

Selby District Council
Housing Revenue
Account Business Plan
2012 to 2017

Foreword

Welcome to Selby District Council's draft HRA Business Plan for 2012 onwards.

I would like to thank everyone for their comments which have helped finalise the Business Plan for 2012-17.

There has probably never been a more challenging time to make plans. The economy, the housing landscape and significant political reform present opportunities and challenges for us to grasp.

As major landlord in Selby District, this offer describes the part we play in and describes what we will do for tenants to help you live healthy lives. Our plans include investing £15m million in your homes over the next 5 years.

Councillor C. Lunn
Executive Member

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1. Introduction

- 1.1 The Housing Revenue Account (HRA) Business Plan is our plan for managing our housing landlord service over the next 5 years. The Business Plan is a key element in ensuring the effective management and maintenance of our housing stock.
- 1.2 In developing this Business Plan we intend to take into account the views of our tenants and have already taken account of our Housing Strategy, the condition of our stock, the demand for social housing and the likely availability of resources.
- 1.3 This Business Plan is set in the context of major change – financial reform with the abolition of the old Housing Subsidy System in favour of self-financing, alongside the increased risk from the Government’s enhanced ‘Right to Buy’ scheme and with it the opportunity for ‘one-for-one’ replacement.
- 1.4 Self-financing has seen local housing authorities take on central Government housing debt in return for keeping all of the rents their tenants pay. Putting control of housing services in the hands of local councils and strengthening the link between the rent we collect and the services we provide.
- 1.5 The Council, through its operational arm ‘Access Selby’, manages 3,150 homes across Selby District. We will work together with consultative tenant groups to develop our housing service to meet the challenges that lie ahead. We believe that only by listening to and understanding our customers can we improve services and ensure they meet their needs.

2. Our Vision

2.1 Following the district council elections in 2011 the Council developed a new 'Corporate Plan' which set out its aspirations for the district to 2015 and beyond, in the form of '5 Big Things':

1. *Tough times call for a **stronger council** fighting your corner and getting everyone working together...*
2. *...it's all about **changing places** and helping others to see our district through new eyes...*
3. *...we want to work with others to make this a great place with people **living well** and leading happy and healthy lives...*
4. *...and we won't be afraid of **tackling the tough stuff** - that might otherwise knock us off course...*
5. *...which means being **switched on** to what's happening around us, knowing what's important and being fit for the job.*

2.2 These 'Big Things' provide the framework for everything that we do and set the tone for **our vision for our housing service**.....

“People getting involved and taking a pride in where they live, in homes that enhance their quality of life”

Our key aims are to:

- Increase tenant and leaseholder participation through the work of tenant groups and the Community Engagement Forums;
- Shape our housing stock so that it better meets the needs of our changing communities through more effective asset management;
- Improve the quality of life of our tenants and leaseholders through targeted investment in their homes;
- Help meet the affordable housing needs across the district through making best use of the resources we have available;
- Deliver value for money to our tenants and stakeholders through efficient and responsive services ensuring a viable housing service.

2.3 We will work with Access Selby to develop these aims into real improvement on the ground and have set out the key deliverables our tenants can expect from this Business Plan, in Section 5 and at **Appendix A**.

3. The context for our housing service

The national policy environment

- 3.1 In broad terms, the primary emphasis of national housing policy over the past 30 years has been on extending owner occupation. In social housing the Government is proposing a range of reforms to the way social housing is delivered.
- 3.2 These include giving greater flexibility to social landlords to determine the types of tenancies they grant to new tenants. The Council will be consulting on a Tenancy Policy in 2012, which will set out our strategic aims for the management of our stock, including consideration of whether to introduce flexible, fixed term tenancies. The rights of existing secure and assured tenants will be protected.
- 3.3 Councils have become the housing provider for those who are most vulnerable and judged to be in greatest need. The impact of the recession continues to produce great demand for council housing and as a result of this changing profile of council tenants, landlords have to recognise and react to the implications this has on service provision.

Housing in the district

- 3.4 Most homes in the district (78%) are lived in by the owner, higher than the national average of 68%. Approximately 10% of all households in the district live in Council owned properties and approximately 3% live in properties managed by Registered Providers.
- 3.5 House prices in Selby have increased substantially since 2002, rising by 97.2% from £92,248 to £181,880, however average house prices remain lower in Selby than in any other North Yorkshire district. The most expensive houses are in the Appleton Roebuck ward with an average house price of £469,917 in September 2010.
- 3.6 Despite the reduction in house prices during the recession, housing affordability still remains an issue. In September 2010 house prices in Selby were approximately 6.5 times higher than resident's earnings. The ratio that is generally used to define 'affordable' is 3.5. Selby District's affordability ratio is considerably higher than this¹.

Supply and demand for affordable housing

- 3.7 The Council currently retains and manages 3,150 properties and has some 1,788 people on the Housing Register (including transfers).

¹ Source: Land Registry/Hometrack September 2010 # Data unavailable for North Yorkshire

- 3.8 The profile of our applicants² is:
- 25% of applicants on the Housing Register last year were under 18;
 - 22% applicants were over 60;
 - Nearly 60% of applicants are female;
 - 1.6% of applicants were Black and Minority Ethnic Groups;
 - 21% of applicants had a disability.
- 3.9 In November 2008 the Council commissioned a Strategic Housing Market Assessment (SHMA) to look at current housing provision and future requirements.
- 3.10 The SHMA forms a fundamental part of the evidence base for the progression and implementation of the Council's Local Development Framework and the North Yorkshire sub-regional Housing Strategy and Local Action Plans. The report provides a detailed analysis of the current and future housing market and the types of housing requirements specific to the district and can be accessed via the Council's website. The study concludes that there is an annual requirement for 409 affordable dwellings within the District and suggests a variety of affordable housing should be provided with particular emphasis on affordable housing for general needs (2 and 3 bed properties).
- 3.11 There is a requirement for both affordable homes for rent and intermediate housing options; analysis suggests a split in the range 30-50% intermediate and 50-70% social rent across the District is appropriate.
- 3.12 There were 72 new build affordable housing completions between 1st April 2011 and 31st March 2012.

Housing strategy and policy changes

- 3.13 The Localism Act places a new duty on councils to develop a Tenancy Strategy which registered providers of social housing will be expected to have regard to. The Strategy will provide an overview of what the authority expects of partners in their own individual Tenancy Policies. Selby District Council is working in partnership with local authorities across North Yorkshire and a combined strategy will be consulted on during May/June and agreed by October 2012.
- 3.14 As a stock holding council, Selby District Council must also produce a Tenancy Policy relating to the management of its own housing stock, which will need to address specific questions in relation to management and allocations. The Council is due to consult on the draft policy during summer 2012 with adoption planned by February 2013.

² Choice based letting – updates will be posted on Council website on an annual basis.

- 3.15 Revised equality and diversity objectives are currently out for consultation and these will be applied to all new and reviewed policies to ensure they are non-discriminative. These issues are particularly important as the district experiences some changing demographics due to changing numbers of migrant workers.
- 3.16 In addition the Council is reviewing the implications of the Universal Credit and proposals within the Local Government Finance Bill, where required the Council will review policies and procedures to ensure they meet the requirement in new legislation.
- 3.17 Further details about Selby District, which have a bearing on our approach to our housing service, are set out at **Appendix B**.

4. Our housing service today

- 4.1 Since our last Business Plan was developed we have made significant changes to our housing service. We identified a number of improvement priorities that we have been working on over the last 5 years:

Profiling the district housing stock and monitoring current and future housing need

- We have worked with partners across North Yorkshire to develop a county wide Housing Strategy which has enabled us to take a co-ordinated approach to housing.
- We have introduced 'choice based lettings' with partners across North Yorkshire making it easier for applicants to find a home that suits their needs.

Ensuring that decent and affordable housing is available to everyone

- We had a target to achieve the government's 'Decency' standard by December 2010 – we exceeded this target by delivering our 'Decency Plus' standard (which included new kitchens) to those properties in need.
- Councillors also approved improvement to our Airey properties and work is due to start on this project during 2012/13.
- We have improved our performance on dealing with responsive repairs.
- We have worked with Registered Social Landlords and developers to secure 367 additional affordable homes in the district over the last 5 years.

Promoting social inclusion, respect and sustainable communities

- We have an established Tenant Participation Strategy and Community Engagement framework to get more people involved in making a difference to where they live.
- We have helped more older people to live at home through our Lifeline service and our Community Support Team.

Tackling and preventing homelessness

- Additional resources have been targeted at homeless prevention and as a result, working with key partners, in the last year we have seen a reduction in statutory homeless in the District, despite the difficult economic climate.

Providing a customer focussed service

- We have improved our responsive repair service.
- We have delivered a customer contact centre to deal with service issues at first point of contact and have achieved high satisfaction levels with the service we provide.

Providing value for money

- We have achieved significant cash savings and efficiencies within the HRA service over the last 5 years, improving value for money for our tenants, ensuring the on-going viability of the HRA and allowing us to re-invest in our homes.
- We have eliminated the need for depot accommodation overheads and streamlined our operations through our new service delivery model.
- We have invested in modern working practices to achieve cost efficiencies in both our management and repairs service.
- We have used collaborative procurement to achieve more for tenants' money for example allowing us to achieve our 'Decent Plus' standard.

4.3 Much has been achieved over the last 5 years, not least of which has been the continued viability of the HRA, which had been forecasted to be in deficit by 2012/13. Tenants gave the Council a mandate to continue to provide the housing service against becoming a Registered Social Landlord and we have used this 'vote of confidence' to build a stronger business model. However the changes in Government policy and the on-going economic uncertainty mean that further challenges lie ahead.

5. Our housing service looking forward

5.1 As part of the Business Plan for the next five years we will continue to consider the aspirations of the Council and our tenants and how these can be achieved within the financial resources available.

5.2 Section 2 set out our key aims for our housing service, however, the changing policy environment makes predicting the future particular difficult and our responses to some emerging issues are in the early stages of development. This Business Plan is the start of a dialogue with our tenants and other stakeholders to help inform our future planning. **Our aims over the next 5 years are to:**

Increase tenant and leaseholder participation through the work of tenant groups and the Community Engagement Forums

5.3 We aim to build tenants' pride in their homes and where they live through actively engaging them in community activities and our Tenant Participation Strategy identifies a number of actions we will work together with tenants on over the coming years.

Shape our housing stock so that it better meets the needs of our changing communities through more effective asset management

5.4 We will look for opportunities to utilise the HRA asset base in a more innovative way to achieve a reshaping of the housing stock to help meet the needs of current and future tenants, taking into account for example, our aging population. Subject to available resources we will consider new build, buy-backs or buying up poor condition private property, refurbishing and letting.

5.5 The Government's enhanced Right to Buy scheme, which has increased the maximum discount for tenants wishing to buy their council owned home (from £24,000 in Selby district to the new national discount of £75,000), means that we can help more tenants to buy their homes in future.

5.6 As part of our response to this change we will be preparing a local funding plan to help us demonstrate how we will achieve the Government's objectives for 'one-for-one' replacement of homes sold, along with a continuing viable Housing Revenue Account.

Improve the quality of life of our tenants and leaseholders through targeted investment in their homes

- 5.7 Our capital investment programme is estimated to average £3m p.a. over the next 5 years, allowing us to maintain our 'Decent Plus' standard.
- 5.8 Improving the lives of our tenants is key driver in targeting spend. Our approved capital programme for the next 3 years focuses on energy efficiency measures which aim to improve living conditions and reduce energy consumption. Examples include new roofs, windows and heating systems and thermal efficiency improvements to our Airey properties.
- 5.9 Capital investment in years 4 and 5 is subject to review and prioritisation alongside the range of issues identified in this Business Plan. However we aim to continue to improve our stock and subject to funding being available would like to begin a programme of bathroom replacements once all kitchens have been upgraded.

Help meet the affordable housing needs across the district through making best use of the resources we have available

- 5.10 Through self-financing we have much greater flexibility to plan for the long term than has been possible under the old subsidy system. Whilst there will be an on-going need to balance the repayment of debt and additional investment in stock, there is now the potential for us to consider a new build programme, to buy back former council houses or other initiatives to increase the housing stock.
- 5.11 Part of our response to the growing housing need will be to sensitively tackle under occupation of our homes and those property types which are generally hard to let.
- 5.12 And most importantly we will target our resources to help meet the needs of vulnerable people within our communities.

Deliver value for money to our tenants and stakeholders through efficient and responsive services ensuring a viable housing service

- 5.13 The HRA is a self contained business which relies on the rental income from homes to provide the on-going maintenance and management resources needed to sustain the housing stock. In order to maximise investment in our homes and sustain the service to our tenants it is vital that our operations are as efficient and effective as possible.

- 5.14 We aim to reduce demand for responsive repairs by having a clear 3 year investment plan in place and provide a responsive service by improving time taken to respond to emergency repairs through ensuring lean, customer focussed processes that make best use of modern technology.
- 5.15 Generally speaking when properties become vacant we use the opportunity to bring forward major improvement works thereby benefiting future tenants. As a consequence and as there are only 18 months from the target year for rent convergence, it is proposed that new tenants are brought in on the convergence rates from the approval of this HRA Business Plan.
- 5.16 We will also consider whether or not it is beneficial for tenants, for us to become a registered provider.

6. Our Finances

- 6.1 The financial strategy for the Housing Revenue Account (HRA) aims to provide the financial environment to support our landlord responsibilities over the medium to longer term, as well as our strategic objectives for the housing service.
- 6.2 As a local authority landlord we are required by Government to maintain a 30 year financial forecast of income and expenditure on our housing service. This Business Plan focuses on the next 5 years but also takes a long term view to ensure on-going sustainability of the service. A summary of income and costs for the HRA (including the key assumptions used) is shown at **Appendix C**.

Self-financing

- 6.3 The financial framework for the HRA has undergone major reform with the introduction of 'self-financing' from April 2012. The aims of 'self-financing' are to:
- give local authorities the resources, incentives and flexibility they need to manage their own housing stock for the long-term and to drive up quality and efficiency; and
 - give tenants the information they need to hold their landlord to account, by replacing the previous opaque system with one which has clear relationship between the rent a landlord collects and the services they provide.
- 6.4 These reforms replace the former redistributive housing system which set a level of cost allowances (including the capital programme) for running the HRA, on an annual basis. From April 2012 the Council has had to take on £57.733m of Central Government housing debt but is no longer required to make an annual payment into the national housing subsidy pool. The amount of debt we had to take on was calculated using a methodology that values the stock over 30 years, and aims to leave the Council with a long term sustainable business plan with full responsibility for the expenditure on the management and maintenance of our homes.

HRA income

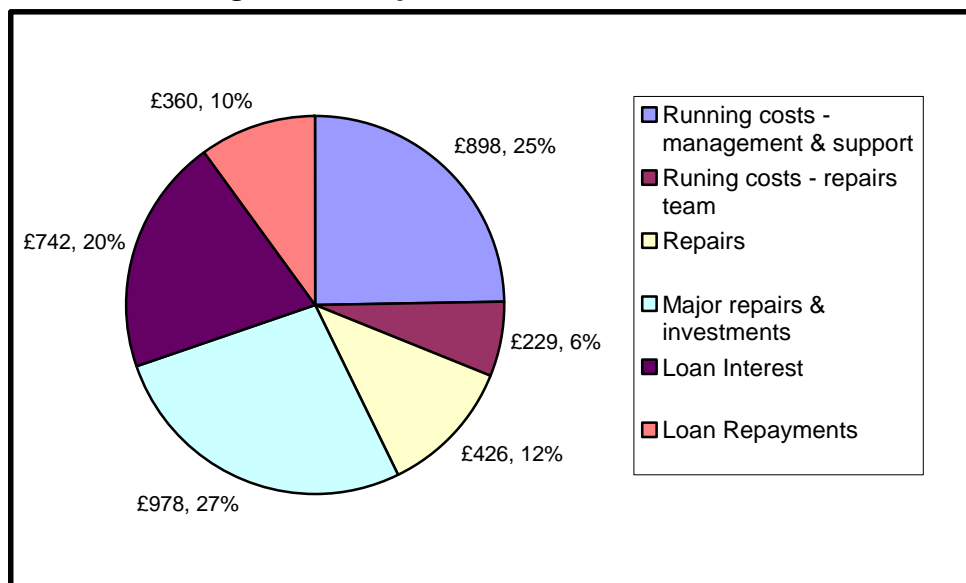
- 6.5 The HRA is a 'ring-fenced' account which means that all of the costs associated with maintaining our homes, financing improvement works and running the service, are met from the rental and other associated income generated from the houses and garages we let to tenants. We can not use this income for any other Council services.

- 6.6 The amount we charge in rents is linked to a formula determined by the Government, which is designed to increase local authority rents up to 'formula rent' (the equivalent of social landlord rents) over a period of time (known as rent convergence). Latest Government projections show that actual rents should converge with formula rents by 2015/16, although for Selby we expect a number of properties still to be below formula rent by this date, due to their historic low rent levels.
- 6.7 For 2012/13 Selby's average rent is £69.86 per week on a 52 week basis (£75.69 per week on a 48 weeks collectable basis) or £3,633 per year. For the purposes of this Business Plan we assume that the Government's convergence formula will be used to determine rent increases up to 2015/16, after which RPI +0.5% will be used.
- 6.8 Garage rents are increased by RPI each year, in line with the Council's policy for fees and charges – we generate around £125k a year from garage rents.
- 6.9 After allowing for void (vacant) properties and an element of bad debt, we estimate HRA rental income for 2012/13 to be £11.2m (94% of the total income to the HRA). Overall income to the HRA is £11.9m with supporting people income, hostel and garage rent rents and interest etc making up the remaining £659k

Running Costs

- 6.10 Based on 2012/13 estimates, the average rent of £3,633 per year is spent on the following:

What the average rent is spent on:



- 6.11 Nearly half of HRA costs (45%) are on repairs and investment in our housing stock, with 30% of costs associated with principal and interest on borrowing. Management and support costs account for around 25% of HRA costs.

Borrowing

- 6.12 The Council's borrowing position following self-financing is summarised as follows:

Summary borrowing position for self-financing

	£000's
Opening Debt Allocation (Debt Cap)	63,068
Actual debt	57,733
Borrowing Headroom	5,335

- 6.13 Actual HRA borrowing is made up of £7.5m historic debt and £50.2m new borrowing – all through fixed rate 'interest only' loans and in accordance with the Council's Treasury Management Strategy.

Loan analysis

Loan Value	Loan Rate	Loan Term	Maturity Date
£	%	Years	
6,500,000	8.785	8.16	22.05.2020
1,000,000	8.375	44.0	31.03.2056
16,793,000	3.50	30.0	28.03.2042
16,720,000	3.52	40.0	28.03.2052
16,720,000	3.48	50.0	28.03.2062

- 6.14 The business plan model assumes that borrowing is repaid at the earliest opportunity, in order to demonstrate viability. In reality the Council will be able to review the plan regularly and make decisions about the use of surpluses, balancing the repayment of borrowing and additional investment in the stock. This will give the Council greater flexibility in its long term planning than has been possible under the previous subsidy system. In 2012/13 interest charges are £2.4m and principal repayments are £1.2m.

Stock investment needs

- 6.15 The table below summarises the capital investment estimates for the next five years. Resources for investment in our stock come from the depreciation charges set aside in our Major Repairs Reserve along with any in-year surpluses generated.
- 6.16 The programme of works for 2012/13 – 2014/15 has been approved as part of the 2012/13 budget process. Capital investment in years 4 and 5 of the plan is subject to review and prioritisation alongside the range of strategic issues identified in this Business Plan.

Capital investment forecasts

	2012/13 £000's	2013/14 £000's	2014/15 £000's	2015/16 £000's	2016/17 £000's
Estimated Value of Works	2,976	3,396	3,817	2,573	2,367

- 6.17 Over the next 3 years our planned replacement programme will see tenants benefit from measures that will improve the energy efficiency of their homes – ensuring we fulfil our landlord responsibilities whilst cutting energy bills for our tenants.
- 6.18 The cost of improving the stock beyond this level will need to be the subject of further review and consultation taking into account the resources available and the Council's Asset management Strategy, although we aim to begin a programme to replace bathrooms once all kitchens have been upgraded.
- 6.19 The total expenditure to improve and maintain the stock and related assets is currently forecast at £161.846m over the next 30 years. This equates to approximately £51.4k per dwelling based on 3,150 properties. Information on the estimated investment needs and resources available over 30 years is shown at **Appendix C(ii)**.

Right to Buy

- 6.20 Within the plan we have assumed right to buy sales at 2 per annum for 2012/13 and 2013/14, 5 per annum for 2014/15 to 2019/20 and 10 per annum there after.
- 6.21 From April 2012 the Government's enhanced 'Right to Buy' scheme brings a new maximum discount of £75,000 for eligible tenants (against the previous maximum of £24k for Selby). The Government's proposal indicates that net receipts from these sales should be used to replace the additional homes sold due to the increase in discount.
- 6.22 The net receipt can be adjusted for allowable costs, and repayment of debt, although debt repayment is not mandatory. The 'one-for-one' replacement rules state that no more than 30% of the cost of replacement homes can be funded from RTB receipts, with the rest coming from other funding opportunities, such as borrowing against future rental income of the dwelling, or working in partnership with other social landlords.
- 6.23 There is recognition that this may have a detrimental impact on the self-financing business plans of local authorities and as part of our response to this change we will be preparing a local funding plan to help us demonstrate how will achieve the Government's objectives for replacement of homes sold, along with a continuing viable Housing Revenue Account.

Risks

6.24 The financial elements of the business plan carry a number of risks:

Interest Rates

- The council decided to take fixed rate borrowing for the new £50.233m loans from PWLB which have been used to pay CLG which has mitigated the risk of exposure to increasing interest rates as the economy starts to recover. Should further borrowing be taken in future then the risk of higher rates for new borrowing remains.

Inflation – Economic Uncertainty

- Inflation is a key issue for the Council especially when rates are high relative to income growth.
- High inflation impacts on the rent modelling which is currently at RPI plus 0.5%.
- The self financing business plan financial model has been modelled using a prudent inflation rate consistent with the rates used by the Council for the General Fund of 3.5% 2012/13, reducing to 3% from 2012/14 and then 2.5% from 2021/22.

Assets – Council Houses

- The viability and affordability of the HRA business plan is based on the stock numbers reducing with the current forecasts of Right to Buys (RTB). The impact of the Government's proposals for increased discounts on the number of RTB has not currently been factored into the model.
- Increased asset disposals would result in reduced rental income but also reduced maintenance liabilities and affect the repayment of associated debt. The Council has taken a range of loans over a mix of maturity dates to allow flexibility for repayment and will prepare a local funding plan to forecast the impact of this change and to help mitigate the associated financial risks.

Rents (Income)

- Rent increases could result in a lower collection rate. Unemployment, inflation and other economical factors could affect tenants' ability to afford higher rent increases. Rents have been modelled using social rent policy and to keep within guideline rent.

Reserves

6.25 As part of the budget setting process the Council is required to review the adequacy of its reserves and this includes the HRA reserve. The Council confirmed in February 2012 that the HRA reserve should be £1.5m. This level is deemed adequate to provide financial resource for any unforeseen circumstances within the HRA that may require additional funds. This equates to approximately £475 per dwelling.

Financial Outlook to 2016/17 and beyond

- 6.26 Following the move to self-financing the financial forecasts show that, based on current assumptions on 'Right to Buy' sales, there are sufficient resources over the next 5 years to maintain a viable Housing Service, maintain the Decent Homes plus standard, and do the necessary planned repairs to our housing stock, although this does put pressure on the ability to repay debt over 30 years. The current financial model shows the need to increase principal set-aside from year 11 onwards to maintain a 30 year payback.
- 6.27 The financial forecast at **Appendix C** suggests that, subject to the assumptions within the model, there is some modest headroom in years 1 to 5 although the impact of increased 'Right to Buys' has not yet been factored into financial plan. This provides some level of contingency as the impacts of this change become clearer.
- 6.28 There also remains the potential to increase borrowing up to our 'debt cap' which would cost in the region of £240k per year in interest charges plus principal repayments of around £178k per year based on a 30 year term – to put this into context this would purchase 35 properties at a cost of £150k each.
- 6.29 The balance of using resources to repay debt and maintain and/or extend the housing stock will be an on-going feature of the Business Plan and will require careful consideration as the impacts of the changes to 'Right to Buy' emerge. That said, the ability to invest in our housing stock over the life of the plan will continue to improve the quality of the homes we provide. Within the available resources there will be the ability to focus spending on those things which will have greatest impact on achieving the Council's objectives whilst improving the quality of life for our tenants.

7. Delivery

Operations

- 7.1 The Council has commissioned 'Access Selby' to deliver the Housing Service, and the Delivery Plan which flows from this Business Plan forms part of the Access Selby Service Level Agreement.
- 7.2 In general the clerical, administrative services are provided through the Access Selby Business Support Team and front line services are provided by the Contact Centre and Community Officers Team. Responsive repairs and works to 'void' properties are co-ordinated and delivered through the Assets team based in Selby.

Housing Strategy and Policy Changes

- 7.3 Access Selby Policy Team is responsible for reviewing existing housing policies and responding to new and developing national policies and legislation including housing and homeless strategy, allocations, tenancy and tenant participation. The team works closely with the Community Officers on delivery of policies and are working in partnership with North Yorkshire local authorities on sub regional policies.

Service performance

- 7.4 Although the past few years have brought many challenges, we have strived to deliver excellent services to our customers and we have provided:
- quick and easy access to services by phone, in person and on line with customer satisfaction at 95% and 92% of enquiries dealt with at the first contact last year;
 - community officers to provide better coordinated services affecting tenants and the communities in which they live;
 - extended opportunities for community engagement through tenant and resident association (TARA) network;
 - choice-based lettings (CBL), to support easier access to housing information, and to improve choice and mobility;
 - quick repairs, mostly by appointment at a time that suits the customer;
 - support to vulnerable people, with aids and adaptations provided quickly;
 - a high level of rent collection from current tenants with 98.48% of rent due collected in 2011/12;
 - generally low cost and high quality services; and
 - significant improvements made during the last year to the turnaround of re-lets to maximise availability of accommodation.

- 7.5 There is still room for improvement though, so we will be:
- encouraging young people and people from minority communities to have their say as these people are under-represented in customer engagement groups;
 - targeting urgent repairs to increase the number that are carried out within agreed timescales;
 - continuing our work on homeless prevention & housing options; and
 - tackling rent arrears owed by current and former tenants.

7.6 The Council is also committed to delivery of national standards:

Standard	Covers
Tenant Involvement and Empowerment standard	Customer service and choice; Involvement and Empowerment; Equality and Diversity; Tenants with additional support needs; Complaints.
Home standard	Repairs and maintenance; Quality of accommodation.
Tenancy standard	Allocations; Rents and tenure.
Neighbourhood and Community standard	Neighbourhood Management; Local area Co-operation; Anti-social behaviour.
Value for money standard	Value for money services.
Governance	Decision Making & governance.

These are clear outcome-based standards with statutory requirements that all social landlords must meet and a focus on tailoring services to meet local needs and priorities.

- 7.7 These, and the issues outlined in Section 5, will be taken forward through the Service Level Agreement we have with Access Selby and we will monitor progress in these key areas.
- 7.8 The headline risks associated with this Business Plan are set out in **Appendix D**.

8. Consultation

- 8.1 Tenants have been consulted on the draft Business Plan through the Tenants and Leaseholder Scrutiny Panel and associated tenant groups. The Panel will continue to have an important role in making sure that tenants have all the information they need.

HRA Business Plan 2012-17 Key Deliverables

Outcomes to be achieved	What success will look like	How success will be achieved	What Access Selby will do	By when
Stronger Council				
Increased tenant and leaseholder participation	More tenants and leaseholders getting actively involved in issues raised through the CEFs	Through the work of tenant groups and the Community Engagement Forums	Implementation of the Tenant Participation Strategy in consultation with Tenants' & Leaseholders Scrutiny Panel	April 2013
	Improved appearance of 'estates'	Through achievement of the 'Tenant Involvement and Empowerment standard'	Implementation & roll out of the customer pledge	April 2013
	Reduced incidence of anti-social Behaviour	Through achievement of 'Tenancy Standard'	Review and implementation of Anti-Social Behaviour Policy	April 2013
		Through achievement of 'Neighbourhood and Community Standard'		

Outcomes to be achieved	What success will look like	How success will be achieved	What Access Selby will do	By when
Changing places				
Housing stock that better meets the needs of our changing communities	<p>'New' properties that match our assessed need</p> <p>More tenants buying their homes</p> <p>Local funding plan in place that demonstrates viability of RTB and 'one-for-one' replacement</p>	<p>Through more effective asset management</p>	<p>Implement effective Asset Management Strategy for Council owned homes</p>	Annually by 31 March
Living well				
Improved quality of life of our tenants and leaseholders	<p>'Decent Plus' standard maintained</p> <p>Energy efficiency of our properties improved</p> <p>Increased satisfaction in the service</p>	<p>Through targeted investment in their homes</p> <p>Through achievement of 'Home Standard'</p>	<p>Maintain stock intelligence</p> <p>Deliver Council's approved capital programme</p> <p>Deliver a customer focussed responsive repairs service</p>	Annually by 31 March

Outcomes to be achieved	What success will look like	How success will be achieved	What Access Selby will do	By when
Tackling the tough stuff				
Help meet the affordable housing needs across the district	<p>Net increase in housing stock</p> <p>Ratio of occupancy:bedrooms improved in fixed term tenancies</p> <p>Reduction in number of 'hard to let' properties</p>	<p>Through making best use of the resources we have available</p>	<p>Maintain stock and housing needs intelligence</p> <p>Implement effective Asset Management Strategy for Council owned homes</p> <p>Effective tenancy allocations</p>	Annually by 31 March
Switched on				
<p>Value for money delivered to our tenants and stakeholders</p> <p>Effective and transparent decision making demonstrated</p>	<p>Improved performance across key performance measures (including responsive repairs)</p> <p>Reduced management costs</p>	<p>Through efficient and responsive services ensuring a viable housing service</p> <p>Through achievement of the 'Value for money Standard'</p> <p>Through achievement of the 'Governance Standard'</p>	Annual review of Business Plan	September each year

Selby District Profile

Population

- 1 Selby District is a relatively small rural district in North Yorkshire, with an estimated population of 82,900 (mid 2010). It covers an area of approximately 6,190 sq kilometres to the south of York and is broadly contained by the A1 to the west and the River Derwent to the east. Neighbouring local authorities are York, Leeds, Doncaster, Harrogate, Wakefield and the East Riding of Yorkshire.
- 2 Approximately one third of the population live in the three market towns of Selby, Tadcaster and Sherburn in Elmet. The remaining two thirds live in the 60 or more villages and scattered hamlets across the District. Life in the District is strongly influenced by the adjacent larger urban areas, particularly Leeds and York. The 2001 census reveals that approximately half of the working population commute outside the District, and the latest evidence from the Council's 2009 Strategic Housing Market Assessment¹ suggests that this proportion has increased further to around 59%.
- 3 The Office of National Statistics project that the district's population will increase by 27% to 103,700 by 2033. Currently over 50% of the population is aged between 30 and 64, with only 16% over 65, and only 16% of the population in the 15-29 age group. Over the next few decades, there will be a 'demographic shift' with the number (and proportion) of older people increasing – for example the number of 75+ residents is expected to more than double (from 5,900 in 2008 to 12,600 by 2031).
- 4 The 2001 Census also recorded that the District population perceived themselves mainly to be in the white ethnic group, with Chinese, Asian/British Asian and Black/British Black accounting for approximately 0.1% each, and Mixed Ethnic group accounting for 0.3%.

Economy

- 5 The District's economy is varied although is dominated by agriculture, and the energy industries. With two major coal-fired power stations at Drax and Eggborough, the energy sector is especially prominent and this is expected to continue in the light of national policy statements. Agriculture remains important in spatial terms, although employment in agriculture continues to decline. Selby is the main employment centre but there is also significant employment at Sherburn in Elmet and, to a lesser degree, Tadcaster. Unemployment is generally lower than regional and national averages. 77% of the Selby Population classes themselves as economically active, which is below the Yorkshire and Humber average of 78.9%.
- 6 Earnings in Selby compare favourably to North Yorkshire. Resident population analysis shows that Selby residents earn a gross weekly pay of £539.00 compared to £480.30 for North Yorkshire, equating to £12.02 an hour and £12.11 respectively. This is likely to be due to the good location of Selby and the nature of Selby being a commuter base for surrounding cities such as Leeds, Wakefield and York, where there may be more highly paid jobs³.
- 7 Selby is the largest town with a population of approximately 13,000 and is a major district centre within the region. Aside from being the main shopping centre in the District, it is the prime focus for housing, employment, leisure, education, health, local government and cultural activities and facilities. It benefits from a town bypass constructed in 2004. Selby town supports around 6000 jobs.
- 8 The ancient market town of Tadcaster (with just over 6000 population) is situated on the River Wharfe between Leeds (15 miles to the west) and York (10 miles to the east), on the A659 and bypassed by the A64. The town is well connected to both York and Leeds city regions and employs a high proportion of people in the finance, business and insurance sector. Overall Tadcaster supports nearly 1700 jobs.
- 9 Sherburn in Elmet is often referred to as a village, reflecting its historic roots, although it has the characteristics of a small town and is one of the three market towns in the District. It has a population of about 6600 providing essential convenience retail, and other services and facilities for the immediate needs of the local community, South Milford and surrounding rural areas.

³ ONS Annual Population Survey April 2010 –March 2011

- 10 The town has good communications with easy access to rail and the A1(M), providing links to the motorway network beyond and its traditional close associations with Leeds and West Yorkshire. In the light of these strengths the town is home to a major industrial site attracting large logistics businesses and distribution centres making it one of the key employment areas for Selby District of regional and national importance. Sherburn supports more than 3000 jobs.
- 11 There has been a relatively high level of housing development in Sherburn in Elmet (some 291 new dwellings between 2000 and 2010) and employment development (more than 80,000 m² of new floorspace built since 2004) over recent years which have contributed to the vitality of the town as a whole.
- 12 There are more than 60 villages and hamlets scattered throughout the District ranging from larger service villages with a range of facilities to many small, remote villages. Some of these have limited services and facilities but which only meet the immediate day-to-day needs of the local communities; although others have none. There is a huge variety of character and functions.
- 13 A recent study on the Leeds City Region economy has suggested that growth rates in the Selby district will rise only 1.7% between the period 2004 – 2016. This is significantly less than other areas in North Yorkshire e.g. 8.7% in Harrogate and 4.7% in York. The study goes on to suggest that, during this time scale, the Selby district will decline in relative terms as sites of employment. The study does suggest, however, that, because of its location next to the rapidly expanding areas of Leeds, Wakefield and York, the Selby district will attract a large number of commuters. As part of the Local Development Framework, the Council is working with neighbouring authorities to minimize this trend.

Transport and geographical access

- 14 The district is well served by major roads. There is a direct train service to London as well as access to the East Coast main line at York, Leeds and Doncaster. However, the remoteness of some areas and variable bus services has led to more people depending on cars. As a result, Selby district has the highest percentage of people who travel to work by car or van (63% - nearly 5% higher than other districts in North Yorkshire), and there is also a high percentage of households with two cars (31%). Again, for comparison, the Housing Needs Survey noted Council tenants have fewer cars than owner occupiers. People without cars may have difficulty getting to facilities in the area, and further a field.

Indices of Deprivation 2004

- 15 These show how varied the Selby district is in terms of its wealth and deprivation. It has some of the most prosperous areas in the country in the wards of Brayton, Riccall with Escrick, Tadcaster East, Monk Fryston and South Milford, yet has some deprived areas such as Selby town. Although there are some very prosperous areas of the district, a large majority of the Council's stock is located in areas with a relatively high level of deprivation, in particular the North and South wards of Selby and areas of Byram. Some 59% of tenants receive housing benefits.

Selby DC - HRA Business Plan Operating Account

APPENDIX C(i)

Year	Income				Expenditure						Surplus Transferred to MRR	
	Net rent Income	Other income	Investment Interest	Total Income	Running Costs	Repairs & Maintenance	Depreciation Costs	Loan Interest Charges	Loan Repayment Contribution	Total Expenses		
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000		
1	2012/13	11,214	639	20	11,873	-3,685	-1,393	-2,970	-2,424	-1,175	-11,647	226
2	2013/14	11,822	655	36	12,513	-3,781	-1,426	-3,042	-2,424	-1,175	-11,848	665
3	2014/15	12,441	672	72	13,185	-3,884	-1,459	-3,113	-2,424	-1,175	-12,055	1,130
4	2015/16	13,078	689	125	13,892	-3,980	-1,494	-3,186	-2,424	-1,175	-12,259	1,633
5	2016/17	13,405	706	230	14,341	-4,079	-1,528	-3,261	-2,424	-1,175	-12,467	1,874
6	2017/18	14,036	724	309	15,069	-4,181	-1,564	-3,337	-2,424	-1,175	-12,681	2,388
7	2018/19	14,434	742	402	15,578	-4,285	-1,601	-3,415	-2,424	-1,175	-12,900	2,678
8	2019/20	14,831	760	488	16,079	-4,391	-1,637	-3,495	-2,424	-1,175	-13,122	2,957
9	2020/21	15,227	779	576	16,582	-4,502	-1,672	-3,570	-1,934	-1,175	-12,853	3,729
10	2021/22	15,634	799	681	17,114	-4,615	-1,709	-3,648	-1,852	-1,175	-12,999	4,115
11	2022/23	16,051	819	823	17,693	-4,730	-1,746	-3,727	-1,852	-2,299	-14,354	3,339
12	2023/24	16,479	839	1,002	18,320	-4,849	-1,784	-3,807	-1,852	-2,299	-14,591	3,729
13	2024/25	16,918	860	1,195	18,973	-4,970	-1,822	-3,890	-1,852	-2,299	-14,833	4,140
14	2025/26	17,368	882	1,404	19,654	-5,094	-1,862	-3,974	-1,852	-2,299	-15,081	4,573
15	2026/27	17,831	904	1,628	20,363	-5,221	-1,902	-4,061	-1,852	-2,299	-15,335	5,028
16	2027/28	18,305	927	1,870	21,102	-5,351	-1,943	-4,149	-1,852	-2,299	-15,594	5,508
17	2028/29	18,792	950	2,131	21,873	-5,486	-1,985	-4,238	-1,852	-2,299	-15,860	6,013
18	2029/30	19,292	973	2,410	22,675	-5,622	-2,028	-4,330	-1,852	-2,299	-16,131	6,544
19	2030/31	19,805	998	2,709	23,512	-5,763	-2,072	-4,424	-1,852	-2,299	-16,410	7,102
20	2031/32	20,331	1,023	3,030	24,384	-5,908	-2,116	-4,519	-1,852	-2,299	-16,694	7,690
21	2032/33	20,871	1,048	3,373	25,292	-6,055	-2,162	-4,616	-1,852	-2,299	-16,984	8,308
22	2033/34	21,425	1,075	3,739	26,239	-6,206	-2,209	-4,716	-1,852	-2,299	-17,282	8,957
23	2034/35	21,994	1,101	4,130	27,225	-6,361	-2,256	-4,818	-1,852	-2,299	-17,586	9,639
24	2035/36	22,577	1,129	4,548	28,254	-6,520	-2,305	-4,922	-1,852	-2,299	-17,898	10,356
25	2036/37	23,176	1,157	4,992	29,325	-6,683	-2,355	-5,028	-1,852	-2,299	-18,217	11,108

26	2037/38	23,790	1,186	5,466	30,442	-6,851	-2,405	-5,136	-1,852	-2,299	-18,543	11,899
27	2038/39	24,420	1,216	5,970	31,606	-7,022	-2,457	-5,246	-1,852	-2,299	-18,876	12,730
28	2039/40	25,067	1,246	6,506	32,819	-7,197	-2,510	-5,359	-1,852	-2,300	-19,218	13,601
29	2040/41	25,730	1,277	7,075	34,082	-7,377	-2,564	-5,474	-1,852	-2,300	-19,567	14,515
30	2041/42	26,413	1,311	7,650	35,374	-7,568	-2,619	-5,592	-1,846	-2,300	-19,925	15,449
Total		552,757	28,086	74,590	655,433	-162,217	-58,585	-125,063	-60,212	-57,733	-463,810	191,623

APPENDIX C(ii)

Selby DC - HRA Business Plan - Capital Programme & Major Repairs Reserve

Year	Contributions & Expenditure - Capital Programme					Loan Repayments		
	Depreciation Transferred to MRR	Additional Contributions To MRR	Total Contributions to MARR	Estimated Capital Programme	Additional MRR Funds Available for Investment	Debt Repayment Contributions	Debt Repayment Schedule	MRR Debt Repayments Balance
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
1 2012/13	-2,970	-226	-3,196	2,967	-229	-1,175		-1,175
2 2013/14	-3,042	-665	-3,707	3,396	-540	-1,175		-2,350
3 2014/15	-3,113	-1,130	-4,243	3,817	-966	-1,175		-3,525
4 2015/16	-3,186	-1,633	-4,819	2,573	-3,212	-1,175		-4,700
5 2016/17	-3,261	-1,874	-5,135	2,367	-5,980	-1,175		-5,875
6 2017/18	-3,337	-2,388	-5,725	4,475	-7,230	-1,175		-7,050
7 2018/19	-3,415	-2,678	-6,093	4,580	-8,743	-1,175		-8,225
8 2019/20	-3,495	-2,957	-6,452	4,683	-10,512	-1,175		-9,400
9 2020/21	-3,570	-3,729	-7,299	4,785	-13,026	-1,175	6,500	-4,075
10 2021/22	-3,648	-4,115	-7,763	4,888	-15,901	-1,175		-5,250
11 2022/23	-3,727	-3,339	-7,066	4,995	-17,972	-2,299		-7,549
12 2023/24	-3,807	-3,729	-7,536	5,103	-20,405	-2,299		-9,848
13 2024/25	-3,890	-4,140	-8,030	5,213	-23,222	-2,299		-12,147
14 2025/26	-3,974	-4,573	-8,547	5,326	-26,443	-2,299		-14,446
15 2026/27	-4,061	-5,028	-9,089	5,441	-30,091	-2,299		-16,745
16 2027/28	-4,149	-5,508	-9,657	5,559	-34,189	-2,299		-19,044
17 2028/29	-4,238	-6,013	-10,251	5,679	-38,761	-2,299		-21,343
18 2029/30	-4,330	-6,544	-10,874	5,802	-43,833	-2,299		-23,642
19 2030/31	-4,424	-7,102	-11,526	5,927	-49,432	-2,299		-25,941
20 2031/32	-4,519	-7,690	-12,209	6,055	-55,586	-2,299		-28,240
21 2032/33	-4,616	-8,308	-12,924	6,186	-62,324	-2,299		-30,539

22	2033/34	-4,716	-8,957	-13,673	6,319	-69,678	-2,299	-32,838
23	2034/35	-4,818	-9,639	-14,457	6,456	-77,679	-2,299	-35,137
24	2035/36	-4,922	-10,356	-15,278	6,595	-86,362	-2,299	-37,436
25	2036/37	-5,028	-11,108	-16,136	6,737	-95,761	-2,299	-39,735
26	2037/38	-5,136	-11,899	-17,035	6,882	-105,914	-2,299	-42,034
27	2038/39	-5,246	-12,730	-17,976	7,030	-116,860	-2,299	-44,333
28	2039/40	-5,359	-13,601	-18,960	7,181	-128,639	-2,300	-46,633
29	2040/41	-5,474	-14,515	-19,989	7,335	-141,293	-2,300	-48,933
30	2041/42	-5,592	-15,449	-21,041	7,494	-154,840	-2,300	16,833
Total		-125,063	-191,623	-316,686	161,846		-57,733	23,333

Financial assumptions

Forecasted costs and income are based on the Council's 2012/13 budgets and the following assumptions:

1. Rents increase in line with government policy, to converge with target rents by 2015/16 and increasing at inflation +0.5% thereafter.
2. Non-dwelling income increases in line with the Council's policy for fees and charges of inflation as at September each year.
3. The void rate is set at 1% and the bad debt provision at 1%.
4. Day to day maintenance costs increase in line with inflation and do not vary with small stock losses from right to buy.
5. General inflation based on RPI reducing from 3.5% in 2012/13 to 3% and then down to 2.5% in later years.
6. Cost of borrowing 4.18%.
7. Any surplus funds generated through efficiencies or additional income is allocated to the major repairs reserve to be available for use either to repay borrowing or additional investment in the stock.
8. Right to buy sales remain at their existing levels in the short term and rise to 5-10 a year in the medium term ensuring that the HRA remains viable in the medium term.
9. Capital programme is based on stock survey data held and includes inflation.
10. HRA unallocated reserve remains at £1.5m.

Risks

The key risks associated with this Business Plan are:

Political – whether the existing programme and new initiatives would deliver the Council’s vision and aspirations;

Economic – due to increasing construction costs, insufficient finances are available;

Social – due to the changing demographics and expectations whether the Council’s existing programme and any new initiatives meet our customer needs;

Technological – ensuring our provider has the skills to deliver the Business Plan;

Legal - that the Council considers all the legal aspects of any new initiative to ensure compliance with legislation and health and safety law.