

Financial and Delivery Planning for Housing and Regeneration

Overview A - Direction of the department and context

Introduction

Business plans are all too often documents that are produced at the start of year and then left to gather dust. I intend that this first Financial and Delivery Plan for the new Housing and Regeneration Department should be something different. I hope that it will set out an inspiring vision and challenge for the future, become a guide for our actions and be something that will develop and grow with us as a department.

Hammersmith and Fulham is the fourth smallest London borough both geographically and in terms of population. However, the population density is the fourth highest in the country and the Borough is one of contrasts. Some of the wealthiest households in the country are to be found in Hammersmith and Fulham. House prices as a whole in the Borough are the fourth highest in the UK, but only 1% of the housing stock is low cost ownership housing. There are also significant pockets of deprivation mainly in the wards where Council accommodation is concentrated and higher levels of poverty than elsewhere in London and England as a whole.

There are about 82,000 dwellings in the Borough. Nearly a third of these are owned by the council or other social landlords (26,000 dwellings), the remaining two thirds (56,000 dwellings) being in private ownership. This compares to 76% and 24% on average in London. Almost 1 in 3 households in the Borough is a direct customer of the Housing and Regeneration Department or other social landlords over which we have influence. We provide services directly to 17,500 of these dwellings (1 in 5 households), comprising 13,000 tenants and 4,500 leaseholders.

Seventeen of our housing estates are amongst the 20% most deprived neighbourhoods in England and Wales, with H&F having the 7th highest increase in Job Seekers Allowance claimants since March 2010 of all London boroughs which is starkly concentrated in our northern wards. The physical and economic regeneration of our estates and deprived areas aims to create a Borough of Opportunity for all our residents and to reduce social and economic polarisation in our neighbourhoods. Our work to up skill our residents, tackle worklessness and unemployment will put residents in good stead for the thousands of new jobs predicted as part of the regeneration plans. Equally there is high demand for housing in the Borough, for every one social housing home that becomes available there are over 3 households in housing need. Furthermore, for every 1 intermediate sale home that becomes available there are over 100 households who could potentially afford some form of intermediate housing.

Helping residents to remain in their home and manage crises in their housing circumstances is an important service we offer. Working with social

care, health and voluntary sector organisations we provide advice and help to residents to ensure that tenancy breakdowns are kept to an absolute minimum as well as advise on debt/financial advice and welfare benefits rights and responsibilities .

We must aim to be at the forefront of innovation and best practise in the Housing Sector. National government is making fundamental changes to the way that social housing is funded and allocated. Through Housing Revenue Account (HRA) Reform we will withdraw from the national subsidy system and in exchange for an annual subsidy payment from government we will be directly accountable for the debt owed on our housing stock and we will take on much greater responsibility for effective asset management planning to maintain and develop our housing stock. In the absence of future funding fro central government this will entail some tough decisions in relation to selective disposals to raise funds for reinvestment, estate improvement and delivery of new housing supply. Our work has high visibility nationally and our Borough has an unprecedented 3 London Plan Opportunity Areas, more than any other London borough. Our large scale regeneration programmes will continue to be the focus of national attention.

This plan has received input from Heads of Service and Assistant Directors and that we will be cascading it through the Department in conjunction with the roll out of the Council's appraisal scheme. We will also be using forthcoming opportunities such as the Managers' Forum and focus groups to involve people in developing the plan and working out how best to implement it. Each member of the team has a role to play, taking responsibility and being accountable for our actions.

Melbourne Barrett, Director of Housing and Regeneration

Financial and Delivery Planning for Housing and Regeneration

Overview A - Section A sets out the direction of the department

Council Vision and Priorities

The Council's vision is about creating a Borough of opportunity providing the best possible service at the lowest possible cost. Creating opportunity is about giving people access to better education and employment opportunities, creating safe sustainable communities and improving the quality of housing and the range of housing options, including opportunities for home ownership, so that people are attracted into and encouraged to stay in a Borough where they can realise their potential and contribute to its development and growth. Our challenge as a Department is to understand the key contribution which we have to achieving this vision and to mobilise our resources to make a real difference to the lives of residents in Hammersmith and Fulham. That is what this Financial and Delivery Plan sets out to do.

The Council's key priorities are:

- A. A top quality education for all**
- B. Tackling crime and antisocial behaviour**
- C. Creating a cleaner greener borough**
- D. Promoting home ownership**
- E. Setting the framework for a healthier borough**
- F. Delivering high quality, value for money public services**
- G. Regenerating the most deprived parts of the borough**

Section B – Departmental Vision and Objectives

The Housing and Regeneration Department's Vision and Objectives

Drawing on the Borough of Opportunity theme the Housing and Regeneration Department's vision is to:

Satisfy our customers, give people a future, develop safe, sustainable communities, improve value for money and reduce costs.

We have set ourselves the following high level objectives in order to achieve this vision. These will become the focus for our divisional, team and individual objectives.

1. Develop safe and sustainable communities

We will promote housing opportunities by strategic asset management to enable residents to access high quality appropriate housing and by endeavouring to prevent homelessness through the provision of housing advice, tenancy sustainment measures, access to private sector homes and access to supported housing.

We will strengthen our ASB function and introduce a more robust approach to the management of probationary tenancies. for all our residents, working with both other Council Departments and agencies to prevent and manage crime and antisocial behaviour.

We will improve our approach to repairs and maintenance and revise our procurement strategy to deliver improved outcomes for customers and introduce a rolling programme of external compliance audits for gas, fire, asbestos and legionella.

2. Give people a future:

We will improve educational and employment opportunities, improve financial inclusion and contribute to improving health and economic wellbeing for residents and those who work locally by enabling them to access learning and training opportunities for adults to acquire new skills and knowledge that develop their ability to gain and sustain employment and their personal, family and community interests.

We will regenerate the most deprived parts of the borough by maximising opportunities for new sustainable development, investment and growth across the Borough as a whole but in particular in the Opportunity Areas. This will deliver high quality accessible housing, job opportunities and an enhanced environment to Borough residents, contributing to a healthy Borough, as well as procuring cost effective sustainable inward investment.

We will promote home ownership by making it more affordable for a greater number of residents and, in so doing, increase home ownership in the borough. In particular we will provide more home ownership opportunities for key workers, first time buyers and those on low to middle incomes.

3. Satisfy our customers:

We will engage directly with our customers in order to understand what they want and to meet their expectations. We will broaden our resident involvement activity and put in place 'menus' of opportunities for residents to influence the service. We will, develop structures and processes that put residents at the heart of our decision making at every level and aim to get it "right first time". We will improve our performance on measures of tenant and leaseholder satisfaction with the services we provide and we will put in place mechanisms to improve of service.

4. Improving value for money and reducing costs

We will ensure that we have a sustainable Housing Revenue Account (HRA) after HRA reform that allows us to make the investment required to achieve our objectives and to achieve our both medium term financial strategy and budgets.

Section C: Departmental Targets

The Department's Targets

- (I) Financial: To achieve our MTFS savings and a viable Housing Revenue Account under self financing which allows for future investment both in the existing stock and new initiatives,**
- (ii) Customer Involvement**
- (iii) Coherent Department**
- (iv) Crime/ASB/Estate Management**
- (v) Service Delivery (contract/service delivery)**
- (vi) Homeless & Housing**
- (vii) Home Ownership**
- (viii) Asset Management Strategy (existing portfolio)**
- (ix) Regeneration/new development (New local housing co)**
- (x) Reducing unemployment and tackling worklessness**
- (xi) Contributing to improving the skills levels of residents**

Section D: Finance and Resources

Financial Strategy

Overall strategic financial objectives for the HRA are to:

- *Finance the c. £200m HRA debt being introduced by HRA Reform from April 2012 reducing interest costs by circa £11m per annum*
- *Achieve a viable ongoing maintenance programme funded from rents and service charges including capital expenditure without using capital receipts.*
- *Increase HRA reserve balance to protect against future shocks or unanticipated events to circa 5% of income to ensure a prudent level of reserves.*
- *Free resources for investment in new initiatives including new housing supply*

Despite the value for money gains (of £6million per year) made in the last three years more now needs to be done:

- *Capital maintenance programme relies on capital receipts.*
Based on a buildings economics model £29m of capital investment is required per year – Major Repairs Allowance of £16m after HRA reform is not enough.
- *The HRA balance is currently 4.5% of income.*
£0.5m short of a the current minimum 5% target.
- *The HRA only breaks even*
No revenue resources for development and growth. However the HRA is current contributing £577k towards the Regeneration team which includes covering the costs of 4 planning officers. It also contributes £424k for the Housing Strategy team who work closely with Regeneration.

HRA Revenue Projections

These are set out below, Appendix 4 details the 2011/12 budget by service area, Appendix 5 shows the 2010/11 out turn position. The projections below incorporate the latest projected debt reductions arising as a result of the predicted HRA settlement and the impact on the surplus of:

- A further value for money programme, based on commercialisation, market testing and working on a risk / reward approach (see below for further details) .
- Using the HRA revenue to fund the ongoing capital programme as soon as funds are available, the programme based on the current stock condition survey is self funding from 2015/16 with just a marginal contribution required from the Decent Neighbourhoods fund in 2014/15.
- An indicative line for the impact of service charge de-pooling based on the assumption of an average £8 service charge on all flats as the majority of the properties are on estates. This is being taken to Cabinet on 5th September 2011, implementation is planned for April 2012.
- The impact of reorganising the HRA Shops portfolio to support debt repayment and facilitate enhanced rental growth of the retained shops as per the July 2011 Cabinet report
- Additional income predicted as a result of the ongoing garage review, £118k of which is from Walham Green as per the 18 July 2011 Cabinet report.
- As indicated as part of the HRA reform draft settlement it has been assumed that rent restructuring still applies. Flexibility on rents applies initially to Registered Providers (RP's). RP's ability to charge an affordable (as opposed to social) rent on a proportion of their stock is being linked to a contract for new supply. The indication is this will also apply to local authorities following the enactment of the Localism Bill. We will therefore seek to take advantage of potential freedoms and flexibilities within the Localism Bill and bring forward proposals.
- We will investigate increasing our existing formula rents under rent restructuring. This would not have a significant immediate effect on income but potentially has a long term one. Formula rents can be increased by reviewing the 1999 valuations on which they are based. A lot of Registered Providers have done this to increase their rents. We will initially check a sample of properties to ensure the exercise will be beneficial before committing to a full review

- The revenue projections currently assume debts are paid down only in line with the terms of the loan. Under self financing we will need a detailed Treasury Strategy. This is currently in development and we will aim to, where possible, pay down debt. It should however be noted that the rules governing the use of capital receipts within the HRA restrict our ability to use these receipts to pay down debt. We are only able to use 50% of the receipt for this purpose, this includes the percentage transferred top the general fund for the repayment of general fund loans.

Table 1.

	2012/13	2013/14	2014/15	2015/16	2016/17
	Projection Surplus / (Deficit) £'000	Projection Surplus / (Deficit) £'000	Projection Surplus / (Deficit) £'000	Projection Surplus / (Deficit) £'000	Projection Surplus / (Deficit) £'000
Base HRA surplus for the year (increased MRA from 12/13)	(864)	773	2,340	4,248	5,060
Target savings from market testing / efficiencies	0	3,100	4,000	4,100	4,200
Bring terms and conditions in line with remainder of Council		70	140	140	140
Potential impact of service charge de-pooling		116	436	748	1,052
Restructure of commercial portfolio	114	114	138	139	151
Target additional garage income (Walham Green initially)	118	250	255	260	273
Surplus before additional capital programme contribution	(632)	4,423	7,309	9,635	10,876
Available for Revenue Contribution to Capital Outlay or growth	0	4,400	7,300	9,376	9,672
Surplus for the year after additional capital programme	(632)	23	9	259	1,204
HRA balance	2,567	2,590	2,599	2,858	4,062
Target HRA balance at 5% rents	3,600	3,737	3,853	3,998	4,106

Commissioning and Market testing: delivering the HRA MTFS savings

Currently all major services are delivered in house with the exception of the front end of our repairs service (£14m, 18% of expenditure). Our proposals for the next three years are as follows:

- *Repairs and Maintenance*: Based on a long term partnership approach we plan to commission a sole supplier covering:
 - All responsive repairs and maintenance
 - All gas servicing, repairs and installations
 - All voids work
 - The currently in house call centre operation
 - Thinner client side

Preparation for the procurement exercise will commence in summer 2011 with a view to commencing the contract in late 2012/13 prior to a number of the current contracts ending in that year. Subject to validation full year savings are anticipated from 2013/14 as contracts are incorporated into the proposal.

- *Estate Services*: We will market test general estates cleaning (currently covered by caretakers), sheltered domestic cleaning. In addition we will further review the options for the concierge service with the options for integrating with ASB services. We will consider maintaining and investing in a second specialist cleaning team to support the high quality work currently delivered by the in house specialist cleaning team. Procurement will be phased so full year savings are delivered in 2014/15, our resources being focused on the early delivery of the larger maintenance savings.
- *Housing Management*: a full review of Housing Management services building on the risk / reward work done to date with a view to identifying efficiencies to drive further cost savings, beginning the market testing of transactional services starting with rent arrears and collections including former tenant arrears. The initial scoping exercise will be completed by September 2011, with a view to commencing market testing of transactional services in 2012/13. In addition, we will work collaboratively with across the Council to strengthen front line housing management and integrate the fragmented services of management, repairs and resident engagement activities.

This is expected to deliver the following savings which are already reflected in the HRA revenue projections:

Table 2:

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Repairs Contract Savings	0	400	2,500	2,500	2,562	2,626
Estate Services Savings	0	200	500	700	717	735
Housing Management Savings	0	500	700	800	821	839
Implementation and investment costs	(300)	(1,100)	(600)	0	0	0
Net savings for the period	(300)	0	3,100	4,000	4,100	4,200

Table 3: Indicative impact on staff of HRA MTFS savings

	Current	Proposed internal LBHF team	TUPE	Redundancy / TUPE ¹
Repairs				
Customer Service Centre	17	0		17
Voids team	4	0		4
Gas team	5	2		3
Repairs / BPM	41	37		4
Total Repairs	67	39		28
Estate Services				
Management	14	5	9	
Support Offices	2	2	0	
SCS	7	14	0	
Caretakers	81	0	74	
Concierge	20	0	20	
Domestic Cleaning	9	0	9	
Total Estate Services	133	21	112	
Housing Services / Housing Finance				
Rent Accounting	5	0		5
Income Managers	2	0		2
Income Officers	17	0		17
Neighbourhood Services and Housing Management - Other	104	94		10
Total Housing Management	128	94		24
Continued on next page				

¹ These may be redundancy or TUPE depending on the scope of the contract entered into and the location of the contractor, e.g redundancy would be more likely if the contractor delivered a call centre function out of London.

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	Current	Proposed internal LBHF team	TUPE	Redundancy / TUPE ²
Finance	8	4	0	4
Performance / Projects / I world	6	6	0	0
Leasehold	14	14	0	0
Housing Options	18	18	0	0
Safer Neighbourhoods	27	27	0	0
Strategic Regeneration and Housing Strategy	14	14	0	0
Other repairs	14	14	0	0
Other Housing	1	1	0	0
Total	430	252	112	56

NB: The impact on staff changes is reproduced from the Northgate report and should be considered provisional and indicative,. These figures will be subject to challenge and verification and are not currently analysed in detail by grade. The existing **Housing Revenue Account staff** team is split

Table 4:

Officer Type	FTE	Budget	Percentage
Director / AD	4.3	361,500	0.99%
Head of Service	8.9	619,100	2.07%
Managers (PO5 - PO10)	31.8	1,759,164	7.38%
Staff	385.1	13,670,096	89.56%
Total	430	16,409,860	100.0%

² These may be redundancy or TUPE depending on the scope of the contract entered into and the location of the contractor, e.g redundancy would be more likely if the contractor delivered a call centre function out of London.

Table 5: General Fund MTFS savings³

Year	FTEs Housing Options ⁴ General Fund	FTE Reduction on previous year. Housing Options General Fund	Savings Target	Savings currently anticipated	Difference
2010/11	90.45	0	£0	£0	£0
2011/12	88	2.45	£266K	£266K (incl non FTE savings)	£0
2012/13	69.75	18.25	£783K	£900K	+ £117K
2013/14	69.75	0	£307K	£225K	- £82K
Totals		<u>20.7</u>	<u>£1,356K</u>	<u>£1,391K</u>	<u>+ £35K</u>

The reconfiguration of Housing Options will shift the balance of resources into the front office team (Advice and Assessment), contain service volumes by increasing prevention to enable the service to respond to peaks in demand and deliver savings in the back office. It establishes three teams: Advice and Assessment, Allocations and Supply and Temporary Accommodation. These replace the existing 4 teams: H&F Advice, Accommodation Services, Assessment and Business Support

³ Note these savings are now shown in the corporate MTFS tracker as transformational savings as they form part of this portfolio and corporate targets have been amended appropriately, however they are shown here as while they are lead by the transformation team the onus is on the department to deliver them

⁴ These figures exclude staff in the Housing Options Team charged to the Housing Revenue Account

Table 6: The current general fund staffing can be analysed as:

Officer Type	FTE	Budget	Percentage
Director / AD	1.5	185,700	0.89%
Head of Service	5.1	417,468	3.01%
Managers (PO8 - PO10)	4.1	270,040	2.42%
Managers (PO5 - PO7)	15.5	806,235	9.16%
Staff	143.0	5,187,492	84.52%
Total	169.2	6,866,935	100.00%
Split into departments as:			
Division	FTE	Budget	
Housing Options	88	4,001,490	
Regeneration	81.2	2,865,445	
Total	169.2	6,866,935	

The general fund out turn for 2010/11 is shown in Appendix 6

HRA Capital Projections:

These are based on the current stock condition survey which is currently being reviewed as part of the ongoing 30 year business planning process that supports self financing. This review will also generate a long term treasury strategy for the HRA, a fuller report on this is anticipated for early October 2011.

Table 7: The current capital forecasts are

	2012/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000
Updated Forecast					
Expenditure					
Proposed HRA Capital Programme	35,733	30,399	28,858	29,579	30,318
Total Expenditure	35,733	30,399	28,858	29,579	30,318
Resources					
Major Repairs Allowance	16,020	16,565	17,126	17,703	18,146
Supported Borrowing	0	0	0	0	0
Receipts	5,103	0	0	0	0
Expensive Voids Contributions (Proposed)	8,820	3,991	895	0	0
Leasehold Contributions	5,790	5,443	3,537	2,500	2,500
Fund from HRA Revenue	0	4400	7300	9376	9672
Total Current Resources	35,733	30,399	28,858	29,579	30,318
(Surplus)/Deficit Forecast on current resources	0	0	0	0	0

Decent neighbourhoods funding

The latest projection for the decent neighbourhoods pot is summarised below, it assumes:

- There is no change in the capital allowances pooling or other rules for capital receipts under HRA reform.
- A phased contribution to the capital programme which becomes fully funded from the HRA in 2015/16.
- Interim funding for the capital programme is financed by the additional void receipts expected as a result of our recent review of the voids disposal policy.
- No allowance has been made in the projections for the re-provision of some family dwellings as allowed for in the proposed revised voids sale policy.
- The potential receipts from both the Earl's Court regeneration project are shown as a separate line the second tranche assumes that all leaseholders in the first phase accepted the buy back offer, instead of cash we would receive 40 vacant properties that could be sold potentially on the open market.

Table 8

	2011/12	2012/13	2013/14	2014/15	2015/16
	£'000	£'000	£'000	£'000	£'000
Total excluding Earls Court	7,565	18,740	45,424	65,529	93,529
Earl's Court indicative receipts⁵	4,546	9,091	0	0	1,000
Total after Earl's Court	12,110	27,831	45,424	65,529	94,529

⁵ The first two payments received on Earls Court are assumed to be split between the HRA and the general fund based on the site acreage, only the HRA element is shown in the decent neighbourhoods fund

Our asset plans are:

Earls Court

- Entering into an exclusivity agreement, £5m will be retained if Conditional Sale Agreement does not proceed. Figures currently assume that both this and the fees are capital, General Fund / HRA split is based on land acreages.
- Decent Neighbourhood pot figures assume that we agree a CLSA but that all Leaseholders in the first phase require buying back, hence the low capital receipt in 2015/16, we would instead receive 100% interest in the properties that would have been allocated to Leaseholders and be able to sell these. These sales are assumed not to happen until 2016/17.
- Figures assume we are able to satisfy the conditions required to retain the balance of £10m paid on signing of the exclusivity agreement by the end of 2012/13

Edith Summerskill

- Sell to developer (subject to cabinet approval on 5th September 2011)

Local Housing Company. Two projects currently sit within this portfolio:

- Hidden Homes. Phase 1:
 - o Phase one will deliver 6 sites and deliver 14 new properties
 - o Procurement of a Development Agent currently in progress; contract will be in place from September '11 (subject to Cabinet approval)
 - o Capital works including planning are likely to take 12-24 months
- Watermeadow Court:
 - o Procurement of agent to lead the OJEU procurement process (through Competitive Dialogue) to select a developer to partner and create the JV vehicle to take forward delivery of the site has commenced, appointment of agent is expected in October 2011.
 - o OJEU process with Competitive Dialogue to appoint the developer is estimated currently estimated to take 12 months, i.e. to October 2012

HRA Commercial portfolio:

- Prime properties are sold by April 2012, debt equal to the value of the capital receipt from the sale is repaid in the HRA after self financing settlement.

- The management of the remainder of the portfolio is out sourced.

Expensive Voids Sales

- Continue operation of the policy agreed in April 2011, sales are assumed of:
 - o 2011/12 50 £17.5m
 - o 2012/13 60 £21m
 - o 2013/14 70 £24.5m
 - o 2014/15 80 £28m
- The full value of these receipts are included in the decent neighbourhoods fund, these receipts contribute to the balance which is then used in part to partially fund the capital maintenance programme until it can be fully revenue funded.

Jepson House

- Decent homes works are proposed subject to Cabinet approval on 5th September 2011, the regeneration option having been discounted due to viability and capacity issues.

Fulham Court

- Figures assume that Community Sales programme of 50 properties proceeds, a Cabinet report is planned.

Emerging Ideas:

Sale of freehold of buildings currently occupied 100% by Leaseholders

- No income has currently been assumed from this – Scheme currently being worked up.

Usage of HRA land for advertising hoardings

- No income has currently been assumed from this – Initial investigations underway.

Access to Home Ownership

- We are currently exploring initiatives to help people access home ownership, including discounted market sale, retaining equity and helping with deposits. No allowance has currently been made for expenditure on this as it is still at an initial scoping stage.
- We are exploring offering partial right to buy / slivers of equity to tenants

Section E: Departmental Workplan

Key Departmental Project/Task/Scheme	Delivering Council Objectives	Who	Priority (1-5) 1 = Critical 5 = Low	Risk RAG	Target Date	Dependency/enablers
Satisfy our customers						
Establish a permanent top team and coherent vision for the new department.	Deliver VFM and high quality public services	Dir/H RD	1	A	05.01.12	
Integration of previous disparate functions to form cohesive and effective department with effective permanent leadership in place, together with a demonstrable performance culture.	Deliver VFM and high quality public services	Dir/H RD	1	A	01.10.11	
Review housing management arrangements to deliver effective direct engagement	Deliver VFM and high quality public services	PS/H SG	2	G	July 2011	Outline Housing Management proposal in place
The Development of a generic housing management service with co-ownership of repairs. The repairs service is a key driver of resident satisfaction, creating a more customer friendly repairs service will lead	Deliver VFM and high quality public	PS/H SG	2	A	April 2012	Outcome of repairs procurement

to a reduction in service failure and an increase in resident satisfaction.	services					and future functions of repairs contactors
Improve customer satisfaction with repairs and tidiness of estates whilst driving down costs to achieve sustainable HRA. For example, reduce failure demand and contribute to overall customer satisfaction by increasing satisfaction with the Repairs and Maintenance service. Currently approximately 8 out of 10 customers are satisfied with the service, the aim is for over 9 out of 10 to be satisfied with the service in 2012/13.	Deliver VFM and high quality public services	PS	2	A	April 2012	
Deliver employment support services which unemployed residents rate as more responsive to their needs and develop job readiness quicker	Regenerate deprived parts of the Borough	ED	2	G	October 2012	
Complete the restructuring of the Decent Homes team to support the £12.5 Million Decent Homes Legacy works.	Deliver VFM and high quality public services	PS	3	G	Oct 2012	
Housing Benefit /Local Housing Allowance CAPS – Complete assessment and planning for affected households.	Promote Home Ownership	HO	1	A	March 2012	

Improve business sector engagement in the economic growth of town centres and shopping areas	Regenerate deprived parts of the Borough	ED	3	G	March 2012	
Introduction of tenant service charges, this will promote transparency as residents will be able to see how much they pay for the services they use. In the long-term residents may be able to tailor services to suit their needs. Therefore, providing greater tenant choice and flexibility.	Regenerate deprived parts of the Borough	F&R / HSG	1	G	1st April 2012	Cabinet approval on 5 th Sept 2011

Key Departmental Project/Task/Scheme	Delivering Council Objectives	Who	Priority 1 - 5	Risk RAG	Target Date	Dependency/enablers
Giving people a future						
Refresh Housing Strategy and Allocation policy to take advantage of freedoms and flexibilities in the Localism Bill and other proposed social housing reform.	Deliver VFM and high quality public services	HSG	1	A	March 2012	Timely appointment of Housing Strategy Consultant
Development of the business case for earlier intervention in housing problems to reduce the number of housing register applications.	Promote Home Ownership	HSG	2	A	September 2011	
Development of the business case for Re-House UK and its implementation	Promote Home Ownership	HSG	3	G	October 2011	
Implementation of housing re-registration process	Deliver VFM and high quality public services	HSG	3	G	* 2011	* Dependant on recommendations of Business Case.
Production of Major Sites (physical developments) Labour strategy setting out how local people will be assisted to secure employment.	Regenerate deprived parts of the Borough	ED	1	A	Ongoing	

Key Departmental Project/Task/Scheme	Delivering Council Objectives	Who	Priority 1 - 5	Risk RAG	Target Date	Dependency/enablers
Develop safe and sustainable communities						
Work with Residents Services to develop strengthened ASB function, including a more robust approach to the management of Probationary tenancies.	Tackling ASB	HSG	3	G	September 2011	Workshops and time in motion analysis complete
Edwards Woods Refurbishment – completion of all works February 2012.	Regenerate deprived parts of the Borough	REGEN	1	R	Feb 2012	
Fulham Court Physical, Social and Economic regeneration – Completion of integrated community centre.	Regenerate deprived parts of the Borough	REGEN	4	A	August 2011	
Sulgrave Gardens Redevelopment – Completion of scheme by December 2012	Regenerate deprived parts of the Borough	REGEN	3	A	March 2012	
Imperial Wharf Regeneration – Completion of 153 Discounted market sale units by February 2012	Regenerate deprived parts of the Borough	REGEN	1	A	Feb 12	

Delivery of first Hidden Homes by Local Housing company March 2012	Regenerate deprived parts of the Borough	REGEN	2	A	June 2012	Planning and consultant support
White City - Development of outcomes commissioning model including payment by results for increasing employment	Regenerate deprived parts of the Borough	REGEN	1	R	October 2011	
Review and update the HRA Asset Management and Investment Plan to support HRA reform.	Deliver VFM and high quality public services	PS	2	R	November 2011	Codeman 4
Review and update Housing's Asset Management Strategy	Deliver VFM and high quality public services	PS	4	G	April 2012	
Strategy for procurement implementation of new Repair and Maintenance contracts to improve VFM and quality of service delivery	Deliver VFM and high quality public services	PS	1	R	Sept 12	
Shepherds Bush Market – start on site	Regenerate deprived parts of the	REGEN	3	A	xxx	

	Borough					
Complete a program of Health and Safety compliance across Accommodation Services	Framework for Healthier Borough	HSG	2		March 2012	
Completion of Sulgrave Gardens redevelopment to deliver	Regenerate deprived parts of the Borough	REGEN	3	A	December 2012	
Earls Court - Commence first phase of development – August 2012	Regenerate deprived parts of the Borough	REGEN	1	A	August 2012	
Earls Court - Commence Decant in to new properties	Regenerate deprived parts of the Borough	REGEN	1	A	November 2014.	

Key Departmental Project/Task/Scheme	Delivering Council Objectives	Who	Priority 1 - 5	Risk RAG	Target Date	Dependency/enablers
Improving value for money and reducing costs						
Centralisation of procurement and implementation of Private Rented Sector review (this process will be supported by the completion of the West London PLA procurement contract).	Deliver VFM and high quality public services	HO	2	A	Dec 2011	
Procure a partner for the delivery of the HRA MTFS via commissioning and market testing.	Deliver VFM and high quality public services	F&R	1	G	Sept 2011	Legal / Procurement / Transformation Teams
Review rent restructuring formula for scope to increase income: is there any benefit in revisiting the 1999 valuations which form part of the calculation (a lot of RP's have done this).	Deliver VFM and high quality public services	F&R	2	G	Dec 2011	Speed of valuation
Restructure Commercial Properties Portfolio in accordance with July 2011 cabinet report	Deliver VFM and high quality	F&R	1	G	April 2012: Sales June 2012: Outsourcing	Building and Property Management Team in Environment Services

	public services				Management	
Implement HRA MTFS savings programme	Deliver VFM and high quality public services	ALL	1	G	3 year plan	Legal / Procurement / Transformation / Building and Property Management (Environment Services) Teams
Plan and implement the transformation /Re organisation in Housing Options that will deliver the MTFS target		HSG	1		March 2012	

Section F: KEY KPI'

Key Performance Measures	10/11	11/12	12/13	13/14	<u>SS</u>	<u>GF</u>	<u>SC</u>	<u>VFM</u>
Tenant satisfaction with overall services provided by the Department.	73%	75%	78%	83%			X	
Leaseholder satisfaction with services provided.	41%	45%	50%	55%			X	
Resident Satisfaction with our response to handling Anti Social Behaviour cases.	70%	72%	73%	75%	X			
Responses to Complaints and Member Enquires produced on time .	70%	90%	95%	97%			X	
New housing units in the borough per annum (additional dwellings per annum)		615	615	615		X		
Increase Apprentice posts across Borough businesses	300	325	350	375		X		
Gas CP12 compliance	99.7	100%	100%	100%	X			
Percentage of rent loss on voids	3.4%		3%	2.8%				X
% of Part 7 homelessness applications determined within 33 working days	75%	80%	85%				X	
% Housing Benefit panel decisions actioned and resolution completed	100%	100%	100%	100%			X	
Number of homelessness acceptances	164	No Target	No Target	No Target		X		
Reduction in Staff sickness	TBA	TBA	TBA	TBA				X
<p>Departmental Objectives SS = Develop safe and sustainable communities GF = Give people a future SC = Satisfy our customers VFM = Improving value for money and reducing costs</p>								

APPENDIX 1 :KEY DEPARTMENT RISKS (RED)

What are the risks to delivering the projects

The Department has embarked on several ambitious projects to make a real difference to the quality of life of our residents. The risks to successful delivery of the projects have been explored and mitigating actions have been programmed to minimise or eliminate the risk of project failure.

Identified Risk	Mitigating Factors	RAG	<u>SS</u>	<u>GF</u>	<u>SC</u>	<u>VFM</u>
Enhancing direct resident engagement	Consulting on the HAFFTRA levy is a sensitive process; broadening resident involvement will require a remodel of front line housing services so we engage directly with tenants and leaseholders.	A			X	
Not achieving General fund MTFS target – Current discretionary grant funding may reduce or cease. (i.e. Homelessness Directorate Grant, Transitional Grant (HB Assist), Supporting People Grants and contributions from Adult Social Care and Children Service.	Achieve balanced budget on current known scenario, whilst exploring scenario planning with colleagues in Adult Social Care department	G				X
Unmanaged rising homelessness demand-	We are still tracking and evaluating the impact of the Local Housing Allowance / Housing Benefits changes and how it affects demand and supply.	A	X			
Impact of HB/LHA could reduce of PRS for homelessness prevention	We are still tracking and evaluating the impact of the Local Housing Allowance / Housing Benefits changes and how it affects demand and supply.	A		X		

Identified Risk	Mitigating Factors	RAG	<u>SS</u>	<u>GF</u>	<u>SC</u>	<u>VFM</u>
Viability of Temporary Accommodation trading account due to impact of Housing Benefit changes		A				X
Delivery of large regeneration projects		A		X		
Maintaining staff performance at time of unprecedented change and budget pressure	Put in place permanent top team, improved communication arrangements and support for staff.					

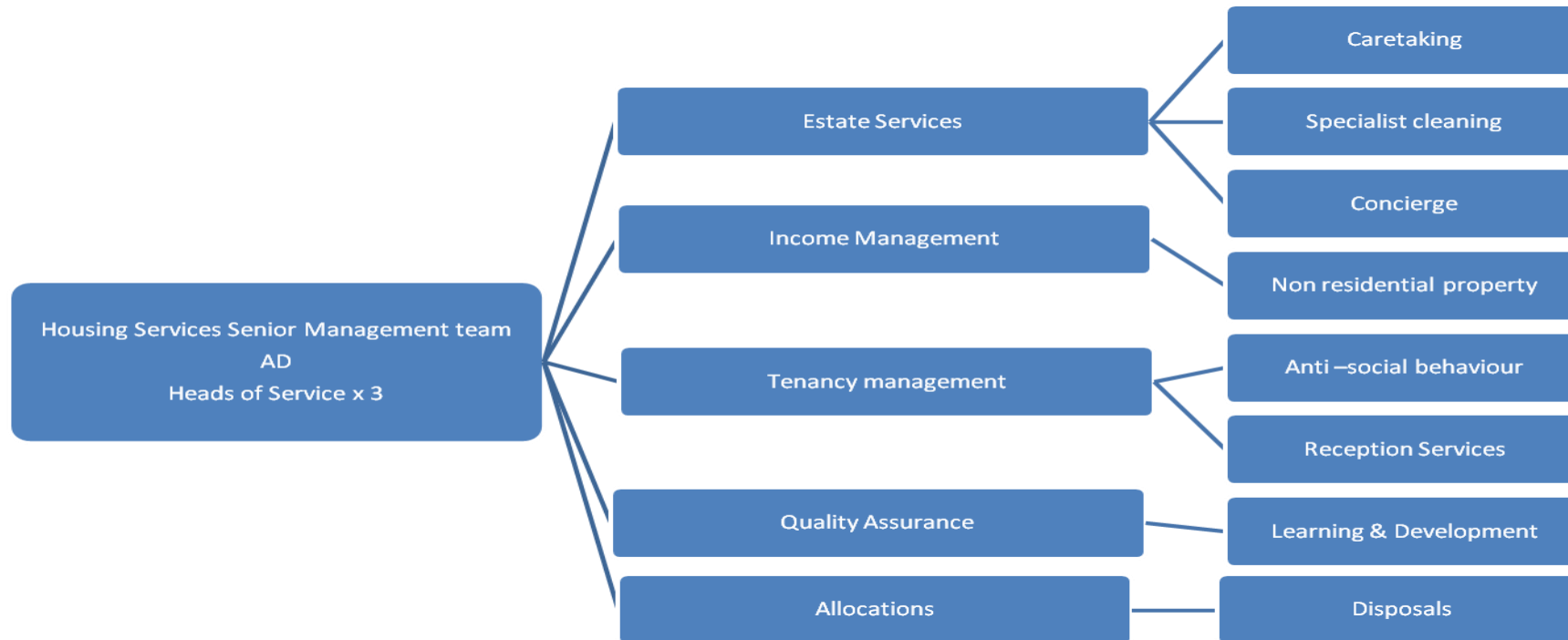
APPENDIX 2 :KEY ACHIEVEMENTS OF THE PAST YEAR

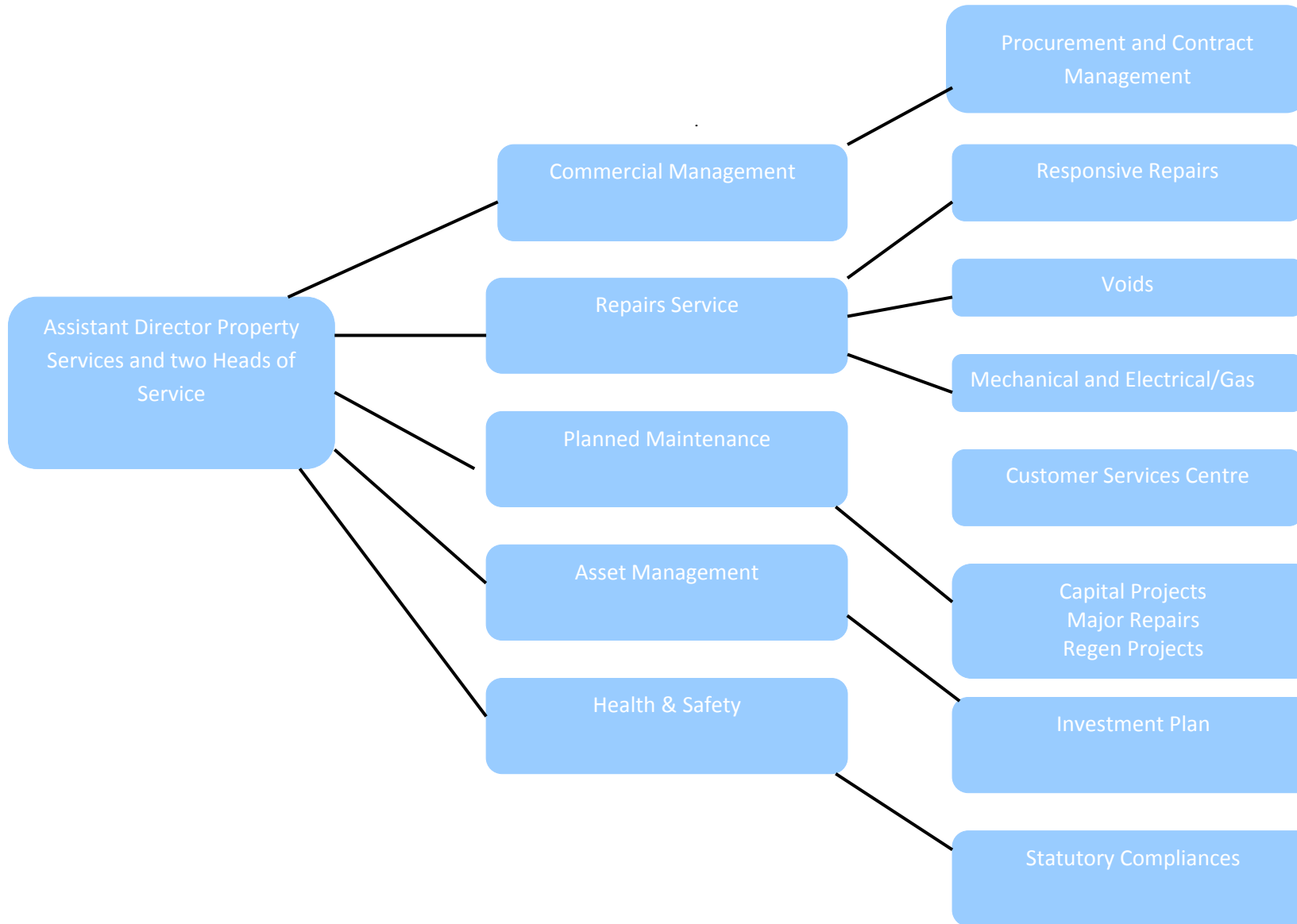
The Housing and Regeneration Department seeks continuous improvement in the provision of services to all our customers. As such the Department aims to be in the upper quartile of all performance measures and to demonstrate steady increases in resident satisfaction. Below is a list of some of the key achievements of the Department which have lead to increased efficiency and or resident satisfaction.

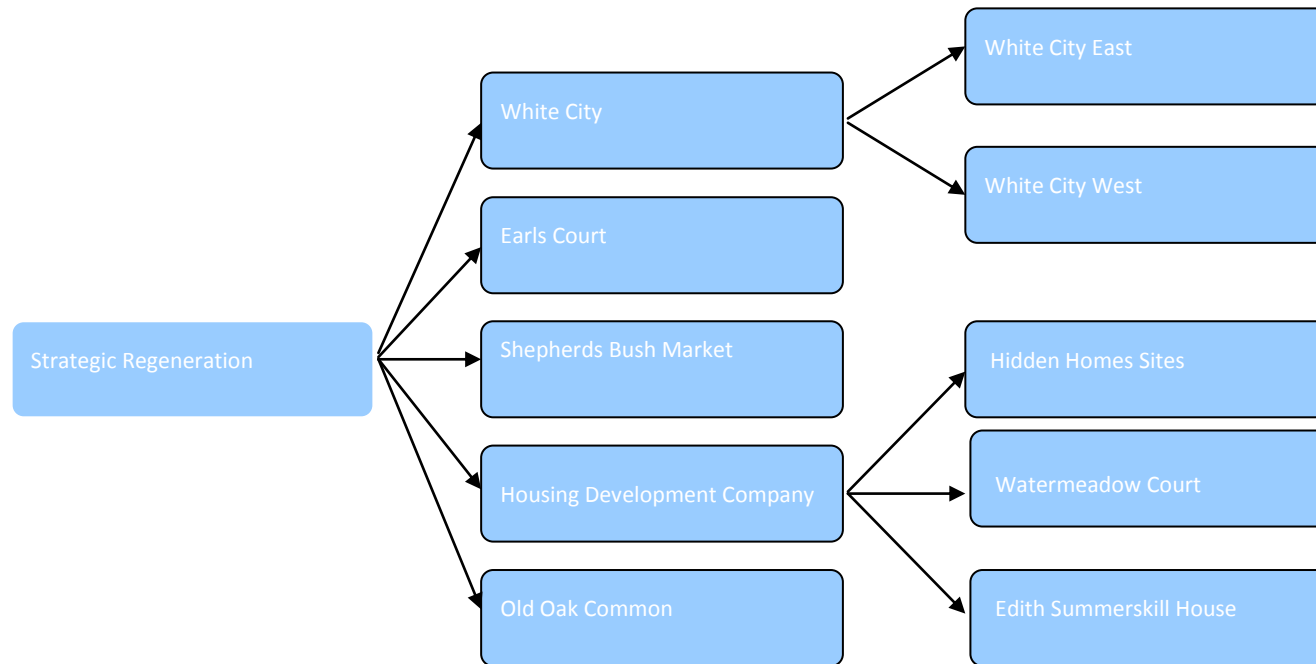
<u>Key achievements of the past year</u>	<u>SS</u>	<u>GF</u>	<u>SC</u>	<u>VFM</u>
Satisfaction with the way Anti Social Behaviour is managed increased to above 70% from 56% in 2009.	X			
Overhaul of income escalation procedures which supports the Department's high performing Income collection team. (Our income collections rates are above 100%).				X
We have successfully delivered over 99% of the Decent Homes programme by April 2010.			X	
Progression of major refurbishment work at Edward Woods			X	
Commencement of new integrated tenants centre and children services centre at Fulham		X		
Delivery of the Accessible Housing Register which was launched on 5 th May 2011		X		
Effective service delivery by the Housing Solutions team working with under occupying and overcrowded household, resulting in further funding and establishment of the team.				
546 successful homeless preventions achieved against a target of 500.			x	
Worked closely with other stakeholders including the Environment and Planning Department and Greater London Authority to develop and published White City OAPF for first round of consultation, creating a policy framework for the development of up to 10,00 new jobs and up to 4,500 new homes in the east of Wood Lane.	X			
Developed and published Earls Court SPD for first round of consultation, providing a policy framework for the development of up to 7,500 new homes and creation of up to 10,000 new jobs.	X			

<u>Key achievements of the past year</u>	<u>SS</u>	<u>GF</u>	<u>SC</u>	<u>VFM</u>
Undertaken initial viability study and scoping for potential development sites to increase supply of future affordable housing and maximise value of future council assets.		X		
Secured Cabinet approval to set up a Housing Development Company.		X		
180 jobs created including good opportunities for residents who were previously Not in Education, Employment or Training.		X		
200 residents assisted with employability support and secured employment (Jan – June 2011)		X		
Three apprentice programmes delivered (35 posts created)		X		
Supported Hammersmith Business improvement district to secure funding worth £5m.	X			

APPENDIX 3: Resources







Appendix 4
2011-12 Budget analysed by service area

		£000s	£000s
Income			
Rent - Housing		-59,530	
Rent - Garages		-768	
Rent - Commercial		-1,677	
Leaseholders service charges - Maintenance		-458	
Leaseholders service charges - Other		-3,078	
Housing Subsidy		-10,375	
Other Income		-2,348	
Total Income			-78,232
Operational Costs			
Housing Services	Staff	4,577	
	Non-staff	1,763	
Estate services	Staff	4,004	
	Non-staff	336	
Property Services	Staff	2,428	
	Non-staff	-778	
Leaseholder Services	Staff	594	
	Non-staff ⁶	1,093	
Finance and Resources (Ex ALMO, includes rent accounting (£194k, payables £226k and performance / projects / I world £297k)	Staff	1,011	
	Non-staff	3,235	
Commissioning and Quality Assurance Staff	Staff	821	
	Non-staff	836	
Capitalisation - net		-424	
Ex H&F Homes potentially recoverable via tenant service charges		2,639	
Housing Options	Staff	799	
	Non-staff	-67	
Housing Strategy	Staff	264	
	Non-staff	160	
Safer Neighbourhoods	Staff	1,047	
	Non-staff	-198	
Strategic Regeneration	Staff	578	
	Non-staff	0	
Support Services (SLA's with the Council)	Staff	0	
	Non-staff	3,329	
Finance and Resources (HRA team)	Staff	189	
	Non-staff	1	
Other staff		73	
Total operational costs			28,308
Maintenance – Commissioned repairs			14,053
Capital Charges			
Interest costs		22,733	
Capital premiums		458	
Capital Discounts		-177	
Depreciation / MRA		12,649	
NHHG		0	
Interest Receivable		-26	
Debt Management Expenses		125	
Other		18	
			35,779
Surplus / deficit			-92

⁶ Mostly insurance recharged to Leaseholders – recently retendered.

Appendix 5 HRA Out turn for 2010-11

Details of Variance	Revised Budget	Variance at Quarter Four	Variance at Quarter Three
	£000s	£000s	£000s
ALMO Management Fee	23,008	67	69
<p>Managed Repairs – this variance comprises an over-accrual of (£1,839k) from 2009/10 offset by overspends of £883k.</p> <p>(£1,581k) of the over-accrual relates to reactive repairs which was caused by an over-estimation of work principally by Willmott Dixon which was retained due to the volatile nature of reactive repairs, the remainder relating to (£132k) to fire safety works, (£70k) to health and safety works and (£56k) asbestos works.</p> <p>The main in-year overspends are: £542k reactive repairs arising from greater demand;</p> <p>£229k repairs to Ashcroft Square podium deck which was budgeted within support service at Q3;</p> <p>£424k BPM mainly relating to expenditure on legionella previously capitalised but now revenue in nature;</p> <p>£56k Voids due to increased demand;</p> <p>£157k provision for outstanding disrepair costs;</p> <p>These are offset by under-spends of:</p> <p>(£117k) on Asbestos resulting from a review of capitalisable spend;</p> <p>(£155k) on discretionary decorations after contractors reduced the programme;</p> <p>(£270k) insurance income anticipated for expenditure incurred within reactive repairs</p> <p>The remaining £17k overspend is spread across a number of smaller budgets.</p>	14,453	(956)	0
<p>Managed Income – this variance relates to a variance on:</p> <p>Housing rents of £67k arising from higher voids than anticipated;</p> <p>Sheltered Transitional Relief payments declining as the client base reduces (£74k);</p>	(64,730)	512	251

<p>Housing Rent write-offs are £151k over-budget, offset by a reduction in the Housing Rent bad debt provision of (£105k);</p> <p>A high void rate of 12% on Garage Rents has prompted an extensive review of the Council's garage portfolio to reduce the variance of £151k;</p> <p>Commercial Property Rents received are higher than budgeted (£126k);</p> <p>There is a shortfall in Sheltered Charge Income of £117k which relates to the decision to create an Enhanced Housing Management service charge which is lower than the sheltered charge previously applied;</p> <p>Service Charges show a variance of £160k which relates to adjustments to water and insurance charges;</p> <p>An overspend of £118k arose from the writing-off of long term mortgage arrears.</p> <p>The remaining £53k relates to a number of small under-receipts.</p>			
<p>Housing Options – this mainly arises from (£96k) of additional rents due to the delay in the disposal of Stewart's Lodge Hostel.</p>	605	(106)	(50)
<p>Housing Strategy</p>	347	(6)	(9)
<p>Safer Communities</p>	849	(4)	(29)
<p>Support Services – this relates mainly to an under spend on insurance charges.</p>	3,766	(46)	135
<p>Holding Codes – this is due to the Council expecting to recover an excess of income over expenditure on water rates.</p>	153	(287)	(210)
<p>Housing Subsidy – following a reassessment of lease terms, additional subsidy is due on a 20 year lease arrangement with Notting Hill Housing Trust (£657k).</p> <p>Additionally, following the audit of the 09/10 subsidy claim, the level of premiums and discounts eligible for subsidy has increased (£317k). A further (£28k) relates to subsidy receivable on interest payable following a revision to the capital financing requirement.</p>	(13,250)	(1,002)	(575)
<p>Housing Capital – a reassessment of the terms of the Notting Hill Housing Trust 20 year lease has resulted in payments for 09/10 and</p>	36,015	760	438

<p>10/11 of £562k and £533k respectively. Additionally, provision has been made to pay the costs payable under a Surpluses & Deficit agreement held with Notting Hill of £761k. These costs have been offset by a contribution from H&F Homes of (£1,337k).</p> <p>During the year, the level of premiums and discounts payable increased by £317k. The amount of interest receivable on HRA balances has increased by (£105k) following an increase in the interest rate earned on investments from 0.95% to 1.055%. A number of other variances have increased the overspend by £29k.</p>			
Total	0	(1,068)	20

Appendix 6 General Fund Out turn 2010-11

Details of Variance	Revised Budget	Variance at Quarter Four	Variance at Quarter Three
	£000s	£000s	£000s
Regeneration: the variance relates to running costs at the Business Incubator units of £66k offset by improved income performance on the workshops (£22k), delays to planned recruitment (£42k), and the review of non-critical spending plans (£62k).	1,851	(60)	15
Housing Options: the variance relates to the cost of the Locata rehousing database of £75k, offset by a reduction in legal and storage costs (£60k) and contributions toward staffing costs (£39k).	3,894	(24)	425
New Deal for Communities	32	0	0
Finance: the variance relates to the allocation of support costs to externally funded grant schemes (£57k), and to an underspend on the departmental redundancy budget (£28k).	460	(85)	(57)
Total	6,237	(169)	383