

Public Document Pack

Gareth Owens LL.B Barrister/Bargyfreithiwr
Chief Officer (Governance)
Prif Swyddog (Llywodraethu)



To: Cllr Ron Hampson (Chair)

CS/NG

Councillors: Amanda Bragg, David Cox,
Paul Cunningham, Peter Curtis, Ron Davies,
Rosetta Dolphin, Jim Falshaw,
George Hardcastle, Ray Hughes,
Hilary Isherwood, Brian Lloyd, Mike Reece,
Gareth Roberts and Sharon Williams

19 January 2015

Sharon Thomas 01352 702324
sharon.b.thomas@flintshire.gov.uk

Dear Sir / Madam

A meeting of the **HOUSING OVERVIEW & SCRUTINY COMMITTEE** will be held in the **DELYN COMMITTEE ROOM, COUNTY HALL, MOLD CH7 6NA** on **FRIDAY, 23RD JANUARY, 2015** at **10.00 AM** to consider the following items.

Yours faithfully

Democracy & Governance Manager

AGENDA

- 1 **APOLOGIES**
- 2 **DECLARATIONS OF INTEREST (INCLUDING WHIPPING DECLARATIONS)**
- 3 **BUDGET CONSULTATION FOR 2015/16- HOUSING REVENUE ACCOUNT (HRA)** (Pages 1 - 22)
Report of Chief Officer (Community and Enterprise) enclosed.

County Hall, Mold. CH7 6NA
Tel. 01352 702400 DX 708591 Mold 4
www.flintshire.gov.uk
Neuadd y Sir, Yr Wyddgrug. CH7 6NR
Ffôn 01352 702400 DX 708591 Mold 4
www.siryfflint.gov.uk

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FLINTSHIRE COUNTY COUNCIL

REPORT TO: **HOUSING OVERVIEW & SCRUTINY COMMITTEE**

DATE: **FRIDAY, 23 JANUARY 2015**

REPORT BY: **CHIEF OFFICER (COMMUNITY AND ENTERPRISE)**

SUBJECT: **BUDGET CONSULTATION FOR 2015/16- HOUSING REVENUE ACCOUNT (HRA)**

1.00 PURPOSE OF REPORT

1.01 To present the draft HRA Budget for 2015/16, and HRA Business Plan developed for the introduction of self-financing in April 2015.

2.00 BACKGROUND

2.01 The UK Government and the Welsh Government have reached an agreement to change the financing arrangements for council housing in Wales from April 2015. A new rent policy has also been introduced which Flintshire is required to implement from April 2015. This sets the context for the proposed rent increase and for the requirement to start introducing charging for services.

2.02 Welsh Government has also set a requirement for all providers of social housing to reach the Welsh Housing Quality Standard by 2020. This will require some prudential borrowing in Flintshire's case.

2.03 The council has an aspiration to build council housing to help meet unmet need for social housing and self- financing is providing the opportunity to take this forward in the next few years.

3.00 CONSIDERATIONS

3.01 The HRA has to have both short and long term financial planning in place. The short term (more detailed) planning shows how the WHQS standard can be achieved, Choices document promises kept, and new council housing commissioned. The longer term plan shows a viable account with surplus income over expenditure needs. This presents opportunities to do more to improve service delivery; provides reassurance that once achieved the WHQS standard can be maintained, and could provide further capital funding for new build (subject to borrowing limits).

3.02 The strategic context for this year's HRA budget setting includes the following:

- The introduction of self- financing and the need to implement a

treasury management strategy to meet the councils new and ongoing borrowing requirements

- Delivering a prudent plan for income- ensuring that rents are affordable in a local context, and phasing in of value for money service charging
- Continued drive to ensure all service costs are efficient and that value for money can be achieved.
- Maximisation of revenue efficiencies to minimise the borrowing required to meet WHQS by 2020.
- Review of WHQS investment strategy to meet tenant and elected member expectation and the new achievable deadline of 2020
- Planning for the delivery of new build council housing in 2016

3.03 Attached to this report is:-

- the draft 3 year HRA business plan for scrutiny committee consideration
- 30 year revenue and capital account.
- WHQS programme to achieve the standard in 2020.

3.04 A presentation, including proposed rent levels, phasing of service charge implementation and efficiencies/investment proposals for the next three years will be presented at the committee.

4.00 RECOMMENDATIONS

4.01 Scrutiny Committee is asked to consider the draft HRA budget for 2015/16.

5.00 FINANCIAL IMPLICATIONS

5.01 The HRA is a ring fenced budget. This HRA budget and business plan demonstrates that the council can achieve the WHQS by 2020, can meet service improvement plans and commitments and with prudential borrowing can commence a council house building programme in 2016.

6.00 ANTI POVERTY IMPACT

6.01 Self-financing in the HRA will provide additional revenue to improve property standards and to meet service improvement objectives. The council has agreed a Rent Policy which will see rents at benchmark levels, rather than taking the opportunity to set at 5% per cent above the benchmark. This decision was taken to safeguard affordability for tenants.

7.00 ENVIRONMENTAL IMPACT

7.01 Stock investment delivery plans will enhance the appearance of the

environment and will contribute toward the council's CO2 reduction targets.

8.00 EQUALITIES IMPACT

8.01 All households will benefit from the Councils WHQS programme. The impact of the investment planning and efficiencies is being modelled for various customer groups to ensure that there is no disproportionate impact on any groups with protected characteristics.

9.00 PERSONNEL IMPLICATIONS

Additional staff will be required to deliver an accelerated WHQS programme. The funding for these posts is provided for in the WHQS programme.

10.00 CONSULTATION REQUIRED

10.01 The proposed rent increase will be discussed with the Tenants Federation at their February meeting.

11.00 CONSULTATION UNDERTAKEN

11.01 Detailed consultation has been undertaken with tenants and elected members to inform the preparation of the revised WHQS investment programme.

12.00 APPENDICES

- 12.01 HRA Business Plan
- 12.02 30 year HRA Revenue and Capital Account
- 12.03 WHQS programme

LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985 BACKGROUND DOCUMENTS

None.

Contact Officer: Clare Budden
Telephone: 01352 703800
Email: clare.budden@flintshire.gov.uk

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FLINTSHIRE HOUSING REVENUE ACCOUNT:

BUSINESS PLAN

2015 - 2018



INTRODUCTION

The HRA funds the landlord function of the council for 7200 homes. This includes repairs and maintenance, including upgrading properties and environmental improvements, neighbourhood management including resolving anti-social behaviour and estate caretaking, income collection and customer involvement.

Self financing is being introduced for the Councils Housing Revenue Account (HRA) from April 2015. This will replace the current negative subsidy arrangements, whereby c£6m of tenants rent is paid to Central Government in Westminster annually. The HRA will remain a ring-fenced account; and self financing is expected to provide additional revenue to deliver improved services and will provide more local accountability to tenants.

The new arrangements, which will apply to the 11 stock retaining councils, will see the annual subsidy payment replaced by a one off payment of c£920m. Each of the councils is required to take out loans from the PWLB to fund this payment, and these must cumulatively provide £40m per annum in interest charges. As interest rates fluctuate and borrowing must take place on 2nd April, it is not possible at this stage to model the actual impact from a Flintshire perspective. Various possible scenarios have been modeled and there is a critical point where if interest rates fall below 2.7% then the council will not achieve a revenue saving from self financing.

In addition to borrowing to fund the buy out, a Wales wide borrowing cap has been set of £1.85b. This figure will include all existing borrowing, which from an all Wales perspective is circa £460m (£25m for Flintshire), borrowing to meet WHQS which is £358m for all Wales and £25m for Flintshire, the settlement figure of £920m; then leaving £112m for other priorities such as new build. Flintshire's negotiated share of the new build figure is £14.5m.

BACKGROUND

This report sets out budget proposals for the three year period 2015/2018. Value for money principles have been adopted to maximise resources for stock investment, service improvement and new build.

This plan identifies recent service change and efficiencies and future plans.

It does, as with any business plan, make some financial assumptions, and therefore any aspects which are adopted will need to be kept under review to ensure that assumptions reflect actual costs, performance and risks on an annual basis.

To date rents have been pooled meaning that service costs are charged out equally to all tenants irrespective of service recipient. The council is required by Welsh Government to de-pool rents and introduce charging for “services”. The expectation from Welsh Government is that this will be phased in from 2016 at the latest.

2012 HOUSING BALLOT – CHOICES DOCUMENT

In 2012, the council balloted its tenants on the option for ‘stock transfer’. This process involved making commitments to tenants on service quality and performance, should tenants opt to stay with the council or move to an alternative landlord. 71% of tenants used their vote, with 88% choosing Flintshire County Council to remain as their landlord.

This plan and budget proposals once approved will provide sufficient resources to ensure that all promises made to tenants in the Choices document can be delivered. At the time of the ballot a 5 year stock improvement programme was promised which would provide full kitchen and heating replacement schemes with limited work streams for other property fixtures. At this stage the full WHQS standard could not be delivered until 2038.

Since that time, following detailed cost and investment analysis work, robust efficiency plans and improved performance (coupled with relatively low levels of borrowing), the investment programme has been accelerated and full achievement of the standard can be delivered by 2020.

Rents

The new Welsh Government Rent policy will be implemented for local authorities from April 2015 following exit from the Housing Revenue Account Subsidy system. The target rent bands for each landlord are based on a consistent set of principles and a common methodology across Wales that applies equally to both local authority and housing associations. Landlord rents are based on locality, size, quality and type of dwelling. The policy prescribes that rents should have a higher value for houses and bungalows compared to those for flats and maisonettes and rents should have a higher value for larger dwellings.

The rent policy sets out the total target rent band for each landlord and landlords will be required to work towards and ultimately achieve average weekly rent levels that fall within the scope of those bands. The banding can be set at 5% above or below the target rent.

Where a landlord’s weekly rent is higher than the target rent band, the landlord is expected to increase its rents more slowly (inflation minus £2 until the average weekly rent falls within the target rent band. Where a landlord’s weekly rent is lower than the target rent band, transitional protection will apply to tenants. In any year a landlord will not be permitted to increase the rent for any individual tenant by more than £2 per week in addition to the agreed average annual rate of rent increases for the sector as a whole. The inflation indices to be used for uplifting rents each year will be based on CPI at the previous September and a real increase percentage of 1.5% will be applied to the inflation indices. This will be fixed until 2018/19.

CPI for Sept 2014 is 1.2% plus 1.5% giving rent inflation for 2015/16 of 3.7%. Anticipated Rental (including voids rent loss) and other income for the three year period 2015/16, 2016/17 and 2017/18 are shown in the table below:

YEAR	NET RENTAL INCOME	OTHER INCOME	TOTAL INCOME
2015 – 2016	£28,365,000	£ 1,033,000	£ 29,398,000
2016 – 2017	£29,685,000	£ 1,270,000	£ 30,955,000
2017 – 2018	£30,959,000	£ 1,547,000	£ 32,506,000

Rent Charges		2015/16				
Target Rents	Properties	£'s			No.	
		Target Rent	Average Transitional Rent	Variance	Equal to / Above Target Rent	Below Target Rent
G2house	689	84.91	77.79	- 7.12	54	635
G3House	3201	93.40	82.97	- 10.43	60	3141
G4house	117	101.89	90.12	- 11.77	0	117
G5house	10	110.38	95.19	- 15.19	0	10
G6house	4	110.38	98.52	- 11.86	0	4
G1Flat	178	71.64	71.39	- 0.25	101	77
G2Flat	279	79.32	74.95	- 4.37	23	256
G3Flat	61	87.00	82.00	- 5.00	0	61
G1bungalow	11	76.42	72.59	- 3.83	1	10
G2bungalow	1	84.91	80.34	- 4.57	0	1
G3bungalow	1	93.40	96.72	3.32	1	0
G2maisonette	9	76.82	76.82	-	9	0
G3maisonette	1	84.50	77.75	- 6.75	0	1
S1house	1	76.42	72.07	- 4.34	0	1
S2house	2	84.91	77.15	- 7.75	0	2
S3house	15	93.40	86.76	- 6.64	2	13
S1Flat	504	71.64	71.15	- 0.49	370	134
S2Flat	341	79.32	78.44	- 0.88	210	131
S3Flat	2	87.00	85.46	- 1.54	1	1
S1bungalow	1138	76.42	70.76	- 5.65	130	1008
S2bungalow	619	84.91	76.07	- 8.83	21	598
S3bungalow	26	93.40	90.00	- 3.40	9	17
	7210	£ 85.97	£ 78.46	-£ 7.51	992	6218

The above chart shows the transitional rents chargeable to Flintshire tenants under the new rents policy from 2015/16 and how they compare to target rents. The average rent chargeable for 2015/16 is £78.46 some £7.51 below the weekly target rent under the new policy. There are currently 992 (13.8%) tenancies at target rent.

G = General Need

S = Sheltered

The number equates to the number of bedrooms the property has for example a G3house is a general need 3 bed house.

Empty Properties

Void rent loss is currently at 1.38% of rental income. The business plan assumes void rent loss of 1.30%.

Service Charges

Flintshire Council currently pools rents and service charges, and is required to start the process of disaggregating service charges from rents.. Some tenants receive additional services, over and above the service that is provided through rent payments. This tends to apply to those living in blocks of flats, or in schemes with communal/shared facilities. De pooling involves separating out these costs and charging them as a service charge to those who receive the service.

It is recognized that the costs for providing some current services are not value for money and the quality of some services will need to be improved and costs reduced. With the exception of services provided for the benefit of individuals, the service charges described are all currently “housing benefit eligible”. At the beginning of this financial year 67% of tenants were in receipt of full or partial housing benefit.

It is proposed that charges would be introduced on a phased basis for existing/ongoing tenancies over the three years from 2016 leaving a full year to review, consult and improve services. Charging will be introduced fully for new tenants from April 2015.

The HRA currently funds services to the value of £0.700m per annum (excluding Administration costs). Service charging will be phased in as follows:

Year 1 (2015/16) New tenancies service charges

Year 2 (2016/17) As above and Aerials, individual gardens, hedges and communal cleaning services

Year 3 (2017/18) As above and Laundry and Janitor services

Year 4 (2018/19) As above and Caretaking and Communal garden services

The estimated cost recovery (based on current service costs) over the next four years is:-

YEAR	2015/16	2016/17	2017/18	2018/19
Service Charge income	£0.030m	£0.261m	£0.532m	£0.814m

- The demand for social housing is nationally outstripping supply, so there is minimal risk to the HRA not having sufficient demand for its properties in general terms. However, the design and location of some properties has resulted in low demand which incurs costs for the council through rent loss.
- Sheltered bedsits can be unpopular, and the introduction of welfare reform has significantly reduced demand for upper floor 2 bedroom flats. Similarly the location of some sheltered properties impacts adversely on demand and therefore consideration may need to be given in the long term to the re-designation of some units of accommodation to general needs. Particularly in some areas where 'single-person general need' accommodation is in short supply, and pressures are faced by the council fund to find temporary accommodation for vulnerable homeless single people. These issues are addressed in the Asset Management Strategy.
- WHQS must be achieved by 2020/2021 requiring an investment of £107m however it can be assumed that this additional investment will have a positive impact on the demand for repairs, and the scale of investment needed post 2020/21.
- Completion of the works will gradually (from April 2015), release capacity for the DLO workforce to undertake capital work streams.

Expenditure

Council House Build Programme

Self financing has provided the HRA with enough borrowing headroom to start a build programme of new Council homes. It is anticipated that 200 homes could be built over 5 years if these are all built on HRA land, and costs are controlled closely. A full procurement exercise is underway and the developed should be appointed by May 2015, with the first start on site in early 2016.

The first Council house developments will be circa 50 homes across 3 sites.

A Task and Finish group has been established, with representation from tenants and elected members to agree the Flintshire House standard. Key priorities have been identified which are, energy efficiency, sufficient storage space and adequate room sizes for family living, lifetime home elements which are practical and cost effective to deliver so making properties fit for purpose for a range of needs across residents lives;

Business plan headroom of £14.5m has been identified for the programme at the moment but this could be extended if further efficiencies are identified and delivered.

Staff and associated costs

The business plan includes 219.2 established Positions (FTE) within the Housing Revenue Account in 2015/16 a reduction of 7.3 FTE's on 2014/15. 73% of these are direct service posts and 27% are back office and management.

Housing Asset Management

Housing Asset Management (HAM) includes Responsive repairs, voids, WHQS and cyclical works and Disabled adaptations. Total FTE's for HAM assumed in the plan are 150.4 a reduction of 3.0 FTE's on 2014/15. The revenue budget for 2015/16 is £8.398m and includes £0.207m of savings targets compared to 2014/15. (For more information on these please see appendix 1).

Total Housing Asset management and support costs for 2015/16 are £1.153m (£160 per tenancy a reduction of £3 on 2014/15) and total repair and maintenance expenditure costs are £7.245m (£1,005 per tenancy a reduction of £33 on 2014/15)

Tenancy Management

Tenancy Management (TM) includes Rents, Anti Social Behaviour, Tenant participation and Tenancy management services. Total FTE's assumed in the plan are 35.6; a reduction of 3.5 on 2014/15. The budget for 2015/16 is £1.573m and includes £0.301m of savings targets compared to 2014/15. (For more information on these please see appendix 1).

Total Tenancy management support costs for 2015/16 are £0.266m (£37 per tenancy a reduction of £18 on 2014/15) and Tenancy management frontline costs are £1.308m (£180 per tenancy a reduction of £24 on 2014/15).

Estate Services

Estate Services (ES) includes all costs associated with service charges and landlord costs for communal buildings. Total FTE's assumed in the plan for ES are 8.6, an increase of 0.5 Fte's on 2014/15. This is for a service charge officer post to enable implementation of the service charge programme. The budget for 2015/16 is £1.024m and it is anticipated that £0.814m of these costs will be recovered under service charges by the end of year 4 of the business plan.

The total cost for estate services equates to £142 per tenancy in 2015/16.

Support Services

Support Services include Finance and cash collection, I.T, member services, HR and Training, Legal, Insurance, Buildings, admin and Corporate management costs. The budget for 2015/16 is £2.280m and includes £0.355m of savings targets compared to 2014/15. (For more information on these please see appendix a).

Total support services costs are £316 per tenancy a reduction of £43 per tenancy.

Capital Financing

The HRA self financing requires that FCC borrows the settlement amount from PWLB at the beginning of 2015/16. The figure widely quoted is £80m, however the current projection is £92m calculated from the latest interest rate forecast.

The borrowing strategy for 2015/16 is not to commit to long term borrowing too early, to wait until it is clear from capital expenditure plans and reserves that long term borrowing is needed. The HRAS settlement amount will be borrowed on the 2nd April as required, but with £10m being borrowed for 1 year, providing some flexibility in FCCs loan portfolio. When the loan matures in 2016/17 it can be refinanced on a short or long term basis from the PWLB or from the wider market.

Capital financing costs for 2015/16 are estimated at £5,795 a reduction of £0.5m which is the anticipated saving associated with leaving the HRA subsidy system. This figure is likely to be fluid until self financing is concluded and will be monitored and revised as necessary.

Expenditure over the same period is forecasted as follows:

YEAR	MANAGEMENT	REPAIRS	CAPITAL	TOTAL
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	COSTS		FINANCING	EXPENDITURE
2015/16	£4,877,000	£8,398,000	£5,621,000	£18,896,000
2016/17	£4,936,000	£8,201,000	£7,847,000	£20,984,000
2017/18	£4,950,000	£8,364,000	£8,355,000	£21,669,000

Service	Management cost per tenancy	Service Cost per tenancy	Total cost per tenancy
Housing Asset Management	£160	£1,005	£1,165
Estate Services	£0	£142	£142
Tenancy Management	£37	£180	£218
Support Services	£316	£0	£316
Debt Financing	£759	£0	£759
Total Cost	£1,272	£1,327	£2,600

The capital programme for 2015/16 is £21.2m of which the majority is allocated to achieving the Welsh Housing Quality Standard.

BRIEF SUMMARY OF RECENT SERVICE CHANGES / EFFICIENCIES ALREADY ESTABLISHED

Delivering the Choices Document promises

Since the positive ballot result for the future ownership of the council housing stock, the council has focussed on delivering the promises made to tenants in the Choices document. These included both service improvements and stock investment. A number of the successes are detailed below;

- Appointed two Tenant Liaison Officers to involve customers in the delivery of improvements in their homes, and appointed a Customer Involvement Assistant on a temporary basis as a trial.
- A dedicated Anti-Social Behaviour Team of three officers has been created. This has improved the service to those suffering anti-social behaviour considerably.
- Face to face customer service has been improved through the opening of three Flintshire Connects Centres in Holywell, Flint and Connahs Quay.
- Creation of a Financial Inclusion and Tenancy Support Team to support tenants struggling with debt and maintain their tenancies

- Community hubs developed to deliver support services to older tenants in a number of areas throughout the County
- Creation of Apprenticeships and Local Jobs through the Welsh Housing Quality Standard delivery programme

Staffing Costs

Senior Management Costs have reduced significantly over the last three years: At this stage there were four Senior Managers and 50% Head of service costs associated with leading and managing the HRA. From early 2015 this has now reduced to 1 senior Manager and 30% of the cost of the Chief Officer.

Team Staffing Costs: Housing Asset Management has recently restructured to reduce staffing costs creating savings of £174.0k and Neighbourhood Housing Management are currently re-structuring and have supported voluntary redundancies, flexible retirements, and applications for full time staff to reduce hours. The proposed re-structure and associated salary savings are addressed later in this report.

Lean Reviews

Lean reviews on all areas of the service led by a team of internal staff, and involving customers trained in the process has been carried out in order to improve performance, and reduce cost. For example, a review of the collection of 'Former Tenant Arrears' was completed and has increased collection from £56.7k in 2011/12 to £117.3k in 2013/14.

A further example of how lean has been used to generate more efficient ways of working is the introduction of appointments and reminders reducing the incidents of failed appointments and is creating ongoing efficiencies.

Closure of Depot

Housing Asset Management has delivered savings in operational costs of £95.6k by closing an outdated depot.

Outsourcing Stores

Housing Asset Management has delivered savings of £101.2k by outsourcing stores to an external provider.

Multi-Skilling

Enhancing trades' staff multi-skilling has brought about ongoing efficiencies by reducing the need for multiple appointments and associated costs to repairs.

Fleet Review

The completion of the fleet review has resulted in efficiencies of £81.8k

Gas Servicing

The introduction of compressed working hours (8 day fortnight) has meant that the service can be extended from 08:00 – 18:00 resulting in greater performance and lower risk to the council of expired gas safety certificates. The introduction of warrants for forced entry access has reduced the costs of legal cases.

WHQS Programme Out-turns

2012 / 2013

Heating upgrades - 600 homes planned - 1100 delivered

Kitchen replacements - 922 planned -1100 delivered

Smoke detectors - 884 planned - 2400 delivered

Bathroom replacements - 56 planned - 62 delivered

2013/14

Heating upgrades - 600 homes promised - 977 completed

Kitchen replacements – 922 promised – 1118 completed

Smoke detectors - 884 promised - 804 completed

Bathrooms – 0 promised – 200 completed

I.T system- Anti- Social Behaviour Case Management

The introduction of the React System from a paper-based system will enable costs of cases to be tracked to ensure value for money. (2014-15 is the first benchmarking

year) and has improved performance by enabling effective case management and performance management.

Housing News Magazine

The number of editions of the publication “Housing News” has been reduced from 4 to 2 and less costly options have been selected in respect of paper choice. This has reduced costs by £7k per year.

Voids Performance

The performance for all Void properties in 2013-14 was an average of 42 days compared to 47 days for 2012-13. Letting days for normal Voids was just 33 days in Q2 2014/15. This means that average rent loss for void properties now equates to 1.35% of the rent debit, a consistent reduction.

Rent arrears

Despite the introduction of benefit changes in April 2013 and a subsequent reduction in Housing Benefit to the HRA of circa £800k it has been possible to maintain performance in this area through a proactive approach to affordability and debt management. The council has also out-performed the national average in its ability to transfer customers to the smaller properties that they have requested.

Co-location of Area Housing Teams

The co-location of the three area housing teams along with the ASB Team, Income Team and Customer Involvement, has enabled the Connah’s Quay and Mold offices to close. The Neighbourhood Teams were one of the first to pilot agile and the new flexible working system. This has enabled a reduction in office space and a greater flexibility for both staff and customers, with appointments being offered later than previously with no additional costs to the service.

Service Improvements and meeting the Choices Document promises

The following has been achieved to date:

- Appointed two Tenant Liaison Officers and one Customer Involvement Assistant
- Created a dedicated Anti-Social Behaviour Team
- Opening of Flintshire Connects Centres
- Improving feedback through the STAR Survey
- Creation of a Financial Inclusion and Tenancy Support Team to support tenants struggling with debt and maintain their tenancies
- Community hubs developed in areas throughout the County
- Creation of Apprenticeships and Local Jobs through the Welsh Housing Quality Standard delivery programme

The Choices Document originally committed to achieving WHQS by 2038, therefore the current planned programme with a revised date of 2020 is very welcomed by tenants.

New proposals for efficiencies and service improvement

This plan provides additional efficiencies of £3.540m by year 3. The principles underpinning the efficiencies are as follows:

- Joint Procurement
- Realising and releasing capacity
- Undertaking work for internal and external partners
- Improved performance
- Increased customer satisfaction.

WHAT THE FUTURE SERVICE WILL LOOK LIKE AND WHAT NEEDS TO CHANGE:

- Further improved productivity and performance
- Technology and support systems utilized to full potential
- Introduction of more customer self-serve options
- Improved management of housing stock to protect WHQS investment
- Longer operating hours (8am to 6pm)
- Inspections carried out by trades staff
- “Right First Time” approach, including a considerable increase in repairs jobs being completed on the first visit and routine housing enquiries being resolved at the first point of contact from the Contact Centre or Connects.

- Majority of repairs undertaken through appointment and scheduling system
- Streamlined processes to manage absence, capability, and disciplinary issues.
- Increased capital works to deliver WHQS
- Improved Business Intelligence from IT System
- More automated workflows through Civica and Capita System
- Increased internal collaboration and joint procurement
- Consideration of the opportunities and benefits for external collaboration

RISK MANAGEMENT

A risk management plan has been developed for the WHQS programme and this is regularly monitored by both scrutiny committee and the Cabinet. reports have also been considered on progress of the Choices Document promises by Scrutiny Committee and by regular reporting to tenants conferences and the Tenants Federation.

A revised risk assessment process is under development for the council and this will be applied to this business plan before April 1st to include new key strategic risks as identified below:

- Self financing
- MRA funding commitment
- Council house building programme

CONCLUSION

This plan is written at a time of significant change for council housing finance across Wales. There are positive opportunities ahead to provide good quality housing services; local homes maintained to a high standard and new council homes built to meet local housing need.

		Income			Expenditure						Net Operating Balance				Available Capital Funding					Capital Programme			
Year	Year	Net Rent Income	Other Income	Total Income	Tenancy Mgmt	Estate Services	Housing Asset Mgmt	Support Costs	Debt Charges	Total Expenses	Net Operating Expenditure	Balance B/F	CERA	Balance C/F	CERA	MRA	Prudential Borrowing	Capital Receipts	Total Capital Funds	WHQS Capital Programme	SHARP programme	Shortfall	
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000								
1	2015.16	(28,365)	(1,033)	(29,398)	1,573	1,024	8,398	2,280	5,621	18,896	(10,502)	(946)	10,787	(661)	10,787	5,200	5,400		21,387	20,298	900	(189)	
2	2016.17	(29,685)	(1,270)	(30,955)	1,601	1,044	8,201	2,291	7,847	20,984	(9,971)	(661)	9,897	(734)	9,897	5,200	10,500		25,597	21,589	4,017	9	
3	2017.18	(30,959)	(1,547)	(32,506)	1,632	1,065	8,364	2,253	8,355	21,669	(10,837)	(734)	10,813	(758)	10,813	5,200	12,400		28,413	23,004	5,517	107	
4	2018.19	(32,192)	(1,839)	(34,031)	1,664	1,086	8,531	2,296	8,902	22,479	(11,552)	(758)	11,524	(787)	11,524	5,200	8,900		25,624	20,214	5,682	272	
5	2019.20	(33,366)	(1,877)	(35,243)	1,697	1,108	8,700	2,341	9,006	22,851	(12,392)	(787)	12,379	(800)	12,379	5,200	-		17,579	17,217	0	(362)	
6	2020.21	(35,103)	(1,898)	(37,001)	1,730	1,130	8,874	2,387	8,810	22,932	(14,069)	(800)	14,066	(803)	14,066	5,200	3,000		22,266	19,518	0	(2,748)	
7	2021.22	(36,332)	(1,928)	(38,260)	1,765	1,153	9,051	2,435	8,727	23,132	(15,128)	(803)	15,121	(810)	15,121	5,200	-		20,321	22,739	0	2,418	
8	2022.23	(37,604)	(1,959)	(39,562)	1,800	1,176	9,233	2,484	8,531	23,223	(16,339)	(810)	16,336	(813)	16,336	5,200	-		21,536	17,351	0	(4,185)	
9	2023.24	(38,736)	(1,990)	(40,726)	1,836	1,199	9,417	2,534	8,310	23,296	(17,430)	(813)	17,427	(815)	17,427	5,200	-		22,627	17,871	0	(4,756)	
10	2024.25	(39,782)	(2,022)	(41,804)	1,873	1,223	9,605	2,584	8,086	23,372	(18,432)	(815)	18,429	(818)	18,429	5,200	-		23,629	18,407	0	(5,222)	
11	2025.26	(41,643)	(2,064)	(43,707)	1,911	1,248	9,798	2,636	7,871	23,463	(20,245)	(818)	20,241	(821)	20,241	5,200	-		25,441	18,959	0	(6,482)	
12	2026.27	(41,959)	(2,089)	(44,048)	1,949	1,272	9,994	2,689	7,669	23,572	(20,476)	(821)	20,472	(825)	20,472	5,200	-		25,672	19,528	0	(6,144)	
13	2027.28	(43,092)	(2,123)	(45,215)	1,988	1,298	10,193	2,742	7,434	23,656	(21,559)	(825)	21,556	(828)	21,556	5,200	-		26,756	20,114	0	(6,642)	
14	2028.29	(44,255)	(2,158)	(46,414)	2,028	1,324	10,397	2,797	7,203	23,749	(22,665)	(828)	22,662	(831)	22,662	5,200	-		27,862	20,717	0	(7,144)	
15	2029.30	(45,450)	(2,195)	(47,645)	2,068	1,350	10,605	2,853	6,975	23,852	(23,793)	(831)	23,790	(835)	23,790	5,200	-		28,990	21,339	0	(7,651)	
16	2030.31	(46,678)	(2,232)	(48,909)	2,109	1,377	10,817	2,910	6,749	23,963	(24,946)	(835)	24,942	(839)	24,942	5,200	-		30,142	21,979	0	(8,163)	
17	2031.32	(48,861)	(2,281)	(51,142)	2,152	1,405	11,034	2,969	6,540	24,099	(27,043)	(839)	27,038	(843)	27,038	5,200	-		32,238	22,639	0	(9,600)	
18	2032.33	(49,232)	(2,309)	(51,541)	2,195	1,433	11,254	3,028	6,307	24,217	(27,324)	(843)	27,320	(848)	27,320	5,200	-		32,520	23,318	0	(9,202)	
19	2033.34	(50,561)	(2,348)	(52,910)	2,239	1,462	11,479	3,088	6,083	24,351	(28,559)	(848)	28,554	(852)	28,554	5,200	-		33,754	24,017	0	(9,737)	
20	2034.35	(51,927)	(2,389)	(54,316)	2,283	1,491	11,709	3,150	5,889	24,523	(29,793)	(852)	29,787	(858)	29,787	5,200	-		34,987	24,738	0	(10,249)	
21	2035.36	(53,329)	(2,431)	(55,760)	2,329	1,521	11,943	3,213	5,440	24,447	(31,313)	(858)	31,316	(856)	31,316	5,200	-		36,516	25,480	0	(11,036)	
22	2036.37	(54,768)	(2,474)	(57,242)	2,376	1,551	12,182	3,277	5,121	24,507	(32,736)	(856)	32,733	(858)	32,733	5,200	-		37,933	26,244	0	(11,689)	
23	2037.38	(57,330)	(2,532)	(59,862)	2,423	1,582	12,426	3,343	4,779	24,553	(35,309)	(858)	35,307	(859)	35,307	5,200	-		40,507	27,032	0	(13,475)	
24	2038.39	(57,766)	(2,563)	(60,329)	2,472	1,614	12,674	3,410	4,539	24,709	(35,620)	(859)	35,615	(865)	35,615	5,200	-		40,815	27,843	0	(12,972)	
25	2039.40	(59,326)	(2,609)	(61,935)	2,521	1,646	12,928	3,478	4,483	25,056	(36,878)	(865)	36,866	(877)	36,866	5,200	-		42,066	28,678	0	(13,388)	
26	2040.41	(60,927)	(2,656)	(63,584)	2,571	1,679	13,186	3,548	4,314	25,298	(38,286)	(877)	38,277	(885)	38,277	5,200	-		43,477	29,538	0	(13,939)	
27	2041.42	(62,572)	(2,705)	(65,277)	2,623	1,713	13,450	3,619	4,146	25,550	(39,727)	(885)	39,718	(894)	39,718	5,200	-		44,918	30,424	0	(14,494)	
28	2042.43	(64,262)	(2,755)	(67,016)	2,675	1,747	13,719	3,691	3,997	25,729	(41,287)	(894)	41,281	(901)	41,281	5,200	-		46,481	31,337	0	(15,144)	
29	2043.44	(67,268)	(2,822)	(70,090)	2,729	1,782	13,993	3,765	3,765	26,034	(44,056)	(901)	44,045	(911)	44,045	5,200	-		49,245	32,277	0	(16,968)	
30	2044.45	(70,389)	(2,891)	(73,280)	2,783	1,817	14,273	3,840	3,635	26,349	(46,931)	(911)	46,920	(922)	46,920	5,201	-		52,121	33,246	0	(18,876)	

WHQS	
3.00%	4.50%
107,573,324	

	Stock Condition Survey	Eco Funding/Non Trad. Properties	Internal Works	Envelope Works	Fire Risk	External works	Off Gas Cost	Environmental Works	Asbestos	DDA/Smoke Alarms	Empty Properties	Welfare Reform Remodelling	Contingency/Ur gents	Fees	WHQS Total	DFG	Flintshire Regen	Non WHQS Total	WHQS P.U	Other Capital P.U	Total Capital P.U	Stock
	£	£				£	£		£				£	£	£	£			£			
2015.16		2,800,000	8,391,450	3,914,950	500,000	475,000	1,100,000	0	350,000	50,000	500,000	100,000	446,442	669,663	19,297,505	1,000,000	900,000	1,900,000	2,676	264	2,940	7,210
2016.17		550,000	11,952,550	2,581,150	150,000	475,000	750,000	950,000	350,000	50,000	750,000	100,000	520,761	781,142	19,960,603	1,030,000	4,017,000	5,047,000	2,768	700	3,552	7,210
2017.18		700,000	9,853,450	5,834,900	150,000	475,000	500,000	950,000	350,000	50,000	350,000	100,000	547,901	821,851	20,683,101	1,060,900	5,516,680	6,577,580	2,861	910	3,945	7,230
2018.19		0	6,825,000	7,051,850	150,000	475,000	0	950,000	350,000	50,000	350,000	100,000	478,556	717,833	17,498,239	1,092,727	5,682,180	6,774,907	2,407	932	3,562	7,270
2019.20		0	2,662,500	7,286,600	150,000	475,000	0	1,900,000	350,000	50,000	350,000	100,000	389,223	583,835	14,297,158	1,125,509	0	1,125,509	1,956	154	2,355	7,310
2020.21		0	662,500	10,718,750	150,000	475,000	0	1,900,000	350,000	50,000	350,000	100,000	432,188	648,281	15,836,719	1,159,274		1,159,274	2,161	158	2,663	7,330
2021.22	11,728,000		2,123,550	1,967,800		150,000		350,000			500,000		489,581	734,371	18,043,301	1,194,052		1,194,052	2,462	163	3,102	7,330
2022.23	11,728,000										500,000		351,840	527,760	13,107,600	1,229,874		1,229,874	1,788	168	2,367	7,330
2023.24	11,728,000										500,000		351,840	527,760	13,107,600	1,266,770		1,266,770	1,788	173	2,438	7,330
2024.25	11,728,000										500,000		351,840	527,760	13,107,600	1,304,773		1,304,773	1,788	178	2,511	7,330
2025.26	11,728,000										500,000		351,840	527,760	13,107,600	1,343,916		1,343,916	1,788	183	2,587	7,330
2026.27	11,728,000										500,000		351,840	527,760	13,107,600	1,384,234		1,384,234	1,788	189	2,664	7,330
2027.28	11,728,000										500,000		351,840	527,760	13,107,600	1,425,761		1,425,761	1,788	195	2,744	7,330
2028.29	11,728,000										500,000		351,840	527,760	13,107,600	1,468,534		1,468,534	1,788	200	2,826	7,330
2029.30	11,728,000										500,000		351,840	527,760	13,107,600	1,512,590		1,512,590	1,788	206	2,911	7,330
2030.31	11,728,000										500,000		351,840	527,760	13,107,600	1,557,967		1,557,967	1,788	213	2,999	7,330
2031.32	11,728,000										500,000		351,840	527,760	13,107,600	1,604,706		1,604,706	1,788	219	3,088	7,330
2032.33	11,728,000										500,000		351,840	527,760	13,107,600	1,652,848		1,652,848	1,788	225	3,181	7,330
2033.34	11,728,000										500,000		351,840	527,760	13,107,600	1,702,433		1,702,433	1,788	232	3,277	7,330
2034.35	11,728,000										500,000		351,840	527,760	13,107,600	1,753,506		1,753,506	1,788	239	3,375	7,330
2035.36	11,728,000										500,001		351,840	527,760	13,107,601	1,806,111		1,806,111	1,788	246	3,476	7,330
2036.37	11,728,000										500,002		351,840	527,760	13,107,602	1,860,295		1,860,295	1,788	254	3,580	7,330
2037.38	11,728,000										500,003		351,840	527,760	13,107,603	1,916,103		1,916,103	1,788	261	3,688	7,330
2038.39	11,728,000										500,004		351,840	527,760	13,107,604	1,973,587		1,973,587	1,788	269	3,798	7,330
2039.40	11,728,000										500,005		351,840	527,760	13,107,605	2,032,794		2,032,794	1,788	277	3,912	7,330
2040.41	11,728,000										500,006		351,840	527,760	13,107,606	2,093,778		2,093,778	1,788	286	4,030	7,330
2041.42	11,728,000										500,007		351,840	527,760	13,107,607	2,156,591		2,156,591	1,788	294	4,151	7,330
2042.43	11,728,000										500,008		351,840	527,760	13,107,608	2,221,289		2,221,289	1,788	303	4,275	7,330
2043.44	11,728,000										500,009		351,840	527,760	13,107,609	2,287,928		2,287,928	1,788	312	4,403	7,330
2044.45	11,728,000										500,010		351,840	527,760	13,107,610	2,356,566		2,356,566	1,788	321	4,536	7,330