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Executive Summary

Our Vision

This Original Business Plan set out our proposals to:

- Increase housing investment in the Council's housing stock from the current level of £6 million per annum to over £11 million per annum over the next 5 years
- Bring all homes to the minimum Decent Homes Standard by 2010 and maintain the standard thereafter
- Bring all homes to the higher local Lincoln Standard by 2016 and maintain that standard thereafter
- Re-organise and modernise the housing management and responsive repairs services to make substantial savings in running costs to put extra revenue into capital works
- Work more efficiently to strive to improve the quality of the housing service - the Audit Commission has rated the Council's Housing Landlord Service as being a fair service with promising prospects for improvement.

The HRA Business Plan proposed a significant change programme to deliver £1.5 million savings in the revenue programme and a major restructuring and modernisation programme for the housing service.

The Business Plan sets out a very clear Action Plan containing 26 key activities programmed over the period 2006/2011 to deliver the Council's Stock Retention Strategy, each activity being assigned to a lead officer.

The Business Plan Update

This Business Plan Update reflects on the progress made in the first year of the plan whilst setting out budget proposals for the next five years.

The update also looks ahead with new actions being set in the Action Plan to ensure that we are reacting to the changing demands on the service.

Highlights for 2006/07

- Development of an asset disposal strategy to achieve £6.25m capital receipts by 2007 – over £5m achieved to date.
- Target savings of £300k in management costs achieved through restructuring & voluntary redundancies (subject to decision on call-in on future of Birchwood office)
- New partnering contracts for Decent Homes programme and gas servicing & maintenance tendered and let. 17 staff TUPE transferred. Pilot Decent Homes Programme commenced and full programme to 2010 agreed.
- Rolling programme of Decent Homes Surveys commenced and 97% of stock surveyed.
- New Craft Development Scheme negotiated with unions and operatives and implemented.
- New electronic job allocation system specified and tendered.
- Workforce levels reviewed and implemented
- Review of Schedule of Rates commenced – due to report with recommendations by February 2007.
- Review of Depots commenced, 2 sub-depots closed, site for new shared central depot identified and procured. Tenders for works issued and contract let for completion April 2007.

HRA Business Plan

Key Objectives for 2007/08

- Embed the changes to the Directorate organisation and management structure.
- Roll out the Decent Homes Programme
- Complete mini – options appraisal for high cost stock.
- Implement a revised Schedule of Rates linked to the new “real time” job allocation system.
- Further embed the new performance management system and develop actions plans to address underperformance in key BVPI's.
- Move to the new central depot and embed new mobile working arrangements linked to the revised schedule of rates, Craft Development scheme and job allocation system to improve repairs performance and expand repairs appointment system.
- Complete reviews of stores system and joiners shop.
- Review service standards and information leaflets for tenants
- Review opportunities for improved tenant participation.

This 'Plan Update' expands on the highlights and key objectives in more detail.

Tenant and Member Support for this Business Plan

This Business Plan update has been prepared in consultation with Elected Members and tenant representatives.

Tenant representatives will be closely involved in monitoring delivery of the Business Plan through the Tenant Advisory Panel and Service Improvement Panels. The Policy Review Scrutiny Committee will also monitor the plan.

HRA Business Plan

Introduction

This is the first revision of the Business Plan that was developed following the Housing Stock Option Appraisal in 2005. The purpose of this document is to review our position since the last Business Plan and to realign our financial position in line with delivering our goal of delivering the Government's Decent Homes target by December 2010.

This document should be read in conjunction with the Housing Strategy and the HRA Business Plan 2006-2011, copies of which can be found at the Council Offices and on the Council's web site at <http://www.lincoln.gov.uk>.

This document will therefore reflect back on the last twelve months and look at what we have achieved against the original Action Plan and set out targets for 2007/08 onwards.

The key elements of this business plan continue to be the condition and future needs of the housing stock, the financial position of the Housing Revenue Account and our priorities for action.

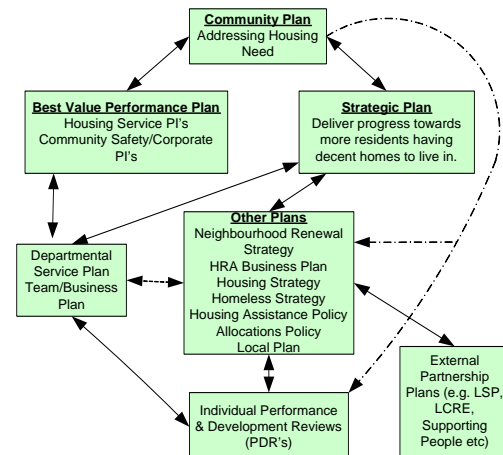
The wide range of activities undertaken within the Directorate includes many of the services our customers think of first when they are asked what their Council does for them. The issues most important to our tenants are "a high quality repair service, affordable rents and a high standard of housing management" (Survey conducted July 2004). The responsibility this brings in defining whether people feel that they have a good Council housing service or a bad one is appreciated and taken very seriously. The work detailed in this Business Plan will reinforce the view that Lincoln's council housing service is efficient, well managed and always seeking to listen and improve.

Strategic Context

There are clear linkages between Directorate / Service activity and the high level objectives that are expressed in the Council's Strategic Plan and the Community Plan prepared by the Lincoln Local Strategic Partnership. This is referred to as the 'Golden Thread'. It ensures a continual

focus on doing things that contribute to the high level objectives, particularly the Council's seven key priorities.

The framework starts with our high level policies, the Community Plan, the Council's Strategic Plan and Best Value Performance Plan. These set out the vision by which the Council will operate and steer the organisation.



The formalised process for maintaining the 'Golden Thread'.

In 2006 the Council revised their Strategic Plan priorities and these are reflected in the revised Action Plan that demonstrates the links between the strategies as shown in the Action Plan on page 25 of this Business Plan.

Our Housing Strategy

This Business Plan is an essential component of the overall Housing Strategy, which sets a vision and strategic framework for all housing tenures in the City of Lincoln. The Housing Strategy, which covers the five years effective from 2006, provides a basis for housing activity in the city and so places the Council's housing stock in a wider context. The Priorities for Action in this Plan support the priorities identified in the Housing Strategy, for example, the provision of a housing stock that meets the Decent Homes Standard.

The Housing Strategy was externally examined by Government Office and confirmed in July 2006 that it was 'fit for purpose'.

Developed jointly with our partners and community groups, the Strategy sets out the priorities and objectives to meet the Housing needs and aspirations of the local communities. The Strategy reports on our achievements and progress to date and provides a summary of the key local, regional and national influences that impact on local housing services.

The Council has prioritised its strategic and enabling role recently, one of the key decisions the Council made in 2004 was to establish a strategic housing service in its own right that would assess housing need and find housing solutions for those people less able to compete in the housing markets, those in need of accommodation and those who have difficulty in adapting their home to maintain independent living. Our focus has widened to ensure communities have a quality of life as well as choice.

The Council will continue to explore innovative solutions for meeting the housing needs of all community groups with emphasis on more new affordable homes. The Strategy will be reviewed annually and a fundamental review will be undertaken by 2009 by which time another Housing Market Assessment will be carried out and fed into the process.

Within this larger context, the Council's housing stock, of 8,068 properties for rent as at 31st March 2006, is a key asset to the City and involves a number of stakeholders; principally our tenants who live in the homes, but also prospective tenants, staff, unions and contractors who work in support of the stock every day.

The housing strategy covers the five year period, 2006 – 2011 and identifies five key objectives, ranking them accordingly:

Objective 1

To achieve a mixed and balanced housing market.

Objective 2

To promote housing renewal and improve housing conditions in the private sector.

Objective 3

To improve engagement with, and support for, a diverse community.

Objective 4

To contribute to the development of the City of Lincoln as one of the key priority Urban Areas in the East Midlands and to play a lead role in the development of the Regional Housing Strategy and the sub-regional housing agenda.

Objective 5

To improve housing services and standards for Council and Housing Association tenants.

The actions identified within the Priorities for Action for the Business Plan (updated and illustrated on page 25) show how this Plan supports these Housing Strategy targets. The Housing Strategy also looks at the options available for dealing with the identified priorities and makes comparisons of the options available. There was a Best Value Service Review (BVSR) of the Core Landlord Service in 2002 and a subsequent inspection by the Audit Commission's Housing Inspectorate in 2003. The subsequent report has been taken into account in respect of future Housing Revenue Account activity.

Our Corporate Decision Making Process

Housing has a great impact on all aspects of peoples' lives and the Council recognises how critical its role is as a strategic housing authority.

In May 2002 following extensive preparations the Council moved to a new structure for decision-making. Key decisions are taken by an Executive Committee, which comprises seven portfolio holders who take responsibility for all the Council's activities across the following portfolios:

- **Corporate Issues and Performance Management**
- **Environment**
- **Housing**
- **Leisure, Sport & Culture**
- **Planning Policy**
- **Regeneration & Tourism**
- **Social Inclusion**

Key Policy decisions are made at Executive level such as the distribution of capital

HRA Business Plan

expenditure across the various portfolios mentioned above.

Decisions on the level of resources spent on housing and housing related projects are therefore considered by elected members whilst taking into account individual priorities and remembering the important additional benefits that can be delivered across other priorities.

In 2006 the Council revised its Constitution to strengthen the scrutiny role by establishing 3 new key Scrutiny Committees, listed below and shown in Appendix '1';

- A Policy Development Scrutiny Committee
- A Policy Review Scrutiny Committee
- A Performance Scrutiny Committee

1. A Strategic Long Term Approach to Maintain Decent and Sustainable Homes

1.1 The Business Plan

The stock option appraisal process carried out in 2004/05 provided an opportunity for the Council and its tenants to review the housing stock, to identify the funding necessary to make improvements to tenants homes and agree on the most appropriate investment option(s) that the Government had set out.

The Council on 2nd June 2005 considered the outcome of the option appraisal and decided to pursue the option of stock retention under Council ownership and management. The Council and its tenants recognised that this option was not a decision for the 'status quo' and the Business Plan set out how we intended to deliver increased investment over the next 5 years to achieve the Decent Homes Standard (the Government's minimum standard for Council housing) by 2010 and meet tenants aspirations for further improvement to their homes (a standard known as the Lincoln Standard) by 2016.

The Business Plan set out our vision to:

- Increase housing investment in the Council's housing stock from the current level of £6 million per annum to over £11 million per annum over the next 5 years
- Bring all homes to the minimum Decent Homes Standard by 2010 and maintain the standard thereafter
- Bring all homes to the higher local Lincoln Standard by 2016 and maintain that standard thereafter
- Re-organise and modernise the housing management and responsive repairs services to make substantial savings in running costs to put extra revenue into capital works
- Work more efficiently to strive to improve the quality of the housing service.

The component parts to deliver the vision are set out in the Business Plan and are summarised as:

- A new 5 year Financial Strategy for 2006-2011 projected forward to 2036
- The maintenance of capital investment over the longer term by a combination of Major Repairs Allowance, Right to Buy Receipts and Direct Revenue Funding from surpluses on the Housing Revenue Account.
- Utilising, where appropriate, resources from the disposal of land and other non-dwelling properties
- Delivering operational efficiencies/changes to make the necessary revenue savings to increase the level of Direct Revenue Finance.

This Business Plan identifies 3 subcomponents to underpin the Financial Strategy by delivering operating efficiencies through:

- A new Procurement Strategy based on the 'Egan' principles of partnering, to deliver improved efficiencies in the Housing Investment Programme.
- Changes to the Housing Management Organisation to deliver target savings of £300k by 2011
- Modernisation of the Responsive Repairs Service and the Council's Operational Services Division to deliver target savings of £1.2m by 2011.

The Action Plan in the 2006-2011 Business Plan set out how the City Council aimed to achieve the targets to enable Decent Homes and elements of the Lincoln Standard to be met. The updated Action Plan is shown in Section 9 of the Business Plan.

'Sign Off' Process

The 2006-2011 Housing Revenue Account Business Plan was also submitted to the Government Office for the East Midlands (GOEM) by 31st August 2005.

GOEM confirmed, in a letter dated 29th November 2005 to the Chief Executive, that the Option Appraisal had been carried out as required by the Office of the Deputy Prime Minister (ODPM) guidance and met the criteria set out in Annex D of that guidance and consequently had been 'signed off'. GOEM stated that they were satisfied that there had been a thorough

HRA Business Plan

approach and the general assumptions made were sensible.

In the submission the City Council acknowledged the need to undertake a further option appraisal in 5 years time. Over and above this there will be a mechanism in place for an annual review of the Business Plan and this should draw out specifically the assumptions made in the Option Appraisal report, including progress against the Action Plan contained within the HRA Business Plan. This first revision does just that.

In addition to a further appraisal GOEM have stipulated that there should be a formal mechanism for monitoring and reporting the following issues (against the baseline established within the option appraisal):

- Service improvements and performance
- Tenant satisfaction and engagement
- Progress towards decent homes, stock condition survey works and the Lincoln Standard
- Delivery of the Strategic Role
- This information should then be made available to tenants, members and staff.

The HRA Business Plan proposed a significant change programme to deliver £1.5 million savings in the revenue programme and a major restructuring and modernisation programme for the housing service.

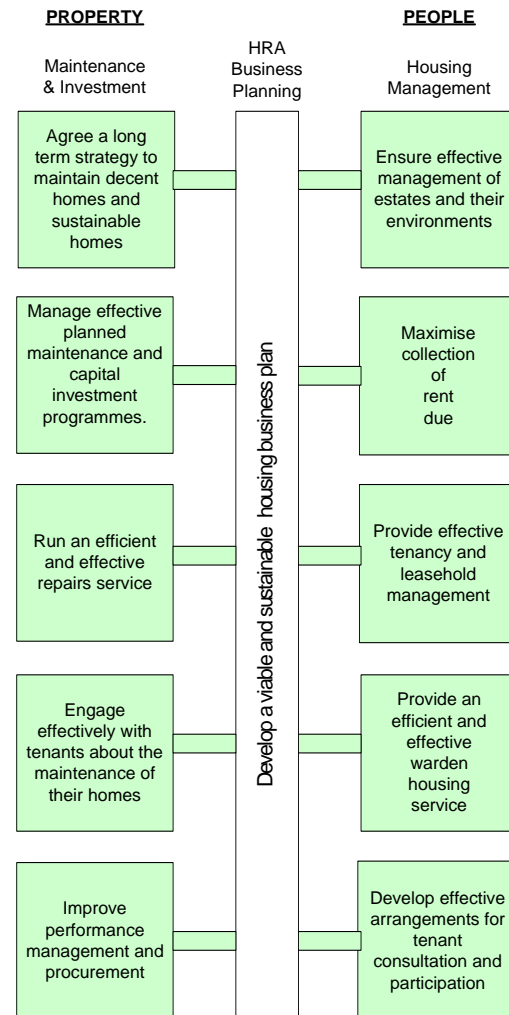
1.2 Delivering Our Services

Staff in two service areas within the Housing and Community Services Directorate delivers the Housing Landlord Service; the Maintenance and Investment Group and the Housing Services Group.

A key element in the Business Plan Action Plan was to make changes to the Housing Management organisation to deliver target savings of £300,000. The service has undergone a yearlong restructure involving full consultation with staff and unions. The exercise resulted in some 47 posts being made redundant in the existing

organisation. The new structure can be seen at Appendix '2'.

Proposals to change the way we manage through local Housing Offices are being reviewed.



1.3 Stock condition

Data sources

A target was set within the Business Plan Action Plan to complete 100% Decent Homes Inspections by the end of December 2006.

The survey of all council housing has now been completed, with the exception of 241 properties where access is being followed up. At 31st January 2007 we had completed surveys to 97% of the whole stock. This information is allowing work to go ahead with our partners to plan in detail the remaining programme.

HRA Business Plan

Keeping our information up to date

The Council has invested in new Asset Management software (e-State Pro) that can hold the survey information and project investment requirements based on our knowledge of the condition of the stock. Other property information about repairs histories is held on our Universal Integrated Housing Management System

Our housing stock

At the 1st April 2006 the Council had a housing stock of 8,301 properties in the City, 233 are leasehold and 8068 rented of which 393 are sheltered homes for older people and 300 are high-rise flats.

As well as the 8,068 rented properties the Council also owns 1462 garages and 300 garage plots

Achieving the Decent Homes Standard

Much of year one of the Business Plan was spent setting up the Partnering arrangements with the successful partners (Kier and Aaron Services). Following consultation with our tenant representatives a pilot decent homes scheme was carried out on the Hartsholme Estate during 2006.

Based on latest survey information 63% of our homes comply with the Decent Homes Standard. We have the resources to achieve the Decent Homes Standard by 2010.

The relative non-decency levels of each of our different housing areas (A to K) has been used to inform and alter the sequence in which each area is tackled and the programme was agreed at the Council's Executive on the 29th January 2007.

All areas 2006 Non Decent as follows:

ERMINE EAST	A	18.35%
ST GILES	B	18.72%
NEWPORT	C	37.54%
CITY CENTRE	D	43.41%
TOWER/STAMP END	E	28.55%
BIRCHWOOD	F	33.10%
HARTSHOLME	G	42.56%
BOULTHAM	H	34.55%
MANSE	J	19.89%
ERMINE WEST	K	26.30%

In addition the Council takes seriously its obligations to comply with Health and Safety requirements and any other statutory legislation. There is a need for expenditure on communal areas, security, fencing, ventilation, fire safety and plastering - all of which contribute to the quality of life for our tenants.

A Fire Risk Assessment Survey was carried out during 2006 to comply with new regulations and an additional expenditure of approximately £300,000 has been identified for necessary works. Whilst this was not undertaken during 2006/07 it is intended to carry forward the resources to undertake the work in 2007/08.

Decent Homes Targets to 2010

Our targets for the number of Properties predicted to be Non Decent on 1st April has been set for the next 3 years as follows:

2007/2008 – 37%

2008/2009 – 33%

2009/2010 – 30%

Although it appears as if very little progress will be made during the 3 years, this is due to the Target being calculated on 1st April of each year. This means that although works are completed to properties during the year, more properties fall into non-decency e.g. require works on the 1st April, therefore actual properties requiring works are as follows:

Date	Projected Non Decent Properties	Works to non decent properties in year
1 st April 2007	3022	1032
31 st March 2008	1990	
1 st April 2008	2671	951
31 st March 2009	1720	
1 st April 2009	2419	1146
31 st March 2010	1273	
1 st April 2010	1946	1946
31st December 2010	0	0

A summary map of the Decent Homes Programme can be found in Appendix '3'

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Because of life expectancy of kitchens, bathrooms and other elements of the Decent homes Standard we will need to continue investment in the stock on a rolling programme beyond the 31st December 2010.

1.4 Engaging Tenants

Tenants have been central to the whole partnering process and been involved through:

- Tenant representation in the Partner selection process and formed part of the evaluation panel.
- A Core Strategy Group to oversee implementation of the Decent Homes programme with our partner contractors and includes the chair of the Tenants Advisory Panel to represent tenants views.
- Task Groups set up to deal with current issues. These have included Programme and Specification and Communications and Telephony to date
- Progress on the HRA Business Plan Action Plan and the Decent Homes Programme are reported at regular intervals to the Tenant Advisory Panel.
- A communication task Group that includes Member, Tenant and Officer Representation. All have been involved throughout the decision making process. The Group developed a Decent Homes Key Facts leaflet for all tenants along with a 'special' newsletter for the Pilot Scheme. A further newsletter was produced for all tenants throughout the City.

HRA Business Plan

2. Progress Report

2.1 What have we achieved in the last twelve months?

The HRA Business Plan proposed a significant change programme to deliver £1.5 million savings in the revenue programme and a major restructuring and modernisation programme for the housing service.

The Business Plan sets out a very clear Action Plan containing 26 key activities programmed over the period 2006/2011 to deliver the Council's Stock Retention Strategy, each activity being assigned to a lead officer.

The majority of actions have been completed and/or are on track to be completed on time.

In addition to the HRA Business Plan the Council has the Housing Strategy; another key documents setting out our strategic objectives for the Strategic Housing Service for the next 5 years through to 2011. Each has a clear action plan with key milestones attached and appointed lead officers assigned to deliver.

Original Action Plan and Progress

Action Plan 2

Development of an asset disposal strategy to achieve £6.25m capital receipts by 2007.

Progress

£5.25 million received to date through land at Woodfield Avenue and three "acquired" properties that were failing Decent Homes. A further plot of land has been identified as surplus to requirements and negotiations are all advanced.

Action Plan 4

Reduce costs of Housing Management

Progress

Target savings of £300k in management costs achieved through restructuring & voluntary redundancies.

Restructure process completed with 47 posts overall being made redundant. The

remaining savings were found through natural wastage.

Action Plan 5

Review role of Estate Caretakers

Progress –

Delayed as a result of feedback from consultation on restructuring and outcome of Service Charge Review. Review is ongoing, and outcomes to be implemented following a report to Executive.

Action Plan 6

Implementation of Service Charges .

Progress

Executive on the 19th February 2007 decided not to introduce service charges but to keep the matter under review and reconsider when the 2007/08 HRA Business Plan published.

Action Plan 8

Implement decent homes Delivery Plan

Progress

Programme agreed and being published on the Council's internal and external web sites.

Action Plan 10

Implement Procurement Strategy for Capital works

New partnering contracts for Decent Homes Programme and gas servicing & maintenance tendered and let. 17 staff TUPE transferred. Pilot Decent Homes Programme commenced and full programme to 2010 agreed.

The new Housing Partnership commenced on 1st April 2006 with our chosen Partners:

- Aaron Services Limited Central heating and Boiler Replacement, Gas Servicing and Repairs*
- Kier Support Services Decent Homes Programme including kitchens, bathrooms, rewiring, roofing etc.*

HRA Business Plan

Action Plan 12

Complete rolling programme of Stock Condition Surveys

Progress

With the cooperation of Kier, 97% of the stock surveys are now complete. The survey of all council housing has now been completed, with the exception of 241 properties where access is being followed up.

Action Plan 14

New Craft Development Scheme negotiated with unions and operatives and implemented.

Progress

New pay structure implemented July 2006. Craft development scheme evolving.

Action Plan 15

Investigate Mobile Working for all operatives and implement agreement

Progress

New electronic job allocation system specified and tendered. Suppliers chosen after competitive tendering and initial project development discussions indicate that the new process should be operational by July 2007.

Action Plan 16

Workforce levels reviewed and implemented

Progress

The new structure was agreed in July 2006 and following some tweaking and recruitment was launched in March 2007. The Housing Direct Labour was reduced from 110 to 70, most savings by voluntary redundancy with the remainder being achieved through natural wastage by 2010.

Action Plan 18

Complete Asset Management study for viability of all depots commenced, 2 sub-depots closed,

Progress

Review of depots commenced – 2 sub depots closed and site for new depot purchased at Beevor Street (Hamilton House) and occupation by the Council, Kier and Aaron by May 07.

Action Plan 19 & 20

Review Schedule of Rates and implement new schedule.

Progress

Started as part of the Salary negotiations and Resource Scheduling of workforce. Will be completed as part of the Resource Scheduling and Mobile Working implementation. Target amended to June 2007.

Action Plan 21-26

Review of Constitution and role of Tenant Advisory Panel.

Progress

Constitution agreed at executive on 8th January 2007. TAP members to take portfolio role on Service Improvement Panels.

The updated Action plan can be found at Section '9' of this plan.

2.2 What we intend to do in the next twelve months

Action Plan 11

Complete mini-option appraisal for high cost stock.

Linked Action Plan 12

Roll out the Decent Homes Programme

Action Plan 17

Complete reviews of stores system and joiners shop.

Linked Action Plan 17

Move to the new central depot and embed new mobile working arrangements linked to the revised schedule of rates, Craft Development scheme and job allocation system to improve

Action Plan 22

Review service standards and information leaflets for tenants

New Actions

- Embed the changes to the Directorate organisation and management structure.
- Utilise the outcome of the '360 degree' appraisals to fully identify management and leadership training needs & implement a management-training programme.
- Implement a revised Schedule of Rates linked to the new "real time" job allocation system.
- Further embed the new performance management system and develop actions plans to address underperformance in key BVPI's.
- Fully utilise the revised Complaints System to identify & address performance issues
- Review opportunities for improved tenant participation.
- Carry out a post implementation review of new technology

3. The Decent homes Programme

The Programme and Specification Task Group, including tenants, used the stock condition information to determine the areas with the worst, or highest percentage, of non-decency, and/or the areas that require the most upgrading works to make them "decent". Based on the above factors the Task Group recommended that the programme operates broadly on a "worst first" basis, by area, moving around the City's 10 areas.

3.1 Partnership Pilot programme

To ensure that the overall programme is deliverable a pilot scheme of 209 non-decent properties on the Hartsholme Estate (Area G) was carried out during 2006/07. Jarvis House and Risby Green were not included in the pilot scheme as these are part of an Asset Management Strategy for potentially 'high cost' stock.

The Task Group chose the Hartsholme Estate, as it is relatively small when compared to other locations within the City and was, therefore considered more manageable for a Pilot scheme. The Group also recognised that there is a strong Community base in Hartsholme strengthened by the HART centre.

The Task Group developed a Decent Homes Key Facts leaflet for all tenants along with a 'special' newsletter for the Pilot Scheme. A further newsletter was produced for all tenants throughout the City and a DVD is currently being developed.

A Customer Information Pack has been produced in liaison with our Partners and is available to all tenants throughout the programme. We also understand the importance of providing the best possible care for our tenants and a dedicated Respite Centre has been created in the Hartsholme area. The Centre has proven to be unique as it not only provides a comfort areas for tenants to escape the dirt and noise but also washing and drying facilities, a children's play area and fully operational kitchen.

There are 4 Customer Liaison Advisors (CLA's) working within the Partnership provided by Kier and Aaron. Their role includes visiting tenants at regular intervals throughout the project.

3.2 Lesson Learnt

Previous investment programmes have tended to concentrate on the delivery of an elemental approach to planned improvements, for example a separate "Kitchen", "Bathroom" or "Heating" contract delivered at different times or at different years.



The new Decent Homes Programme uses a "whole house approach", whereby all necessary works are completed in each property as one project, by 2010. A whole house approach not only eliminates repeat visits over a number of years, thereby increasing efficiency and reducing costs but also means less disruption for the tenant and, consequently, improved customer satisfaction.

Although some concerns were raised in the initial stages of the Pilot, this approach is proving to be a success. The majority of tenants have welcomed the whole house approach, as it is less disruptive. It is recognised that the CLA's play a crucial role in the programme as many fears/concerns can be dealt with during the introductory visit.

As the Hartsholme pilot progressed well, Birchwood was introduced into the pilot during February 2007.

It was found during the pilot scheme that there was low usage of the respite facilities and research has shown this is due to the majority of tenant's family's providing respite or that they are working.

It is therefore proposed that although Respite will be provided throughout the programme it is likely that this will be reduced to a meeting area that provides tea/coffee making facilities, television and toilet facilities.

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During 2006/07 we completed works to 194 properties on the Hartsholme Estate to bring them up to Decent homes Standard.

Although we spent less than anticipated in 2006/07, whilst setting up the pilot, the Partnership felt it was important to set processes in place for the delivery of the 5-year programme and learn from the Pilot scheme. The Partnership will accelerate the programme in future years and the forecasts allow for this.

3.3 Improvement programme

Utilising the lessons from the pilot programme in 2006/07 a full revised Housing Investment Programme (HIP) has been drawn up to ensure that the Council meets its obligations to deliver the decent homes standard by December 2010 and our legal obligations as a Landlord. The 5 year programme, for 2007/08 is detailed in Appendix 5 and comprises the following proposed main areas of work:

Decent Homes Programme

The Decent Homes Programme allows for the necessary ongoing investment to deliver the full programme by 2010 as shown in Appendix '5' Lines 1 to 11.

Works include:

- Replacement Kitchens and Bathrooms
- Replacement Central Heating
- Replacement Boilers
- Rewiring
- Reroofing
- Window Replacements

The Decent Homes 'modernisations' budget of £103,000 (Line 11) is a contingency for those properties that become void but which require major works under the decent homes programme. An annual contingency sum of around £100,000 is allowed over the remaining 4 years of the programme. Minor works to voids, will continue to be charged to the HRA Repairs Account. As we complete 100% of the stock condition surveys we will be able to factor these properties into the programme, until then budgetary provision needs to be included.

After allowing for the set up of the Partnership and commencement of the pilot, it is anticipated that the Decent Homes Programme expenditure will amount to £9,103,261 in 2007/08, as shown in Line 12 of Appendix '5'

Over the re-profiled Business Plan projections to December 2010, the total cost for the Decent Homes Programme is projected to be £39,911,408.

Statutory Health and Safety Requirements

The Health and Safety budget required for 2007/08 is forecasted at £1,526,504 (Line 25). This area covers works to meet statutory requirements, which are outside the Decent Homes Programme, and include;

- **Legionnaire Surveys,
Markham House Refurbishment &
Spring Hill DDA Requirements**

Resources were programmed for the work under these headings but were not fully committed during 2006/07 and will therefore be carried forward to 2007/08 as part of the 2006/07 closedown of accounts, which is currently being finalised. As such do not feature in the planned programme (Appendix 5)

- **Plastering (HHSRS)**

The new Housing Health and Safety Rating System came into effect on 1st April 2006. As the HHSRS replaces the previous Fitness Standard, it is included within the revised Decent Homes Standard. At present we are currently analysing our data to ascertain the exact impact of the System, but historically plastering works have been completed under the repairs service on an adhoc basis. Current evidence has shown that the £50,000 in the original plan was insufficient and has been increased to £206,600 in 2007/08 (line 24)

The Lincoln Standard

A 10-year window replacement programme was previously published identifying works to be carried out in each area throughout the City. Following the introduction of the Decent Homes Standard, only those

windows that are structurally failing need to be replaced, therefore the Lincoln Standard includes those windows that require replacement due to age and/or single glazing.

As the window replacement programme is a high priority to tenants and the works have been previously promised, the Council have agreed to accelerate the Window Replacement Programme. This will be carried out in 2007/08 and will increase the visual presence of the Partnership throughout the City, thus improving customer satisfaction. £766,111 (line 27) is required to accommodate works. The overwhelming number of the Council Housing stock will have uPVC double glazed windows by 31st March 2008.

Estate Works

Budgets for garage maintenance, footpath and drainage works are included on a yearly basis and are based on historical information and allow for the unknown e.g. replacement of a footpath that is badly damaged.

Contingent/Major Repairs

- ***Structural Repairs – Roman Pavement & East Liberty***
Further preparatory work and consultation with tenants and residents on the estate will take place in 2007/08 and budget provision has been included on the assumption that the structural works will be completed by 2010 (line 35)
- ***Aids and Adaptations Extensions***
£154,950 (line 39) has been allocated to allow for any future disabled adaptation major works required during the year.

3.4 Environmental Improvements

Pre 2006, environmental improvements were not included in the Decent Homes Standard. However following a revision to the Standard in June 2006 guidance requires that any Decent Homes programme must link to the Community, e.g. Local Area Agreements (LAA) and the RESPECT Agenda. At this moment in time no specific projects have been identified and a budget was not included within the original Business Plan. It is unknown what our commitment will entail, but a contingency £100,000 (Line 42) has been allocated annually from 2007/08.

Mechanical and Electrical Works

A detailed survey is currently being developed to identify more detailed mechanical and electrical works required for our Sheltered Housing Schemes and multi storey flats as part of the Asset Management Strategy.

Current Developments

- **Hamilton House**
Due to the new Partnering contract, and to harmonise the Maintenance and Investment team, it is proposed that this property will have suitable depot and office facilities to accommodate the Partnership. The building is due for completion in May 2007 with £536,830 (line 54) committed in 2007/08 to pay the balance.
- **Partnership Facilitation Fees**
£103,300 (line 57) has been allocated for LMC Partnership Partnering fees, with funding for future years included for facilitation of the Partnership.

HRA Business Plan

4. Managing an Effective Planned Maintenance Programme

We have successfully procured a Partnership Contract for our Decent Homes Programme and Gas Servicing Contract. We have also completed a Pilot Scheme within the Hartsholme area.

The contract was let in April 2006 and allowing for contract start up provisions, work commenced in September 2006

4.1 Partnership with Kier Support Services

Due to the complexities of implementation of a Partnership agreement we recognised in the early stages that we would not be able to achieve a high level of expenditure within the Decent Homes Programme, previously projected at £7,000,000. This was due to a number of factors including:

- Commitment to achieving 100% stock condition survey
- Agreement of programme and specification to be used
- New working processes being developed
- Sourcing of labour to complete the works

However the full stock condition survey has proven invaluable and given us a real understanding of our stock and the ability to produce robust financial projections. The Pilot scheme has helped us to ensure that we are delivering what our tenants actually want. The 'slow' start to the Partnership has also allowed the team time to accommodate new challenges and ways of working.

The 5-year Decent Homes Programme has provided tenants, Members, Officers and the Partnership with a valuable tool to communicate the Decent Homes Programme and ensure that works are projected in line with agreed budgets. All budgets have been set using our Asset Management database and enabled us to programme works required to achieve 100% Decency by 31st December 2010.

4.2 Partnership with Aaron Services

Aaron Services are our Partners for the Central Heating and Boiler Replacement programmes within the Decent Homes Programme and Gas Servicing, and associated repairs.

The following Key Performance Indicator's (KPI's) have been agreed for the works:

KPI	Target 2006/07	Projected Outturn
Percentage of services completed within due date	95%	97%
Percentage of immediate/call out jobs completed within due date (repairs)	95%	94.1%
Appointments kept against appointments made (Installs, Repairs, Services)	96%	96.1%
Complaints officially in writing (Install, Re-let, Repair, Service)	0.5%	0.06%
Percentage of recalls (Install, Re-let, Repair, Service)	3%	1.04%

A form to record feedback from completed works is in place for 2007/08. An acceptable overall level of service has been achieved in year one, based on verbal communication with tenants and number of complaints as compared with positive feedback received. A KPI target will be set for 2007/08.

4.3 Gas Servicing

Performance throughout the year continued to rise within the due target date set at 95%. The projected outturn for the first year of the partnership with the percentage of services completed at 98.2%.

We recognise the importance of ensuring that all gas appliances are serviced annually. A procedure is in place to address access issues. It is projected that 8046 gas services will be completed throughout the year with a projected 142 addresses being referred for action including necessary legal proceedings to gain access.

5. Running an efficient and effective responsive repairs service

5.1 Repairs Service Update

It has been a challenging year for the internal Direct Labour Organisation (DLO). However, this has not prevented the section from delivering agreed targets.

2006/2007 saw the introduction of the Craft Development Scheme. This not only enabled the workforce to be paid on a monthly salary but has invested in their development to ensure that individuals are assessed and paid according to their skills.

The Team has also committed to the Construction Skills Certification Scheme (CSCS) where all individuals are given the opportunity to gain this recognised construction qualification. NVQ funding has been sourced for operatives who do not have the required qualification, thereby ensuring that all have the chance to be included.

5.2 Changing the Culture

To enable the DLO to progress the Team recognised the need to change the way in which it operates. It understands that it will need to be reflective of a changing world, one that demands quality and service as the norm, whilst also requiring "Value for Money" from its service providers.

As part of this culture change it was felt that the old name, Operational Services Division (OSD) should be replaced with something, and the Team has been renamed **CITY MAINTENANCE SERVICES (CMS)** to give a clearer focus on its maintenance role.

New uniforms have been provided for all staff and that the new shared office and depot facilities will be an enormous step change for the team.

The Council understands that the CMS team has to change and investment has been supported in ensuring that the team have every chance of success in the future.

5.3 The Challenges Ahead

2007/2008 will see the CMS team introduce new Resource Planning and Mobile Working technology to improve the service for tenants. Approximately £300,000 has been invested in the project and forecast savings are estimated at £250,000 per annum. However the real step changes will be:

- A much improved appointments system for our customers
- The ability for the operative to start their day from home
- Reduction in travelling time
- To enable the completion of the repair on the first visit, with the right tools and equipment for the job.

This work will be ongoing and will see a Pilot scheme commence in June 2007, with expected full implementation by August 2007.

Further modernisation plans include a review of the fleet and stores. This will enable improvements in impressed stock, relating to mobile working and further efficiency gains relating to the supply chain.

The team understands that the following will be key to its success and future development:

- Establishing and developing Partnership arrangements.
- Developing the ethos and beliefs of a good Partnership understanding.
- Working with its partners to develop, new, innovative and more efficient ways of working
- Working to reduce bureaucratic and administratively laden processes
- Working with its clients towards Open Book accounting and fixed property cost delivery (lump sum)
- Working towards service delivery with one invoice per month
- Being responsive to change, changing practices and ideals
- Streamlining and modernising its working practices and processes
- Delivering a customer focused service which reflects the needs of its customers as opposed to its own drivers

6. Performance Management and Procurement

6.1 Benchmarking & sharing good practice

The Council strives to be a learning organisation and we are members of the Housemark Benchmarking Service (www.housemark.co.uk), which provides a range of services through a website, including:

- [efficiency guidance](#)
- [benchmarking](#)
- [good practice](#)
- [forum](#)
- [performance improvement clubs](#)

The Council has been active in working with other stock retaining authorities to set up the Association of Retained Council Housing (ARCH). A specific performance improvement club has been established in a joint venture with 'Housemark' to review best practice and benchmark by way of sharing information.

We are also members of the Direct Works Forum (DWF) who meet on a quarterly basis. Topical seminars are held regularly and networking opportunities are a crucial part of the membership. With membership in excess of 50 local authorities and RSL's there is opportunity for benchmarking and sharing good practice.

Also being members of Housemark allows invaluable access to many sources of Best Practices and forums.

We are also members of the Repairs and Maintenance Excellence Network (RMENet) allowing:

- Benchmarking with others for all BVPI's on an annual basis
- Member Query facility to share experience
- Quarterly manual updates with useful information relating to Best Practice within the Repairs and Maintenance area

6.2 National Performance Indicators

Although national PI's (BVPI's) are an excellent means of comparing performance against other authorities, local performance indicators can give a better reflection on local issues that are important to tenants. There are also concerns that national housing PI's have been subject to many changes over the years.

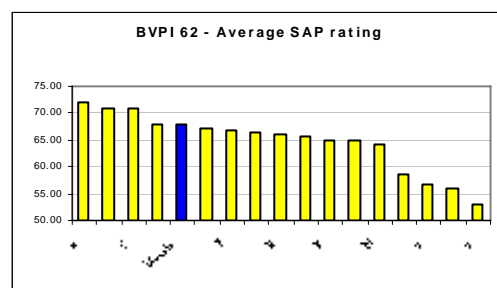
We have in this report used the last available National Benchmark figures for 2005/06 but have also given a commentary on Lincoln's performance for 2006/07.

A full list of our performance for the year 2005/06 compared to previous years is available in Appendix 9 and the outturn compared nationally can be found at Appendix '10'.

The following data shows published audit commission data using 'Housemark's' data from the 'East Midlands Benchmarking Club' and reflects our performance against all English District Councils.

BV 63 - Energy Efficiency - the average SAP rating of local authority owned dwellings

Our performance at 31st March 2006 is an average SAP rating of 68, one point off the top 25% of all council's for performance. The graph below shows that within a sample of authorities in the Midlands benchmarking Club we are within the top quartile. However it is recognised that significant investment would be required to make improvements to the SAP rating beyond our current performance.



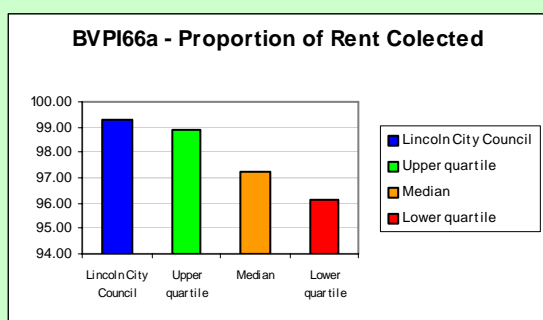
Our projected outturn for 2006/07 is 70.

HRA Business Plan

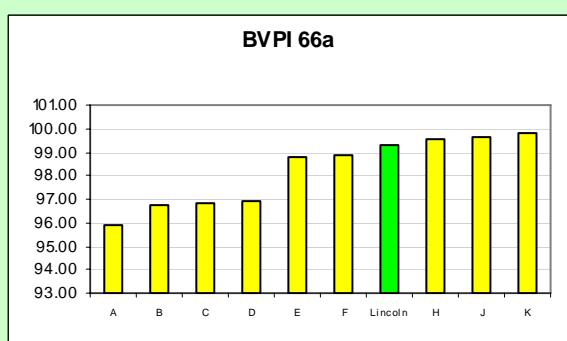
BV 66 – Rent Collected shown as a proportion of the total rent due

A sympathetic but firm approach is adopted in recovering rent arrears and staff undertake specific arrears targeting at certain times during the year. The rent collection rate for 2005/06 was 99.26%, which was again in the top 25% of Councils.

Performance in 2004/05 was 98.9% and 2003/04 98.92%. Performance during 2006/07 is also showing promising signs with a final projected outturn in excess of 99.% expected.



Our performance against other housing organisations within the Midlands 'Housemark' Benchmarking club is shown below.



BV 74 - Satisfaction of Council Housing with the overall service provided by their landlord

The three yearly Tenant Satisfaction Survey took place during January 2007; the indicative results are shown below. The last survey was conducted early in 2004 and the findings reported in the last

Business Plan. The targets for the appropriate BVPI's are as follows.

	2004	2007 Target	2007 Estimate
BV74a	77	85	73
BV75a	67	75	58

(BVPI75a indicates tenants satisfaction with the opportunities for participation in management and decision-making).

Officers are analysing the detail of the survey to identify the areas needing attention with a view to developing an Action Plan.

BV 184

(a) The proportion of Local Authority homes, which were non-decent at 1st April 2005

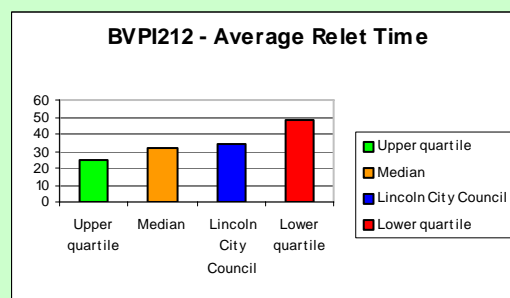
(b) The percentage change in proportion of non-decent homes between 1st April 2004 and 1st April 2005.

26.1% of homes were non decent at 1st April 2006 which was expected to increase to around 37% by 1st April 2007. The reasons have already been outlined in Section 1.3 of this document.

BV 212 - Average time taken to re-let LA dwellings

Reletting empty properties is a crucial factor in maximizing the income for the Business Plan. The Housing market in Lincoln has changed dramatically over the last few years.

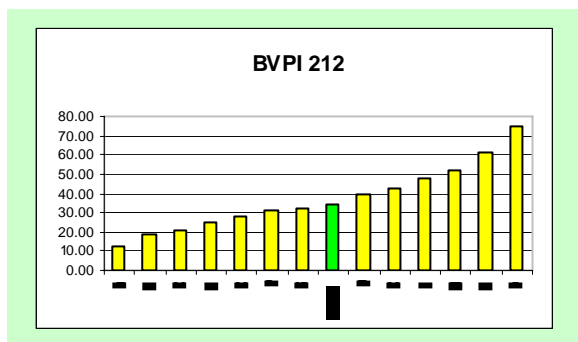
Performance for 2005/06 was 34.2 days putting us in the middle quartile of all authorities.



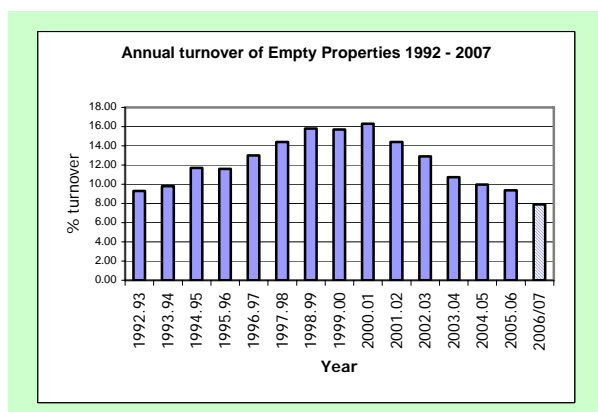
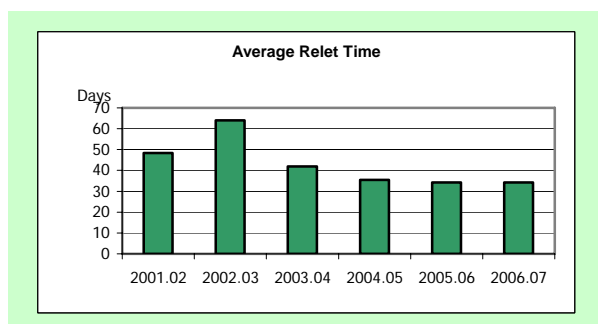
Performance in 2004/05 was 35.4 days and 2003/04 41.9 days.

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Our performance against other housing organisations within the East Midlands 'Housemark' Benchmarking club is shown below.



Performance in this area has stalled during 2006/07, much of which can be attributed to the restructuring within the directorate. The projected outturn for 2006/07 is 35 days Performance in recent years is illustrated below in the two graphs, the second showing the vacancy rate in the housing stock since 1992.



6.3 Local Performance Indicators (LPI's)

There are also several local PI's within our range of housing services. These are tabulated for easy reference and shown at Appendix 9 but some are illustrated below. This information is reported regularly through the Council's Performance Scrutiny Committee.

The following local PI's all relate to the internal DLO only and do not include external contractors performance.

HO1 Actual cost of repairs

This PI is linked to BVPI 211a previously used and has been retained as a local indicator to measure the weekly cost of repairs per dwelling. The Performance for 2005/2006 was £13.97 against a target of £12.00. This is an improvement on 2004/2005, which was measured at £14.40.

HO 3 The percentage of urgent repairs completed within Government time limits

This PI measures our performance in carrying out repairs classed as urgent, as defined within the Secure Tenants of Local Housing Authorities (Right to Repair) Regulations 1994. Relates to:

Our performance for urgent repairs overall was the same as the previous year which was a good result given all the change occurring within the service. We do however maintain our target of 96%.

Breaking the figure down our performance can be shown within the different categories as:

Emergency Tickets (A tickets – 24 hours)	98.6%
Urgent Tickets (B tickets – 3 days)	78.8%
Urgent Tickets (C tickets – 7 days)	89.4%

HO4 The average time taken to complete non-urgent responsive repairs

This PI relates to the average number of days to complete non-urgent repairs for the DLO team only. Our performance for 2005/2006 was 7.3 days, against a target of 16 days and the previous years performance of 17 days.

We shall be refining our performance measure within the repair service in 2007/08 to reflect the new arrangements within the City Maintenance Service.

7. Arrangements for Tenant Consultation and Participation

The City of Lincoln Council is fully committed to promoting and supporting the participation of its tenants and leaseholders in all aspects of its housing service. For more than ten years, we have supported tenants associations and other community groups.

The Council believes that all tenants and leaseholders should have the opportunity and the right to influence decisions that directly affect their homes and living environment.

The Council supports various methods of involving tenant groups in all aspects of the housing service. It recognises that different levels of involvement may be appropriate, according to tenant's circumstances and wishes.

The Council also supports and promotes training for tenant and leaseholders to equip them with the skills to participate more in the delivery of housing services.

7.1 Tenant participation strategy

In 1996 our first Tenant Participation Strategy was agreed with tenants. Since then it has been subject to a number of reviews and was replaced with a Tenant Empowerment Strategy in April 2004.

The Tenant Empowerment Strategy sets out agreed arrangements for tenant consultation and participation and is supported by a council-wide tenant compact.

The Government issued revised guidance for Tenant Participation Compacts and as part of its implementation the Tenant Empowerment Strategy was revised in March 2006.

7.2 Tenant participation compact

Our council-wide Tenant Participation Compact has been in place since April 2000 and has been subject to a number of revisions. The latest compact is in leaflet form and The Audit Commission Inspection Report (Sep 2003) quoted that "there is an extensive Tenant Compact information pack for tenants which is comprehensive and

attractively packaged" (a copy can be found on the councils website www.lincoln.gov.uk).

7.3 City of Lincoln Council Tenant Advisory Panel

The Tenant Advisory Panel (TAP) is a group that represents Tenant Forums across the city. It aims to bring Tenant Forums together and act as a consultative panel on housing management and maintenance issues as follows:

- representing the interests of all council tenants and leaseholders in meetings held with officers.
- acting as the lead consultative panel for the council-wide Tenant Participation Compact.
- consultation on matters including the Capital Programme (improvement schemes), Revenue Budgets (day-to-day accounts) and new initiatives.
- monitoring the performance of the housing service.

From its membership, TAP may elect up to two of its members to sit on each of the three new Scrutiny Committees where any issues of a housing landlord role nature are being discussed.

7.4 Service Improvement Panels

The Service Improvement Panels that were established during the Landlord Service Best Value Review in 2002 have fallen off during the stock option appraisal. Members of TAP at their meeting on 12th February 2007 agreed to resurrect panels in the key service areas.

Each TAP member has agreed to take the lead in each of the panels and will act as TAP's mentor providing a vital link between the group and the panels.

8. Housing Finance

8.1 Introduction

The Housing Revenue Account (or HRA) is the Council's landlord account. All income and expenditure relating to Council homes is accounted for within this account. There are strict regulations governing what can be charged into this account. The current financial environment places increasing emphasis on the role of central government in determining if the HRA is viable or not.

The HRA in Lincoln has come under considerable pressure in recent years, both as a result of reductions in stock and fluctuations in Housing Subsidy allowances. Housing Subsidy is, effectively, Central Government's assessment of each Authority's HRA and is arrived at through numerous complex formulae, which produce allowances for items like Management, Improvement in/Repairs to the stock etc. Allied to this is an assessment of what should be receivable through rental income and this is a negative in the overall calculation of an Authority's entitlement. If the latter exceeds the allowances, then an authority is deemed to be in 'Negative Subsidy' and is required to make payments to Central Government...the situation that Lincoln enter with effect from 2007/08. Reserves have gradually reduced in recent years as a result of these pressures.

More recently the position has changed as the Government has carried out a major redistribution of subsidy monies around the country. However the Government continue to alter the subsidy formula, which leads to considerable risks in planning as resources are changed from year to year.

This does not mean however that we do not need to change the way we provide services in order to make the plan work.

The original Business Plan set out the targets needed to implement the changes that would enable us to achieve the required savings to support it. During the first year of the Business Plan significant progress was made in achieving these savings and we also are on track to deliver the remainder (see Action Plan in section 9).

In section 9 we set out our revised plans for service development and delivery of capital investment in the housing stock. This section summarises those plans in financial terms and our plans to:

- bring all of our homes up to the Decent Homes Standard in a comprehensive and sustainable way by 2010.
- reorganise the way we provide day to day repairs services to make substantial savings in running costs to allow us to put make extra revenue resources into capital works (called Direct Revenue Financing) to go beyond the Decent Homes Standard to deliver the Lincoln Standard by 2016.
- maintain the stock over the longer term using a combination of the Major Repairs Allowance, ongoing receipts from the sale of council houses under the Right to Buy and Direct Revenue Financing.
- utilise where appropriate resources from the disposal of land and other non-dwelling properties we hold to put into the stock.

8.2 Lincoln's approach

The Council's approach to setting out its financial plans is through a 5 year Financial Strategy. In the original Business Plan we developed this forward projection using our own modelling and extended the projection over 30 years from 2006 to 2036. Part of the Government's regulations on setting up business plans also requires us to produce a separate model using the Government's own financial model which is submitted annually to GOEM.

8.3 Property numbers

On 1st April 2007, we had 8,015 properties. Right to Buy sales had previously been very high in Lincoln driven primarily by the buoyant local housing market. The high point has been passed and compared to over 150 sales 3 years ago, sales in 2004/05 reduced to 137, 70 in 2005/06 and 53 in 2006/07.

8.4 Rents and income

We have assumed that our rents will converge to the formula set by the Government under its rent-restructuring regime by 2011/12. In 2007/08, our 52-week average rent will be £48.69 and £60.35 by 2011/12. This represents an average rent increase each year of 5.5% although the precise rent increases for individual properties will vary around this average.

The government Rent Restructuring proposals currently include a cap on the average overall rent increases in each year.

We have very few services, which could be charged for separately as service charges and we have therefore not included any forecasts for service charge income.

Rent lost through properties being vacant was estimated at 1.57% for all 30 years where performance indicates a figure nearer to 1.2%.

8.5 Housing Subsidy

The recent changes (set out above), which were introduced as a result of the Government's policy of rent restructuring, led to a much-improved position for year 1 of the Business Plan compared to the previous years. Within the subsidy calculation, the Government gives Lincoln allowances for Management, Maintenance and Major Repairs. In line with national policy, we have assumed that these allowances will rise by the annual rate of inflation each year.

8.6 Management costs

The costs of running day-to-day services are set to increase by slightly more than inflation each year. We estimated the need to make savings of around £300,000 per year over the plan period from 2006 to 2011 and these have already been achieved through the restructuring exercise and are included in the financial plan.

8.7 Repairs and maintenance

The money we spend day to day on repairs includes responsive repairs, cyclical repairs (such as gas servicing) and repairing empty properties ready for re-letting. Recent work undertaken on the Stock Condition Survey suggests that we need to cut back on what we spend on responsive repairs and re-direct the money saved into longer term planned programmes, which give better Value for Money.

This philosophy was behind the decision to modernise our workforce operations and the repairs service has been reorganised accordingly realising savings of £1.2m. However, if we need to spend money first in order to save money in the future, we have also allowed for this in our plans.

8.8 Capital investment

The outputs from the Stock Condition Survey recently revised and updated puts us in strong position to estimate future costs over the long term.

We need to make allowances both for inflation (which includes an extra 1% per year to 2011 to allow for increased costs in the building industry over that period) and for reductions in the amount we need to spend as a result of Right to Buy sales.

HRA Business Plan

Capital Investment Requirement Summary

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Decent Homes Standard	4,610	9,103	8,451	8,731	9,016	4,913
Health & Safety requirements	243	1,527	770	862	913	348
Contingent major repairs (including Aids & Adaptation major works)	779	2,388	1,885	597	615	200
Multi-Storey works						159
Mechanical & Engineering works	87	11	10	45	430	105
Estate works	170	114	117	121	125	93
Lincoln Standard*	0	766	0	0	0	2,006
Environmental Works	0	239	107	110	114	0
Current Developments	1,629	640	53	55	57	0
Computer Fund	170	103	107	110	114	0
Capital Administration	300	300	300	300	300	300
Total Programme	7,988	15,191	11,800	10,931	11,684	8,124

* Lincoln Standard works delivered over 10 years from 2006-2016

8.9 Resource Summary

The capital programme for the 5 years to 2011 has therefore increased from the £55.7m originally estimated to £57.6m. This level of programme represents a substantial annual increase on recent expenditure levels of around £6m.

The combination of rent increases from rent restructuring, improved performance in rent arrears and empty properties, and savings in day to day management and maintenance expenditure will allow us to generate additional resources for capital investment of over £13m over the years to 2011 whilst continuing to maintain a healthy level of balances within the HRA.

The business plan forecasts are shown in detail at appendices '4', '5' and '7' and are summarised in the following tables.

Projected Capital Programme and Resources summary

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Total programme to be funded	7,988	15,191	11,800	10,931	11,684	8,124
Major Repairs Allowance	4,632	4,710	4,765	4,832	4,897	4,764
Supported Capital Expenditure	1,020	1,020	1,000	1,000	1,000	1,000
Cumulative and in year RTB receipts	6,048	11,940	5,319	3,042	1,114	1,039
Land and other receipts	5,206	0	754	0	0	0
Grants and contributions	344	2	2	2	2	2
Direct Revenue Financing	1,875	2,017	2,162	2,310	4,831	2,382
Total funding	19,125	19,689	14,002	11,186	11,844	9,187
Resources c/fwd (included in line 4 in following year)	11,137	4,498	2,202	255	160	1,063

HRA Business Plan

Projected Housing Revenue Account Summary

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Rents and income	20,651	21,641	22,385	23,249	24,195	25,215
Housing Subsidy	635	-49	-700	-1318	-1940	-2,525
Total income	21,286	21,592	21,685	21,931	22,255	22,690
Management and other costs	8,258	8,087	8,206	8,454	11,121	9,018
Day to day repairs	5,975	5,459	5,507	5,554	5,594	5,634
Major Repairs Allowance	4,632	4,710	4,765	4,831	4,831	4,831
Debt charges	1,631	1,654	1,472	1,396	1,418	1,443
Total expenditure	20,496	19,910	19,950	20,235	22,964	20,926
Surplus in each year	790	1,682	1,735	1,696	-709	1,764

8.10 Risk Assessment / Sensitivity analysis

As with all projections, there is an element of risk in that the assumptions made in finalising any forecasts are based on estimations at the outset, and are subject to change, particularly as time passes by. We have therefore considered a series of sensitivities.

The first area of sensitivity is around things we cannot control, such as government rent and funding policy and inflation in general.

The second area is around things we can control, such as our performance in keeping rent loss through properties being empty at the level we have assumed and whether we are able to achieve the savings we need to.

The most significant risks to our plan remain the Government's future subsidy policy and building cost. In all of the cases, our main mitigating actions would focus around:

- Re-phasing of works into future years, whilst protecting the basic level of Decent Homes Standard at all times – none of the sensitivities above would threaten our delivery and maintenance of Decent Homes over 5 or 30 years;
- Finding additional savings in running costs from other areas of the service

We have made the most appropriate assumptions in line with national housing policy and our plans to deliver services in a different way in the future and we are confident that these assumptions remain both robust and sustainable for the foreseeable future.

We continue to monitor the validity of these assumptions through a quarterly risk assessment of the key factors - Appendix 11 illustrates.

Value for Money

We recognise the importance of achieving value for money and see this as a key piece of work to develop a 'workplan'. During 2007/08 it is proposed to draw up a Housing Value for Money Strategy (see Action Plan reference 36)

Summary

The financial forecast is more sustainable than the original Business Plan due to:

- the subsidy determination in year one.
- successful delivery of our 'in-house' savings
- improved performance in rent arrears and empty properties.

9. An Updated Action Plan for Delivering Our Priorities

9.1 Monitoring the Action Plan

The Action Plan has been updated to reflect the current position and introduces some new actions for the year 2007/08. The Action Plan identifies affordable actions with clear milestones and responsible officers.

The original Action Plan included 26 actions and at the end of the first year 15 were completed, 1 partially completed/in progress, 9 were in progress and within target and two actions being delayed and running over target. A total of 11 new actions were introduced to the updated Action Plan.

The delivery of the Business Plan Action Plan is fundamental to achieving the aims and objectives of meeting the Decent Homes and Lincoln Standards. A key action within the Business Plan is to report and monitor progress.

The arrangements for monitoring the progress of the Action Plan will be as follows:

Tenants and Leaseholders will play an active role in ensuring that the Action Plan is implemented. This will be done in two ways, in the first instance through individual Service Improvement Panels to monitor performance and quality of service and secondly to monitor progress more collectively through the Tenant Advisory Panel (TAP). Members of TAP have expressly requested to be actively involved in all aspects of this.

Elected Members will continue to receive half yearly reports through the Performance Scrutiny and Development Review Scrutiny Committees on the general progress of the Business Plan Action Plan. Members of the Performance & Corporate Management Overview and Scrutiny Committee will continue to receive regular reports on performance against established Best Value and Local performance indicator.

Implementation of the Business Plan is kept under review through the Policy Review Scrutiny Committee.

Housing Revenue Account

9.2 An Updated Action Plan for Delivering Our Priorities

Area: General Management

The Golden Thread The importance of achieving high environmental standards on Council estates.

Community Plan *"Creating a better environment. – Objective to maintain to the highest possible standard the streets and open spaces within the City, minimizing litter and maximizing the visual impact of open spaces".*

Strategic Plan *"Deliver progress towards more residents (both Council tenant and private sector) having decent homes to live in"*

Housing Strategy *To improve housing services and standards for Council and Housing Association tenants".*

Ref	Objective	Target	Lead Officer	Progress	Current Status
2	Disposal of identified land/assets: 1. Liaise with Property Team to agree programme 2. Evaluate garage sites for disposal	Apr 2007	HoH	1. Woodfield Ave site sold at auction on 22/2/06 for £5m and £23,825 at Kingsdown Road in March 07. 2. 1 Alfred Street, 5 St Catherines & 14 Carlton Street have been sold realising £266,000. Negotiations ongoing with other sites.	IP
3	Report progress on Business Plan to: 1. TAP/SIP 2. Housing O&S 3. Performance & Corporate Management O&S	On-going	HoH	1. Progress report presented on 28/9/06 2. Progress report presented on 24/4/06 3. Progress report presented on 22/12/05 Progress reported to Policy Review Scrutiny Committee 29/11/06 & 20/02/07	IP
5	Reduce costs of Housing Management by undertaking a review of Estate Caretaking	Apr 2007	HM	First stage of consultation on new structure completed June 2006. Report went to Exec on 17/7/06 to change target date from April 06 to April 07. Hindered by sickness absence and internal staffing issues.	IP
6	Maximise income/reduce costs of housing management by implementing service charges for ancillary services such as Caretaking	Apr 2008	HoH/ HSSM	Initial report presented to DMT. Considered Executive on 19/2/07 but deferred until updated position of HRA Business Plan is known.	IP

HRA Business Plan

Ref	Objective	Target	Lead Officer	Progress	Current Status
7	Develop Sustainable Communities by continuing to support the Moorland Access Centre and reviewing other areas for similar project work	On-going	AHM	HoSC reported to Exec 13/2/06 on Neighbourhood Management proposals for Moorland and St. Giles. Work commenced on Markham House, the location of the new St Giles Neighbourhood Management Centre to open May 2007. Housing staff to be located on 1st floor of same building.	IP
27	Embed the changes to the Directorate organisation and management structure.	On-going	HoH/ HoMI	New target	New
28	Utilise the outcome of the '360 degree' appraisals to fully identify management and leadership training needs & implement a management-training programme.	Sep 2007	DHCS / HoH / HoMI	Discussed in CMT / HoST meeting 6 th March. New proposal to be drawn up by New World. Training arranged for July 2007.	New
29	Further embed the new performance management system and develop actions plans to address underperformance in key BVPI's.	On Going	HoH / HoMI / Service Managers	New target	New
30	Fully utilise the revised Complaints System to identify & address performance issues	On Going	HoH / HoMI / HSSM	Work commenced. New post created within structure. Procedures agreed and monitoring in place.	New
31	Carry out a post implementation review of new technology	Apr 2008	HSSM	New target. Introduced into Landlord Services Team Workplan for quarterly monitoring. Stage 1 review by Oct 2007, Stage 2 April 2008	New
37	Develop a Value for Money Strategy for the Landlord Service	Oct 2007	HOH / HOMI		New

HRA Business Plan

Area:	Capital Programme
The Golden Thread Community Plan	Ensuring that the future of Council housing in Lincoln meets local aspirations – in particular the Lincoln Standard. <i>“Addressing Housing Need. - Objective to ensure that all social housing, including council housing meets set standards of decency by 2010 in line with the Government’s Public Service Agreement”</i>
Strategic Plan	<i>“Deliver progress towards more residents (both Council tenant and private sector) having decent homes to live in”.</i>
Housing Strategy	<i>To improve housing services and standards for Council and Housing Association tenants”.</i>

Ref	Objective	Target	Lead Officer	Progress	Current Status
9	Implement as much of the Lincoln Standard as possible following consultation with tenants	Dec 2016	HoMI	Included within the new Partnering Contract due to commence April 2006 with accelerated window programme. Need to review priorities based on re-profile of Business Plan.	IP
11	Examine options for 'high cost stock' by carrying out further stock option on: 1. Tower blocks 2. Sheltered schemes 3. Miscellaneous properties	Apr 2008	HoMI	Initial discussion took place 22/12/05 with another Social Housing Provider re a potential management agreement at one block. Team have gathered data on stock. No further interest expressed. Strategy now being developed.	IP

HRA Business Plan

Area: Repair & Maintenance

The Golden Thread Improving the approach to repairs and improvements.

Community Plan "Creating a better environment. – Objective to maintain to the highest possible standard the streets and open spaces within the City, minimizing litter and maximizing the visual impact of open spaces".

Strategic Plan "Deliver progress towards more residents (both Council tenant and private sector) having decent homes to live in".

Housing Strategy To improve housing services and standards for Council and Housing Association tenants".

Ref	Objective	Target	Lead Officer	Progress	Current Status
15	Modernise repairs service/OSD by investigating mobile working for all operatives and implementing an agreement.	Jun 2006	HoMI/OSM	Executive approval of Business case & feasibility study June 06. Project tendered under OJEU process. Expressions of Interest received and evaluated, tender closing date was 22/11/06. Interviews held on 4th & 5th December. Executive agreed on 19 th Feb 07 to appoint Sungard Vivista. Software to be supplied by July 2007.	IP
17	Modernise Repairs Service/OSD by investigating the rationalisation of Stores by either: 1. Centralisation of stores at Stamp End 2. Externalisation in Partnership with materials supplier	Apr 2007	HoMI/OSM	1. Report approved by Executive 23/1/06 to relocate staff from Boultham (March 06) and Ermine (June 06) to Stamp End. New site purchased for joint Depot with Partners, located at Beevor Street, which will be ready by May 2007.	C
		Dec 2007	HoMI/OSM	2. Meetings held with local Builder's Merchants to discuss options available for externalisation of the stores. Feasibility study currently being developed. Action's completion date revised to December 07 New Manager in post and full feasibility required.	IP

HRA Business Plan

Ref	Objective	Target	Lead Officer	Progress	Current Status
19	Modernise Repairs Service/OSD by completing a review of existing Schedule of Rates (SOR) and recommend changes	Jun 2007	OSM	Started as part of the Salary negotiations and scheduling of workforce. Will be completed as part of the mobile working implementation. Date amended to coincide with point 15 above.	IP
20	Modernise Repairs Service/OSD by implementing a new Schedule of Rates to the new 'real time' job allocation system.	Jun 2007	AM	Started as part of the Salary negotiations and scheduling of workforce. New contract currently being developed by Investment Team. Date amended to coincide with points 15 and 19 above.	IP
35	Implement Mobile Working technology, guidelines and working process.			Project tendered under OJEU process. Expressions of Interest received and evaluated, tender closing date was 22/11/06. Interviews held on 4th & 5th December. Executive agreed on 19 th Feb 07 to appoint Sungard Vivista. Software to be supplied by July 2007.	New IP
36	Develop a Value for Money Workplan for the City Maintenance Service (CMS)	Oct 2007	HOMI		New

HRA Business Plan

Area: Customer Feedback

The Golden Thread Improving arrangements for customer feedback.

Community Plan *"Crime and Community Safety – Objective to ensure effective partnership working with other agencies and the community".*

Strategic Plan Priority *"Deliver progress towards more residents (both Council tenant and private sector) having decent homes to live in".*

Housing Strategy *To improve housing services and standards for Council and Housing Association tenants".*

Ref	Objective	Target	Lead Officer	Progress	Current Status
32	Review opportunities for improved tenant participation.	July 2008	TLO	The Service Improvement Panels that were established during the Landlord Service Best Value Review in 2002 have fallen off during the stock option appraisal. Members of TAP at their meeting on 12 th February 2007 agreed to resurrect panels in the key service areas.	IP
33	Develop action plan to respond to issues in the Tenant Satisfaction Survey and improve ratings.	Jul 2007	HSSM		New
34	Implement the actions within the Tenant Satisfaction Survey Action Plan	Apr 2008	HSSM		New

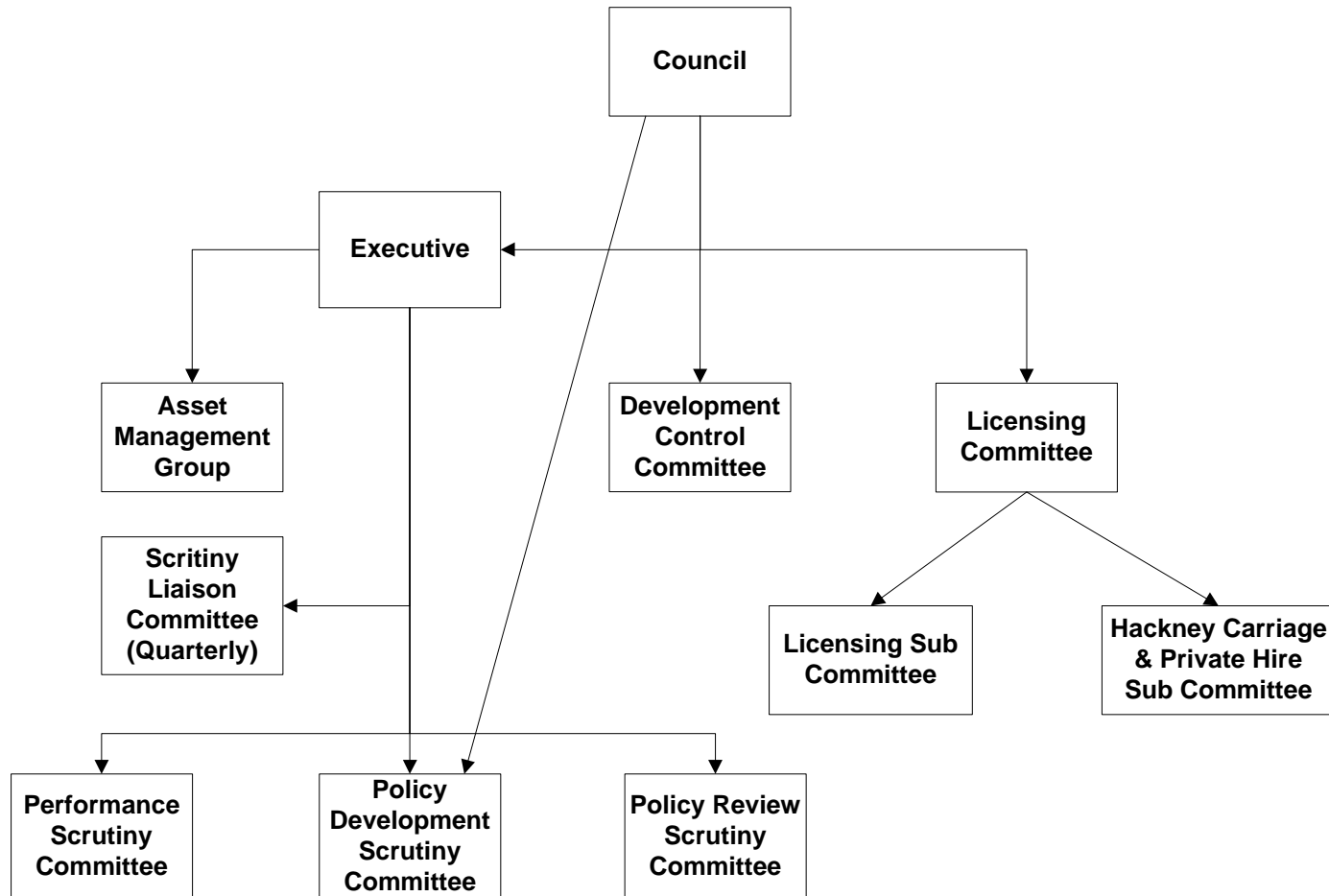
Legend

Completed		In target and in progress		Out of target		New Action	
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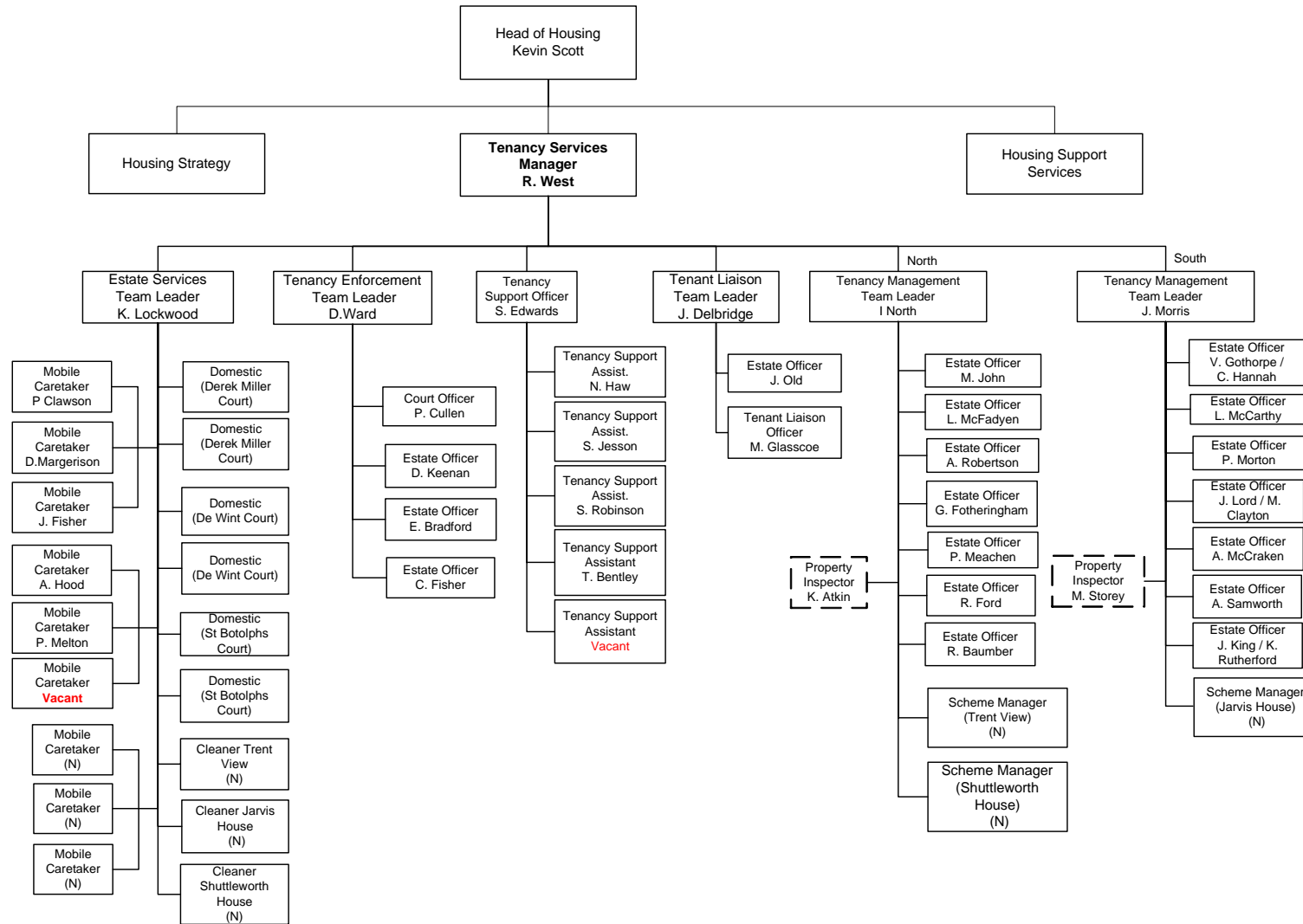
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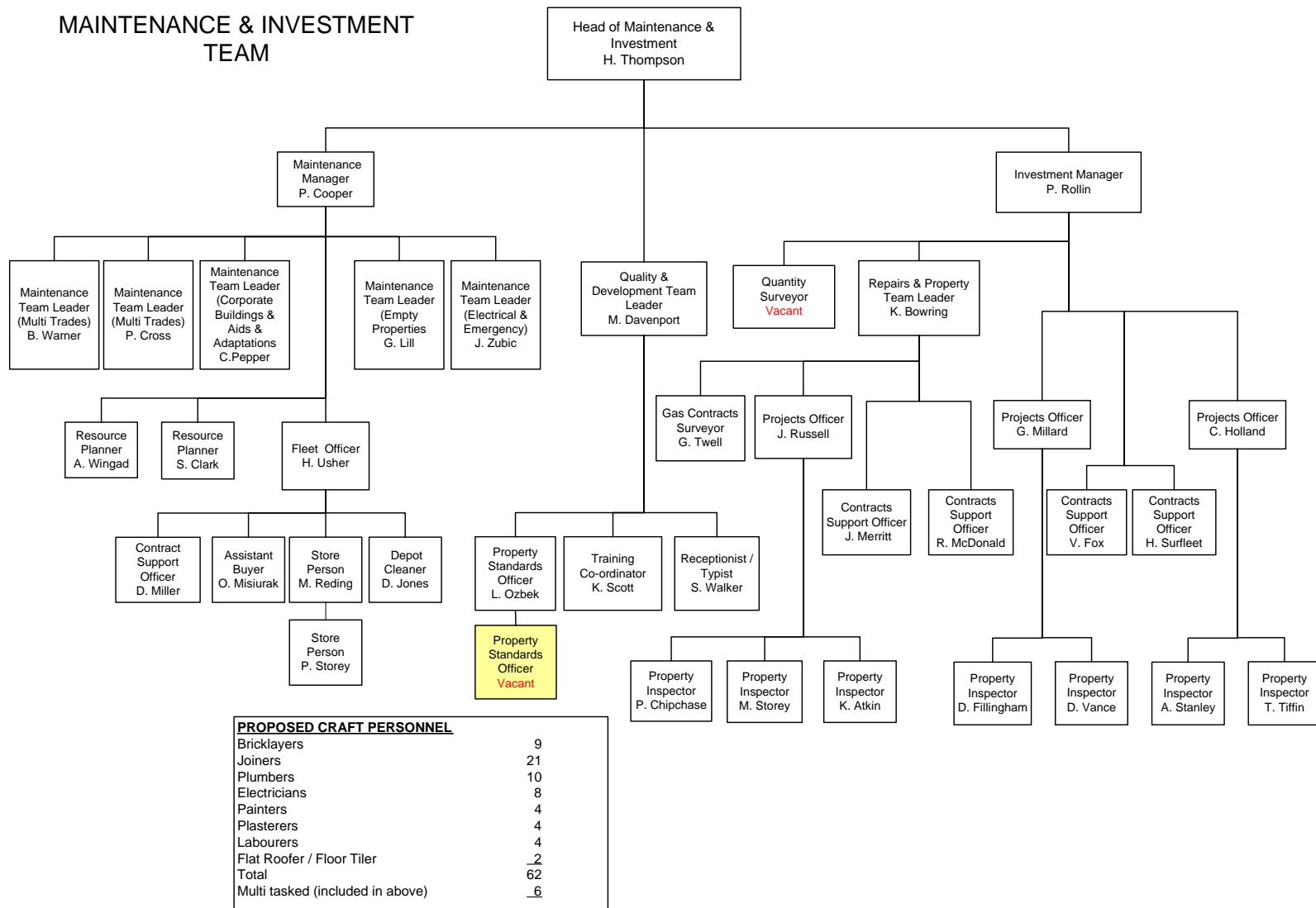
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Committee Structure

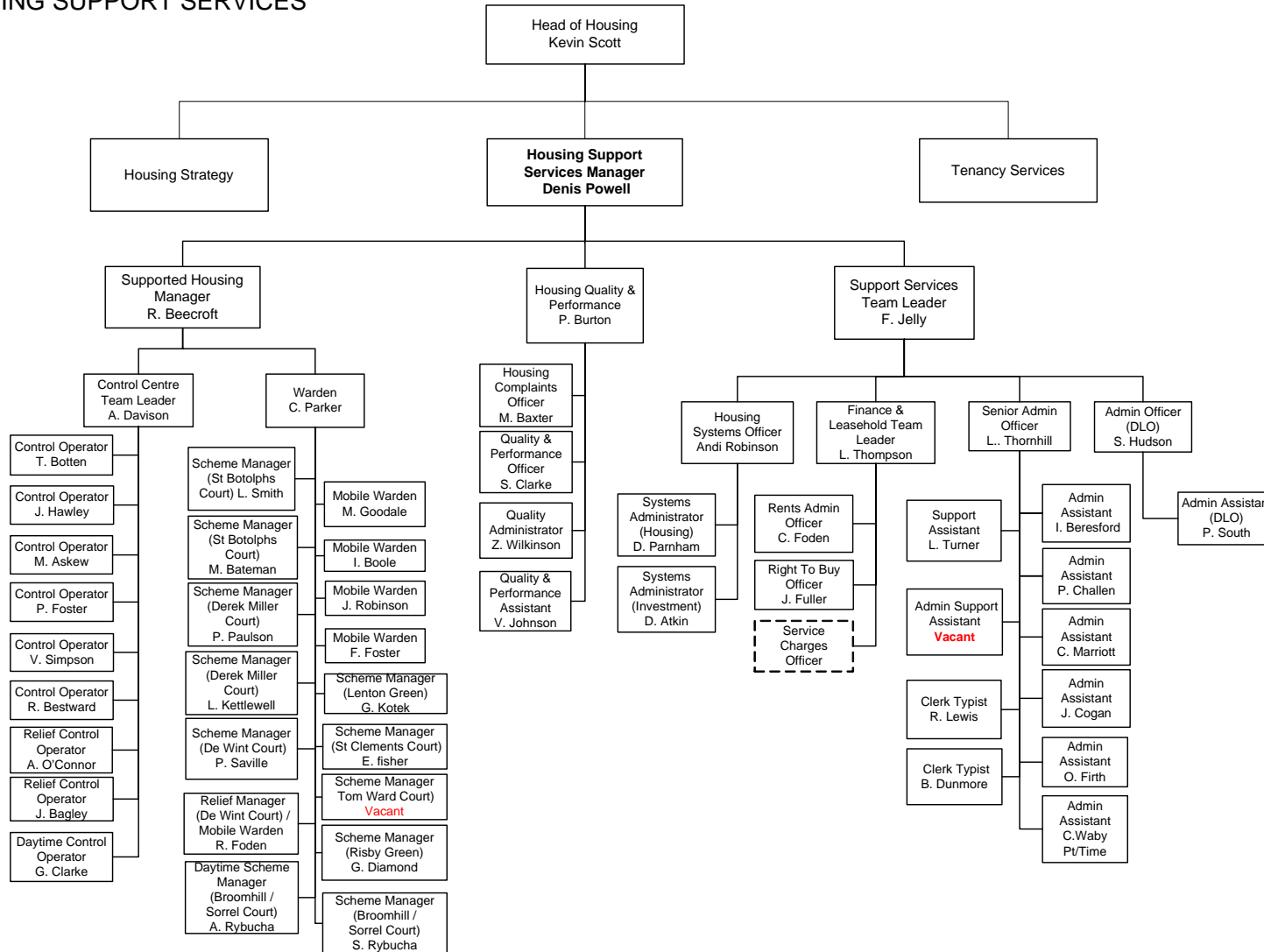


TENANCY SERVICES



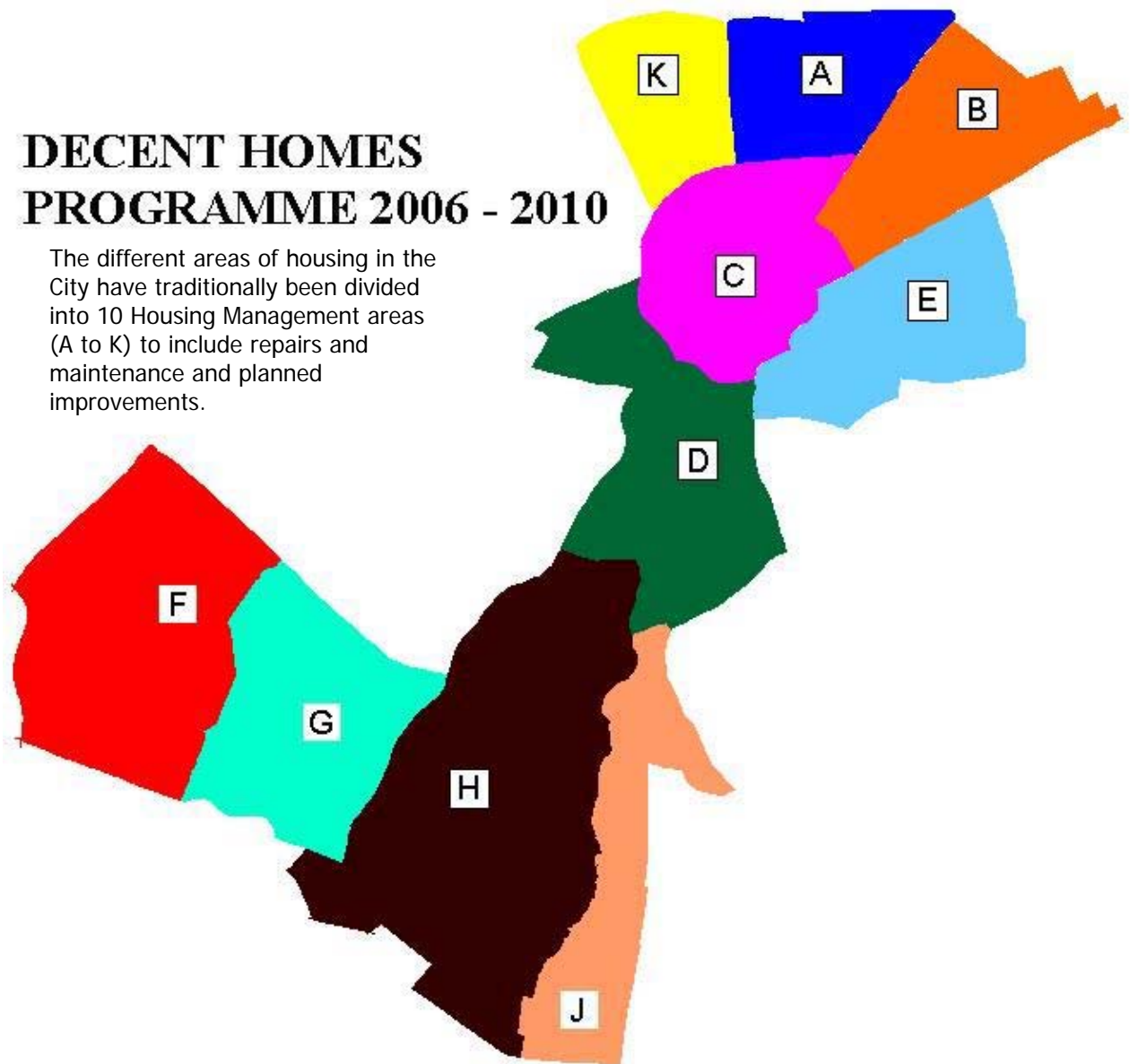


HOUSING SUPPORT SERVICES



DECENT HOMES PROGRAMME 2006 - 2010

The different areas of housing in the City have traditionally been divided into 10 Housing Management areas (A to K) to include repairs and maintenance and planned improvements.



A	2009 - 2010	ERMINE EAST
B	2009 - 2010	ST GILES
C	2008 - 2009	NEWPORT
D	2008 - 2009	CITY CENTRE
E	2009 - 2010	STAMP END & TOWER
F	2007 - 2008	BIRCHWOOD
G	2006 - 2007	HARTSHOLME
H	2007 - 2008	BOULTHAM
J	2008 - 2009	MANSE
K	2008 - 2009	ERMINE WEST

HOUSING INVESTMENT PROGRAMME EXPENDITURE 2003/04 to 2005/06

Project Name		2003/04	2004/05	2005/06
		Actual	Actual	Actual
		£	£	£
<u>Cyclical</u>				
	<u>Contract</u>			
Lift Refurbishment	1288	68,135	0	0
Lift Maintenance - DDA Works	1386	0	161,763	0
Lift Renewals - St Boltolph's, De Wint, Derek Miller	1424	0	52,148	105,008
Derek Miller Lighting		0	27,693	0
<u>Decent Homes</u>				
Bathrooms	1404	61,296	105,488	2,667
Bathroom Improvements	1440	0	0	199,523
Fire Alarm Systems Sheltered Housing	1407	0	77,682	12,005
Central Heating - Installations/Upgrades	1408	237,276	430,233	338,332
Insulation and Affordable Warmth - Phase 1	1423	0	0	19,306
Insulation and Affordable Warmth - Phase 2		0	0	20,553
Kitchen Improvements	1365	0	14,515	0
Kitchen Improvements Contract No. 1 (OSD)	1365	622,868	963,247	1,293,188
Rewiring	1384	164,600	5,366	0
Rewiring 1389 (GRS)	1389	0	322,070	0
Rewiring Gaunt Street Flats (OSD)	1406	0	96,420	69,215
Rewiring- Contract 1	1435	0	0	148,466
Rewiring- Contract 2		0	0	214,991
Re-roofing - Ermine		37,157	0	0
Flat Roofing to Pitched . Ermine East	1366	0	488,113	14,727
Re-roofing - Boultham Moor	1371	218,423	2,142	0
Re-roofing - St Giles	1376	134,517	3,420	0
Re-roofing - De Wint Place	1388	27,234	692	0
Re-roofing - Westwick Drive/Gardens PH1	1398	0	278,694	7,145
Re-roofing - Westwick Drive/Gardens Ph2	1412	0	70,907	66,016
Roofing to flats etc	1425	0	0	20,985
Roofing Newport Area	1437	0	0	42,289
Roofing St Botolphs Crescent	1438	0	0	162,911
Window Replacements Hartsholme (Retention)	1342	293,285	10,378	0
Window Replacements Ermine West (Ph 2)	1358	486,875	11,852	0
Window Replacements Ermine West & East	1378	13,254	720,905	606,009
External Doors - Ermine	1405	0	210,697	359,020
Structural Repairs - Roman Pavement	1420	0	18,520	15,285
Cladding - Mons Road (Includes windows)	1387	0	184,758	97,959
Energy Efficiency Works/Affordable Warmth		0	27,148	0
Ermine Balconies		0	0	68,000
Decent Homes- Voids		0	0	261,567
<u>Catch Up</u>				
Boiler Replacements - Ermine West	1366	0	80,600	0
Boiler Emergencies - Contract No. 1 (Yr 2 / 3)	1368	423,800	109,165	1,055,102
Boiler Emergencies - Contract No. 2 (Yr 3 / 3)	1369	0	0	193,570
Boiler Replacements	1409/10	422,302	379,840	15,452
<u>Modifications</u>				
Coleridge Green	1390	0	148,653	0

HRA Business Plan

Environmental Improvements

Environmental Works	1381/2	740,142	50,963	0
De Wint Ct Env Works	1391	24,849	0	0
Fencing & Footpaths	1421/2	304,433	180,690	9,510

Health & Safety

Security Doors	1374	337,190	16,407	0
Security Works		1,153	12,445	0
Asbestos Removal		25,364	37,809	35,303
Asbestos Surveys	1385	13,686	67,354	0
Toll Bar House - Security Works	1413	0	21,947	1,239
Balustrades to Flat Blocks		0	0	27,344
Shuttleworth House Roof Walkway		0	0	1,845
Security Grilles Tower Block		0	0	12,804
Sincil Bank Collapse		0	0	9,436
Lambeth House Car Park		0	0	5,840

Other

St. Giles DDA Alterations	1396	0	380	0
DDA Building Works	1416	0	62,875	66,041
12 Lamb Gardens	1392	4,500	23,100	15,888
8 Bassingham Crescent	1393	4,070	13,000	16,173
20 Scawby Crescent	1394	0	27,228	0
25 Swift Gardens		0	13,110	18,851
45 Holly St, Manse		6,900	0	0
5 Legbourne Close	1433	0	0	69,434
Kipling Cl		10,433	0	0
Woodhall Dr		7,478	0	0
Estate Based Budgets		87,957	142,497	1,639
EBB- Door Entry Scheme		0	0	55,791
Communal TV Aerials	1401	0	146,498	5,476
Groundwork Partnering		0	74,147	246,778
Modernisations	1330	182,147	351,151	279,284
Capitalised Repairs (VO2's)		570,911	566,424	0

5,532,235 6,811,134 6,287,967

Other Schemes

St Giles Play Area Fencing		0	9,271	0
DIPS's		2,250	60,750	14,190
Performance Management		19,669	30,000	0
Contribution to IT Fund		101,650	69,609	40,256

123,569 169,630 54,446

General Fund Schemes

Home Repairs, Home Secure, Alligates & Affordable Warmth Grants		378,264	362,691	0
Disabled Facilities Grant		211,200	393,035	0
Housing Renewal Area		66,727	14,014	53,986
Abbey Ward Relighting		145,362	56,648	0
Property CPO		15,040	1,504	0

816,593 827,892 53,986

GRAND TOTALS

6,472,397 7,808,656 6,396,399

HOUSING INVESTMENT PROGRAMME 2007/08 TO 2011/12

Please Note – All figures include inflation, profit & overheads

Ref	2007/8	2008/9	2009/10	2010/11	2011/12
CAPITAL WORKS					
Core Partnership Programme					
1 Central Heating	£682,190	£704,700	£727,960	£751,620	£409,580
2 Boiler Replacements	£431,221	£446,640	£462,570	£478,780	£260,900
3 Re-roofing / Chimneys	£350,380	£361,940	£373,890	£386,040	£210,360
4 Rewiring	£1,549,010	£1,600,130	£1,652,930	£1,706,650	£930,000
5 Kitchen Improvements	£3,137,120	£3,240,650	£3,347,590	£3,456,390	£1,883,480
6 Bathrooms & WC's	£1,177,260	£1,216,110	£1,256,240	£1,297,070	£706,810
7 Window Replacements	£960,190	£0	£0	£0	£0
8 Door Replacement	£329,050	£377,810	£390,280	£402,960	£219,580
9 Wall Structure Repairs	£7,060	£7,290	£7,530	£7,780	£4,240
10 Insulation Improvements	£376,480	£388,910	£401,740	£414,800	£226,040
11 Decent Homes Modernisations	£103,300	£106,710	£110,230	£113,810	£62,020
12	£9,103,261	£8,450,890	£8,730,960	£9,015,900	£4,913,010
Ongoing Decent Homes Schemes					
13 Total Decent Homes	£9,103,261	£8,450,890	£8,730,960	£9,015,900	£4,913,150
Statutory Health & Safety Requirements					
14 Renew paths and pavings	£583,580	£301,420	£311,370	£321,480	£122,470
15 St. Boltophs Crescent Paving Refurbishment	£10,330	£0	£0	£0	£0
16 Security Fencing (Police Recommendations)	£103,300	£53,350	£55,120	£56,910	£21,680
17 Provide fire stopping to party walls	£31,830	£32,890	£33,970	£35,070	£13,360
18 Renew Communal Lighting	£20,660	£21,340	£22,050	£22,760	£8,670
19 Renew bulkhead external lighting	£10,330	£5,340	£5,510	£5,690	£2,170
20 Renew emergency lighting	£72,920	£37,660	£38,910	£40,170	£15,300
21 Replacement Door Entry Systems	£118,574	£64,030	£66,140	£68,290	£26,020
22 Renew lift	£37,820	£19,540	£20,180	£20,840	£7,940
23 Renew stair structure	£330,560	£21,340	£88,180	£113,810	£43,360
24 Plastering (HHSRS)	£206,600	£213,420	£220,460	£227,630	£86,720
25 Total H & S Requirements	£1,526,504	£770,330	£861,890	£912,650	£347,690
The Lincoln Standard					
26 Lincoln Standard schemes	£0	£0	£0	£0	£2,005,560
27 Windows Replacement	£766,111	£0	£0	£0	£0
28 Total Lincoln Standard	£766,111	£0	£0	£0	£2,005,560
Ref	2007/8	2008/9	2009/10	2010/11	2011/12
CAPITAL CONTINGENCY WORKS					
Estate Works					
29 Garage Maintenance	£56,820	£58,690	£60,630	£62,600	£46,610
30 Drainage Works	£36,160	£37,350	£38,580	£39,830	£29,660
31 Footpath works	£20,660	£21,340	£22,050	£22,760	£16,950
32 Adaptations for Wheelie Bins	£0	£0	£0	£0	£0
33 Total Estate Works	£113,640	£117,380	£121,260	£125,190	£93,220

HRA Business Plan

Ref	2007/8	2008/9	2009/10	2010/11	2011/12
<u>Contingent Major Repairs / works</u>					
34 Structural Works	£51,650	£53,350	£55,120	£56,910	£18,520
35 Roman Pavement (Note £525k in 6/7 from existing programme)	£1,829,110	£1,307,180	£0	£0	£0
36 Intel Failures	£20,660	£21,340	£22,050	£22,760	£7,410
37 Wall Tie Failure	£20,660	£21,340	£22,050	£22,760	£7,410
38 Asbestos Removal	£285,000	£294,410	£304,130	£314,010	£102,230
39 Aid & Adaptations - Major Works - 3 pa @£50k	£154,950	£160,060	£165,350	£170,720	55,580
40 Provision for Transfer of Land from HRA	£25,830	£26,680	£27,560	£28,450	£9,260
41 Total Contingent Major Repairs/Works	£2,387,860	£1,884,360	£596,260	£615,610	£200,410
<u>Environmental Improvements</u>					
42 RESPECT Agenda & Local Area Agreements	£100,000	£106,710	£110,230	£113,810	£0
43 Energy Efficiency Works (Externally funded)	£139,316	£0	£0	£0	£0
44 Total Environmental Improvements	£239,316	£106,710	£110,230	£113,810	£0
<u>Exceptional Extensive Repair</u>					
45 Multi Storey Flats	£0	£0	£0	£0	£158,910
46 Total Exceptional Extensive Repair	£0	£0	£0	£0	£158,910
<u>Mechanical & Electrical Works</u>					
47 Allocation b/f fr 2005/06	£0	£0	£0	£0	£0
48 Derek Miller Court	£2,070	£5,230	£2,760	£62,030	£15,190
49 Jarvis House	£1,760	£3,410	£21,160	£126,100	£30,860
50 Risby Green	£2,790	£750	£660	£3,190	£780
51 Shuttleworth House	£1,960	£320	£220	£118,370	£28,980
52 St. Botolphs Court	£520	£530	£7,050	£3,980	£970
53 Trent View	£2,070	£210	£13,450	£116,770	£28,580
54 Total M&E Works	£11,170	£10,450	£45,300	£430,440	£105,360
<u>Current Developments</u>					
55 Western Growth Corridor	£0	£0	£0	£0	£0
56 Hamilton House	£536,830	£0	£0	£0	£0
57 Partnership Consultancy Fees	£103,300	£53,350	£55,120	£56,910	£0
58 Total Current Developments	£640,130	£53,350	£55,120	£56,910	£0
Ref	2007/8	2008/9	2009/10	2010/11	2011/12
<u>Computer Fund</u>					
59 Housing Support Services Computer Fund	£103,300	£106,710	£110,230	£113,810	£0
60 Total Computer Fund	£103,300	£106,710	£110,230	£113,810	£0
61 Total Programmed Maintenance	£14,891,292	£11,500,180	£10,631,250	£11,384,320	£7,824,000
62 Capital Administration	£300,000	£300,000	£300,000	£300,000	£300,000
63 Total Programmed Maintenance incl Admin	£15,191,292	£11,800,180	£10,931,250	£11,684,320	£8,124,300

HRA Business Plan

Ref	2007/8	2008/9	2009/10	2010/11	2011/12
Resources:					
64 Supported Capital Borrowing	£1,020,000	£1,000,000	£1,000,000	£1,000,000	£1,000,000
65 Unsupported Capital Borrowing	£0	£0	£0	£0	£0
66 Major Repairs Allowance	£4,709,732	£4,764,534	£4,831,459	£4,896,548	£4,763,690
Capital Grants & Contributions :					
67 Specified Grants	£0	£0	£0	£0	£0
68 Other Grants and contributions	£0	£0	£0	£0	£0
69 Contributions (Mortgage Repayments)	£2,500	£2,500	£2,500	£2,500	£2,500
70	£2,500	£2,500	£2,500	£2,500	£2,500
71 Direct Revenue Financing (DRF)	£2,017,000	£2,162,000	£2,310,000	£4,831,000	£2,381,829
HRA Capital Receipts :					
Received in year					
72 RTB's (25%)	£803,060	£821,530	£840,420	£859,750	£879,520
73 Land, others	£0	£753,510	£0	£0	£0
74	£803,060	£1,575,040	£840,420	£859,750	£879,520
75 Total in-year Resources	£8,552,292	£9,504,074	£8,984,379	£11,589,798	£9,027,539
76 add Net Resources b/fwd	£11,136,671	£4,497,671	£2,201,565	£254,694	£160,172
77	£19,688,963	£14,01,745	£11,118,944	£11,844,492	£9,187,711
78 less Total Programme (line 106)	£15,191,292	£11,800,180	£10,931,250	£11,684,320	£8,124,300
79 Resources c/f	£4,497,671	£2,201,565	£254,694	£160,172	£1,063,411

**ii) HRA REPAIRS EXPENDITURE
2003/04, 2004/05 & 2005/06**

		2003/04 Actual	2004/05 Actual	2005/06 Actual
<u>Tenant Notified</u>	<u>Zone</u>			
Ermine East	A	424,048	473,613	446,252
St Giles	B	724,688	786,332	814,761
Burton/Newport	C	106,432	112,330	131,994
Carholme/City	D	267,650	331,029	330,718
Monks Rd	E	376,784	362,736	409,454
Birchwood	F	519,002	571,966	590,829
Hartsholme	G	161,789	206,662	161,525
Boultham	H	557,163	636,802	654,366
Manse	J	243,259	248,831	230,523
Ermine West	K	484,212	392,497	435,761
Control Centre Recharge		9,002		
Estate Shops		12,938	12,035	9,683
		3,886,967	4,134,833	4,215,866
<u>Voids</u>				
Ermine East	A	137,370	155,129	166,114
St Giles	B	183,839	300,891	274,388
Burton/Newport	C	31,706	14,107	37,192
Carholme/City	D	76,731	113,996	168,162
Monks Rd	E	171,363	103,030	163,406
Birchwood	F	112,314	223,280	183,711
Hartsholme	G	27,949	75,192	80,280
Boultham	H	161,753	263,376	259,450
Manse	J	32,542	102,234	65,177
Ermine West	K	150,118	199,930	211,369
		1,085,685	1,551,165	1,609,249
		4,972,652	5,685,998	5,825,115
<u>Servicing Contracts</u>				
Lifts		15,543	23,375	15,732
				9,356
Gas Servicing		190,594	844,908	264,844
Emergency Gas Repairs		2,982	2,820	1,825
		209,119	871,103	291,757
<u>Painting Programme</u>		190,702	271,445	247,128
<u>Asbestos removal</u>		185	0	0
<u>Aids & Adaptations</u>		283,244	194,888	201,055
<u>Decoration Grants</u>		59,930	53,090	36,603
<u>Tenants Compensation</u>				
Disturbance Allowance		2,186	839	283
Tenants Decant Exp		1,009	3,138	675
Tenants Compensation.		0	0	11,926
		3,195	3,977	12,884
<u>Other</u>				
MtceGenerators		360	782	0
Postages		2,584	4,536	1,000
Misc Purchases		0	885	943
		2,944	6,203	1,943
Electrical Testing		0	44,000	77,348
GRAND TOTALS		5,721,971	7,130,704	6,693,833

HOUSING REVENUE OPERATING ACCOUNT	2005/06			2006/07
	Estimate £	Probable £	Actual £	Estimate £
INCOME				
Gross Rental Income				
1 - Dwellings rents	(18,802,210)	(18,852,830)	(19,135,668)	(19,621,850)
2 - Non-Dwelling rents	(378,990)	(420,450)	(412,748)	(480,680)
3 Charges for Services & Facilities	(563,120)	(519,900)	(559,298)	(477,620)
4 HRA Subsidy Grant (incl MRA)	(1,054,950)	(1,274,200)	(1,263,524)	(1,196,450)
5	(20,799,270)	(21,067,380)	(21,371,238)	(21,776,600)
EXPENDITURE				
6 Contribution to Repairs Account	6,025,000	6,025,000	6,025,000	5,975,000
Supervision & Management:				
7 - General	4,442,830	4,355,150	3,991,689	4,411,600
8 - Special	1,164,110	1,121,290	1,117,952	1,161,320
9 Rents, Rates and Other Premises	13,910	13,910	13,367	14,210
10 Increase in Bad Debt Provisions	450,000	450,000	231,341	460,000
Housing Benefits:				
11 - Subsidy Limitation Transfer	698,530	744,950	642,075	399,310
12 - Unsubsidised Incentive Schemes	102,110	113,030	113,028	
Cost of Capital:				
13 - Interest	7,436,150	8,726,790	10,642,521	8,558,000
14 - Depreciation Council Dwellings	4,636,150	4,822,730	6,462,885	4,759,330
15 - Depreciation Other Assets			114,846	63,400
16 Debt Management Expenses	36,090	38,460	51,955	45,100
18	25,004,880	26,411,310	29,406,659	25,847,270
19 NET COSTS OF SERVICE	4,205,610	5,343,930	8,035,421	4,070,670
20 NET COSTS OF SERVICE b/f	4,205,610	5,343,930	8,035,421	4,070,670
21 Capital Charges Interest	(7,436,150)	(8,726,790)	(10,642,521)	(8,558,000)
22 Loan Charges Interest	1,196,980	1,227,310	1,224,371	1,325,020
23 Pension Interest Cost & expected return on Pension Asset			248,103	
24 (Surplus)/Deficit from OSD	-	(204,772)	(97,867)	
25 Premiums Payable	773,650	773,650	773,653	663,450
26 Discounts Receivable	(70,610)	(70,610)	(70,611)	(70,620)
27 Interest on Investments	(166,950)	(267,570)	(153,155)	(177,770)
28 Mortgage Interest	(5,000)	(4,500)	(4,501)	(4,000)
29 NET OPERATING	(1,502,470)	(1,929,352)	(687,107)	(2,751,250)
Appropriations to/(from):				
30 - Pension Reserve			(52,601)	
31 - Insurance Reserve			89,480	
32 - Major Repairs Reserve	(130,510)	(256,740)	(1,960,310)	(110,330)
33 - Computer Purchase	5,140	(130,890)	(130,891)	
34 - Invest to Save		181,509	181,505	
35 - PI Survey	11,190	11,190	11,190	11,460
36 - Stock Condition Survey	11,190	11,190	11,190	11,460
37 - Accommodation Review		23,990	23,990	-
38 - Stock Retention Strategy			68,146	-
39 Direct Revenue Financing				1,875,000
40 1% Vacancy Savings				(38,910)
41 1.5% Vacancy Savings (additional)				
42 (SURPLUS)/DEFICIT in year	(1,605,460)	(2,089,103)	(2,445,408)	(1,002,570)
43 Balance b/f at 1 April	(1,665,310)	(1,623,402)	(1,623,401)	(3,712,505)
44 Balance c/f at 31 March	(3,270,770)	(3,712,505)	(4,068,809)	(4,715,075)

HOUSING REVENUE ACCOUNT BUDGET SUMMARY
FORECAST 2006/07 - 2011/12

	2006/07 £	2007/08 £	2008/09 £	2009/10 £	2010/11 £	2011/12 £
INCOME						
Gross Rental Income						
1 - Dwellings rents	(19,713,460)	(20,646,420)	(21,360,170)	(22,191,890)	(23,107,520)	(24,096,700)
2 - Non-Dwelling rents	(499,050)	(519,530)	(538,470)	(559,500)	(578,810)	(597,670)
3 Charges for Services & Facilities	(438,780)	(475,450)	(486,380)	(497,550)	(508,960)	(520,660)
4 HRA Subsidy Grant (incl MRA)	(635,020)	48,580	699,760	1,317,740	1,940,030	2,525,080
5	(21,286,310)	(21,592,820)	(21,685,260)	(21,931,200)	(22,255,260)	(22,689,950)
EXPENDITURE						
6 Contribution to Repairs Account	5,975,000	5,459,000	5,507,000	5,554,000	5,594,000	5,634,000
Supervision & Management:						
7 - General	4,831,550	4,573,580	4,575,220	4,711,800	4,837,580	5,047,600
8 - Special	1,132,300	1,160,620	1,191,320	1,222,520	1,256,450	1,288,530
9 Rents, Rates and Other Premises	56,310	72,400	82,310	101,350	114,740	130,130
10 Increase in Bad Debt Provisions	230,000	235,000	240,000	245,000	250,000	255,000
Housing Benefits:						
11 - Subsidy Limitation Transfer	408,070	303,340	166,890	47,430		
12 - Unsubsidised Incentive Schemes Compensation						
Cost of Capital:						
13 - Interest						
14 - Depreciation Council Dwellings	6,730,250	6,730,250	6,730,250	6,730,250	6,730,250	6,730,250
15 - Depreciation Other Assets	122,820	122,820	122,820	122,820	122,820	122,820
16 Debt Management Expenses	56,710	60,280	61,470	65,210	66,900	69,500
17 Capital Charges Interest		-	-	-	-	-
18 Loan Charges Interest	1,272,330	1,347,330	1,393,280	1,438,780	1,481,020	1,529,780
19 Pension Interest Cost & expected return on Pension Asset						
20 (Surplus)/Deficit from OSD						
21 Premiums Payable	663,820	662,550	492,470	369,090	282,310	226,760
22 Discounts Receivable	(71,360)	(71,280)	(70,260)	(57,670)	(51,410)	(22,190)
23 Interest on Investments	(286,950)	(341,730)	(401,950)	(416,060)	(357,680)	(357,680)
24 Mortgage Interest	(3,840)	(3,500)	(3,000)	(3,000)	(3,000)	(3,000)
NET OPERATING (INCOME)/EXPENDITURE	(169,300)	(1,282,160)	(1,597,440)	(1,799,680)	(1,931,280)	(2,038,450)
Appropriations to/(from):						
26 - Pension Reserve						
27 - Insurance Reserve	(92,730)	(133,340)	(133,720)	(103,380)	(86,220)	
28 - Major Repairs Reserve	(2,220,680)	(2,143,340)	(2,088,540)	(2,021,610)	(2,016,520)	(2,016,520)
29 - Computer Purchase						
30 Invest to Save	(205,040)					
31 PI Survey	11,460	11,720	11,990	12,270	12,550	12,840
32 Stock Condition Survey	11,460	11,720	11,990	12,270	12,550	12,840
33 Office Moves - HRA		(66,180)				
34 - Stock Retention Strategy						
35 Direct Revenue Financing	1,875,000	2,018,000	2,163,000	2,310,000	4,831,000	2,381,830
36 1% Vacancy Savings		(40,080)	(41,040)	(42,050)	(43,060)	(44,090)
37 1.5% Vacancy Savings (additional)		(60,050)	(61,500)	(63,150)	(64,670)	(66,230)
38 (SURPLUS)/DEFICIT in year	(789,830)	(1,683,710)	(1,735,260)	(1,695,330)	714,350	(1,757,780)
39 Balance b/f at 1 April	(4,068,809)	(4,858,639)	(6,542,349)	(8,277,609)	(9,972,939)	(9,258,589)
40 Balance c/f at 31 March	(4,858,639)	(6,542,349)	(8,277,609)	(9,972,939)	(9,258,589)	(11,016,369)

Indicator	2002/03	2003/04	2004/05	2005/06		2006/07	2007/08	2008/09	2009/10
Best Value PI	Actual	Actual	Actual	Target	Actual	Target	Target	Target	Target
BVPI63 – Energy Efficiency – Average SAP rating	67%	67%	68%	69%	68%	68%	70	70	70
BVPI 66a Rent Collection & Arrears - Proportion Of Rent payable during period collected	98.7%	98.92%	98.9%	98%	99.26%	98.5%	98.7%	98.75%	99%
BVPI66b – No of Tenants with more than 7 weeks arrears				New	7.70%	7.75%	5.5%	4.12%	4.10%
BVPI66c - % of tenants who have had Notice seeking possession Served				New	25.27%	22%	17%	16.5%	16%
BVPI66d – Tenants evicted as a result of rent arrears				New	0.76%	0.05%	0.7%	0.65%	0.6%
BVPI 74a - Satisfaction of tenants with the overall service provided		77%				80%			
BVPI 75a - Satisfaction of tenants with opportunities for participation in management and decision making		67%				67%			
BVPI164 - Does The Authority Follow The Commission For Racial Equality's Code Of Practice In Rented Housing	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes
BVPI184a – Proportion of homes non decent	26%	22.17%	21.42%	18%	21.88%	18%	37%	33%	30%
BVPI184b – Percentage change in proportion of non-decent homes	14.4%	-8.43%	18.33%	18.22%	-0.1%	17.73%	34.14%	35.61%	47.36%
BVPI212 - Average time taken to re-let local authority housing	64 days	41.9 days	35.4 days	30 days	34.2 days	30 days	29 days	28 days	25 days

HRA Business Plan

Indicator	2002/03	2003/04	2004/05	2005/06		2006/07	2007/08	2008/09	2009/10
	Actual	Actual	Actual	Target	Actual	Target	Target	Target	Target
Ho1 (from 2005/06) – Actual cost of housing repair per dwelling				£12	£13.97	£11	£10	£9	£11
Ho2 - % rent lost through dwellings becoming vacant	2.13%	1.63%	1.27%	1.3%	1.1%	1.2%	1.1%	1.0%	0.99%
Ho3 – Percentage of urgent repairs completed in government time limits	92.03%	93.99%	91.1%	95%	91.05%	96%	96%	97%	98%
Ho4 – Average time to complete non urgent repairs	18.3 days	16 days	17 days	16 days	7.3 days	8 days	8 days	7 days	6 days
Ho6 - Rent collection – Rent arrears of tenants as a proportion of rent roll	2.7%	2.65%	2.33%	2.10%	2.3%	2.1%	2.07%	2.00%	1.95%
Ho9 – Repairs & maintenance ratio of planned repairs expenditure to responsive repairs expenditure				57%	43.23%	57%	57%	61%	64%

National Best Value Performance Indicators 2005/06 - Quartiles											
2005/06 BVPI Outturns		All England				Lincoln City	All Districts				
		Lincoln City	Top	Median	Bottom	Average	Lincoln City	Top	Median	Bottom	Average
Upper Threshold											
Middle Threshold											
Lower Threshold											
HOUSING											
63	Energy Efficiency - Average SAP Rating	68	69	67	63	66	68	69	67	64	66
66a	Proportion of rent payable during period collected	99.26%	98.59%	97.75%	97.07%	97.16%	99.26%	98.84%	98.20%	97.41%	97.32%
66b	% of tenants with more than 7 weeks of arrears	7.70%	4.12%	5.96%	8.53%	7.11%	7.70%	3.39%	5.23%	7.35%	6.01%
66c	% of tenants who have had Notices Seeking Possession served	22.70%	17.06%	27.25%	35.28%	28.06%	22.70%	13.55%	25.12%	35.81%	26.32%
66d	Tenants evicted as a result of rent arrears	0.76%	0.00%	0.00%	1.00%	1.00%	0.76%	0.00%	0.00%	0.00%	1.00%
74a	Overall satisfaction with tenants service	77.00%	84.00%	79.00%	74.00%	78.09%	77.00%	85.00%	83.00%	77.56%	80.59%
74b	Satisfaction with tenants service - BME groups	84.00%	82.00%	72.00%	61.00%	70.52%	84.00%	85.75%	75.00%	61.50%	71.08%
74c	Satisfaction with tenants service - non BME groups	77.00%	84.00%	80.00%	74.00%	78.08%	77.00%	85.00%	83.00%	77.56%	80.59%
75a	Satisfaction of tenants with for participation in management & decision making	67.00%	69.00%	63.50%	58.00%	62.99%	67.00%	70.00%	65.00%	59.00%	64.61%
75b	Satisfaction of tenants with for participation in management & decision making - BME Groups	68.00%	71.00%	60.00%	50.00%	59.08%	68.00%	75.00%	62.50%	50.00%	60.76%
75c	Satisfaction of tenants with for participation in management & decision making - non BME Groups	66.00%	70.00%	64.00%	58.00%	63.12%	66.00%	70.00%	65.50%	59.00%	64.31%
164	Does the authority follow the Commision for racial equality's code of practice in rented housing & good practice standards	Yes					Yes				
184a	Proportion of LA homes which were non-decent at 1 April 2003	17.05	16.00	30.00	47	32.00	17.05	12	24	39	26
184b	Percentage of change in proportion of non-decent homes between 1 April 2004 and 1 April 2005	-0.26%	28.30	13.90	3.4	20.90	-0.26%	29.20%	14.20%	0.70%	22.80%
212	Average time taken to re-let LA dwellings	34.20	29	37	51	44	34.20	27.00	36.00	49.00	41.00

HOUSING REVENUE ACCOUNT - BUDGET RISK ASSESSMENT 2006/07

Line No.	Budget Item	Risk	3rd Quarter Monitoring
1.	Pay Awards	Settlements exceed the percentage increase provided for in the budget from 2007/08. (The pay award for 2006/07 has already been agreed at 2.95%)	No impact on 2006/07, pay award previously agreed at 2.95%.
2.	Establishment Budget of 99%	Greater than 99% establishment	HRA target for vacancy savings set at £38,910 for 2006/07. Savings of £267,300 achieved by the end of the 3rd quarter. This will contribute towards resourcing the Councils' stock retention strategy (HRA Business Plan 2006-2011), in conjunction with the major Housing Department restructuring exercise (see paragraph 3.2.1), which had a planned implementation date of 1 st January 2007, all of which is essential in enabling the authority to meet the requirements of the Stock Retention Strategy.
4.	Investment Income	Available cash flow surpluses less than anticipated and/or falling interest rates	The budgeted average interest rate for 2006/07 was set at 4.3%, the actual average achieved during the first nine months was 4.93% This performance along with the investment of additional cash as a result of under-spends on the General Fund and HIP, and a conservative view taken at budget time of the average cash balance available for investment during the year will result in surplus investment income. The HRA share is currently estimated to be in the region of £280,000 for 2006/07, an additional £102,230.
5.	Borrowing Costs	Reduction in Cash flow results in deficits and/or rising interest rates	Only one short-term loan, for 2 weeks, undertaken during the first nine months: £1m at 5.2%. The Bank of England's base rate rose to 5.0%, in November, and subsequently to 5.25% in January. Despite the possibility of a further increase in the near future, there will be minimal effect on our interest payable as short-term borrowings, if any, are only undertaken to bridge temporary cash-flow shortfalls. We currently only have long-term loans of greater than 5 years, which are on fixed rates and therefore not affected.
12.	Bad Debt Provision	The Council's existing Bad Debt provision proves insufficient to meet any increase in the value of debts written off.	Net HRA Rent arrears have decreased by £25,300 (1.7%) by the end of the 3rd quarter. As reported at the end of the previous quarter, this years budgeted provision (£460,000), is more than adequate. The matter was raised as part of the FBR process, in November and, consequently, a proposal to reduce the budget by £230,000 forms part of a pending report, to Executive.

HRA Business Plan

Line No.	Budget Item	Risk	3rd Quarter Monitoring
15.	Housing Rents and Property Voids	<ul style="list-style-type: none"> • More Council House disposals than anticipated • Void properties exceeding the 1.2% allowance included in the budget • Governments revisions to their rent restructuring policy that have a detrimental effect on the Council's budget 	<ul style="list-style-type: none"> • 70 disposals estimated for the year, 34 took place by the end of the 3rd Quarter. If this trend continued to the yearend, additional rental income of approx £30,000 would be collectable. • The value of lost rental income to the end of the 3rd quarter, due to voids, amounted to approx. 63% of the total budget. If this trend were to continue, approx £44,000 additional rental income would result. • No impact in 2006/07.
16.	HRA Repairs and Maintenance Costs	Assumed reductions in Repairs and Maintenance costs as a result of significant investment in the Council Housing Stock do not materialise	<p>Too soon to see any 'knock-on' reductions in the levels of R&M works/costs.</p> <p>N.B. It follows that if dwelling disposals continue at the reduced levels (see 15 above), there will be more properties to maintain and therefore potential for additional costs.</p>
17.	Housing Revenue Account Subsidy	Central Government revise the Subsidy rules	No impact in 2006/07.
18.	Operational Services Division (OSD)	The CMS (City Maintenance Service) do not modernise and achieve efficiency savings required as a direct result of the anticipated reduction in work load through the decrease in responsive repairs	<p>Status of the implementation of HRA Business Plan implications:</p> <ul style="list-style-type: none"> • wages to salary changeover, effected in July 2006 • reduction in workforce, new OSD structure approved by Executive on 17 July 2006 as part of the Housing Restructure. 28 Notices of Redundancy (Voluntary) served, including the 10 approved at Executive on 08/01/07, ongoing • mobile working, approved tender list agreed by Executive on 17 July 2006 as part of the Housing Stock Retention Strategy, implementation expected April 2007 • one cost per repair, discussions still ongoing
20.	Energy Costs	Increases in Energy costs are in excess of the budget	<p>The new gas contract, which came into effect from 1 July 2006, saw an average increase in prices of 95%, resulting in an additional cost in 2006/07 of £26,800. The current electricity contract was renewed in November, and saw tariffs rise by 64%, an additional cost of approximately £15,300 for 2006/07.</p>

TRADING ACCOUNT - REVENUE BUDGET RISK ASSESSMENT 2006/-07

No.	Budget Item	Risk	3rd Quarter Monitoring
1.	Pay Awards	Settlements exceed the percentage increase provided for in the budget from 2007/08. (The pay award for 2006/07 has already been agreed at 2.95%)	No impact on 2006/07 pay award previously agreed as 2.95%.
18.	Operational Services Division (OSD)	The OSD do not modernise and achieve efficiency savings required as a direct result of the anticipated reduction in work load through the decrease in responsive repairs	<p>Full implementation of actions required to meet HRA Business Plan yet to occur;</p> <ul style="list-style-type: none"> • wages to salary changeover: effected in July 2006 • reduction in workforce, new OSD structure approved by Executive on 17 July 2006 as part of the Housing Restructure. 28 Notices of Redundancy (Voluntary) served, including the 10 approved at Executive on 08/01/07, on-going • Resource Planning: tenders received and currently being evaluated as part of the Housing Stock Retention Strategy. Implementation expected April 2007 • one cost per repair: work on this is ongoing.