 4,251 | -1,649 | 327 | 41,968 | 125 | 29,675 | 1,264 | 31,064 | | | | | |
| 2018/19 | 8,174 | 9,949 | 1,225 | 0 | 13,553 | 5,122 | 4,268 | 42,291 | 43,854 | (6,206) | 4,251 | -1,955 | 344 | 42,243 | -48 | 31,064 | 1,319 | 32,336 | | | | | |
| 2019/20 | 8,246 | 10,086 | 1,250 | 0 | 13,774 | 5,122 | 4,268 | 42,746 | 44,416 | (6,517) | 4,251 | -2,266 | 361 | 42,512 | -234 | 32,336 | 1,369 | 33,471 | | | | | |
| 2020/21 | 8,318 | 10,225 | 1,275 | 0 | 14,000 | 5,122 | 4,268 | 43,208 | 44,978 | (6,834) | 4,251 | -2,583 | 380 | 42,775 | -434 | 33,471 | 1,413 | 34,450 | | | | | |
| 2021/22 | 8,392 | 10,366 | 1,300 | 0 | 14,231 | 5,122 | 4,268 | 43,678 | 45,638 | (7,154) | 4,251 | -2,902 | 399 | 43,135 | -543 | 34,450 | 1,453 | 35,360 | | | | | |
| 2022/23 | 8,466 | 16,509 | 1,325 | 0 | 14,466 | 5,122 | 4,268 | 50,156 | 46,297 | (7,476) | 4,251 | -3,225 | 419 | 43,492 | -6,664 | 35,360 | 1,361 | 30,056 | | | | | |
| 2023/24 | 8,541 | 16,408 | 1,350 | 0 | 14,706 | 5,122 | 4,268 | 50,395 | 46,955 | (7,805) | 4,251 | -3,553 | 440 | 43,842 | -6,553 | 30,056 | 1,138 | 24,642 | | | | | |
| 2024/25 | 8,618 | 16,458 | 1,375 | 0 | 14,951 | 5,122 | 4,268 | 50,792 | 47,612 | (8,140) | 4,251 | -3,888 | 462 | 44,186 | -6,606 | 24,642 | 907 | 18,943 | | | | | |
| 2025/26 | 8,695 | 16,510 | 1,400 | 0 | 15,201 | 5,122 | 4,268 | 51,196 | 48,267 | (8,481) | 4,251 | -4,230 | 486 | 44,523 | -6,673 | 18,943 | 663 | 12,933 | | | | | |
| 2026/27 | 8,773 | 15,564 | 1,425 | 0 | 15,457 | 5,122 | 4,268 | 50,609 | 48,921 | (8,830) | 4,251 | -4,578 | 510 | 44,853 | -5,756 | 12,933 | 427 | 7,604 | | | | | |
| 2027/28 | 8,853 | 10,636 | 1,450 | 0 | 15,718 | 5,122 | 4,268 | 46,047 | 49,574 | (9,185) | 4,251 | -4,934 | 536 | 45,176 | -871 | 7,604 | 305 | 7,038 | | | | | |
| 2028/29 | 8,934 | 10,788 | 1,475 | 0 | 15,986 | 5,122 | 4,268 | 46,573 | 50,225 | (9,548) | 4,251 | -5,297 | 563 | 45,492 | -1,081 | 7,038 | 276 | 6,233 | | | | | |
| 2029/30 | 9,016 | 10,944 | 1,500 | 0 | 16,259 | 5,122 | 4,268 | 47,110 | 50,975 | (9,919) | 4,251 | -5,667 | 592 | 45,899 | -1,210 | 6,233 | 239 | 5,261 | | | | | |
| 2030/31 | 9,100 | 11,103 | 1,525 | 0 | 16,539 | 5,122 | 4,268 | 47,657 | 51,723 | (10,297) | 4,251 | -6,046 | 622 | 46,299 | -1,358 | 5,261 | 195 | 4,099 | | | | | |
| 2031/32 | 9,185 | 11,264 | 1,550 | 0 | 16,825 | 5,122 | 4,268 | 48,214 | 52,370 | (10,684) | 4,251 | -6,432 | 653 | 46,591 | -1,624 | 4,099 | 140 | 2,615 | | | | | |
| 2032/33 | 9,271 | 11,426 | 1,575 | 0 | 17,117 | 5,122 | 4,268 | 48,780 | 53,115 | (11,077) | 4,251 | -6,826 | 686 | 46,975 | -1,804 | 2,615 | 73 | 883 | | | | | |

APPENDIX 3

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Section

- 1 Introduction**

This document is the Derby Homes Business Plan. It sets out its mission statement, objectives and strategies, together with its key priorities and resources. It also acts as Derby City Council's HRA Business Plan. It does this by outlining the strategic options, showing linkages to Derby's housing strategy and setting out an asset management plan.
- 2 Strategic Links**

This plan links to Derby's housing strategy, the City Council's Capital Strategy, the Derby 2020 Vision statement and the strategies of other key partners. The additional investment that Derby Homes is able to attract provides new opportunities to develop local employment and training initiatives and contribute to neighbourhood renewal.
- 3 Background / Optional Appraisal**

Derby City Council has been developing and providing housing since 1920. The number of dwellings rose to a peak of 24,476 in 1981 and now stands at 14,857, with most of the reduction being due to sales to sitting tenants. The management and improvement of the whole of the Council's stock was delegated to Derby Homes in April 2002.
- 4 Aims & Objectives**

This plan sets out the mission statement and, aims and objectives of Derby Homes, which seeks to improve council housing. We aim to provide a good quality housing and maintenance service - by working with tenants and other key partners, to help create sustainable communities and neighbourhood renewal.
- 5 Service Environment**

In order to develop our business plan we have undertaken an analysis of the service environment in which we are operating. We are working with our partners to strengthen our analysis of the local housing market and share this analysis with tenants and other housing providers and agencies.
- 6 Service Improvement**

There are arrangements in place to work with tenants to review our services, benchmark them, set and monitor improvement targets and report on progress. We have set out a series of key actions to improve efficiency, enhance customer service, raise housing quality and sustain the value of investment in our housing assets.
- 7 Business Development Plan**

In order to fulfil this programme, Derby Homes needs to modernise the way it works, develop the use of information and communication technology, further develop its staff and training resources and plan and organise itself in a

businesslike manner. This plan sets out how Derby Homes intends to do this, using resources arising from efficiency gains that will enable it to be a viable organisation. In addition Derby Homes is looking to further extend business activity outside the HRA.

8 Housing Service

Providing homes that are managed properly, are in a good condition and meet the aspirations of current and future tenants is crucial to our future success. We provide a decentralised ‘on the spot’ housing management service and operate specialist teams to look after our stock and provide a wide range of services to meet tenants’ diverse needs.

9 Maintenance Strategy

Derby has a planned approach to maintenance based on accurate stock condition information. We undertake 80% of all work on a planned basis to deal with known or anticipated problems of disrepair, rather than making excessive use of responsive repairs. The additional £81m in “arms length” capital resources available in 2002–06 is being spent in a proper and timely manner to bring all council houses up to the decent homes standard.

10 Estate Sustainability

We recognise the fundamental importance of responding to contemporary aspirations in terms of both the quality of our stock and the quality of life within areas of council housing. We are improving our marketing of the council housing brand to overcome errors of perception, and developing plans to tackle the sustainability of some of our oldest estates. “Cleaner, safer, greener” issues are an integral part of any future strategy if sustainable communities are to succeed.

11 HRA Financial Plan

A modified version of the HRA Business Plan Expenditure Model has been used to produce 30-year financial projections. These are based on existing and planned resources and explicit future year assumptions. We also set out our approach to rent restructuring to be achieved by 2012.

12 Derby Homes Organisation and Budgets

We have developed an organisation that is capable of carrying out this extensive programme of building works and service improvements. This plan sets out our management and staffing structure and the operating budget available to Derby Homes based on the management fee received from Derby City Council.

Section 1

INTRODUCTION

- 1.1** This document is the 2004-06 Business Plan of Derby Homes, the housing management organisation set up in 2002 to run the whole of Derby City Council's housing landlord service. It also acts as the authority's Housing Revenue Account Business Plan setting out its asset management strategies and plans.
- 1.2** As the Business Plan of Derby Homes this plan aims to set out
- the mission of Derby Homes as a social housing organisation
 - the objectives and standards for its services
 - the strategies to be adopted to achieve these
 - a framework for monitoring and evaluating progress
 - information about our plans for tenants, key partners and the wider community.
- 1.3** As the City Council's HRA Business Plan this plan outlines
- the purpose of the authority retaining its stock with arms length management arrangements in place
 - the links to housing and wider council and partnership strategies
 - an asset management strategy
 - the relationship between Derby City Council and Derby Homes.
- 1.4** The plan has been prepared in line with Derby's Housing Strategy, and the 'arms length' resources that are enabling Derby Homes to clear the backlog of repair and improvement work and bring all council housing up to a decent standard by 2006.
- 1.5** This plan builds upon
- the Options Appraisal Study produced by HACAS Chapman Hendy in May 2001
 - the final stock condition survey report produced by King Sturge in December 2001
 - team Service Plans produced within Derby Homes each year
 - housing investment conferences held each year
 - the Best Value Review Improvement Action Plans already being implemented.
 - the delivery plan.
- 1.6** This document is a 'high level' plan setting out the mission, objectives, priorities, progress and resources of our service. Appendix 5 lists the action plans stemming from the Front-Line Housing Management and Improving and Maintaining Council Homes Best Value Reviews. Detailed information, including the total range of SMART targets relating to Derby Homes' services are contained in the Delivery Plan and Service Plans. Section 2 outlines the relationship between these documents.
- 1.7** This plan indicates how management of HRA assets will assist the Derby City Partnership meet the targets set in its Neighbourhood Renewal Strategy.

2.1 The Corporate Context: A Vision for Derby

Derby's HRA Business Plan has been designed to maximise the contribution that the effective and efficient management and maintenance of the Council's housing stock can play to achieve the Council's and its partners' aspirations for the City.

Cross-service priority-setting and strategic planning in Derby is overseen by the multi-agency Derby City Partnership (DCP). The DCP has been accredited as the Local Strategic Partnership (LSP) for Derby. The Partnership's vision is to ensure Derby is recognised as a:

- Prosperous City – creating a wealthy, successful and vibrant economy with particular emphasis on technical excellence
- City of Learning – developing a quality skilled and productive Derby workforce
- City of Opportunity – tackling disadvantage in priority neighbourhoods
- Cultural City – making Derby a culturally significant and energetic city
- Environment City – promoting the highest quality of life in Derby.

Because housing issues span so many areas, notably from the well-being of residents to the quality of the built environment, housing issues are promoted by a Housing Executive Group which contributes directly the City of Opportunity, Prosperous City and Environment City groups.

The Council's 2003 Corporate Plan outlines our priorities and aspirations for 2003-2006 set against our six corporate strategic objectives:

- a great place to live
- safer and healthier communities
- prosperity for all
- value for money
- a fairer society
- success through learning
- a sustainable environment

The objectives for Derby Homes have been developed in close consultation between Derby Homes, the Council and tenants and leaseholders. Specific attention has been paid to ensuring that these objectives proactively support the Council's Strategic Housing Objectives. See Appendix 1.

2.2 Derby's Neighbourhood Renewal Strategy

Derby City Partnership published Derby's first Neighbourhood Renewal Strategy (NRS) in April 2002. The Housing Strategy is inextricably linked with the NRS, which states that "*neighbourhood plans will be informed by, and in turn will directly influence, the Council's Housing Strategy and the wider regeneration priorities of key partners*".

The NRS sets out to co-ordinate the measures needed to ensure no particular neighbourhood is seriously disadvantaged compared with other parts of Derby. This will be achieved by:

- developing a neighbourhood management approach
- supporting residents and community groups to participate in the regeneration of their areas, and
- improving the community's access to information and services
- preparing neighbourhood plans
- supporting young people
- tackling anti-social behaviour
- developing 'joined-up', innovative means of service delivery.

HRA activity contributes in many of these areas and both the Council's strategic housing service and Derby Homes are represented on the NRS Task Group.

2.3 Linking the HRA Business Plan to the Council's Capital Strategy

The Council's capital planning framework focuses capital investment on delivering the Council's strategic objectives and the Local Public Service Agreement (LPSA) targets. Our over-arching capital priorities for housing are included in the Capital Strategy.

With regard to revenue funding priorities, pressures on the Housing Service are identified through the Business Planning process and Best Value Improvement Action Plans. We then judge service developments against the corporate objectives and prioritise developments corporately.

The Council's Capital Strategy includes as key areas of investment the modernisation and maintenance of the stock to the decent homes standard, together with area regeneration, provision to meet special needs and provision of safe, secure and affordable housing.

2.4 Strategic Housing Services and Housing Management: a new way forward in Derby

In 2002, the Council commissioned an extensive council stock options appraisal. Work conducted by HACAS Chapman Hendy found that Large Scale Voluntary Transfer (LSVT) and Arm's Length Management would both generate sufficient funds to enable the Council to bring all its properties up to the Decent Homes Standard by 2010.

The Council applied to the ODPM in September 2001 for additional resources under arm's length arrangements. This bid was accepted. Furthermore, we chose to conduct a tenants' ballot, though not mandatory as under LSVT. On a 48% turnout, 88% of tenants supported the formation of Derby Homes, an arm's length housing management organisation (ALMO). Housing management responsibilities were formally delegated by the Council to Derby Homes in April 2002. Refer to Section 3 for full details of this process.

2.5 Ensuring effective linkage between the HRA Business Plan and the Housing Strategy

The Council and Derby Homes are committed to maintaining a strong linkage between management of council housing, the housing strategy and wider regeneration and partnership strategies. The partnership approach is enshrined in the annual updated Derby Homes Delivery Plan, formally agreed between the two parties.

Under arm's length arrangements, the Council recognises that Derby Homes will formulate its own identity and set of objectives. However, the Council sees it as its over-riding duty to ensure that the HRA, which remains in Council control and stewardship under these arrangements, and the substantial capital investment allocated to the City as a result of ALMO status, is used to promote the objectives of the Council and Derby City Partnership.

The mechanism for this is now well established and understood by the Council, Derby Homes and partners. It is based on the key importance of the Council's Fit-for-Purpose Housing Strategy.

Table 3 shows how Derby Homes will operate in order to meet the objectives of the Housing Strategy. It also gives the Neighbourhood Renewal Strategy targets to which management of HRA assets will contribute.

| Table 3: Linkages between Housing and Derby Homes Objectives | |
|--|--|
| Housing Strategy Objectives | Derby Homes Objectives |
| Base housing strategy on sound and comprehensive information. | Ensure fair choice of, and access to, affordable rented housing. |
| Improve choice of, and access to, safe, energy efficient and affordable housing, including reducing empty properties across all tenures. | Work in partnership with the Council and other social housing providers. Explore alternative funding for new build such as PFI and Housing Corporation grants. |
| Protect and enhance homes across all tenures, and ensure all social housing meets the Government's decent homes standard by 2010. | Deliver the decent homes standard by 2006 – Derby's 'Homes Pride' campaign. |
| Promote community safety through direct investment to reduce crime and the fear of crime. | Ensure choice of fixtures and fittings as part of the improvement programme. |
| Using the housing service's investment potential and influence to promote training and employment for Derby residents. | Providing energy efficient and environmentally sustainable housing. |
| <i>Neighbourhood Renewal Strategy target: By April 2006, no neighbourhood to have any council dwellings falling below the Decent Homes Standard.</i> | Protect and enhance tenants' homes, reduce crime and the fear of crime and tackle anti social tenants promptly and effectively. |
| | Provide training and employment opportunities for tenants and leaseholders in overcoming benefit trap issues. |

| | |
|---|---|
| <p>Contribute to the development of local neighbourhood strategies.</p> <p><i>Neighbourhood Renewal Strategy target: By April 2008, no neighbourhood to have a council house relet rate of more than 1.25 times the city-wide average in that year – by April 2005, the target is no more than 1.5 times the city-wide average.</i></p> | <p>Work in partnership with other organisations and promote and contribute to local neighbourhood strategies.</p> <p>Work towards sustainable estates.</p> <p>Increase the popularity and sustainability of council estates, reducing the rate of turnover and improving the quality of life on estates.</p> <p>Build strong and successful links with education, health and social services on housing estates.</p> <p>Give priority to involvement in neighbourhood renewal and other neighbourhood initiatives such as Single Regeneration Budget and New Deal for Communities.</p> |
| <p>Deliver Best Value service.</p> | <p>Ensure we have a successful social business.</p> <p>Expand the business to manage other housing stock and functions.</p> <p>Support initiatives and make use of the additional freedoms for three star ALMOs.</p> <p>Ensure continuous improvement throughout the organisation.</p> <p>Develop services to meet the future needs and aspirations of tenants.</p> <p>Develop staff through team building, training and effective appraisal</p> <p>Maximise the potential of ICT to sustain delivery</p> <p>Implement the Best Value Improvement Action Plan for housing management and maintenance services</p> |
| <p>Facilitate active customer participation.</p> | <p>Fully involve Tenants and Leaseholders in the management of the service and ensure we carry out effective consultation and participation with tenants and residents and support the Community Panel network to operate effectively.</p> |
| <p>Address the specific housing needs of Derby's community care and other vulnerable groups.</p> | <p>Provide a service that meets the needs of the diverse communities of Derby.</p> <p>Support vulnerable people through Supporting People funds.</p> |

2.6 These linkages also ensure the HRA continues to support the Council in delivering national and regional priorities set out in the Regional Housing Strategy.

2.7 The separation of strategic functions from landlord activities has enhanced the Council's focus upon its strategic role. The Director of Policy who heads the Policy Directorate in the Chief Executives Department leads the strategic housing function, placing it at the heart of corporate policy decisions and ensuring integration with corporate strategies. An Assistant Director supported by the Strategy and Development Manager monitors the progress of Derby Homes, develops its relationship with the Housing Strategy and fulfils a client function. These responsibilities provide the necessary leadership and stewardship of HRA assets, for example by ensuring that any decommissioned

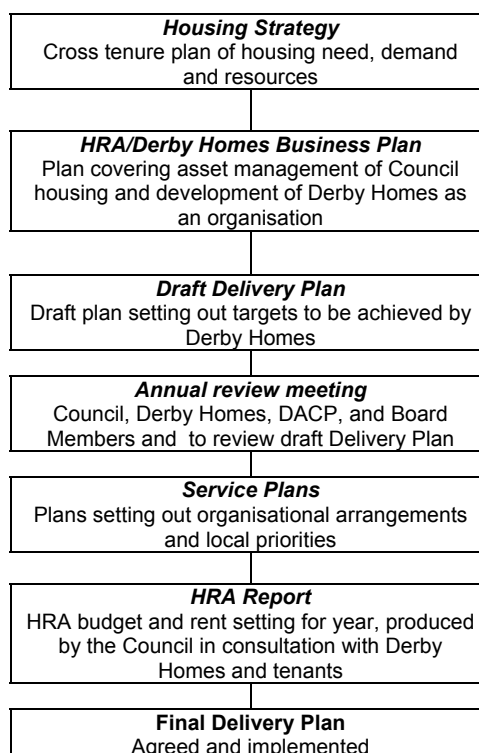
stock or surplus land is developed in accordance with the Housing Strategy. It also ensures that the Council remains accountable for the performance of the ALMO.

2.8 Derby Homes has strong links with the Derby City Partnership, the Housing Associations Strategic Liaison Group and other key partners. Through joint working we all ensure that our activities enhance partnerships, protect housing investment, improve housing conditions, meet housing need and demand, address neighbourhood sustainability and wider social, economic and environmental issues.

2.9 To ensure a strong operational link exists between Derby Homes and the Council's strategic role, regular meetings are held between senior staff. These include:

- agreement monitoring meeting each month reviews performance across all activities of Derby Homes
- sustainability meeting every two months reviews progress on regeneration issues
- capital and revenue monitoring meeting every two months reviews spend
- finance and strategy meeting every six months reviews progress on HRA and Derby Homes' fee.

2.10 The mechanism for reflecting strategic priorities in the way Derby Homes operates is through the following hierarchy of plans, linking their activities to the partnership working across the city.



Section 3

BACKGROUND & OPTION APPRAISAL

- 3.1** Derby Homes Limited was incorporated in February 2002 and assumed responsibility for the management and maintenance of council housing in Derby from 10 April 2002. It was one of the first tranche of arms length housing management organisations to be established in the country. The housing stock managed by Derby Homes has remained in the ownership of the Council and there has been no change in the legal status of tenants.
- 3.2** The oldest purpose built council houses in Derby were first constructed in 1920 by Derby City Council. In the period to 1939 it built 6,847 dwellings including estates in Allenton, Alvaston, Austin, Cowsley, Morley, Old Sinfin, Osmaston and Uttoxeter New Road.
- 3.3** In the 1945-65 period the Council built a series of new housing estates including those in Alvaston, Boulton, Chaddesden and Littleover. A number of estates built by neighbouring authorities were transferred in 1968, when Derby's boundaries expanded to include Allestree, Mickleton and Spondon.
- 3.4** Continued development increased the number of Council dwellings to 21,209 by 1970. These included the building of Rivermead House, the redevelopment of pre-fabricated bungalows and a programme of clearance activity. Newly built council housing after 1965 included estates at Albert Road, Brook Street, Keldholme Lane, New Sinfin and Shelton Lock. In addition, through its private sector renewal programme, the Council acquired some pre-1919 properties.
- 3.5** The last major new build scheme undertaken by the Council was in 1985. In 2001, 33 new properties in Bedford Street came into management as a result of a joint venture with Northern Counties Housing Association and in 2002, 24 privately built eco-houses in Chellaston were transferred to the Council through a Section 106 agreement.
- 3.6** Since 1980, the number of Council dwellings has declined from 24,233 to 14,857 in April 2003. These sales have predominantly been of properties in good condition and in popular locations with implications for the demand for Council properties and the popularity of some areas. There are 340 leaseholders who own former Council flats and houses.
- 3.7** The Council's housing stock was valued at £321 million as at April 2001. It consists of a diverse range of types and areas, as shown in Table 1.

**TABLE 1 : Tenanted Council housing dwellings
(excluding leasehold properties)**

| At 1 April 2003 | Pre 1945 | 1945-64 | 1965-74 | Post 1974 | All Ages |
|--|---------------------|----------------|----------------|----------------------|---------------------|
| Housing and Bungalows | | | | | |
| <i>Traditional (masonry or timber structure)</i> | | | | | |
| 1-2 bedroom houses/bungalows | 1,213 | 1,092 | 183 | 213 | 2,701 |
| 3 or more bedroom houses/bungalows | 3,377 | 1,294 | 324 | 392 | 5,387 |
| <i>Non-Traditional (concrete or metal structure)</i> | | | | | |
| All houses/bungalows | 303 | 1,621 | 144 | 1 | 2,069 |
| Flats and Maisonettes | | | | | |
| <i>Traditional (masonry or timber structure)</i> | | | | | |
| Low rise (1-2 storey) | 84 | 323 | 682 | 2,203 | 3,292 |
| Medium rise (3-5 storey) | 45 | 244 | 740 | 294 | 1,323 |
| High rise (6+ storeys) | 0 | 0 | 85 | 0 | 85 |
| | | | | | |
| | | | | | |
| All Dwellings | 5,022 | 4,547 | 2,158 | 3,103 | 14,857 |

3.8 Derby Homes is also responsible for managing associated land and buildings held by the Council for Housing Revenue Account purposes. These were valued at £8.7 million at April 2001 and are set out in Table 2.

TABLE 2 : Other Buildings and Land

| |
|---|
| 15 Local housing offices |
| 12 shop units let on long leases |
| 39 shop units let on short leases |
| 325 dwellings sold on long leases (<i>mainly flats/maisonettes leased to former tenants under RTB</i>) |
| 52 dwellings sold on short leases (<i>mainly semi-detached and terraced dwellings leased to housing associations</i>) |
| 2 dwellings leased to the City Council |
| 36 shared ownership dwellings determined as the total of shares in local authority ownership |
| Associated land (<i>for example open spaces, communal areas, footpaths, highways</i>) |
| Associated vehicles, plant and equipment |
| 97 garage sites |
| 1,042 garages |

Option Appraisal

- 3.9** In order to examine the options for increasing investment in council housing the City Council engaged consultants to carry out an options appraisal study in 2001. The options examined were continued direct management, establishment of arms length organisation, use of the Private Finance Initiative (PFI) or stock transfer. HACAS Chapman Hendy was engaged to carry out the study.
- 3.10** The study report assessed the ability of each option to remove the backlog of repair and improvement work and bring Council housing to a decent standard by 2010, in line with the Government's target. The study showed that based on the level of resources available to the Council under direct management it would be unable to clear the repair backlog by 2010/2011. The appraisal indicated that additional arms length resources would be sufficient to meet the gap between current resources and those required to bring the stock up to standard. The study found that PFI did not represent a whole stock solution. It noted that stock transfer would provide additional capital and revenue resources, but also suggested that the ALMO option might offer scope to ease revenue pressures, when compared to direct management arrangements.
- 3.11** Following the study the Council pursued ALMO as its preferred option because:
- it would produce sufficient investment resources to clear the repair backlog and carry out improvements
 - Derby was well placed to meet the criteria for allocation of these additional resources
 - consultation with DACP and local Community Panels indicated that this was their preferred option
 - the ALMO would link up to housing strategy, community strategy, neighbourhood renewal and wider partnership agendas
 - set up costs would be lower than under stock transfer arrangements
 - less expenditure would need to be undertaken at risk
 - additional resources could become available more quickly under the ALMO route than would be the case under stock transfer.
- 3.12** Extensive consultation took place with tenants and leaseholders at the option appraisal stage and in subsequent preparations leading to a successful bid for ALMO resources, an affirmative ballot of tenants and leaseholders, formation of Derby Homes and commencement of a contract between the ALMO and the City Council. During this process HACAS Chapman Hendy engaged with tenants and leaseholders, an independent Tenants Adviser was appointed and an independent ballot run by Electoral Reform Ballot Services.

4.1 Mission

The mission for Derby Homes is

“To provide the people of Derby with the best housing service in the country by continuous improvement and by working with all our partners”

4.2 Our mission compliments the 2020 Vision for Derby produced by the Derby City Partnership and the City Council’s Housing Strategy and Capital Strategy. Strategic links are set out in Section 2. As a managing agent for Derby City Council, Derby Homes is contributing to the Council’s corporate mission:

“To make Derby a city where people are proud to live and the Council a place where people are proud to work”

4.3 Aims

Our aim, to ‘make a difference’ by

- improving all Council housing
- involving tenants in decision making
- improving the quality of services
- meeting the needs of the diverse communities living in Derby
- being firm but fair with people who have difficulty in paying their rent
- tackling neighbour nuisance
- improving the quality of life in local neighbourhoods by working with partners such as the police, schools and voluntary groups.

4.4 Objectives

To fulfil its purpose the key objectives for Derby Homes are

- Delivering the decent homes standard by 2006 – Derby ‘Homes Pride’ campaign
 - ensuring choice of fixtures and fittings as part of the improvement programme
 - providing energy efficient and environmentally sustainable housing
 - providing training and employment opportunities for tenants and leaseholders in overcoming benefit trap issues.
- Providing best value for housing management and maintenance services
 - fully involving tenants and leaseholders in the management of the service and supporting the community panels network to operate effectively
 - carrying out effective consultation with tenants and residents
 - developing staff through team building, training and effective appraisal
 - carrying out Best Value Reviews of services

- sound budget monitoring and financial review processes
- Working in partnership with other organisations and promote and contribute to local neighbourhood strategies
 - building strong and successful strategic and local links with education, health and social services on estates
 - giving priority to involvement in neighbourhood renewal and other neighbourhood initiatives such as single regeneration budget, new deal for communities and neighbourhood management
- Ensuring fair choice of, and access to, affordable rented housing
 - working in partnership with the Council and other social housing providers
 - exploring alternative funding for new build such as PFI and Housing Corporation grants
 - making council housing a more popular housing choice for BME communities
- Working towards sustainable estates
 - increasing the popularity of low demand council estates, reducing the rate of turnover and improving quality of life on estates
 - protecting and enhancing tenants' homes, reducing crime and the fear of crime and tackling anti social behaviour promptly and effectively
 - providing a service that meets the needs of the diverse communities of Derby
 - supporting vulnerable people in their homes
 - carrying out 'futures studies' and options appraisals of difficult to let estates
- Ensuring we are a successful social business
 - expanding the business to manage other housing stock and provide additional services
 - lobbying for, and support initiatives to make use of any additional freedoms for three star ALMO's
 - ensuring continuous improvement in performance throughout the organisation
 - developing services to meet the future needs and aspirations of tenants
 - involving and developing our staff through team building, training and effective appraisal
- Maximising the potential of ICT to sustain delivery
 - Implementing an integrated solution for data management
 - introducing new technology and ways of service delivery, in particular through web based systems
 - exploring ways to encourage tenants to access the internet.

Section 5

SERVICE ENVIRONMENT

5.1 In developing this plan, Derby Homes has reviewed the analysis of the service environment in which it operates. We have scoped key elements of the external environment through a PEST analysis and a complementary SWOT analysis. This analysis reflects the issues facing Derby Homes in needing to meet the Council's strategic housing objectives. These appear in Tables 4 and 5.

TABLE 4 : PEST Analysis

| Political and Legal Issues | Economic and Environmental |
|--|--|
| <ul style="list-style-type: none"> ● development and training issues of Board ● decent homes target ● requirement to continue to review and improve through best value ● requirement to operate Tenant Participation Compacts ● change in council political control in May 2003 ● new wards and need for co-terminous boundaries of wards and housing areas ● target rents that converge towards RSL rents ● working closely with ward members and the local community ● introduction of community strategies ● renewed emphasis on tackling institutional racism ● emphasis on neighbourhood renewal, neighbourhood management ● development of Service Level Agreements ● implication of regional housing strategy | <ul style="list-style-type: none"> ● continuing economic growth ● pattern of low wages and insecure employment ● poverty trap limits cross tenure mobility ● affordability of private housing limited for many ● city remains an attractive regional centre ● city centre living is attracting interest through Cityscape proposals ● additional arms length credit approvals for investment in council housing ● additional revenue resources in future years ● increased management and maintenance allocations ● wider local and regional regeneration programmes developing ● development of regional housing strategy ● building inflation and availability of contractors/skills ● new funding opportunities ● derbyloans – opportunities to improve debt management |
| Socio-cultural issues | Technological issues |
| <ul style="list-style-type: none"> ● continuing population growth with smaller average household sizes ● need for 397 affordable housing units per year for the next 5 years ● <16 year olds and >75 year olds increasing – 35% of tenants over 60 years ● demand for larger homes across communities ● just over one in ten of derby's population is from a black or ethnic minority group ● council tenancies fallen to 18% of city households ● confirmed need for affordable rented housing at odds with regional housing board views ● mismatch of demand and supply ● reduction in turnover rates ● more differentiated demand patterns ● modern services and facilities are expected as standard ● quicker, more flexible services are in demand ● asylum seekers issues ● increase in demand for rented houses ● increase in B&B for homeless people ● choice based lettings influencing and improving popularity of council housing | <ul style="list-style-type: none"> ● scope for use of ICT is expanding ● modernisation is a policy agenda and customer expectation ● government policy for services capable of electronic delivery to be available on line by 2005 ● new guidance and techniques for stock condition plans ● development of call centre technologies, such as a repairs enquiry centre ● development of web based project management systems ● improved availability of energy efficiency measures ● development of partnering techniques ● Egan principles – partnering procurement |

TABLE 5 : SWOT Analysis

| Strengths | Opportunities |
|---|--|
| <ul style="list-style-type: none"> • one of the few three star ALMO's • track record as a high performing customer service – Chartermark 1993, 1996, 1999, 2002 • strong customer base and feedback from community panels • strong links with Derby Association of Community Partners • expertise in private finance, joint initiatives and partnership working • good stock condition data • effective capital programme management • well developed HECA information • coherent management structure • skilled, balanced Board • experienced and well trained workforce as shown by the IIP standard 1998, 2001 • our service meets CRE Level 2 • knowledge of good practice, partnerships and networking • well placed in the development of cross-cutting initiatives • local knowledge and commitment of staff • high level of tenants and leaseholder participation • continuing demand from people in housing need • £81m arms length management resource • strong tenant and cross party support for Derby Homes • good partnership links with Police and Youth Services • specialist teams such as Community Watch Patrol. • retain the asset of the newly appointed staff • clear and concise improvement action plans | <ul style="list-style-type: none"> • additional arms length resources • introduction of a corporate single capital pot from 2002/3 • Best Value providing a continuous improvement framework • Tenants Compact widening tenant and leaseholder involvement • increasing capabilities of information and communications technology • emerging regional bodies for the production of sub-regional and regional strategies • new mechanisms to link economic development, urban regeneration and housing strategy • new regeneration funding through Single Regeneration Budget, European Social Fund, URBAN and New Deal for Communities. • development of the national Neighbourhood Renewal Strategy • development of the sustainable communities plan • creation of new links between Derby Homes and regeneration partners • increased links with education, social services, health • improved marketing of Derby Homes' services and homes • difficult to let property and unpopular estates could be 'turned around' • new freedoms for three star ALMOs • management of additional stock through RSLs and the private sector • new business opportunities to fund increased staffing/ other activities • opportunity to apply for PFI funding • future business opportunities through a new call centre • launch of new Derby Homes website • increase functionality more interactive |
| Weaknesses | Threats |
| <ul style="list-style-type: none"> • variable performance on some indicators • limited customer feedback • rising cost pressures • need to establish new strategies, plans and policies • Board knowledge of housing policies and practice • links between staff and Board • possible lack of capacity to deal with important work in senior management team • staff turnover and temporary contracts • rising expectations are more difficult to meet • lack of financial independence • perception of council housing as a 'tenure of last resort' by potential customers • the loss of households in their mid-life years to owner occupation • increasing 'churning' with shorter term tenancies • difficult to let stock types and areas • inadequate ICT systems • enforced rent rises over next few years that all result in little if any rent increase income • poor project management • poor management information • lack of monitoring of equality across all services • changes to Board membership requires continuous retraining • inadequate SLAs with Council • poor record on local compacts | <ul style="list-style-type: none"> • danger of prescription by government and its agencies • enforced rent rises weakening demand • risk of a downward spiral in demand for difficult-to-let areas leading to abandonment and demolition • the availability of affordable alternative sources of accommodation • inability to achieve decent homes as a result of rising costs within the construction industry • 'supporting people' may result in reductions in service in some areas • time expiry of existing SRB programmes and uncertainty over their successors • challenging time scales to spend the additional resources • loss of key senior staff would delay progress of Derby Homes • single capital pot could reduce normal credit approvals for housing • need to keep Community Panel strengths going through changes • regional housing agenda – reductions in HIP allocation • increase in the level of RTB's following improvement work • exit strategy when capital resources reduce post 2006 • future uncertainty of govt housing strategy • PFI activity through RSL's |

- 6.1** As a limited company Derby Homes is required to maintain and report accounts. The Board of Directors has a duty to ensure that the organisation can operate as a viable business and consequently assure the Council of continuity of service on its behalf.
- 6.2** The revenue income available to Derby Homes is, however, under pressure as a result of
- the loss of approximately 300 units per year due to right to buy sales
 - pressures on the Housing Revenue Account
 - increased expectations of quality service from tenants and improved performance from the Council
 - the need to manage and maintain the remaining housing stock more intensely, especially to tackle anti-social behaviour, rent arrears and ensure sustainable estates.
- 6.3** In order to operate as a viable business, Derby Homes needs to
- contain revenue costs
 - identify efficiency savings
 - meet the targets set within the Delivery Plan
 - develop other business areas beyond managing the City Council's stock.
- 6.4** As the keeper of the Housing Revenue Account, the City Council can assist in the process by
- careful scrutiny of recharges made to the HRA
 - containing costs of the retained housing services charged to the HRA
 - providing adequate resources to Derby Homes
 - supporting the provision of services by Derby Homes to bodies such as RSLs
 - ensuring the efficiency of support services provided to Derby Homes.
- 6.5** Further business developments are, however, required if Derby Homes is to operate in a business like way, these include:
- modernise its services and operations
 - provide services electronically
 - develop new working methods
 - attract new business
 - meet customer expectations in the future.
- 6.6** Over the past 12 months the organisation's business strength has been increased by
- significantly improving IT systems – particularly to provide improved front line service, such as rent payment options, rent statements and the introduction of direct debit planned for January 2004. Derby Homes' website has been launched, and tenants are now able to pay rent by the internet
 - the appointment of key business positions – new Departmental Personnel Manager, Training Co-ordinator, IT Programme Development Manager, IT Systems Co-ordinator, Performance Management Officer, Business Development Officer

- leasing of a third floor at its headquarters at Cardinal Square enabled more central support staff to be based together, and for the new contracting partners to base their management teams together with Derby Homes' staff
 - new career grade structures developed for maintenance and local office staff
 - taking on the management of housing association properties in Old Sinfen
 - developing a risk register, together with Board members, which registers the importance of developing the future of Derby Homes.
- 6.7** The Business Development Officer has been appointed to enable Derby Homes to further explore the future business opportunities outside the HRA. These will include:
- managing individual private rented houses and housing association houses
 - extending the cash collection services at local offices to include utilities payments
 - increasing the management of temporary hostel accommodation to reduce the Council's bed and breakfast expenditure
 - increasing involvement with other partners, such as the health service to reduce hospital bed blocking.
- 6.8** Derby Homes has constituted itself as a company and is adopting company financial accounting and business planning. It does not however, have the ability to borrow against its future income stream to fund development in the way that businesses – including housing associations, are able to do. The rules under which Derby Homes operates limit its activities in particular by counting any borrowing against limits imposed on the Council. In order to enable Derby Homes to become a developing community housing business, national policy changes would be required.
- 6.9** Derby Homes is working with the government at ministerial level to help develop additional freedoms for ALMOs and is looking forward to the release of a consultation paper setting out the additional freedoms and flexibilities for three star ALMOs.
- 6.10** Derby Homes is seeking to become involved in the provision of new affordable housing within the City. In particular, on sites where council housing has been demolished, Derby Homes is currently negotiating with RSLs to become a managing agent for these homes.

Section 7 IMPROVEMENT

- 7.1** The Council's housing service achieved a '3 Star Excellent Service and Excellent Prospects' judgement for its front line housing service and its work on estate sustainability, in March 2002. This was confirmed by the inspection of Derby Homes, carried out in September 2002. Derby Homes will seek to build on this excellent record and further improve its performance.
- 7.2** Derby's housing service attained Investor in People status in 1998 and 2001. A high priority is given to staff care and training, and regular achievement and

development interviews are held with all staff. Derby Homes was reassessed in 2002 and continues to meet the standard.

7.3 Key drivers of continuous improvement within Derby Homes are:

- customer care is our first priority in a highly decentralised organisation with the majority of services provided through local offices
- delivering the decent homes standard for 2006 – Derby ‘Homes Pride’ campaign
- fully involving tenants and leaseholders in the management of the service
- carrying out effective consultation and participation with tenants and residents and supporting the Community Panels network to operate effectively
- providing a service that meets the needs of the diverse communities of Derby
- our tenant movement and tenant participation network place continuous demands upon us for accountability and improvement
- a willingness on the part of the staff to take the initiative, acknowledge our weaknesses, be open to new ways of working and a determination to improve the service
- support from our Board members and Councillors to ensure the service has the freedom to develop

7.4 Major achievements in the last year have been:

- commenced the “Homes Pride” Decent Homes programme on 31st March 2003
- outperformed the 1st years targets set for achieving Decent Homes
- city wide launch of Derby Homefinder (Choice Based lettings) following a successful pilot scheme
- achieved Charter Mark and IIP status
- amalgamation of 25 customer panels into 15 community panels
- 10th annual tenants conference
- 1st ALMO to manage and provide a total housing management service to 66 Housing Association properties
- expansion of the Anti Social Behaviour team to include 2 new neighbourhood warden teams in addition to our highly successful Community Watch Patrols
- regional winner of Remploy Annual Employer award for recognition of a diverse workforce in the employment and development of disabled people
- 1st national tenant led lesbian, gay, bisexual and transgender group (A.R.C. awareness raising co-operative) and the 1st Homelessness forum (run by new tenants who were previously homeless) helping existing homeless people secure accommodation and assessing services

7.5 Derby Homes key service priorities are:

- providing excellence through an efficient and customer focused repairs service
- delivering the Decent Homes standard

- providing a decentralised housing management service
- delivering high quality housing management services including arrears management and voids and stock turnover
- partnership working
- ensuring we provide effective tenant and leaseholder involvement

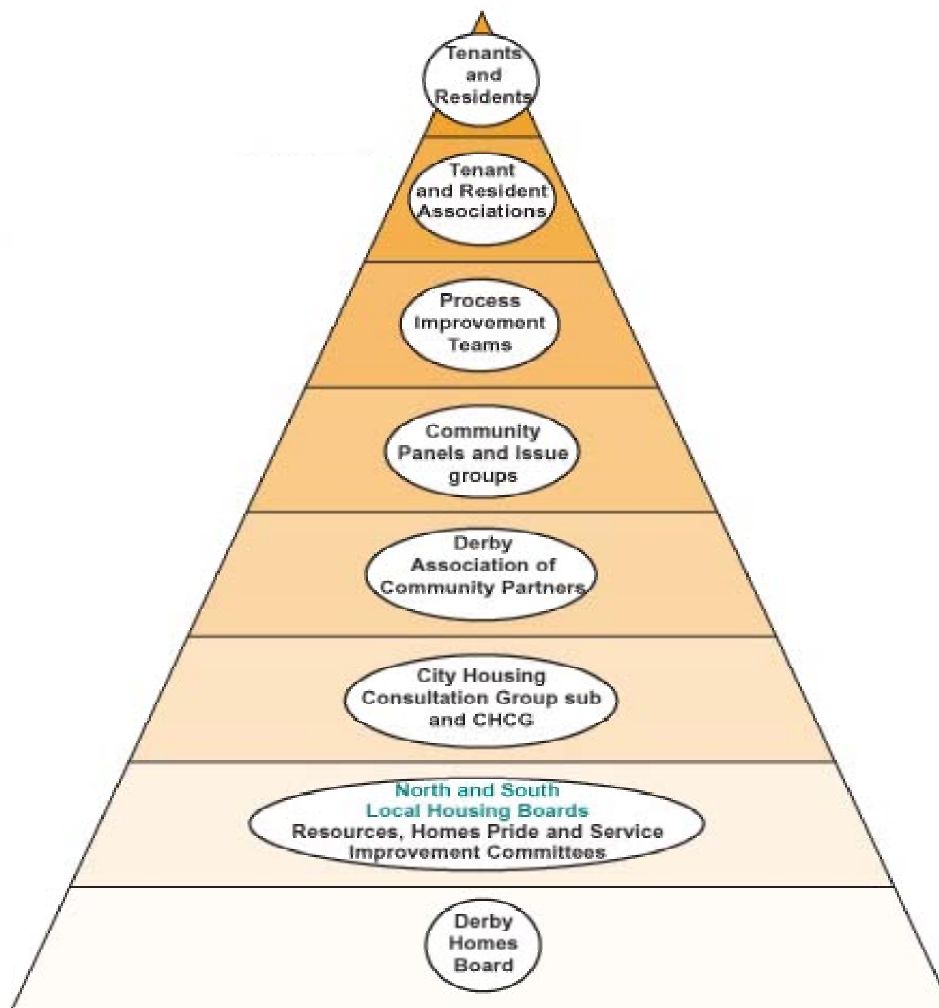
7.6 Tenant and leaseholders have direct involvement with Derby Homes in prioritising the business requirements and needs of the service. There are mechanisms in place through our strong links with the Derby Association of Community Partners, which ensure that our activities are evaluated by, and embrace tenant and leaseholder participation. Examples of current joint working arrangements, which include tenants representation, are:

- City Housing Consultation Group
- Process Improvements Teams
- Core Groups and Sub Committees (Derby Homes Board)

7.7 **Tenant Involvement**

Derby Homes will maintain and develop its extensive consultation and participation strategy around the Tenant Participation Compact, 'Making Involvement Easy', which was signed and agreed with tenants and leaseholders in 2000.

7.8 There are now 15 Community Panels based on local housing office boundaries. The Panels elect representatives to the Derby Association of Community Partners and to the Local Housing Boards. The tenant involvement structure is shown below.



7.9 Derby Homes has worked with tenants on a series of shared aims. These are:

- to create an open and accessible structure which increases opportunities for tenants involvement from all groups
- to improve communication with tenants, encouraging involvement at all levels
- to involve tenants in performance management.

7.10 Initiatives and involvement opportunities for tenant and leaseholders include:

- City Housing Consultation Group meetings held every 2 months
- a formal consultation structure based around 15 Community Panels, which are open to all tenants and leaseholders
- the Derby Association of Community Partners, DACP representing all community panels
- five tenants and leaseholders on Derby Homes Board
- a representative from each Community Panel on the North and South Local Housing Boards
- process Improvement Teams reporting to Local Housing Boards and Community Panels
- annual housing strategy consultation events
- annual Tenants Day conferences
- a Satisfaction Survey every 2 years
- the Service User Review Group, led by tenants, which works as our own tenant

inspection service

- Councillors and Police invited to all Community Panel meetings
- tenants involved with regional and national representative organisations
- a Tenants Resource Centre run by the DACP
- a tenant training programme run by tenants
- City Housing Improvement Plans that allow Community Panels to prioritise £1 million of environmental improvements
- support for independent groups to develop regeneration projects
- open days and fun events to promote and publicise our services and those of our partners
- focus groups to gather customer opinions
- regular estate walkabouts with all local residents invited to participate
- a database of names of all active tenants and leaseholders
- annual grants for community panels to help with running and promotion costs
- CHIP survey forms sent to all tenants each year

7.11 Through the above initiatives Derby Homes is ensuring that Derby City Council's commitment to tenant participation, detailed in the Housing Strategy and the Derby Tenant Participation Compact, are fully implemented.

7.12 Tenant and leaseholders views and opinions are integral to two significant events that take place on an annual basis:

- **Housing Investment Conference** – attended by tenants, leaseholders, Derby Homes' Staff construction partners, Derby City Council staff and other social housing providers. The event is designed to consult with stakeholders on our future stock investment plans and to identify and prioritise improvement works across the City.
- **Stakeholders Event** – attended by tenants, leaseholders, construction partners, Derby City Council staff and other social housing providers. The event is designed to allow stakeholders to discuss our strategic plans and to identify long-term objectives for the services we provide. This event forms a major step in the preparation of our Housing Strategy and Business Plan.

7.13 **Measuring and Reporting Performance**

As we drive to embed a culture of performance management we are making sure we are accountable for our performance by providing transparent, accurate, timely and relevant performance information.

7.14 Derby Homes have a series of performance standards that they have pledged to meet. These are monitored by means of performance indicators (PIs). Currently there are 51 performance indicators that are monitored by the City Council. These include the Audit Commission headline Best Value Performance Indicators (BVPs) as well as local indicators. Targets are set on an annual basis.

7.15 Tenant and leaseholders prioritise and set their own targets, which are called The Top Ten standards. These reflect the issues that they feel are the most important to Derby Homes customers and drive improvement in resident focussed services.

| Derby Homes Top Ten Standard | Target 2003/04 |
|---|---------------------------|
| Complete inspection visits by surveyors within 5 working days | 90% |
| Attend appointments made for non-emergency repairs | 95% |
| Complete emergency repairs within 24 hours | 99% |
| Complete urgent repairs within 5 working days | 96% |
| Complete routine repairs within 4 weeks | 98% |
| Inspect empty properties and place orders within 5 working days of receiving keys | 90% |
| Clear gardens of empty properties within 5 working days of placing orders | 90% |
| Answer Derby Homes hotlines within 3 rings | 90% |
| Reply to letters within 7 working days | 90% |
| Respond to all anti-social behaviour complaints within 2 working days | 95% |

7.16 We use different medians to present our performance information including:-

- Regular reports to key strategic stakeholders
- Internet
- Tenant newsletter
- Website

7.17 The key strategic stakeholders to monitoring performance consist of:

- Derby Homes Board
- Local Housing Boards
 - North
 - South
- Committees
 - Resources
 - Homes Pride/Service Improvement Committee
- City Housing Consultation Group (CHCG)
- The Council
 - Cabinet
 - Agreement Monitoring Meetings
 - Capital and Revenue Monitoring

7.18 Tenant and leaseholder representatives are an integral part of all of the above groups. Decisions are made jointly with tenants through an open and transparent system.

7.19 The table below shows the timetable for reporting performance.

| | Board Performance Monitoring | Board Financial Monitoring | Local Housing Board | Committees Resources (CR) Homes Pride (CHP) Improvement (CI) | City Housing Consultation Group (*denotes acts as Delivery Plan Meeting) | Capital and Revenue Monitoring with DCC | Agreement Monitoring | DCC Cabinet |
|------|------------------------------|----------------------------|---------------------|--|--|---|----------------------|-------------|
| KEY | B | BF | LHB | CR/CHP/CI | CHCG | C&R | AM | CAB |
| Apr | • | • | | | • | | • | |
| May | | | • | | | | • | |
| Jun | | | | • | | • | • | • |
| Jul | • | • | | | • | | • | |
| Aug | | | • | | | | • | |
| Sept | | | | • | | • | • | • |
| Oct | • | • | | | • | | • | |
| Nov | | | • | | | | • | |
| Dec | | | | • | | • | • | • |
| Jan | • | • | | | • | | • | |
| Feb | | | • | | | • | • | • |
| Mar | | | • | • | | • | • | • |

7.20 Delivering Continuous Improvement

As Derby Homes evolves as an organisation the continued development of a performance management culture is integral to the working practices as we seek to deliver continuous improvement. To do this, we review and update our systems for measuring and monitoring our success in achieving our objectives on an ongoing basis. We also create an environment within which managers and staff constantly think how to improve the processes they are involved in and the services they deliver, so that improvement becomes 'all in a days work'.

7.21 To make sure services continue to be developed in a way that can be sustained and/or improved through stable or improving foundations, we take a balanced approach to monitoring our progress.

This consists of monitoring performance across four key areas:-

- **Delivery of housing management and maintenance services** – service delivery, ensuring we are meeting the immediate housing needs of Derby.
- **Building capacity by investing in people and systems** – strategies and actions, such as partnership building, ICT, personnel and communications.
- **Value for money** – resource management, including asset management and procurement, Best Value Reviews and action plans, business planning.
- **Improving customer service** – including improving service access, consultation and customer perception.

- 7.22 The Best Value Reviews “Front Line Services and Sustainable Estates” and “Improving and Maintaining Council Homes” resulted in forty Improvement Action Plans (IAP). All have SMART targets showing what actions will be taken, who is responsible for them, when targets will be reached and milestones towards them.
- 7.23 The full version of the Improvement Action Plans are available on request. Appendix 6 is a condensed working version, which lists the individual Action Plans specific key objective set within them, and the date when that objective should be achieved.
- 7.24 Regular progress reports on the Action Plans are reported to the City Housing Consultation Group and Derby Homes Board and Committees.
- 7.25 Key improvements within the Best Value Review Action Plans to be achieved in 2003-6:-
- increasing the accessibility and standards of our services, including a gold standard (1,2,3 and 7).
 - raising rental income collected and reducing arrears (4-6)
 - more effective action in tackling anti-social behaviour (8-10)
 - improving the way we deal with repairs enquiries and orders by effective introduction of a repairs enquiry call centre (11-14)
 - developing local lettings policies in ways that reflect the needs of local communities and reduce relet times (6,16 and 17)
 - maximising resources for investment on council housing estates and tackling future use of accommodation for which there is currently little or no demand (18-19)
 - improving tenant and leaseholder involvement in service monitoring and decision making (20-24)
 - delivering an improvement programme to bring the stock to the decent homes standard (26)
 - completing reviews of all sheltered housing schemes across the city (27)
 - modernised, better equipped and better trained support services (25,28 and 29).

7.26 **Reviewing 2001/2002 & 2002/2003 Performance**

Derby Homes is part of the Housemark National ALMO benchmarking club and the Major Cities unitary authority benchmarking club. The main comparison of performance used has been to compare Derby Homes against these groups.

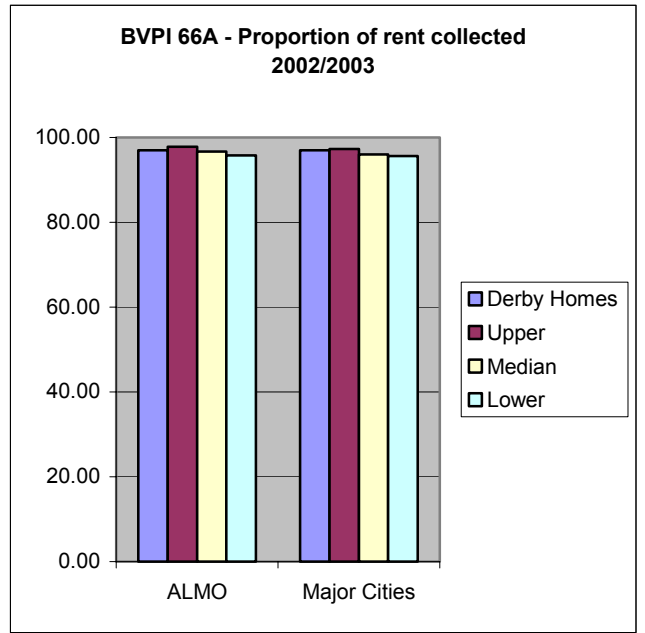
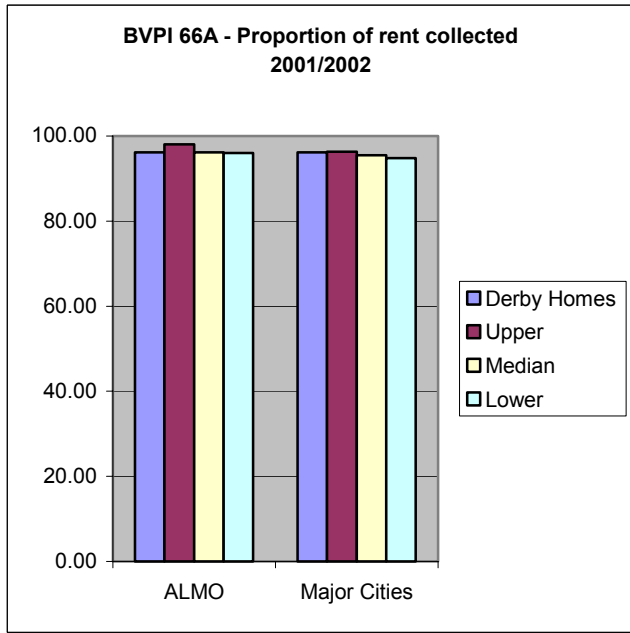
By using 5 Performance Indicators we have compared our performance based on 2001/2002 and 2002/2003 data.

The comparison shows:-

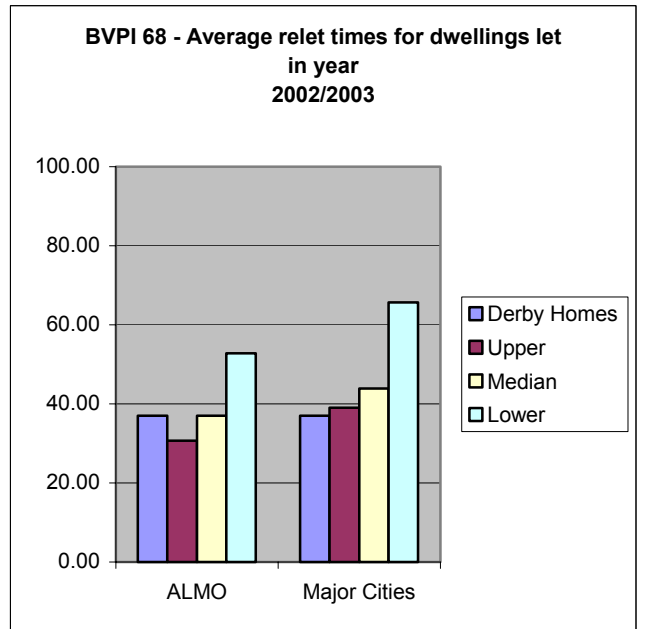
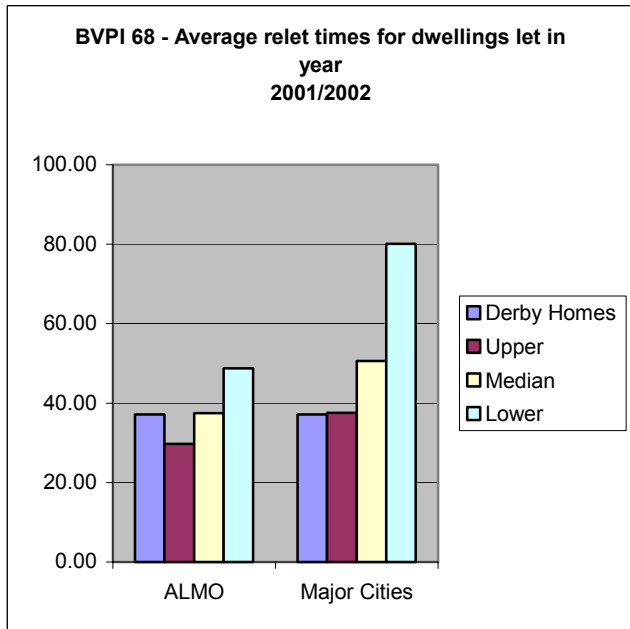
- Derby Homes provides a consistently high level of service – all of the BVPIs are within the first and second quartile compared with the National ALMO Group and all the Major Cities.

- Performance has improved in all the BVPIs from 2001/2002 to 2002/2003
- Levels of tenant satisfaction with the service and percentage of urgent repairs completed are also high in comparison.
- BVPI 184(b) – Percentage change in proportion of non-decent homes in year was a new indicator from 2002/2003, and Derby was the best performing ALMO

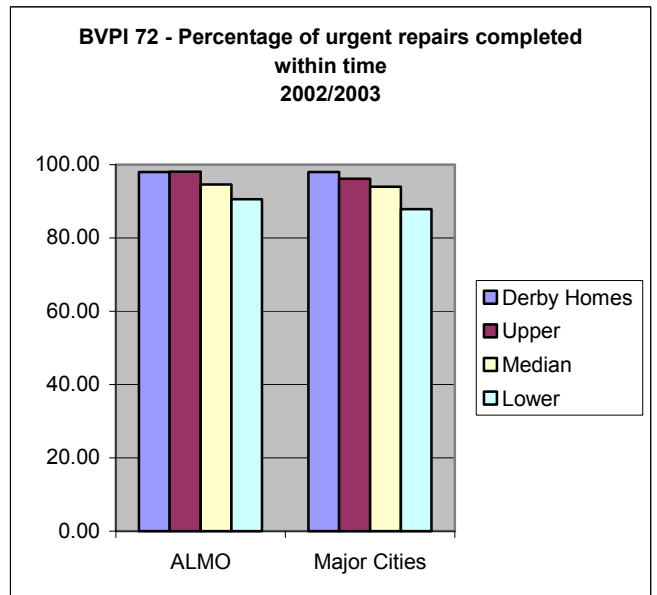
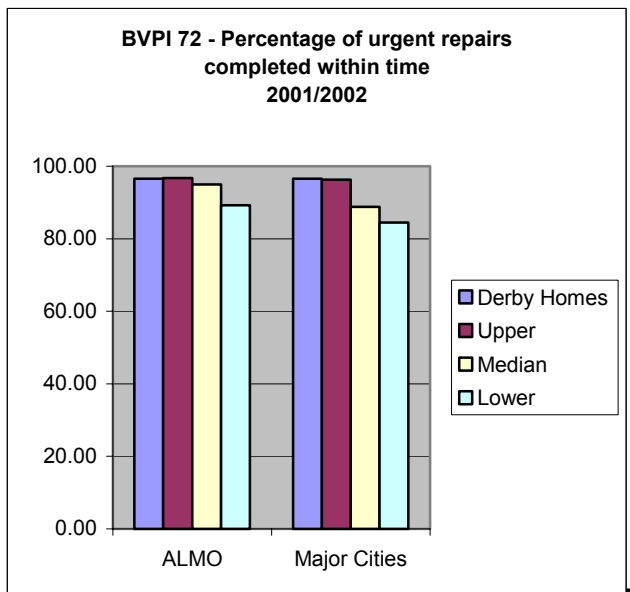
| BVPI | Description |
|-------------|---|
| | |
| 66a | Proportion of rent collected |
| | |
| Old 68 | Average relet times for dwellings let in year |
| | |
| Old 72 | Percentage of urgent repairs completed within Government time limits |
| | |
| 74 | Satisfaction of tenants with the overall service provided by their landlord |
| | |
| 184(b) | Percentage change in proportion of non-decent homes in year |



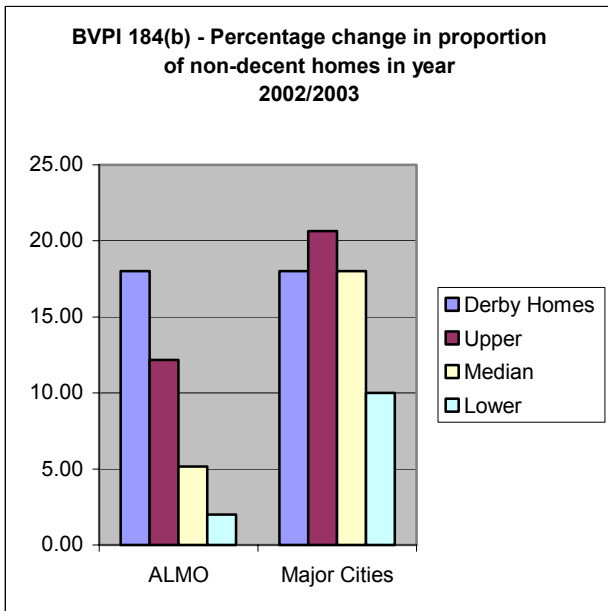
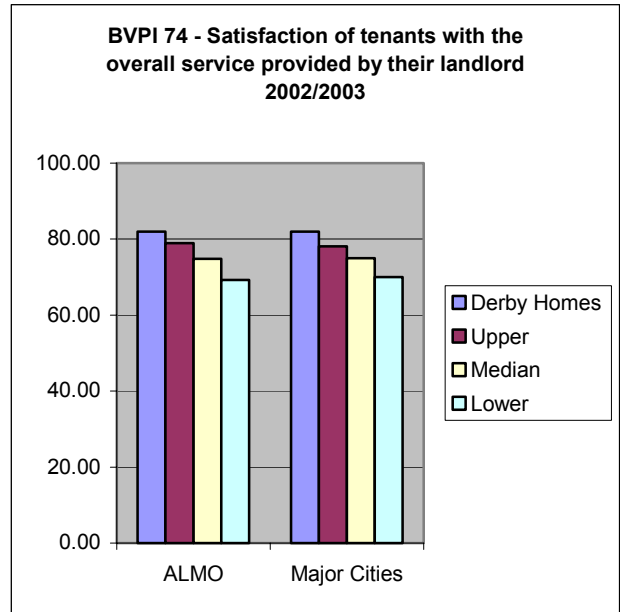
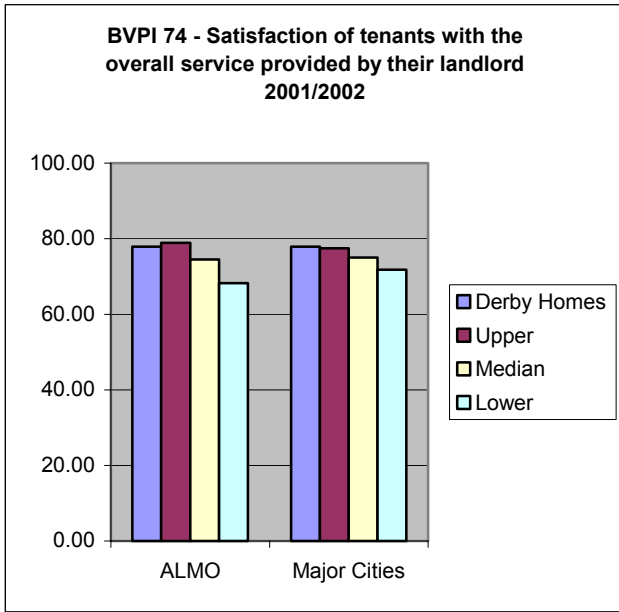
Source Housemark



Source Housemark



Source Housemark



Source Housemark

Section 8

HOUSING SERVICE

- 8.1** Our service is organised into
- 15 'front line' local housing offices and an accessible mobile housing office
 - 40 sheltered housing schemes for elderly people around the City
 - Tenancy support service team which employs 21 staff and provides support to approximately 300 vulnerable people
 - Caretaking teams that clean-up and secure buildings
 - Concierge team who provide extra services for the high rise block of flats at Rivermead
 - Specialist teams for tenancy management, arrears recovery and money advice support work
 - Centrally based teams covering regeneration, maintenance, tenant involvement and communication and housing projects
 - Community Watch Teams, which patrol council housing areas out of office hours
 - Generic 'back-office' teams providing business and support services, such as administration, accounting and computing.
- 8.2** We work closely with the strategic housing service of Derby City Council, which runs the Council's emergency call centre, provides housing advice and homeless assistance, undertakes research and development and improves private sector housing. Regular meetings are held to maintain effective working on monitoring of performance, allocations and homelessness, housing benefits and money advice.
- 8.3** We have an 'on the spot' decentralised housing service provided from 15 local housing offices based on or near the larger housing estates across the City. A housing inspection, carried out in March 2002, found that our front line housing management services and work on estates sustainability was excellent and that it had excellent prospects for improvement. In 2002 Derby Homes was reassessed and retained the Chartermark award for excellent customer services and met the IIP standard.
- 8.4** Specialist City Council teams who support our day to day management functions include:
- Legal Services who process legal cases to court where tenancy conditions have been broken
 - Housing Benefit services provided by Derby Benefits
 - Computer systems provided by a facilities management company
 - Commercial Services who provide day to day repairs and maintenance services, won through competitive tendering.
- The Support Services provided by the Council are currently undergoing a Best Value Review that will report its findings to the Board in April 2004.
- 8.5** A high level of tenant and leaseholder involvement influences all our service

areas. At the centre of our arrangements there is a dedicated Tenant Participation team working with our network of community panels across the City where tenants, leaseholders and other residents meet staff, councillors and strategic partners to discuss performance and local issues. In April 2003 there was a successful amalgamation of 25 Customer Panels into 15 Community Panels. The new framework aligns with the Council ward boundaries and Area Panel framework. Tenants and Leaseholders have direct involvement in decision-making through the Derby Homes Board and the Local Housing Boards North and South.

- 8.6** Derby Homes and the City Council jointly agreed performance targets against Best Value and local indicators. Currently there are 51 indicators against which we are monitored. Our Customer Care Charter and our Repairs Information leaflet are examples of how we communicate service standards to tenants. The Top Ten Targets identified by tenants as the most significant are published on 'pledge cards'. These are over and above the aforementioned targets and are reviewed annually by tenants. We publish details of our complaints procedure, which can be used by customers if we fail to meet these standards and also inform tenants of their right to compensation.
- 8.7** Our service seeks to be accessible to all our customers and to respond to special needs. We have a Race Equality Action Plan and a Race Equality Policy, incorporating SMART targets. We have a Disabled Access Plan to make our offices more accessible to wheelchair users. We employ a Tenancy Officer specifically dealing with incidents of racial harassment and a Housing Equalities Adviser to further develop our equalities policies and practices.
- 8.8** The Best Value Review of Front Line Housing Management and Estate Sustainability examined the vast majority of the services we provide. Derby Homes is implementing a robust Improvement Action Plan, summarised in section 12.4. Our aim is to raise both the condition of our stock, the quality of services that we offer and enhance the sustainability of our estates, as discussed in section 10. This strategy will require adequate revenue resources to complement the additional capital resources being used for stock improvements.

Section 9 MAINTENANCE STRATEGY

- 9.1** Derby Homes is well on target to bring the properties it manages up to the Government's decent homes standard by 2006. Meeting the standard means that the homes we manage will
- meet current statutory standards
 - be free from major disrepair
 - have modern services and facilities
 - provide a reasonable degree of thermal comfort
- 9.2** The maintenance strategy is designed to clear the backlog of disrepair, achieve the government's decent homes standard and ensure that building

components are replaced in a planned way thereafter. This strategy is informed by a comprehensive stock condition survey, carried out in 2001 in accordance with government guidance, by King Sturge and validated by HACAS Asset Management. Supplemented by other stock condition information gathered during further ongoing surveys of the stock, this is analysed using specialist software and databases.

Our stock condition data is held on a fully functional database that allows us to carry out scenario planning to help optimise future investment in the stock. The system is kept up to date, as Derby Homes continues on an ongoing basis with surveys to further validate investment decisions.

This information has been incorporated into the governments Building Cost Model (BCM) this model sets out the future requirements of the stock, in particular the need to sustain decent homes through an effective future planned maintenance strategy using resources such as the Major Repairs Allowance (MRA). As a result of the recent increases in cost within the construction industry the BCM does identify a gap in the amount needed to maintain the decent home standard long term, this is an issue for the ODPM to address for future allocation of MRA. Reference to future investment plans can be made

The plans set out in this business plan can be cross referenced to both the survey data held within our specialist databases but also through our completed BCM.

- 9.3** Derby Homes' aim is to clear the investment backlog in the council housing stock, which was estimated at £92.8m in September 2001 and stands at £83m at April 2003. We plan to carry out these improvements through six key housing investment programmes
- cyclical work to maintain the fabric of the properties
 - refurbishment of unmodernised and part modernised pre-war properties
 - refurbishment of non-traditional properties.
 - elemental maintenance programmes
 - improving energy efficiency including replacement central heating
 - customer identified improvements particularly aimed at improving community safety and environmental enhancement.
- 9.4** The stock condition survey found that there were 7,622 non-decent dwellings throughout the housing stock. In addition, there were found to be 6,707 potentially non-decent dwellings that will become non-decent within 5 years.
- 9.5** Table 6 shows why these dwellings are non-decent or potentially non-decent. As some properties fail to meet the decent homes standard for more than one reason the total number of failures is greater than the total number of non-decent dwellings.

| TABLE 6 Number of Failures Causing Non-Decency | | |
|---|----------------------|-------------------------------------|
| Reason for non-decency | Currently non-decent | Total potential failures in 5 years |
| Unfit | 0 | 0 |
| Old and in poor condition | 6,794 | 13,345 |
| Lacks modern facilities | 9,575 | 14,001 |
| Not providing a reasonable degree of thermal comfort | 5,856 | 5,856 |

The 2001 stock condition survey classified some properties as unfit, none however are below the statutory minimum standard for housing.

9.6 In order to clear the investment backlog, including improving all properties that fail to meet the decent homes standard Derby City Council has obtained, through the ALMO process, additional resources. This took into account the annual growth that would occur in non-decent homes and existing sources of funding. The full conditional ALMO allocation, combined with anticipated resources, will reduce the number of non-decent homes to zero at the end of 2005 – 06 as shown in Table 7. This table also takes into account homes sold through RTB.

9.7 We are now a year into the decent homes programme and are ahead of programme, we were able to bring forward £6m ALMO allocation from '04/05 into '03/04 this has resulted in a further 600 homes being bought upto the decent home standard this also means we are well on track to achieve the decent home standard citywide by the deadline of 31 March 2006.

| TABLE 7 progress towards the decent home standard | | | | |
|--|---------|---------|---------|---------|
| (dwellings) | 2002-03 | 2003-04 | 2004-05 | 2005-06 |
| Non Decent at start of year | 7622 | 6,296 | 3,383 | 1,455 |
| Becoming non decent during the year | 515 | 2,064 | 2,064 | 2,064 |
| Homes made decent during the year | 1,841 | 4,807 | 4,162 | 3,519 |
| Non decent at end of year | 6,296 | 3,383 | 1,455 | 0 |

9.7 The way in which the resources will be used is set out in Table 8. This shows how the programme of works currently proposed will be carried out to remove the investment backlog by work area against the six priorities set out in section 9.3.

9.8 Procurement Issues

Derby Homes has developed a partnering approach to its construction procurement. Strategic partnerships have been developed to achieve 'Egan' targets such as a reduction in costs, time, accidents and defects and increases in the predictability of cost and time, productivity and profitability.

9.9 Four strategic partners have been appointed under a framework agreement, each working on a series of projects over a three to five year period, to develop and implement our construction programme without Derby Homes having to go out to tender on each and every project. This has been called the Homes Pride Programme.

9.10 The strategic partners have been appointed to work within defined geographical areas of the City. The strategic partners delivering the Homes Pride programme are:

- Commercial Services Department
- Bramall Construction Ltd
- Lovell Partnerships Ltd
- Vinshire Plumbing and Heating Ltd.

9.11 The framework agreement is a contractual arrangement that provides a flexible and efficient vehicle for procuring projects with contractors who have been selected by a competitive process where both quality and price are factors. The agreement gives a broad indication as to the likely volume and type of work, but actual volumes of work will depend on resources available to Derby Homes, the partner's level of resources and satisfactory performance.

9.12 The key features are:

- "Open Book" arrangements, sharing information on costs and profits
- a competitively tendered percentage for profit and overheads
- commonly understood and agreed joint objectives
- mechanisms for risk allocation
- adoption of a non-adversarial approach
- key performance indicators and continuous improvement.
- involving customers throughout the project from design to completion.
- ability to benchmark both internally and externally.

9.13 Individual projects are being commissioned using PPC 2000, the Association of Consultant Architects Standard Form Project Partnering Contract, under the 'umbrella' of the framework agreement.

Table 8 Proposed Major Repair and Improvement Programme 2003 - 2013

| | £000's | | | | | | |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Investment Priority | 2003/04 | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/13 | Total |
| Cyclical Maintenance | 3,030 | 2,216 | 2,230 | 1,192 | 1,190 | 3,379 | 13,237 |
| Pre-war refurbishment | 7,856 | 6,980 | 6,125 | 3,629 | 3,697 | 18,501 | 46,788 |
| Non-traditional refurbishment | 6,573 | 5,050 | 3,942 | 0 | 0 | 0 | 15,565 |
| Post-war elemental improvements | 11,640 | 12,259 | 11,204 | 518 | 517 | 3,464 | 39,601 |
| Energy Efficiency | 5,247 | 3,814 | 1,037 | 1,037 | 1,035 | 6,256 | 18,425 |
| Targeted improvements | 3,641 | 3,144 | 2,832 | 1,961 | 2,152 | 12,304 | 26,033 |
| Total | 37,985 | 33,462 | 27,370 | 8,337 | 8,591 | 43,904 | 159,650 |

- 9.14** The programme has been developed through consultation and planning with tenants and community panels and the overall programme has been approved by the Board of Derby Homes. The two Local Housing Boards have a key role in setting priorities for the programmes in each area.
- 9.15** To facilitate continuous improvement the partnership has developed a series of key performance indicators to monitor performance throughout the programme. This information is used to identify areas for improvement and appropriate action is taken to ensure best value. Key areas for monitoring performance include cost, time and quality.
- 9.16** Close liaison takes place to ensure that customer care standards are met and that communication with residents is of a high standard. The manner in which works are carried out have been agreed with the partnership in order to co-ordinate programmes, minimise disruption and reduce the need for the 'decanting' of tenants while work is carried out.
- 9.18** Derby Homes has selected strategic partners who are committed to the employment and training of local labour. For example, partnerships are already resulting in trainee opportunities for school leavers and older workers with the ultimate aim of producing a pool of multi-skilled labour in Derby, both to support these projects and enter the general employment market. Particular attention will be given to the need to make these opportunities accessible to local people and groups that are under-represented in the construction industry. The housing forum as a demonstration project has selected Derby Homes.
- 9.19** A customer care standard has been agreed with tenants to ensure that all contractors and improvement works comply with best practices and minimise disruption to tenants. This standard has been developed with tenants and is currently being reviewed following a series of joint review meetings held separately with all strategic partners.
- 9.20** From April 2002 up to December 2003 over 5,000 homes have been made decent as a result of the investment programme. The programme is well on

target to achieve decent homes by April 2006.

9.21 However, we have concerns that the levels of funding will restrict our Homes Pride programme in specific areas. As a result, Derby Homes has recently completed the ODPM's building cost model. Additional funds have been requested through the ALMO programme to enable Derby Homes to:

- continue to offer choices of modern components
- ensure tenant liaison and communication continues to take a high priority
- carry out further estate based environmental improvements
- redevelop two unpopular areas of medium rise flats
- recover the investment lost through the regional housing strategy
- have adequate provision to cover the increases in costs over the next three years.

Derby Homes is currently awaiting the decision from ODPM on the building cost model submission. This business plan has been produced at the current level of funding excluding any potential increases in allocation through the building cost model.

9.22 Derby Homes is working closely with its constructor partners to help keep outturn costs to a minimum. Partnering throughout the supply chain is taking place and a saving and innovation log is used to monitor the savings accrued through partnership working.

9.23 It is anticipated that the pressures on the repairs account as a result of the investment backlog should ease as the Homes Pride programme nears completion. Future predictions are that we will achieve the Audit Commission target of at least 60% planned work through the housing repairs account.

Section 10 ESTATE SUSTAINABILITY AND REGENERATION

10.1 Derby Homes is a key partner in the regeneration of Derby's neighbourhoods. However, we recognise that a programme of investment in the fabric of dwellings alone will not ensure the long-term sustainability of our estates.

10.2 Our Best Value Inspection of Housing Services in 2002, identified key issues in improving sustainability. They are:

- perceptions about council housing
- crime, anti-social behaviour and the reputation of an area as deterrents of popularity
- dissatisfaction with play areas and facilities for young people
- particular sustainability issues on Cowsley, Old Sinfen and Osmaston
- the positive impact that customer care training for staff has on service and customer satisfaction levels
- the need for housing staff and tenants to promote a greater sense of 'ownership of estates'
- increased competitive pressures when council and housing association rents converge to a similar level.

- 10.3** At a recent Stakeholder event, our tenants and leaseholders identified a number of factors they felt would ensure estate sustainability. They are:
- co-ordinated accessible and effective local services
 - effective methods of communication to and with local people
 - education and after school activities for young people
 - teaching life skills to school children
 - effective use of green spaces and the local environment
 - local centre with excellent facilities and amenities
 - being proud of where we live.

We have begun to tackle these issues by our activities in 2003.

- 10.4** Our main focus in the past 12 months has been to commence our £81M programme of improvements that will bring all of our homes up to the Government's Decent Homes Standard by 2006. Our Derby Homes Pride Improvement Programme is the largest capital programme we have ever undertaken and it is already having a positive impact on the desirability of our homes. We have used marketing to create a new brand for the homes we manage.
- 10.5** We identified in the Best Value Improvement Action Plan that there were serious concerns about estate sustainability in the Cowsley, Osmaston and Sinfin estates.
- 10.6** We have completed a futures study for the Cowsley area in partnership with the Derwent Community Team, and we will shortly prepare similar studies for the Osmaston and Sinfin areas. These studies are being carried out in consultation with local residents and stakeholders.
- 10.7** Through these studies we will develop strategies for each estate. We will address issues of
- level and nature of neighbourhood management
 - environmental improvements
 - stability of the community
 - support for community development
 - partnership with other stakeholders and providers
 - redesign of the estate, including limited demolition of surplus properties.
- 10.8** We are also carrying out consultation with local residents and stakeholders to establish the future of flats in Spondon and Alvaston. Both the Derbyshire blocks in Spondon and the Isle of Wight flats in Alvaston, suffer a high level of tenancy turnover, a high level of maintenance and high level of crime/vandalism. To achieve the decent homes standard in these blocks of flats is estimated to cost £2M. Tenants have supported the demolition of these blocks. The Council will shortly make a final decision on the demolition, and proposals to replace these properties.
- 10.9** Local housing offices and community panels are looking to improve the way we spend money on environmental improvements on estates. This year's work will see almost £1.4M worth of environmental improvements to various

housing estates across the City. All of this work has been identified by tenants, leaseholders and local residents.

10.10 We are working with Derwent Community Team

- to improve access to local services in the Cowsley area
- to build a new neighbourhood base and to move local housing office staff into this, together with other agencies such as the Police
- on a clean up project called NEAT. This project is run by Derby City Council's Waste Management section that can arrange for litter collection, graffiti removal and syringe collection. This has made a substantial improvement to the appearance of the estate
- together with the Live at Home Scheme to create an Old Persons Development Panel of local residents, to give elderly residents the opportunity to have a say in improving facilities in their area
- by creating the Derwent Neighbourhood Wardens team of officers and vehicles that patrol the estate to increase our presence and to reduce crime and the fear of crime.

10.11 On Old Sinfin estate we have

- taken on the management of difficult to let housing association properties in the Poets Corner area of Sinfin. We aim to improve the desirability of these properties, through close joint working with the housing associations and other partners
- worked with local residents groups to apply for funding for closed circuit television (CCTV) for the area. This will help to reduce crime and the fear of crime in approximately 500 council properties
- improved the quality of street lighting to reduce crime and fear of crime
- attracted National Lottery funding to improve a large play area. We have worked closely with tenants, the police and other local agencies in the redesign of these facilities.
- Fostered excellent relationships with local schools and local children. This has been particularly successful with school children and head teacher becoming members of the Old Sinfin Community Panel.

10.12 We have been working with Sure Start in the Osmaston and Allenton area to promote their service and to improve the landscaping and local environment near to the Sure Start Offices on Cockayne Street.

10.13 The Derby Homes Pride Programme offers routes into employment for local people. This will include a number of trainee posts for young people within Derby Homes as well as with our strategic partners.

10.14 Environmental sustainability

Derby Homes is committed to helping the Council achieve the Home Energy Conservation Act 1995. Derby homes strategy includes:

- Improving the energy efficiency of homes as an integral part of the Homes pride programme. for example:
 - Over 7,000 new highly efficient new gas central heating systems will be fitted over the next three years.
 - 2,000 homes with solid walls will be either dry-lined or have external

insulation applied.

- Over 4,000 homes will have existing timber windows replaced with double glazed PVCu units.
- All homes will have their loft insulation upgraded to a minimum of 250mm
- Over 9,000 homes will have bathrooms replaced incorporating showers helping reduce water and fuel consumption.
- Working in partnership with British Gas to launch the Home Essentials for Life Programme (HELP) and deliver improvements advice and support to all council homes over a three-year period. This programme allows Derby Homes to maximise any grant funding through the governments energy efficiency commitment programme (EEC).
- Building on experience and further exploring the use new technologies like solar panels combined heat and power and other forms of renewable energy.

10.15 In addition Derby Homes is working closely with it's contractor partners to reduce waste, select products based on environmental impact as well as cost, consider the use of recycled materials and enjoy other benefits as a result of partnering throughout the supply chain.

10.16 The overall energy rating of council homes is expected to reach an average sap of 65 by the end of the homes pride programme this will go beyond the 30% HECA target set in 1995.

Section 11 HRA FINANCIAL PLAN

11.1 This section outlines a 30-year financial plan, giving long term projections based on a series of assumptions. It also sets out the rent plan to be followed in order to introduce rent restructuring in line with national policy. The plans are based on assumptions about future resources at currently announced levels. Assumptions made in completing the model and key outputs from it are set out in Appendix 3. The forecasts are set out in Appendix 4.

11.2 Many of the key assumptions have changed substantially since the last plan. ALMO funding is assumed in this model to continue at 8% from 2004/5, a 2% reduction from previous plans, as there will no longer be any Minimum Revenue Pension (MRP) from that date. The ALMO funding continues at this level, but only until 2010, now confirmed as the date when this funding will reduce to an actual cost of debt level. This is a major reduction from the income expected in the last plan, where the funding was anticipated to continue at 10% for the entire period. The other key change is to Management and Maintenance Allowances, MMA, within the subsidy system. The government have reformed these allowances, making them much more favourable for Derby. The changes are welcome, and make the distribution much fairer than previously.

11.3 The combination of these changes means that the HRA should, for the next six years, have substantially increased resources. Unfortunately, this position then changes markedly with the reduction in ALMO funding in 2010. The thirty-year perspective of the Business Plan highlights this difference. After 2010, the in

year financial position is expected to worsen each year. This results in a need to restrain additional spending over the next few years in order to be able to keep the position sustainable in the medium term.

- 11.4** There will need to be an improvement at some point after 2010 to make the longer-term position more viable. This will need to be some combination of cost reductions, grant and real terms rent increases to an extent greater than already assumed. Despite the welcome improvements to MMAs, there remains in the subsidy system an inadequate level of resources to fully fund existing management and maintenance at the current level. As a consequence, there is a longer-term problem with the HRA as actual costs continue to outstrip their assumed level in future. This makes it very difficult to balance the HRA over a thirty-year period. The large balances that are forecast to arise in the next few years will be eliminated over the middle and later years of the plan. Without the substantial additional resources afforded by the MMA changes, the problems caused by the reduction of ALMO funding would have made the position very difficult. Equally, had the ALMO funding continued along with the MMA reform, the position would have been much better, with greater improvements being possible.
- 11.5** The assumption in this model include the ability to reduce costs in the HRA by a combination of reduced costs of Derby Homes management, improved performance on income generation, and reduced internal and external contract costs. Work on these issues is ongoing, for example, Derby Homes is implementing an Improvement Action Plan following earlier Best Value Reviews (BVR), and Derby Homes is carrying out a BVR of its central establishment charges and Service Level Agreements. Any failure to meet this assumption would therefore result in higher costs and therefore a less sustainable position.
- 11.6** While the financial position deteriorates after 2010 with the loss of additional ALMO funding, the plan sets out an approach that attempts to balance the needs of the HRA before and after that point. Short term funding for the HRA looks favourable, but spending has been restrained by the need to keep the longer-term position viable. As a consequence, the HRA is expected to build up a balance in the next few years to allow it to avoid a sharp drop in resources after 2010. This approach is intended to be flexible to allow for restrained development and an ability to smooth the risks inherent in any financial plan over this length.
- 11.7** Longer-term sustainability will be an issue in the future, as the current model indicates deficits in later years of the plan. However, the period end totals are very sensitive to amendments in current planned spending. A variation of £0.1m in spending in the early years of the plan will affect the final balance after 30 years by around £9m, due to the effects of compound interest and inflation. This means that the plan will need to be reviewed periodically to allow for changes in government funding, planned spending and income levels. At this stage, the HRA is viable with considerable reserves for the next 20 years. While the later years indicate losses, it is expected that future spending or income levels could be adjusted at that point to rebalance the position.

- 11.8** Derby Homes financial plan needs to ensure that it is a sustainable organisation, working with the assumptions in this chapter. Derby Homes has been informed that it will be inspected by the Audit Commission Housing Inspectorate in September 2005. There is a need to ensure that the services provided by Derby Homes are excellent, and improved, in order to continue to be regarded as a 3 star excellent service by the Audit Commission. If the service was judged to be less than 2 star it would face the loss of its additional ALMO borrowing approval and subsidy and so the HRA would be drastically effected and become unsustainable.
- 11.9** Cost pressures on the HRA in the last year have included an increase in pension contributions and in insurance premiums. The combination of these increased costs and overall reduced future subsidy payments has combined to force a reduction in the revenue contributions to capital that we had previously hoped to make. At this stage, therefore, the revenue projections remain in balance, but only by reducing capital expenditure outside of the Homes Pride Programme. This has been possible because of the anticipated impact of that programme on the need for repairs in future.
- 11.10** There is obviously a link between the funding available and the final plans that are undertaken. This is true of both capital and revenue. The core of the capital plan should, however, remain unaffected. The delivery of Decent Homes, utilising additional ALMO funding will be able to proceed as expected. Whilst additional revenue funded capital is no longer available, it is still believed that the position remains viable overall.
- 11.11** The latest capital strategy report to the Council set out a continuation of the policy to earmark the Basic Credit Approval, BCA and any Supplementary Credit Approvals, SCAs, or their future replacement funding stream from 2004/5 for the major service blocks, and this includes Housing. Forecasts of this, and other capital funding, are therefore included in these figures.
- 11.12** In summary, the balances of the HRA in the next few years should rise considerably, but this would reverse in the later years. Further work will need to be undertaken to review the assumptions underlying the projections and to find ways of making the longer term position more sustainable once ALMO funding reduces.

Rent Restructuring

- 11.13** Council policy on rents remains to increase rents to stay in line with limit rents, rising to the target rents set using the rent restructuring formula at the end of the ten-year process. This gives the optimum balance between HRA resources and tenant contributions, but ensures that convergence is achieved on time.
- 11.14** Rent restructuring is expected to result in rents rising from a 2002/3 average of £43.44 to around £61 at the end of the ten-year period, inclusive of assumed inflation and national increases for the council-housing sector. These figures are for rent charged on a 52-week basis, although we collect an equivalent amount annually over 48 weeks. We have assumed that rents will increase

towards the target rent in line with assumed guidelines, to avoid any rent rebate subsidy limitation. The policy is expected to result in a real terms rent increase over the ten-year period for 65% of tenants. In 5% of cases the target rent will not be reached by 2012 as a result of the ceiling on annual increases of RPI + 0.5% + £2 per week a year. In these cases increases will continue thereafter until the target level is achieved. Appendix 5 sets out our rent plan.

The Council and Derby Homes are also set to review the current provision of a 'future repairs fund' that is contained within this plan, with a view to reducing its size, and creating an 'Estate sustainability fund' involving spending over the next few years instead. The relative size and need for each of these funds has yet to be formally agreed, and for the moment Appendix 4 includes a future repairs fund only. Both the Council and Derby Homes are committed to reaching an agreed position on this issue in the near future, and the next HRA Business Plan should reflect the outcome of this review.

Derby City Council has adopted a policy of using planned levels of RTB sales to support the Housing Capital programme. The Council tries to work in partnership with both with Council Tenants and Derby Homes, but also with RSLs and the private sector. In order to maintain a significant non-HRA capital programme, planned RTB receipts have been used to support the non-HRA programme for a number of years.

Section 12 DERBY HOMES ORGANISATION AND BUDGET

- 12.1** The Board of Derby Homes consists of 15 non-executive directors. There are 5 councillor Board members nominated by Derby City Council, 4 tenant and 1 leaseholder Board members and 5 independent Board members. Tenant and leaseholder Board members are appointed following direct election processes involving tenants and leaseholders. Independent Board members bring additional professional skills to the Board and, in most cases, live or work in or near Derby.
- 12.2** Derby Homes is a local authority controlled company limited by guarantee, created by Derby City Council to operate under Part V of the Local Government and Housing Act 1989.
- 12.3** The Board determines the direction of the organisation through its identity, strategy and culture. The executive officers of the Company are Phil Davies, Chief Executive, Lorraine Watson, Director and Company Secretary and Shaun Bennett, Director of Investment and Regeneration. The main Board has created sub-committees and working groups to be responsible for making recommendations on specific issues. In addition, 2 Local Housing Boards provide a local focus and exercise delegated authority.
- 12.4** Derby Homes has adopted governance arrangements that reflect best practice. Agendas, minutes and reports are available to the public. Members of the public have the right and are encouraged to attend meetings and submit questions. The position of Chair of the Board is subject to annual election. Since June 2002 it has been held by Dennis Rees, a Council

tenant. Councillor Paul Bayliss and Bob Osler, an independent Board member, are Vice Chairs.

- 12.5** The senior management team for Derby Homes is set out in Appendix 7. This structure is designed to ensure delivery of the investment programme and core business activities.
- 12.6** The company utilises premises, communication and business systems made available to it through the Services Agreement with Derby City Council. During 2002/3 these were further developed from resources available from the management fee.
- 12.7** The core business activities of Derby Homes is funded by a Management Fee paid by Derby City Council. For the first period of trading Derby Homes audited accounts showed a surplus of £6,000. These accounts have been filed at Companies House and are public documents.
- 12.8** The budgets for 2003/4 and 2004/5 with an indicative budget for 2005/6 are shown in the table below.

The Council and Derby Homes have recently met to discuss the management fee for 2004/5, and it is anticipated that the fee will be confirmed at the Cabinet meeting of 27 April and the Derby Homes' Board meeting of 29 April, along with indicative figures for the following two years.

The financial figures in Appendix 4 to the HRA Business Plan reflect the proposed fee that will be put forward, but have yet to be updated to take account of the very welcome announcement by the Government of an additional £16m funding for the Homes Pride programme, as this was only announced on 1 April 2004.

It is expected that this additional capital funding for the Homes Pride programme will allow the Council and Derby Homes to meet, or even exceed, the target of Decent Homes by 2006.

TABLE 9: DERBY HOMES OPERATING INCOME

| | <i>2003 / 2004 budget</i> | <i>2004/2005 working budget April 2004</i> | <i>2005/2006 indicative budget April 2004</i> |
|---|-------------------------------|--|---|
| | <u>£000</u> | <u>£000</u> | <u>£000</u> |
| Management fee from Derby City Council | 9,816 | 10,343 | 10,809 |
| Modernisation fund from Derby City Council | | 200 | 200 |
| Other income streams: | | | |
| Capitalised salaries | 807 | 911 | 745 |
| Supporting People grant | | | |
| – sheltered housing service | 1,450 | 1,414 | 1,450 |
| – tenancy support team | 573 | 514 | 527 |
| Contribution towards costs of collecting Council Tax and other debts | 114 | 74 | 74 |
| Grants and other miscellaneous income | 241 | 241 | 241 |
| Income from the management of housing association and other private landlord properties | - | * | * |
| Income from the provision of additional services to council tenants | - | * | * |
| Total | <u>13,001</u> | <u>13,697</u> | <u>14,048</u> |

The fee is based on the Housing Revenue Account budget shown in Appendix 4.

- 12.9** Provision for capitalised salaries in 2003/4 represents the underlying base provision, plus an additional 2.5% of the element of the capital programme funded through arms length arrangements. This would need reducing should the arms length capital programme be reduced.
- 12.10** The management fee will be paid as required. Consequently a calculation for internal interest will not be made other than on unused surpluses carried forward at the year end.
- 12.11** The fee includes provision for internally charged support services provided from the Council to Derby Homes and is reduced for services provided by Derby Homes to the Council. Service level agreements are being developed that closely define the basis of these services and it is hoped they will be implemented by April 2004.

- 12.12** The use of the management fee is monitored by the Council, as defined in the Services Agreement and Delivery Plan.
- 12.13** 2003/4 has seen significant changes to the structure of Derby Homes income. New income streams have been introduced through Supporting People grant. A corresponding reduction in the management fee from Derby City Council has been made.
- 12.14** Services have been developed both as a consequence of additional management fee made available from ALMO subsidy (£286,000) and the introduction of a tenancy support team financed by Supporting People (£573,000).
- 12.15** Pressure has been creased on the management fee in the reduction made on income received from Derby City Council for collection of Council Tax and other debts (£111,000). This will continue in future years as we move to a transaction board costs and the number of transactions reduce as payment options increase.
- 12.16** Service developments implemented during 2003/4 include:
- Enhanced garden maintenance services to tenants
 - Establishment of a performance management officer
 - Establishment of a business development officer
 - Establishment of additional tenancy participation officer
 - Development of anti-social behaviour and youth inclusive initiatives
- 12.17** During 2004/5 the focus of the Executive Officers and the board will switch to the sustainability of Derby Homes Limited:-
- the medium term.
- 12.18** Right to Buy Property sales continue to deplete the City Council's housing stock and these reductions will be reflected:-
- the fee paid to Derby Homes in future years.
- 12.19** A strategic approach to developing alternative business opportunities will be taken and are likely to include:
- consultancy services offered to other organisations
 - capital programme commissioning services to other organisations
 - the development of a letting scheme in the private sector
 - the management of other registered social landlords stock
 - increasing services and fee to meet the needs of the City Council – such as increasing temporary homeless associations
- 12.20** In addition the Executive Officers and the Senior Management team will develop in 2004 management strategies to address the cost structure of the organisation as it faces the changes to its core activities in the next few years.

Linkage between Derby City Council's Corporate Objectives, Housing Strategic Objectives and Derby Homes' Objectives

| Derby City Council's Corporate Strategic Objectives | making Derby a great place to live | promoting independence, providing protection | foster safer communities | more achievement, more achievers | prosperity for all | being a Best Value Council |
|---|---|---|--|--|---|---|
| Housing Service Strategic Objectives | base housing strategy on sound and comprehensive information improve choice of, and access to, safe, energy efficient and affordable housing, including reducing empty properties across all tenures | address the specific housing needs of Derby's community care and other vulnerable and minority groups | protect and enhance homes across all tenures, and ensure all social housing meets the Government's Decent Homes standard by 2010 at the latest | use the housing service's investment potential and influence to promote training and employment for Derby residents | contribute to the deliver of the Neighbourhood Renewal Strategy | deliver Best Value services facilitate active customer participation |
| Derby Home's Objectives | ensure fair choice of, and access to, affordable rented housing work towards sustainable estates | review of sheltered housing schemes tackle anti-social behaviour and direct investment to reduce crime and the fear of crime | deliver the decent homes standard by 2006 – Derby's 'Home Pride' Campaign | ensure we are successful social business build links with local schools development employment opportunities | work in partnership with other organisations and promote and contribute to local neighbourhood strategies | provide Best Value for housing management and maintenance services empower tenants and leaseholders to have a say in running Derby Homes |

NEW APPENDIX 2

Derby City Council
Business Plan Assumptions
Major Repairs and Improvements Financing

| Year | Year | Expenditure | | | | | Financing | | | | | |
|------|---------|------------------|---------------|---------------|-------|-------------------|------------------|--------------|-----------|-------|-----------------|--------|
| | | Catch-up Repairs | Planned Maint | Improve ments | Other | Total Expenditure | Credit Approvals | RTB Receipts | Other MRR | RCCO | Total Financing | |
| | | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | |
| 1 | 2003/04 | 34,397 | 0 | 3,588 | 0 | 37,985 | 30,335 | 0 | 0 | 7,650 | 0 | 37,985 |
| 2 | 2004/05 | 27,750 | 0 | 5,712 | 0 | 33,462 | 25,832 | 0 | 0 | 7,630 | 0 | 33,462 |
| 3 | 2005/06 | 20,611 | 0 | 6,759 | 0 | 27,370 | 19,734 | 0 | 0 | 7,636 | 0 | 27,370 |
| 4 | 2006/07 | 0 | 8,337 | 0 | 0 | 8,337 | 746 | 0 | 0 | 7,591 | 0 | 8,337 |
| 5 | 2007/08 | 0 | 8,591 | 0 | 0 | 8,591 | 949 | 0 | 0 | 7,642 | 0 | 8,591 |
| 6 | 2008/09 | 0 | 8,692 | 0 | 0 | 8,692 | 1,000 | 0 | 0 | 7,692 | 0 | 8,692 |
| 7 | 2009/10 | 0 | 8,739 | 0 | 0 | 8,739 | 1,000 | 0 | 0 | 7,739 | 0 | 8,739 |
| 8 | 2010/11 | 0 | 8,783 | 0 | 0 | 8,783 | 1,000 | 0 | 0 | 7,783 | 0 | 8,783 |
| 9 | 2011/12 | 0 | 8,825 | 0 | 0 | 8,825 | 1,000 | 0 | 0 | 7,825 | 0 | 8,825 |
| 10 | 2012/13 | 0 | 8,864 | 0 | 0 | 8,864 | 1,000 | 0 | 0 | 7,864 | 0 | 8,864 |
| 11 | 2013/14 | 0 | 7,900 | 0 | 0 | 7,900 | 0 | 0 | 0 | 7,900 | 0 | 7,900 |
| 12 | 2014/15 | 0 | 7,933 | 0 | 0 | 7,933 | 0 | 0 | 0 | 7,933 | 0 | 7,933 |
| 13 | 2015/16 | 0 | 7,963 | 0 | 0 | 7,963 | 0 | 0 | 0 | 7,963 | 0 | 7,963 |
| 14 | 2016/17 | 0 | 8,032 | 0 | 0 | 8,032 | 0 | 0 | 0 | 8,032 | 0 | 8,032 |
| 15 | 2017/18 | 0 | 8,103 | 0 | 0 | 8,103 | 0 | 0 | 0 | 8,103 | 0 | 8,103 |
| 16 | 2018/19 | 0 | 8,174 | 0 | 0 | 8,174 | 0 | 0 | 0 | 8,174 | 0 | 8,174 |
| 17 | 2019/20 | 0 | 8,246 | 0 | 0 | 8,246 | 0 | 0 | 0 | 8,246 | 0 | 8,246 |
| 18 | 2020/21 | 0 | 8,318 | 0 | 0 | 8,318 | 0 | 0 | 0 | 8,318 | 0 | 8,318 |
| 19 | 2021/22 | 0 | 8,392 | 0 | 0 | 8,392 | 0 | 0 | 0 | 8,392 | 0 | 8,392 |
| 20 | 2022/23 | 0 | 8,466 | 0 | 0 | 8,466 | 0 | 0 | 0 | 8,466 | 0 | 8,466 |
| 21 | 2023/24 | 0 | 8,541 | 0 | 0 | 8,541 | 0 | 0 | 0 | 8,541 | 0 | 8,541 |
| 22 | 2024/25 | 0 | 8,618 | 0 | 0 | 8,618 | 0 | 0 | 0 | 8,618 | 0 | 8,618 |
| 23 | 2025/26 | 0 | 8,695 | 0 | 0 | 8,695 | 0 | 0 | 0 | 8,695 | 0 | 8,695 |
| 24 | 2026/27 | 0 | 8,773 | 0 | 0 | 8,773 | 0 | 0 | 0 | 8,773 | 0 | 8,773 |
| 25 | 2027/28 | 0 | 8,853 | 0 | 0 | 8,853 | 0 | 0 | 0 | 8,853 | 0 | 8,853 |
| 26 | 2028/29 | 0 | 8,934 | 0 | 0 | 8,934 | 0 | 0 | 0 | 8,934 | 0 | 8,934 |
| 27 | 2029/30 | 0 | 9,016 | 0 | 0 | 9,016 | 0 | 0 | 0 | 9,016 | 0 | 9,016 |
| 28 | 2030/31 | 0 | 9,100 | 0 | 0 | 9,100 | 0 | 0 | 0 | 9,100 | 0 | 9,100 |
| 29 | 2031/32 | 0 | 9,185 | 0 | 0 | 9,185 | 0 | 0 | 0 | 9,185 | 0 | 9,185 |
| 30 | 2032/33 | 0 | 9,271 | 0 | 0 | 9,271 | 0 | 0 | 0 | 9,271 | 0 | 9,271 |

HRA BUSINESS PLAN ASSUMPTIONS

1. The HRA Business Plan has been revised with 2003/04 as its new base year and continuing for 30 years to 2032/33. Assumptions made in completing this plan include:
 - The number of Council dwellings at the start of the base year is 14,874 (including the authority's share of shared ownership dwellings).
 - The assumed consolidated rate of interest is in the range 5.00% to 5.62% until 2008/09 and 5.25% thereafter for housing subsidy and capital financing purposes.
 - The general rate of inflation assumed is 2.5% throughout the 30-year period.
 - The HRA will meet a capital charge of 6% on the value of its Housing assets.
 - Rent Rebates will be removed from the HRA from April 2004 apart from assumed transitional costs in 2004/05 and 2005/06 of moving to the general fund.

2. The following assumptions related to income have been made:
 - Rents will rise by 3% pa in 2003/04 and by 3.9% in 2004/05 to 2011/12 and by 3% pa thereafter.
 - Voids will be 2.33% in 2003/04 and 2% pa thereafter. The provision for bad debts has been estimated for 2003/04 using a government formula. Future years forecasts assume a combination of inflation on rents and falling debt levels.
 - Service charges will rise at the same rate as rents.
 - Disposals assumed through Right to Buy sales are 350 in 2003/04, 437 in 2004/05 (including 137 demolitions), 250 per year until 2013/14, 187 in 2014/15 falling by 3 dwellings per year until 2029/30 and by 2 dwellings per year in the last two years of the plan. The closing stock, including shared ownership dwellings, at the end of the plan is 8,927 dwellings.
 - Notional allowances for supervision and management and repairs and maintenance for 2004/05 are set at the levels shown in the Housing Subsidy Determination 2004/05 December 2003. These allowances are assumed to rise in real terms by 6.0% pa in 2005/06 and by general inflation of 2.5% thereafter.
 - The Major Repairs Allowance will rise by general inflation of 2.5% pa throughout the 30-year term of the plan.
 - Notional rent income will rise by 5.72% in 2004/05, by 5.55% in 2005/06, by 3.9% in years 2006/07 to 2011/12 and by 2.5% pa thereafter.

- Credit Approvals will be in line with the authority's Building Costs Model recently submitted, subject to receipt of actual notifications and revised forecasts.
- The allowance for ALMO Subsidy is 10% in 2003/04 and remains at 8% until April 2010 and thereafter 5.25% for the remainder of the plan. This recognizes the recently notified ALMO subsidy rate and its duration and the abolition of Minimum Revenue Provision from April 2004.
- The increase in general inflation for Statutory rebates and Community Facilities will be offset by reduced activity.

3. Expenditure has been estimated using the following assumptions:

- All actual management and revenue maintenance costs will increase in real terms by 3% in real terms in 2003/04 plus some one-off additional increases in that year relating mainly to insurance and pension costs, and by 0.5% in real terms for the remainder of the 30 year term.
- Actual management costs will vary according to the average level of the stock of dwellings except costs relating to insurances. These remain fixed for the life of the tender (currently 5 years).
- All revenue maintenance costs will vary according to the average level of the stock of dwellings. These costs also include assumed efficiency savings of £200,000 per year from 2004/05 following the introduction of partnering arrangements. A further reduction of £150,000 per year is anticipated in the last 10 years of the plan.
- Only 2003/04 assumes receipt of supporting people grant and spending of the windfall.

4. Additional Assumptions include:

- No capital financing resources other than credit approvals, Supported Capital Expenditure (Revenue) and the MRA will be available in years 2003/04 to 2012/13. Thereafter no capital financing resources will be available other than the MRA.
- The thirty-year plan has been constructed assuming a minimum HRA working balance of around £1 million after 2003/04. Reserves built up in the short to medium term will be required to help secure the longer-term position of the HRA. Some of the reserves have been earmarked initially, to be reviewed each year to maintain an overall balanced position over the 30 year life of the plan.
- The plan takes no account of any business development outside of the HRA the ALMO may undertake in future years.

APPENDIX 4

| Year | Expenditure | | | | | | | | | | Income | | | | | | | | | |
|---------|-------------------------|---------------------------------------|------------------------------------|--------------|----------------------------|------------------------------|------------------------|-------------------|------------|------------------------------------|-------------------------------|---|-------------------------------------|--------------|---------------------------|-------------------------|----------|-------------------------|--|--|
| | Major Repairs Allowance | Contribution to Repairs Account (net) | Provision for bad & doubtful debts | Rent Rebates | Supervision and Management | Capital Financing Mainstream | Capital Financing ALMO | Total Expenditure | Gross Rent | HRA Subsidy (Payable) (Mainstream) | HRA Subsidy Receivable (ALMO) | HRA Subsidy Receivable/ Payable (Total) | Community Facilities & Other Income | Total Income | Net Income/ (Expenditure) | Balance Brought Forward | Interest | Balance Carried Forward | | |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | | |
| 2003/04 | 7,650 | 8,673 | 1,150 | 21,400 | 11,979 | 7,991 | 760 | 59,603 | 34,733 | 21,017 | 3,110 | 24,127 | 249 | 59,109 | -494 | 1,011 | 32 | 549 | | |
| 2004/05 | 7,630 | 8,374 | 875 | 200 | 11,791 | 4,989 | 2,486 | 36,345 | 35,476 | (1,706) | 6,478 | 4,773 | 172 | 40,421 | 4,077 | 549 | 110 | 4,736 | | |
| 2005/06 | 7,636 | 8,419 | 900 | 100 | 12,317 | 5,061 | 3,643 | 38,077 | 35,951 | (1,539) | 6,478 | 4,939 | 181 | 41,071 | 2,995 | 4,736 | 265 | 7,995 | | |
| 2006/07 | 7,591 | 8,516 | 925 | 0 | 12,369 | 4,879 | 4,154 | 38,435 | 36,726 | (2,160) | 6,478 | 4,318 | 190 | 41,234 | 2,800 | 7,995 | 399 | 11,194 | | |
| 2007/08 | 7,643 | 8,611 | 950 | 0 | 12,472 | 5,055 | 4,276 | 39,007 | 37,460 | (2,455) | 6,478 | 4,023 | 200 | 41,683 | 2,676 | 11,194 | 533 | 14,403 | | |
| 2008/09 | 7,692 | 8,704 | 975 | 0 | 12,581 | 5,048 | 4,303 | 39,303 | 38,198 | (2,899) | 6,478 | 3,579 | 210 | 41,987 | 2,684 | 14,403 | 669 | 17,756 | | |
| 2009/10 | 7,739 | 8,795 | 1,000 | 0 | 12,626 | 5,017 | 4,268 | 39,445 | 38,925 | (3,395) | 6,478 | 3,083 | 221 | 42,228 | 2,784 | 17,756 | 814 | 21,353 | | |
| 2010/11 | 7,783 | 9,063 | 1,025 | 0 | 12,736 | 5,043 | 4,268 | 39,918 | 39,656 | (3,884) | 4,251 | 367 | 232 | 40,255 | 337 | 21,353 | 915 | 22,604 | | |
| 2011/12 | 7,825 | 9,151 | 1,050 | 0 | 12,868 | 5,096 | 4,268 | 40,258 | 40,387 | (4,383) | 4,251 | -132 | 243 | 40,498 | 241 | 22,604 | 966 | 23,811 | | |
| 2012/13 | 7,864 | 9,236 | 1,075 | 0 | 12,947 | 5,122 | 4,268 | 40,512 | 40,756 | (4,593) | 4,251 | -341 | 256 | 40,671 | 159 | 23,811 | 1,015 | 24,985 | | |
| 2013/14 | 7,900 | 9,465 | 1,100 | 0 | 13,077 | 5,122 | 4,268 | 40,932 | 41,125 | (4,832) | 4,251 | -580 | 269 | 40,813 | -119 | 24,985 | 1,059 | 25,925 | | |
| 2014/15 | 7,933 | 9,422 | 1,125 | 0 | 13,198 | 5,122 | 4,268 | 41,068 | 41,593 | (5,070) | 4,251 | -819 | 282 | 41,056 | -12 | 25,925 | 1,102 | 27,015 | | |
| 2015/16 | 7,963 | 9,551 | 1,150 | 0 | 13,299 | 5,122 | 4,268 | 41,353 | 42,159 | (5,305) | 4,251 | -1,054 | 297 | 41,402 | 50 | 27,015 | 1,149 | 28,214 | | |
| 2016/17 | 8,032 | 9,682 | 1,175 | 0 | 13,152 | 5,122 | 4,268 | 41,431 | 42,725 | (5,600) | 4,251 | -1,349 | 312 | 41,688 | 256 | 28,214 | 1,205 | 29,675 | | |
| 2017/18 | 8,103 | 9,814 | 1,200 | 0 | 13,335 | 5,122 | 4,268 | 41,843 | 43,290 | (5,901) | 4,251 | -1,649 | 327 | 41,968 | 125 | 29,675 | 1,264 | 31,064 | | |
| 2018/19 | 8,174 | 9,949 | 1,225 | 0 | 13,553 | 5,122 | 4,268 | 42,291 | 43,854 | (6,206) | 4,251 | -1,955 | 344 | 42,243 | -48 | 31,064 | 1,319 | 32,336 | | |
| 2019/20 | 8,246 | 10,086 | 1,250 | 0 | 13,774 | 5,122 | 4,268 | 42,746 | 44,416 | (6,517) | 4,251 | -2,266 | 361 | 42,512 | -234 | 32,336 | 1,369 | 33,471 | | |
| 2020/21 | 8,318 | 10,225 | 1,275 | 0 | 14,000 | 5,122 | 4,268 | 43,208 | 44,978 | (6,834) | 4,251 | -2,583 | 380 | 42,775 | -434 | 33,471 | 1,413 | 34,450 | | |
| 2021/22 | 8,392 | 10,366 | 1,300 | 0 | 14,231 | 5,122 | 4,268 | 43,678 | 45,638 | (7,154) | 4,251 | -2,902 | 399 | 43,135 | -543 | 34,450 | 1,453 | 35,360 | | |
| 2022/23 | 8,466 | 16,509 | 1,325 | 0 | 14,466 | 5,122 | 4,268 | 50,156 | 46,297 | (7,476) | 4,251 | -3,225 | 419 | 43,492 | -6,664 | 35,360 | 1,361 | 30,056 | | |
| 2023/24 | 8,541 | 16,408 | 1,350 | 0 | 14,706 | 5,122 | 4,268 | 50,395 | 46,955 | (7,805) | 4,251 | -3,553 | 440 | 43,842 | -6,553 | 30,056 | 1,138 | 24,642 | | |
| 2024/25 | 8,618 | 16,458 | 1,375 | 0 | 14,951 | 5,122 | 4,268 | 50,792 | 47,612 | (8,140) | 4,251 | -3,888 | 462 | 44,186 | -6,606 | 24,642 | 907 | 18,943 | | |
| 2025/26 | 8,695 | 16,510 | 1,400 | 0 | 15,201 | 5,122 | 4,268 | 51,196 | 48,267 | (8,481) | 4,251 | -4,230 | 486 | 44,523 | -6,673 | 18,943 | 663 | 12,933 | | |
| 2026/27 | 8,773 | 15,564 | 1,425 | 0 | 15,457 | 5,122 | 4,268 | 50,609 | 48,921 | (8,830) | 4,251 | -4,578 | 510 | 44,853 | -5,756 | 12,933 | 427 | 7,604 | | |
| 2027/28 | 8,853 | 10,636 | 1,450 | 0 | 15,718 | 5,122 | 4,268 | 46,047 | 49,574 | (9,185) | 4,251 | -4,934 | 536 | 45,176 | -871 | 7,604 | 305 | 7,038 | | |
| 2028/29 | 8,934 | 10,788 | 1,475 | 0 | 15,986 | 5,122 | 4,268 | 46,573 | 50,225 | (9,548) | 4,251 | -5,297 | 563 | 45,492 | -1,081 | 7,038 | 276 | 6,233 | | |
| 2029/30 | 9,016 | 10,944 | 1,500 | 0 | 16,259 | 5,122 | 4,268 | 47,110 | 50,975 | (9,919) | 4,251 | -5,667 | 592 | 45,899 | -1,210 | 6,233 | 239 | 5,261 | | |
| 2030/31 | 9,100 | 11,103 | 1,525 | 0 | 16,539 | 5,122 | 4,268 | 47,657 | 51,723 | (10,297) | 4,251 | -6,046 | 622 | 46,299 | -1,358 | 5,261 | 195 | 4,099 | | |
| 2031/32 | 9,185 | 11,264 | 1,550 | 0 | 16,825 | 5,122 | 4,268 | 48,214 | 52,370 | (10,684) | 4,251 | -6,432 | 653 | 46,591 | -1,624 | 4,099 | 140 | 2,615 | | |
| 2032/33 | 9,271 | 11,426 | 1,575 | 0 | 17,117 | 5,122 | 4,268 | 48,780 | 53,115 | (11,077) | 4,251 | -6,826 | 686 | 46,975 | -1,804 | 2,615 | 73 | 883 | | |

Rent Plan
Calculation of Formula, Guideline and Limit Rent 2003/04

| | |
|--|----------------------------------|
| <p>The guideline rent to calculate housing subsidy in 2002/3 is</p> <p>If rent restructuring were not occurring, this would increase by 3.25% (£1.24) to This is new guideline BEFORE restructuring</p> | <p>38.22</p> <p>39.46</p> |
| <p>Restructuring is occurring so we need to consider the "formula" rent, which is the long term target, at which ODPM intend guideline, and limit (for subsidy) will converge</p> | |
| <p>To work out formula rent we first note that ODPM have calculated the 2001/02 figure as last year rents went up by 3.5%, and this year by 3.25% - so inflating this the 2003/04 Formula rent is</p> | <p>43.35</p> <p>46.33</p> |
| <p>We can now calculate the restructuring adjustment</p> <p>This is calculated as 46.33 less 39.46</p> <p>but it is now phased over 9 years so the adjustment next year is</p> <p>which equals</p> | <p>6.86</p> <p>0.76</p> |
| <p>Therefore 2003/4's guideline rent is</p> | <p>40.22</p> |
| <p>We now consider the limit rent (for housing subsidy), which in 2002/3 is This first increases by 3.25% to</p> | <p>43.41</p> <p>44.82</p> |
| <p>This too is intended to converge to the formula rent over 10 years, so it is adjusted for restructuring from 44.82 to 46.33</p> <p>but it is now phased over 9 years so the adjustment next year is</p> <p>which equals</p> | <p>1.51</p> <p>0.16</p> |
| <p>Therefore, the limit rent in 2003/4 is</p> | <p>44.98</p> |

| RENT PLAN | | | | |
|---|-------------|----------------|--------------|------------------|
| 2001/02 to 2003/04 ACTUALS & FUTURE YEARS' FORECASTS | | | | |
| YEAR | YEAR | Formula | Limit | Guideline |
| Date | No | Rent | Rent | Rent |
| 2001/02 | 0 | 43.40 | 41.78 | 36.21 |
| 2002/03 | 1 | 44.92 | 43.41 | 38.22 |
| 2003/04 | 2 | 46.33 | 44.98 | 40.22 |
| 2004/05 | 3 | 47.92 | 46.85 | 42.52 |
| 2005/06 | 4 | 49.71 | 48.79 | 44.93 |
| 2006/07 | 5 | 51.57 | 50.77 | 47.44 |
| 2007/08 | 6 | 53.49 | 52.83 | 50.07 |
| 2008/09 | 7 | 55.49 | 54.98 | 52.83 |
| 2009/10 | 8 | 57.43 | 57.08 | 55.59 |
| 2010/11 | 9 | 59.44 | 59.26 | 58.49 |
| 2011/12 | 10 | 61.52 | 61.52 | 61.52 |

| IMPROVEMENT ACTION PLAN – HOUSING MANAGEMENT | | | | |
|---|--|--------------------|---------------|---------------|
| Action | Objective | Target Date | | |
| | | 2003-4 | 2004-5 | 2005-6 |
| IAP 1 | Continue to provide an efficient and responsive service that is better value for money. | | ✓ | |
| IAP 2 | To encourage tenants to hold longer tenancies and comply with conditions of tenancy. | ✓ | | |
| IAP 3 | To provide a customer focussed service, which works towards mutually agreed targets. | ✓ | | |
| IAP 4 | To provide tenants with correct benefit entitlement within 28 days of receipt of completed claim. | ✓ | | |
| IAP 5 | To reduce the level of outstanding rent. | ✓ | | |
| IAP 6 | To ensure balanced communities and better manage the issue of former tenants debts. | | ✓ | |
| IAP 7 | To increase ease/choice of payment methods for customers. | ✓ | | |
| IAP 8 | To deal with cases more consistently and more effectively. | | ✓ | |
| IAP 9 | Achieve more efficient multi-agency solutions to anti-social behaviour and crime. | ✓ | | |
| IAP 10 | To empower communities to help tackle crime and anti-social behaviour. | ✓ | | |
| IAP 11 | Consistent approach to repairs service delivery. | ✓ | | |
| IAP 12 | Improve tenant satisfaction and reduce the amount of work cancelled due to access issues. | ✓ | | |
| IAP 13 | Increase the amount of work carried out within the budget. | ✓ | | |
| IAP 14 | Realistic timescales for works. | | Completed | |
| IAP 15 | Increase ownership in local communities. | | ✓ | |
| IAP 16 | Increase awareness and provide more choice to customers. Break down barriers that prevent BME groups from accessing the sector. | ✓ | | |
| IAP 17 | Reduce the length of time properties are left empty. | | ✓ | |
| IAP 18 | Give priority to involvement in Neighbourhood Renewal and other neighbourhood initiatives such as Single Regeneration Budget and New Deal for Communities. | | ✓ | |
| IAP 19 | Create demand from target groups/identify feasible options for future use of accommodation/tenure diversification. | | ✓ | |
| IAP 20 | Be more responsive to the residents needs. | ✓ | | |
| IAP 21 | To improve the level of satisfaction and improve the leaseholder service charge billing process. | ✓ | | |
| IAP 22 | Involving more tenants and leaseholders in the process of setting, monitoring and reviewing service standards. | | ✓ | |
| IAP 23 | Make tenant involvement more effective and develop the capacity of active tenant representation. | | ✓ | |
| IAP 24 | To give tenants access to a clear and easy way to get involved. | | ✓ | |
| IAP 25 | To provide a sound support service to the Housing Management Service. | | ✓ | |
| IAP 26 | Achieve 'Decent Homes Standard' throughout the stock by end of 2005-06. Develop and work towards Derby Decency Plus. | | | ✓ |
| IAP 27 | As identified in a report to Policy Committee on 17 October 2001. (Review warden services). | | | ✓ |
| IAP 28 | To achieve the full use of systems currently available to us for the improvement of management information purposes. | | ✓ | |
| IAP 29 | To ensure staff receive high quality training which equips them to deliver a high quality service to customers. | | | |

IMPROVEMENT ACTION PLAN – MAINTENANCE

| Action | Objective | Target Date | | |
|--------|---|-------------|--------|--------|
| | | 2003-4 | 2004-5 | 2005-6 |
| IAP 1 | To meet the needs of the community and the needs of current and future tenants. | | ✓ | |
| IAP 2 | Increase customer involvement and work towards a take-up of work of 100%. | ✓ | | |
| IAP 3 | Set up long term partnership arrangements with contractors whilst addressing these issues. | ✓ | | |
| IAP 4 | Develop long term strategic and project partnering agreements to achieve Best Value. | ✓ | | |
| IAP 5 | Meet the choice needs of current and future tenants in the design of improvement schemes. | ✓ | | |
| IAP 6 | Increase the number of local people employed in the delivering improvement and maintenance of Council homes. | | ✓ | |
| IAP 7 | To adopt a just in time maintenance strategy. | | | ✓ |
| IAP 8 | Meet the needs of local communities. | ✓ | | |
| IAP 9 | Provide choice for all members of the community. | ✓ | | |
| IAP 10 | Ensure that all services provided by the improvement and maintenance of Council homes meet the needs and satisfy the requirements of the customers. | ✓ | | |
| IAP 11 | To work with partners to provide a proactive programmed system of inspection, serving and repair and retain a comprehensive records of such work. | | ✓ | |

DERBY HOMES SENIOR MANAGEMENT TEAM

