

Housing Revenue Account

Strategic Business Plan
and Delivery Plan 2012 - 2017

Summary



WIGAN & LEIGH
HOUSING

Better Homes, Brighter Futures

Wigan[♥]
Council



A vision for better homes and brighter futures

Better Homes and Brighter Futures is the Council's Vision for its 22,600 homes and the tenants and residents living on estates.



A great deal has been achieved in the last ten years since the vision was agreed including:

- Giving tenants a real say in the planning and monitoring of housing services
- £230 million of improvement works to the Council's housing stock and estates
- Reducing tenant fuel bills by energy efficiency improvements including installing solar panels that provide a return to invest in further improvements for tenants
- Improving tenant satisfaction with the quality and value for money of services

Tenants have told us that they are happy with the services they currently receive (87% satisfaction) but as we look to the future they want to ensure:

Better Homes and Neighbourhoods

Homes are maintained to a decent standard, are affordable in terms of rent and fuel bills and estates are a good place to live.

Brighter Futures

The residents on Council estates have good life chances in terms of health, education and employment.

Better Housing Services

Quality, value for money services.

These priorities fit well with the Council's broader corporate vision to achieve Confident Places, Confident People and a Confident Council. The full vision is set out on Page 4

Can we achieve the vision?

For the first time the Council has the opportunity to consider a long term plan for its houses and estates. This is because from April 2012 the Government has changed the housing finance rules. The Council can now keep all the rents raised from tenants (around £80 million per year) instead of paying part to the Government (£8 million in 2011/12 and rising).



This is called the Housing Revenue Account (HRA) self financing system. It does mean the Council taking on an additional £99 million housing debt over 30 years but it is still a good deal.

All things being equal there should be enough resources over 30 years to:

- Maintain the homes to the decency standard
- Provide quality housing services
- Provide added value such as new homes and energy efficiency works to reduce tenant fuel bills.

We are operating in a rapidly changing environment and there are significant risks to income, including the Government's proposals on welfare benefit reform and changes to the Right to Buy. The risks will be closely monitored as we move forward. We need a plan to set out what we want to achieve, consider the resources available, assess the risks and set five year priorities and targets.

This is a summary of that HRA Strategic Business Plan.



How will we achieve the vision?

The next few pages set out how we, as the Council, with Wigan and Leigh Housing (WALH), the arms length company delivering housing services, and tenants intend to achieve our vision.

It looks forward 30 years, considers our objectives, the challenges we face, how we intend to get there and the context we operate in. We have also set out our priorities and targets for the next five years. The main priority is to maintain the income from rents and support tenants through the implementation of welfare benefit reform, so that we can continue to provide services and deliver our plans for improvements.



The Vision

Council's Corporate Vision	Confident Place	Confident People	Confident Council
Vision for the Housing Stock, Estates and Services	Better Homes		Brighter Futures
What	Better Homes and Neighbourhoods. <ul style="list-style-type: none"> Affordable and accessible homes Decent homes Energy efficient homes Homes of a variety of size and tenure to meet needs Homes in a good environment Nuisance free and safe estates 	Brighter Futures <ul style="list-style-type: none"> Access to good financial advice in the light of welfare benefit reform (key priority) Sense of community and resident empowerment on estates Opportunities for education, employment and social enterprise Support and promotion of independence for older and vulnerable residents 	Better Housing Services <ul style="list-style-type: none"> Maintaining rental income and a financially viable housing account (key priority) High customer satisfaction Value for money from services Flexible and responsive services Added value initiatives for the benefit of tenants and the borough
How	<ul style="list-style-type: none"> A resourced plan to maintain and improve homes A strategy to deliver energy efficient homes and reduce tenant fuel bills New build and regeneration plans for estates Consideration of purchase/ lease of private sector homes High quality responsive repairs, estate management and anti-social behaviour services (ASB) Removal of stock that is not cost effective Monitoring and review of cleaning and grounds maintenance services 	<ul style="list-style-type: none"> Working with tenants to build strong partnerships and opportunities for involvement and social enterprise Developing a strong financial advice service with partners Maximising opportunities for early support, education and employment initiatives Developing housing and support options for older and vulnerable people Partnership support for troubled families 	<ul style="list-style-type: none"> Joint planning and scrutiny of services and standards with customers Good knowledge of customer needs Effective use of information technology and communications Delivery of a value for money strategy Review of best way to deliver housing services Being flexible, bold and responding to changing environment Developing commercial skills
When 5 year targets and programmes (2012 - 2017)	<ul style="list-style-type: none"> 99% of homes meet the decency standard Energy efficiency rating improved by 5% 82% of tenants satisfied with their neighbourhood 80% of tenants satisfied with ASB service 98% satisfied with the repairs services Average of 50 new homes per year 	<ul style="list-style-type: none"> 75% of tenants satisfied with opportunities to be involved 70% of tenants have access to the internet Increase in apprenticeships/ work placements 70% of homeless cases prevented where approached for assistance 99% of supported vulnerable service users maintaining independence 	<ul style="list-style-type: none"> 92% overall satisfaction with housing services 75% of services in the low cost/high performance benchmarking quadrant 2 services per annum reviewed by the Tenant Scrutiny Committee Contract agreed with the chosen provider of housing services
Ensuring Delivery	Strong and effective partnerships, strategic research and planning, effective and enabling governance, social responsibility, risk management, equality and diversity, investment in human resources, value for money and income maximisation. Values – Welcoming, Approachable, Listening, Helpful		

Better Homes and Neighbourhoods

The challenges

Maintaining decency

An estimated £1.3 billion expenditure is needed on the housing stock over 30 years

Achieving affordable, energy efficient homes

£100 million is needed to bring all properties to energy efficiency level EPC B

Meeting the demand for smaller homes

43% of Council stock is 3 bedroom but there is a growing demand for smaller homes

Maintaining quality estates

There is a difference in the quality of life between estates

Providing new homes

Total of 277 new additional affordable homes per year are needed in the borough including any Council or WALH contribution

Growing competition from the private rented sector

Estimated 120% increase in the private rented sector

Potential to Lose Housing Stock to the Right to Buy

Government changes make the Right to Buy more attractive

The response

- Ensuring a financially viable housing account over the 30 year period and keeping under review the most effective way of delivering housing services
- Developing a 30 year plan for the maintenance and improvement of homes
- Removing properties for which there is no demand or are not cost effective
- Agreeing a regeneration and new build strategy linked to plans for individual estates
- Investigating the potential to buy or lease homes in the private sector to add to the stock
- Developing strong partnerships to address neighbourhood issues
- Investigating the potential to replace stock lost through the Right to Buy

Five year priorities & targets include

- Production of the 30 year plan for maintenance and improvement of homes
- Producing an energy strategy and delivering £13 million of energy efficiency works
- Carrying out an option appraisal and agreeing plans for the 419 non traditional built properties
- Delivering an average of 50 new build properties per year to meet changing needs and assessing the opportunities to deliver more
- Review of anti-social behaviour services including links to private sector issues
- £2.5 million environmental improvement programme and review of services on estates.

The Context

Government Policy

- Welfare Benefit Reform
- Open Public Services
- Local Decision Making
- Budget Reduction
- Growth of private rented sector

Local Housing Market

- Lower than average house prices
- Affordability issue for lower income households
- Risk of market problems in older terraces

Council's Corporate Objectives

- Confident Place
- Confident People
- Confident Council

Brighter Futures

The challenges

Welfare benefit reform

Poses a major threat to tenant and Council income – extra £50 million to collect in rent directly from tenants. This is one of the most significant threats social landlords have faced.

Ageing tenant population

37% of current tenants age 60 plus and predicted rise of older people in the borough

High levels of deprivation of estates

- Over 65% in receipt of benefits
- 35% unemployed on some estates
- Life expectancy 2 years less than the national average
- Only around 30% of tenants state they can access the internet and levels of literacy are also an issue

The response

Working in partnership to:

- Develop a sense of community and empowerment on estates
- Promote access to opportunities for health improvement, education, employment and social enterprise
- Provide access to good financial advice to maximise tenant income and reduce the negative impact of welfare benefit reform
- Promotion of independence, health and well being for older and vulnerable residents.

Five year priorities & targets include

- 75% of tenants satisfied with opportunities to be involved
- An increase in apprenticeships and work placements
- Effective advice services to help tenants maximise income, employment and education opportunities
- Working in partnership to promote access to the internet for at least 70% of tenants and access to literacy schemes
- Developing partnerships to provide housing and support options for older people, the vulnerable and troubled families.

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Better Housing Services

The challenges

Changing customer needs and expectations

Growing demand for smaller households and the growth of technology changing the way customers want to access services

Improving customer involvement

Emphasis on the joint planning and scrutiny of services with tenants

Delivering value for money

WALH is currently a low cost, high performing provider – we need to ensure continued value for money from any provider of services.

The response

Ensuring

- Flexible service delivery maximising the use of technology
- Income is maximised to maintain a financially viable housing account
- Agreed priorities for the housing service to add value to tenants and the borough
- Joint planning and scrutiny of services with tenants

Five year priorities & targets include

- 92% overall tenant satisfaction with housing services
- A review of the way customers are involved especially on estates
- Strengthening the tenant scrutiny role
- Delivery of the agreed ALMO Plus added value priorities. Current priorities are:
 - reducing the negative impact of welfare benefit reform
 - more new build homes
 - linking housing and support for older people
- Delivery of the value for money strategy with 75% of housing services low cost/high performance when compared with similar organisations.

5 Year Targets



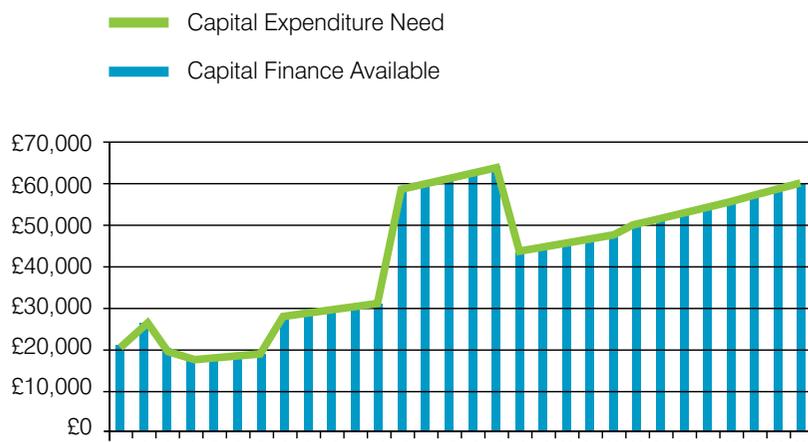
75% of housing services low cost/high performance



92% overall tenant satisfaction with housing services

Resources and risks

Subject to the risks discussed below it is estimated there will be sufficient resources to deliver the plan over a 30 year period as illustrated in the capital profile graph below.



The plan is however based on a number of assumptions with associated risks.

- That we continue with the Government's policy to converge rent levels with other similar housing association providers by 2015/16. After convergence it is also assumed rents will rise by 0.5% above the retail price index. Any reduction of rents below this will have a major impact, for example, 1% reduction results in £825 million less resources over 30 years.
- Inflation is assumed at 3.5%, if inflation increases above this income would increase but so would costs
- If Right to Buy Sales increase above the numbers assumed under self financing this will bring in additional income but it will also affect revenue and the number of houses available
- Welfare benefit reform poses a major threat to income with £50 million of previous rent paid directly to the Council going to tenants for them to pay to the Council.

Assumptions and risks will be closely monitored as we move forward and remodelling carried out as needed. There will be important choices to be made about the balance of repaying debt and investing in the housing stock and services.

Ensuring we deliver the plan



Subject to the risks discussed we are confident we can deliver the plan because:

- We have a good record of delivery having already delivered £230 million of improvement works to provide decent homes and transform estates
- Tenants are involved at all levels of the service and we will be building on this as we move forward
- We have strong partnerships with other agencies and voluntary groups in the borough to help us deliver
- WALH the current provider of housing services is a high performing, low cost organisation in comparison to other similar providers. The Council has decided they would like to continue with WALH providing the services and is discussing a longer term contract
- We have good business planning, risk management and performance management processes that are kept under review as circumstances change.

We do, however, need to carry out research in order to effectively plan to maintain and improve the stock over 30 years. We also need to review the way we involve customers particularly on estates in relation to local issues.

The world is changing rapidly and therefore all decisions and processes will need to be kept under review.

The impact of the plan



An impact assessment has been carried out that indicates the plan will be positive for:

- The environment with the emphasis on energy efficiency and low carbon technology
- Customers with plans for more effective involvement, improved services and financial advice to maximise income
- The vulnerable, older people and troubled families with joined up partnership support.

A particular challenge will be addressing the needs of smaller households and the matching of changing household size to the property profile. Although new build will have a positive impact it is likely to be limited in the first five years.

A full version of this plan is available at www.wigan.gov.uk/Services/Housing/HousingStrategyPolicy or www.walh.co.uk/AboutUs

If you would like to comment on the plan you can do so by e-mailing hst@wigan.gov.uk

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